

<b>Housing Select Committee</b>			
<b>Report Title</b>	New Homes Programme Update (For information only)	<b>Item No</b>	7
<b>Contributors</b>	Director Regeneration & Place		
<b>Class</b>	Part 1	<b>Date</b>	30 January 2020

## **1. Purpose of paper**

- 1.1. This report provides an update on progress of the delivery of the new social homes in the Borough.

## **2. Recommendations**

- 2.1. It is recommended that Housing Select Committee review and note the report.

## **3. Background**

- 3.1. The Lewisham Housing Strategy 2015-2020 contains four priorities:
- Helping residents at times of severe and urgent housing need
  - Building the homes our residents need
  - Greater security and quality for private renters
  - Supporting our residents to be safe, healthy and independent in their home
- 3.2. London faces one of the most significant housing shortages since the end of the Second World War. In line with our strategy priorities, Lewisham Council acknowledges the challenges faced by our residents and is committed to tackling those with the greatest housing need.
- 3.3. In July 2012 the Council embarked on a programme to build 500 new social homes in response to a series of on-going housing policy and delivery challenges, most notably an enduring under-supply of new affordable homes available to the Council to meet housing demand.
- 3.4. This Programme now forms part of the Council's wider Building for Lewisham Programme which seeks to deliver a wider programme of residential sites to ensure that the Council continues to deliver the homes our residents need.

## **4. New Homes update**

### *Building for Lewisham Programme – new sites*

- 4.1 On 15<sup>th</sup> January, a paper was agreed by Mayor and Cabinet to secure funding required to progress the Building for Lewisham Programme.

- 4.2 This agreed a budget to procure design teams to progress sites through planning and technical design, including a budget for feasibility, as well as providing funding for the previous package of sites which is now considered within the Building for Lewisham Programme.
- 4.3 This crucial report enabled the Council - in most cases via Lewisham Homes, the Council's development agent - to appoint consultant teams to carry out detailed design work, submit planning application (subject to s105 consultation), and seek specialist technical expertise.
- 4.4 The report also set out the approach of our development agent, Lewisham Homes, in terms of acquiring land and packages of homes from the market in order to ensure a diverse and expedient delivery of homes.
- 4.5 The initial tranche of sites will see 5 new sites worked up for planning, with an additional tranche of sites undergoing further feasibility. In total, this will add between 200 and 300 new council homes to the Building for Lewisham Programme.
- 4.6 This programme will be monitored by Mayor and Cabinet on a quarterly basis and via bi-monthly update reports to Housing Select Committee.

*Building for Lewisham Programme - Completed units*

- 4.7 5 units at Dacre Park have been completed. These will all be made available for social rent

*Achilles Street engagement and estate regeneration ballot*

- 4.8 On 18 September, Mayor and Cabinet approved the proposed Landlord Offer to residents of the Achilles Estate in New Cross in advance of a vote by eligible residents on the develop plans for the area.
- 4.9 The ballot ran from 18<sup>th</sup> October and closes on 11 November 2019. The ballot was managed by the independent Electoral Reform Services (now known as Civica).
- 4.10 92% of eligible residents voted in the Achilles Street Estate resident ballot for estate regeneration. This represents 81 of 88 eligible voters on the estate. This is the highest turnout of any resident ballot for estate regeneration held to date, and is a fantastic reflection of how engaged residents on the estate are with deciding the future of their community.
- 4.11 Of the 81 residents who voted, 72.8% voted "Yes" in favour of regenerating the Achilles Street Estate. This means that 59 eligible residents support the redevelopment proposals.
- 4.12 27.2% of residents voted "No" against regenerating the Achilles Street Estate. This means that 22 eligible residents voted against the redevelopment

proposals.

- 4.13 The Council's development agent, Lewisham Homes, will now take forward the project and continue to build upon the positive relationships that officers have formed with many in the community.
- 4.13 Plans for the area will now be worked up in collaboration with residents. It is anticipated that between 100 and 150 new Council homes will be proposed for Lewisham families in housing need.

#### *118 Canonbie Road*

- 4.14 Planning permission has been granted for 118 Canonbie Road. This scheme will deliver 6 new homes as temporary accommodation. The mix of 2 and 3 bed self-contained homes will provide homeless families with safe a secure local accommodation.
- 4.15 The development will increase the supply of genuinely affordable homes, replacing a disused structure with a new and modern building.
- 4.16 A start on site is forecast for March 2020 and completion in Summer 2021.

#### *Mayow Road Warehouse*

- 4.17 Planning permission has been granted for the former Mayow Road Warehouse site. This will provide 32 new council homes. The proposal will deliver 26 2 and 3 bed homes for homeless families.
- 4.18 The development will also deliver six supported living homes for residents with learning disabilities and/or autism, helping them to remain in borough and live more independent lives. This will be supported by 24-hour on-site care and support staff.
- 4.19 Start on site is forecast for March 2020 and completion in Summer 2021.

## **5. Financial implications**

- 5.1. This report recommends that the Housing select committee notes the update on the new homes programme and the progress of specific schemes within the programme. These are a mixture of General Fund and Housing Revenue Account funded schemes.
- 5.2. The Council's current 30 year financial model for the Housing Revenue Account (HRA) includes provision for the HRA contribution to the delivery of the HRA Social Units from the New Homes Better Places programme, which has now been superseded and amalgamated into the Building for Lewisham programme. It has also set-aside resources to fund the current feasibility work being undertaken on the package A sites. As part of the 15<sup>th</sup> January 2020 Mayor & Cabinet report, further

funding was approved to be allocated to the programme to bring sites forward for construction and to undertake additional feasibility works

- 5.3. The HRA financial model is being regularly updated to assess the financial viability of the overall programme to ensure resources are available to complete the proposed developments. This would include the need to update cash-flow forecasts and assess the availability of resources to deliver the developments as currently planned.
- 5.4. Both HRA and General fund schemes will be delivered through the combined use of available balances, grants, capital receipts, s106 funding and prudential borrowing.
- 5.5. The financial implications of the schemes associated with the 1,000 homes programme will be reported on individually as and when they are sufficiently developed and brought forward for approval by Mayor and Cabinet. This will include an analysis of the optimal funding method for delivery.
- 5.6. As noted above, work continues on refining all of the modelling assumptions that have been used to date, including financial viability for all schemes. Mitigation actions against unviable projects could include developing cross-subsidy into the schemes by using a mixed approach to delivery such as reducing the overall social element, introducing shared ownership and/or private sales or securing additional sources of funding.
- 5.7. It should also be noted that if any of the proposed schemes in the programme become financially unviable and are not progressed, costs incurred up to that point will need to be written-back to GF and/or HRA revenue as abortive costs.
- 5.8. This will be reported on as and when proposals are sufficiently developed and the final scheme outlines brought forward for approval by Mayor and Cabinet.

## **6. Legal implications**

- 6.1 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power to carry out housing development, to act in an “enabling” manner with other housing partners and to provide financial assistance to housing partners for the provision of new affordable housing.
- 6.2 Most of the proposals referred to in this report are at a very early stage of development. Detailed specific legal implications will be set out in subsequent reports to Mayor and Cabinet. Section 105 of the Housing Act 1985 provides

that the Council must consult with all secure tenants who are likely to be substantially affected by a matter of Housing Management. Section 105 specifies that a matter of Housing Management would include a new programme of maintenance, improvement or demolition or a matter which affects services or amenities provided to secure tenants and that such consultation must inform secure tenants of the proposals and provide them with an opportunity to make their views known to the Council within a specified period. Section 105 further specifies that before making any decisions on the matter the Council must consider any representations from secure tenants arising from the consultation. Such consultation must therefore be up to date and relate to the development proposals in question.

- 6.3 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.4 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 6.5 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed at 9.3 above.
- 6.6 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 6.7 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public

authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

## **7. Equalities implications**

- 7.1. The provision of new social housing in the borough has a positive equalities impact. Households on the Council's Housing Register are more likely to have a protected characteristic than the wider population as access to the register is limited to those most in housing need.

## **8. Crime and Disorder implications**

- 8.1. There are no crime and disorder implications arising directly from this report.

## **9. Environmental implications**

- 9.1. Any environmental implications from the delivery of new homes are considered and addressed on a scheme by scheme basis through the design and planning process. There are therefore no additional environmental implications arising directly from this report.

For further information please contact Paul Moore, Director of Regeneration & Place