



Mayor and Cabinet

Building for Lewisham Budget Update

Date: 9 March 2022

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Executive Director for Housing, Regeneration and Public Realm, Executive Director of Corporate Resources and Director of Law, Corporate Governance and Elections.

Outline and recommendations

It is recommended that Mayor and Cabinet:

Notes the updates on the schemes at Home Park, Edward Street, Knapdale Close, Hawke Tower and Rawlinson House; and

Approve the associated budgets as set out in the accompanying Part 2 report.

Timeline of engagement and decision-making

Mayor and Cabinet, 11 July 2018 - New Homes Programme

Mayor and Cabinet, 10 October 2018 - PMH Programme Update & Procurement Strategy

Mayor and Cabinet, 15 January 2020 - Building for Lewisham Programme

Mayor and Cabinet, 11 March 2020 – Precision Manufactured Homes Programme
Procurement Part 2

Mayor and Cabinet, 8 July 2020 - Building for Lewisham Update

This report is a Key Decision, therefore any decision will be subject to scrutiny

1. Summary

- 1.1. Following the launch of the Building for Lewisham housebuilding programme in January 2020, and building on the previous New Homes Programme, Lewisham Homes have been the Council's direct delivery partner building new Council homes.
- 1.2. The programmes are now coming to fruition with genuinely affordable new homes being made available to residents. The eight schemes referred to in this report are providing a combined 121 new social rented and temporary accommodation homes which are either in the defects period or in construction.
- 1.3. This Part 1 paper provides an update on the schemes at Home Park, Edward Street, Knapdale Close, Hawke Tower and Rawlinson House.
- 1.4. The accompanying Part 2 paper sets out the budget requirements for each of these schemes as well as forecast underspend on other schemes. This information is considered commercially sensitive.

2. Recommendations

- 2.1. Notes the updates on the schemes at Home Park, Edward Street, Knapdale Close, Hawke Tower and Rawlinson House; and
- 2.2. Approve the associated budgets as set out in the accompanying Part 2 report.

3. Policy Context

- 3.1. The Council's Corporate Strategy (2018-2022) outlines the Council's vision to deliver for residents over the next

four years. Building on Lewisham's historic values of fairness, equality and putting our community at the heart of everything we do, the Council will create deliverable policies underpinned by a desire to promote vibrant communities, champion local diversity and promote social, economic and environmental sustainability. Delivering this strategy includes the following priority outcomes that relate to the provision of new affordable homes:

- Tackling the Housing Crisis – providing a decent and secure home for everyone
- Building and Inclusive Economy – ensuring every resident can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- Building Safer Communities – ensuring every resident feels safe and secure living here as we work together towards a borough free from the fear of crime

3.2. Lewisham's Housing Strategy (2020-2026), includes the following themes that relate to the provision of new affordable homes:

1. delivering the homes that Lewisham needs.
2. preventing homelessness and meeting housing need.
3. improving the quality, standard and safety of housing.
4. supporting our residents to live safe, independent and active lives.
5. strengthening communities and embracing diversity.

4. Background and Scheme Updates

Home Park and Edward Street Precision Manufactured Homes (PMH)

- 4.1. The schemes at Home Park and Edward Street are Precision Manufactured Homes (PMH). These are homes that are built offsite in a factory and then delivered to the site for assembling and final fix of services.
- 4.2. The Council has been at the forefront of PMH homes in the sector having delivered the award winning PLACE Ladywell building in 2016. The building provides 24 x two bedroom temporary homes and commercial space.
- 4.3. The schemes at Home Park and Edward Street build on the Council's legacy of providing good quality PMH homes. Whilst the Council has experience in providing PMH homes, the use of PMH to deliver affordable housing is still relatively new within the sector and the market for providing PMH has evolved since the PLACE Ladywell project was delivered. In recognition of the extra risks that providing PMH homes presents, the GLA have provided the Council with grant funding under their Accelerated Construction Fund for the Home Park scheme. As part of the grant agreement with the GLA, the Council, Lewisham Homes, Caledonian Modular, Arcadis and Metropolitan Workshop will shortly be hosting a 'Lessons learnt' session with the GLA and boroughs across London to present the benefits and

issues of using PMH to deliver housing.

- 4.4. There have been some unexpected delays and costs to both schemes which has unfortunately resulted in delays to the programmes. The Home Park scheme is currently forecast to be completed in August 2022 and the Edward Street scheme in February 2023.
 - 4.5. Work is continuing on both the Home Park and Edward Street sites to install foundations and ground floor podiums in readiness for the modules that are being manufactured off site.
 - 4.6. When completed, the scheme at Home Park will deliver 31 new high quality, genuinely affordable homes for rent made available to residents on the Council's Housing Register. There are going to be 8 one bed homes, 16 two bed homes and 7 three bed homes. The scheme will also be providing commercial space let.
 - 4.7. When completed, the scheme at Edward Street will deliver 34 high quality homes for temporary accommodation let to households who would otherwise be homeless. There are going to be 14 two bed homes and 20 three bed homes. The scheme will also be providing commercial space to let.
- 4.8. The unexpected costs and delays have led to an increase in the Total Scheme Costs. As a result there is a need to increase the budgets to complete the schemes. The details are considered commercially sensitive and are therefore contained within the accompanying Part 2 report.

Knapdale Close

- 4.9. The scheme at Knapdale Close is delivering 17 new genuinely affordable rent units. There are going to be 10 two bed homes and 7 three bed homes. The scheme is a traditional build. The new homes will be made available to residents on the Council's Housing Register.
- 4.10. Work on the new homes commenced in January 2020 and is progressing well. The properties are currently due for completion in April 2022.
- 4.11. The Total Scheme Costs are expected to be higher than the available budget. The increase is modest, the details of which are contained within the accompanying Part 2 report.

Hawke Tower and Rawlinson House

- 4.12. The schemes at Hawke Tower and Rawlinson House are small conversion schemes which have been combined together into a single contract. They have provided two new 1 bed genuinely affordable rent homes.
- 4.13. The work was completed in December 2020 at Hawke Tower and January 2021 at Rawlinson House and both properties have now been let and occupied by households who were on the Council's Housing Register. The defects period has now ended and the final account received.

- 4.14. The final account is higher than the available budget. The increase is modest, the details of which are contained within the accompanying Part 2 report.

Forecast underspend

- 4.15. There are a number of schemes within the Building for Lewisham programme which are currently forecasting an underspend against their approved budgets. Combined, these are delivering 31 new genuinely affordable homes for rent to households on the Council's Housing Register and 6 new temporary homes for households that would otherwise be homeless.
- 4.16. These schemes are still in development and are due to be completed shortly.
- 4.17. Details of the schemes and the forecast underspend are contained within the accompanying Part 2 report.
- 4.18. The forecast financial performance of these schemes demonstrate the approach taken to contract management and the desire to deliver good quality new housing whilst also delivering value for money.

5. Financial implications

- 5.1. The financial implications are contained within the accompanying Part 2 report.

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. 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.
- 6.3. 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.
- 6.4. 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 10.3 above.
- 6.5. 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.

6.6. 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:

6.7. <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. These Lewisham Homes on the Council’s behalf consider any impact and implications in relation to protected characteristics as the schemes progresses through design, planning and construction stages. It should be noted that the Council is committed to ensuring our developments will be inclusive and feature accessible and adaptable homes that will meet the needs of our residents throughout their life.

7.2. Equalities implications will continue to be assessed as the schemes progress through the design, planning and construction process.

8. Climate change and environmental implications

8.1. Existing planning consents are in line with the high standards expected by Lewisham Council and the GLA. Developments consider the guidance including seeking to reduce energy consumption, emissions, and climate change.

8.2. Every effort is made to enhance the natural environment, enhance landscape and amenity space.

9. Crime and disorder implications

9.1. There are no direct crime and disorder implications arising from this report.

10. Health and wellbeing implications

10.1. There are no direct health and wellbeing implications arising from this report although the provision of new social homes will have a positive impact on health and wellbeing of people on the housing register waiting for permanent accommodation.

11. Report author and contact

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