

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 29 August 2023	<b>Decision maker:</b> Cabinet Member for New Homes and Sustainable Development
<b>Report title:</b>		<b>Commercial Way – Local lettings</b>	
<b>Ward(s) or groups affected:</b>		Peckham	
<b>From:</b>		Karen Shaw - Head of Housing Solutions	

## RECOMMENDATIONS

1. That the cabinet member for New Homes and Sustainable Development approve the the local lettings scheme for the new homes at Commercial Way, London SE15, where 50% of the properties will be allocated to existing tenants within the local area.
2. That the cabinet member note the further criteria that will be applied to residents of the local lettings scheme:
  - i. The local area is defined as tenants living on the estates in the immediate vicinity of the development namely the North Peckham Estate, Bells Gardens Estate, Gloucester Grove Estate, Willowbrook Estate and Pennack Estate. The size of the area that forms part of the local lettings scheme takes account of the level of housing need in the locality.
  - ii. Prospective tenants will be required to have less than four weeks' worth of rent arrears or £50 if claiming housing benefit at point of application and point of offer.
  - iii. Households can only move upon successful completion of pre-tenancy inspection and interview as per section 5.26 of the councils published allocation scheme.
  - iv. Only households assessed in a housing need (bands 1-3) will be allocated a property through the local lettings scheme. Households will be prioritised in existing priority bands and priority stars in accordance with our published allocations scheme.
  - v. Requests for additional bedrooms above the assessed need will not be considered unless on medical grounds confirmed by a Housing Solutions medical assessment

- vi. Households within the defined local lettings area will be permitted to move into new homes which are one room less than their assessed bed need for three or more bedroomed properties.
- vii. Households within the defined local lettings area will not be permitted to move into new one or two bedroomed homes if the property is below their assessed bed need.
- viii. Households on the general register not in the defined local lettings area will not be permitted to move into any of the new homes if the property is below their assessed bed need.

## **BACKGROUND INFORMATION**

- 3. In line with the council's target to produce 11,000 new homes by 2043, planning permission was granted to proceed with the development of new council homes located at Commercial Way.
- 4. The development at Commercial Way includes 109 new homes scheduled for completion in September 2023.
- 5. The 109 homes have different sizes and have been made in consultation with local residents within the Estate.
- 6. Seventy four properties will be listed as social housing tenancies and 35 are to be sold as Shared Ownership homes.
- 7. Southwark's Housing Allocations Scheme sets out the criteria according to which properties will be allocated. The allocation scheme permits the use of local lettings schemes in order to meet the housing needs of tenants within the area.
- 8. Demand for social housing within the borough continues to outstrip supply. There are over 17,500 households on the housing register. Recent figures for the period from 1 April 2022 – 31 March 2023 show that the council received and processed over 6,000 applications but was only able to allocate 1,259 homes through either nominations to housing associations, or the allocation of Southwark council properties.
- 9. One of the aims of the housing allocations scheme is to enable local tenants in housing need to remain within their communities and not have to re-locate outside of the area to find suitable accommodation.

## KEY ISSUES FOR CONSIDERATION

10. All lettings for the new build schemes located at Commercial Way will comply fully with Southwark Council's Housing Allocations scheme.
11. It is proposed that up to 50% of the initial lettings of the new homes will be allocated to Southwark Council tenants currently living in the local area defined in paragraph 33.
12. These lettings will be delivered to maximise the housing solutions for the local community and to deliver the Fairer Future promise, homes for all.
13. We have considered the impact that allocating 50% of new homes to tenants in the locality of the defined area has on the cost of temporary accommodation. A proportion of Homeless households on the register who cannot bid for these properties will stay in temporary accommodation for a longer period. This represents a continuing cost for the authority and has an impact on families living in temporary accommodation. Some households will move into properties vacated by participants in the scheme. The homes freed up by social tenant transfers are generally of smaller bed sizes and this means that larger households, generally in the most expensive temporary accommodation, are most likely to remain in situ. This scheme and schemes overall are kept under review to ensure local lettings policies do not dominate the allocations scheme as a whole.
14. We have considered the wider impact of completing 'Local Lettings' as part of the effort to rehouse residents within Southwark, together with our aim to produce 11,000 new homes by 2043 and the terms of our Allocations Scheme. The Allocations Scheme ensures that the assessment and allocation of housing is carried out in a fair and transparent way and that available properties are allocated to those with the highest level of need. Local Lettings plans are a tool which can be used to stabilise an area that has specific and particular issues.
15. Local lettings target tenants who have experienced the negative impacts of development on their doorstep and prioritises them accordingly. Dealing with them outside of the usual approach in the scheme however, has the potential for some of the homes to be allocated to those in lower bands with lower levels of housing need. There will be others in higher bands on the general register who are either not council tenants (registered provider tenants, homeless households, private tenants in housing need etc.) or not in the development area, who will not be able to access the portion of lettings made available through local lettings schemes. Many of these residents will be in the reasonable preference categories.
16. The authority has regard to whether the level of housing need locally merits widening the area that constitutes the local lettings area.

17. The local lettings plan for Commercial Way will provide a larger local defined area which will be consulted on with the local ward councillors.

### **Neighbourhoods**

18. The local lettings approach contributes to the council's key priorities of creating and supporting neighbourhoods. It enables those already living and contributing within local communities to benefit from the development of homes in their area.

### **Narrowing the gap**

19. The letting of new social homes, at affordable rent levels, supports residents on lower incomes by giving access to genuinely affordable housing, improving their housing conditions and supporting them in narrowing the gap in life chances for themselves and their families.

### **People powered**

20. In the longer term, it supports residents' efforts to settle and contribute to local, community-powered decision making in their area. Choice Based Lettings and the local lettings process enables residents to make choices about where they want to live, enabling them to select homes in the local community.

### **Policy implications**

21. There are no key policy implications or amendments required.

### **Community, equalities (including socio-economic) and health impacts**

#### **Community impact statement**

22. Awarding priority to existing tenants within the estate recognises the fact that the development of new homes may cause disruption and on some occasions a lack or loss of amenities.
23. The groups that are affected, and deemed able to apply for the homes as "local" tenants, are the tenants within the immediate estate where the property has been developed.
24. The allocation of these homes will be conducted in accordance with the councils published allocation scheme, which is already subject to its own community impact assessment.

### **Equalities (including socio-economic) impact statement**

25. An equalities Impact assessment was carried out on 10<sup>th</sup> March 2023. No adverse findings was found as part of the findings from the assessment.
26. This scheme follows the successful local lettings of new developments such as Pelier Street, East Dulwich Estate, Nunhead, Clifton estate, Masterman and Willow Walk.

### **Health impact statement**

27. There are no health impact implications as a result of this policy.

### **Climate change implications**

28. The scheme is required to achieve a 35% reduction in Carbon Emissions below the Part L1A 2013 target as a Planning Requirement – this requirement has also been imposed by the GLA on major developments from the 1st October 2016.

### **Resource Implications**

29. Not applicable.

### **Legal Implications**

30. See paragraphs 46 to 52 below.

### **Financial implications**

31. Not applicable.

### **Consultation**

32. The Communities service team, Residential Services team, New Homes Delivery team and the Housing Solutions service have been working in partnership with the local tenants, to design a Local Lettings scheme for the initial allocation of the new build schemes located on Commercial Way.
33. These meetings have been conducted over a number of months and an agreement has been reached with the residents, tenants, and local elected members of the council for the geographical area for the Local Lettings area. The local lettings area covers Commercial Way including the following properties/buildings:

#### **North Peckham Estate:**

- Alder House
- Amstel Court
- Blackthorne Court

- Blossom Court
- Cronin Street
- Danube Court
- East Surrey Grove
- Garnies Close
- Indus Court
- Oak Court
- Palm Court
- Pear Court
- Pentridge Street
- Rowan Court
- Samuel Street
- Shannon Court
- Thames Court
- Bells Gardens Estate
- Gloucester Grove Estate
- Willowbrook Estate
- Pennack Estate
- Cator Street
- Gattonby Street
- Haslam Street
- Kelly Avenue
- Lisford Street
- Moody Road
- Peckham Hill Street
- 87 Peckham Road
- Southampton Way
- Stropes Street
- Sumner Road
- Watts Street

34. During the individual consultation events held for Commercial Way prior to the submission of planning, residents were advised of a local letting policy devised to meet the local demand.
35. The contents of this report have been shared with the TRA and Ward Councillors who have confirmed that they are in support of the defined local lettings area.
36. The new homes sit on the North Peckham Estate and will consist of the following social rented properties and shared ownership properties:

<b>Property size</b>	<b>Number of units – Rent</b>
1 bed flat	27
2 bed flat	21 (6 wheelchair access)
3 bed flat	24
4 bed flat	2 (2 wheelchair access)
<b>Total</b>	<b>74</b>

<b>Property size</b>	<b>Number of units – Shared Ownership</b>
1 bed flat	13
2 bed flat	22
<b>Total</b>	<b>35</b>

37. Therefore, it is anticipated 37 properties will be allocated to existing tenants of Southwark Council living within the area identified within section 33 of this report.
38. As at the 15<sup>th</sup> August 2023, 194 households located within the local lettings area were registered on our Homeseach Bidding Scheme. Eighty seven of those households have been assessed as having a housing need and are listed in a priority band. The priority listed households are broken up below:

<b>Priority category</b>	<b>1 bed need</b>	<b>2 bed need</b>	<b>3 bed need</b>	<b>4+ bed need</b>	<b>Total count</b>
Under occupiers	6	8	2	0	16
Management transfers	1	1	0	0	2
Overcrowded households	0	5	13	16	34
Statutory overcrowded households	0	0	1	2	3
Medical needs	5	3	7	4	19
Accessible housing requirement	4	1	1	3	9
Sheltered housing	4	0	0	0	4
<b>Total</b>	<b>20</b>	<b>18</b>	<b>24</b>	<b>25</b>	<b>87</b>

39. The above table shows a mixture of household compositions including 1, 2, and 3 bedroom households. Therefore, it is anticipated that these households will benefit from the new development within the local area. This includes the provision of sufficient accessible properties for the local residents in housing need.
40. There are no sub households listed on the housing register within the identified eighty seven households. Therefore, it is expected that they will free up properties that will be available to other residents on the housing list.

41. It is envisaged that there is sufficient demand to warrant priority being given to tenants within the defined local area.
42. Letters will also be sent to qualifying tenants on the register in advance to inform them of the upcoming development. This will include details of the available homes, qualification criteria listed under section 4 above and dates the properties will be available on the Homesearch bidding website.
43. The local Resident Services Officer will work with the Housing Solutions service to help identify additional households within the local lettings estate that are in housing need but not registered on the Homesearch bidding scheme. Such cases will be expedited to permit them the ability to bid on the new homes.
44. The homes will be advertised in advance of the completion of the homes on Commercial Way. The first 50% of homes will be advertised to the local tenants, while the remaining 50% will be advertised once we have given a full opportunity for local tenants to register their interest.
45. The information listed on the website will promote the features of the new build homes and ensure the full listing of the local lettings scheme is available for the households listed on the Homesearch bidding scheme.

#### **Public Sector Equality duty (PSED)**

46. The Equality Act 2010 requires the council, when taking decisions, to have due regard to the need to
  - (a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - (c) foster good relations between those who share a relevant characteristic and those that do not share it.
47. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
48. When taking decisions on the exercise of council functions conscious thought must be given to the PSED, including having regard to any equality impact assessment carried out, in particular, where any possible disproportionate effects on groups sharing protected characteristics are identified, the mitigation proposed. The cabinet member is referred to the community impact section of this report.



## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Assistant Chief Executive – Governance and Assurance**

49. In accordance with the requirement under Part 6 of the Housing Act 1996 to have a scheme for determining priorities and procedures in the allocation of its housing, the council has in place a main housing allocations scheme. The scheme gives effect to the statutory requirement to give reasonable preference to certain groups of housing applicants.
50. Generally, the council must not allocate council housing (or nominate an applicant to a housing provider with whom it has a nominations agreement) except in accordance with its main allocation scheme.
51. However, under s166A(6) of the 1996 Housing Act, the council may depart from its main allocation scheme where it puts in place a local lettings policy which prioritises particular groups of applicants for particular properties, provided the cumulative effect of such schemes does not displace the system of reasonable preference set out in the main allocation scheme.
52. Paragraph 7.10.2 of the council's current main allocation scheme incorporates a local lettings policy which provides for 50% of all allocations for 'the new London Borough of Southwark 1000 properties initiative (to be) allocated to existing tenants local to the redevelopment/new build scheme'.
53. Paragraph 7.10.4 of the Council's main scheme further provides that 'Local Lettings policies will be reviewed on a regular basis and equality impact assessments undertaken with consultation undertaken with customers and communities before a Local Lettings Plan is agreed'.
54. The law requires that consultation must be undertaken when proposals are at a formative stage and include sufficient reasons for the proposal and time for interested parties to respond. The Cabinet member is required take into account the outcome of the consultation when making a decision on the recommendations and is referred to the consultation section of this report.
55. The report confirms that the proposed scheme is consistent with the local lettings policy incorporated in the main allocation scheme.

### **Strategic Director of Finance**

56. No comments sought

## BACKGROUND DOCUMENTS.

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Karen Shaw, Head of Housing Solutions	
<b>Report Author</b>	Alex Herd, Housing Choice and Supply Manager	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Strategic Director of Finance	No	No
<b>Cabinet Member</b>	Yes	Yes
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