

Cabinet 4 March 2019

Report title: Homes for Lambeth - Business Plan (April 2019 to March 2020)

Wards: All

Portfolio: Councillor Matthew Bennett – Cabinet Member for Planning, Investment & New Homes

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Report summary

Like all London boroughs Lambeth faces a severe and serious housing crisis. Over 2,000 families, including 5000 Lambeth children, are homeless and housed in temporary accommodation by the Council. Over 28,000 people are on the waiting list for social housing; every week another 40-60 people join this list while only around 20 homes become available.

Despite investing £500m refurbishing council estates across the borough to our aspirational Lambeth Housing Standard, government cuts to rents and in grants have left a shortfall in funding to provide every tenanted family with a good quality home.

To address the crisis in housing quality and quantity the Council established an estate regeneration programme in 2012 to rebuild tenants' homes to high modern standards and to build more homes for local families on the waiting list. The Council ruled out partnering with a private developer or a housing association to deliver these homes, choosing instead to establish a 100% council-owned, council-controlled company, Homes for Lambeth (HfL), to build and manage a new generation of social housing for Lambeth families.

Homes for Lambeth will be able to deliver housing in a more commercial and efficient way than could otherwise be done within the Council (such as the building and long-term ownership of private rented homes) and has the potential to access funding sources not otherwise available to the Council.

In July 2017 the four companies proposed to make up the Homes for Lambeth group of companies were incorporated. Various mobilisation activities have taken place since including finalisation of the Memorandum of Understanding between the Council (as shareholder) and the new group of companies. To support this, HfL's first Business Plan was approved by Cabinet in January 2018 to agree the intentions and deliverables for the Homes for Lambeth Boards to work to oversee the business planning period through to March 2019.

Since the previous business plan was adopted, HfL has secured planning permission on three estate regeneration schemes: Knights Walk, South Lambeth & Westbury, with work starting on these three estates and on the first phase of the Fenwick estate regeneration this year. 70 new homes at council rent have been completed at Lollard Street in Kennington and families will soon move into their new homes.

Following on from this HfL have produced a Business Plan for the period from April 2019 to March 2020. HfL will continue to expand the number of new homes built, secure planning permission for new homes on the remaining estate regeneration schemes, and bring forward construction on small sites across the borough.

In accordance with the governance and oversight arrangements put in place for HfL, the Council's Ownership and Stewardship Cabinet Advisory Panel (OSP) has reviewed and scrutinised this business plan and recommended the approval of the plan to Lambeth's Cabinet.

Finance summary

This report asks Cabinet to agree the Business Plan of Homes for Lambeth 2019-20. Although the group of companies are wholly owned by the Council, they are a separate legal entity and thus the projected costs and incomes outlined within the Business Plan will fall to the company and not to the Council. Therefore there is no direct cost to the Council beyond the costs of the commissioning and clienting functions with the Council. However, for Homes for Lambeth to be able to implement their Business Plan, they will require support from the Council in terms of making land available and providing initial funding. Implications of these commitments are included within the detailed finance comments within this report.

Recommendations

- 1) To note the recommendation of the Ownership and Stewardship Cabinet Advisory Panel and approve the Homes for Lambeth Business Plan which covers the period of April 2019 to March 2020.
- 2) To commission and to delegate authority to the boards of the Homes for Lambeth group of companies to implement the Business Plan over this period.
- 3) To delegate authority to the Section 151 officer to raise and onward lend sufficient prudential borrowing to enable Homes for Lambeth to build, to operate and to enter into construction contracts for the projects outlined in Section 2.
- 4) To Delegate Authority to the Chief Executive to nominate representatives of the Council to the Homes or Lambeth Board as and when required.

1 CONTEXT

- 1.1 Lambeth is committed to tackling the housing crisis in the borough by maximising the number of new affordable homes to make sure residents aren't priced out of the housing market. Providing more and better homes for Lambeth residents is one of the Council's key priorities.
- 1.2 The lack of affordable housing is one of the biggest issues facing our residents; and across London as a whole there is a growing housing crisis.
- 1.3 Homes for Lambeth (HfL) has been set up to deliver the Council's commitment of delivering 1,000 new homes at council rent levels maximising much need affordable housing in the borough and by doing so help to establish sustainable and mixed communities that will thrive for many years to come.
- 1.4 In July 2017 the four companies proposed to make up the HfL group of companies were incorporated. Various mobilisation activities have taken place since including finalisation of the Memorandum of Understanding between the Council (as shareholder) and the new group of companies along with preparation of a Business Plan for the new group of companies. HfL's first Business Plan was approved by Cabinet in January 2018 which supported the framework of intentions and deliverables for the HfL Boards to work to over the business planning period through to March 2019.
- 1.5 The Council has established an Ownership and Stewardship Cabinet Advisory Panel (HfL OSP) which supports the Council to scrutinise and manage its interest as a shareholder. A key responsibility of the HfL OSP is to review the Business Plan and recommend the approval of a new and future HfL Business Plans to Lambeth's Cabinet.
- 1.6 The overarching vision for HfL is set out below:

HfL will work with Lambeth Council and others to build more and better homes to help address local housing need and contribute positively to Lambeth by:

- Building more and better homes to help tackle the housing crisis;
 - Providing high quality services for residents;
 - Investing resources efficiently and to maximise housing and regeneration outcomes;
 - Maximising partnerships with public and private sector organisations;
 - Being a strategic delivery partner for the London Borough of Lambeth;
 - Building and maintaining financial strength and deliver more homes;
 - Engaging with local communities and invest for the long term; and,
 - Providing social housing.
- 1.7 The key activities and outputs of HfL's first Business Plan of 2018 -19 largely focused on mobilising the HFL group structure to effectively deliver HFL's objectives. Performance against this has been reviewed with the OSP and notable achievements to-date include:
 - Obtaining Registered Providers (RP) status for HfL Homes;
 - Securing planning approval for 3 schemes at South Lambeth, Westbury and Knights Walk;
 - Finalising the Development Agreements with St James for Phase 1 at Westbury and Transport for London (TFL) for phase 1 at Fenwick;
 - Taking over the management of 70 council level rent homes at Lolland Street;
 - Embedding a governance and financial control structure for HFL;
 - Setting up the HFL staffing team and structure; and,
 - Implementing landlord services.

- 1.8 The new 2019-20 HfL Business Plan will continue to build on the mobilisation and intensions of the company towards fulfilling its key strategic objectives toward the delivery of new homes for the Council which began in 2018. This report presents the HfL OSP's recommendation to approve the HfL Business Plan which covers the period of April 2019 to March 2020 for the HfL group of companies.

2 PROPOSAL AND REASONS

- 2.1 The HfL OSP met on 19th February 2019 to consider the HfL's Business Plan for the period of April 2019 to March 2020 and review the outputs of the previous year. The panel endorsed the new Business Plan; with recommendations for Cabinet set out in this report.

HfL's Business Plan 2019-20

- 2.2 This Business Plan, contained in full in Appendix A, covers the business planning period for the full financial year of 2019/20 ("the business planning period" is considered to be the period from April 2019 to March 2020). It has been agreed that the Business Plan will be reviewed and revised annually with the next Business Plan to be adopted for the beginning of the financial year 2020/21.
- 2.3 The HfL Business Plan establishes the framework of actions and deliverables for the HfL Boards to work towards over the Business Plan period. It represents a key mechanism within the Scheme of Delegations for the group of companies in setting the Council's intentions for HfL. The reason for adopting a Business Plan is to create an operating framework for the respective Boards and a means by which the shareholder, the Council, can oversee and monitor the progress and performance of the company.
- 2.4 It shall be the responsibility of the HfL Board to oversee the development and realisation of delivery strategies within the parameters defined in the Business Plan; to direct the implementation of the activities required to realise the Business Plan objectives; and to monitor progress and risk.
- 2.5 The Council will commission HfL to deliver the projects and programmes identified in the Business Plan, as and when appropriate and HfL will work closely with the Council in delivering the objectives. HfL and the Council have both a partnering and commercial relationship; as the sole shareholder in HfL Group and primary source of funding, the Council has a strong interest in its activities and retains control over major decisions (as set out in the Scheme of Delegations) including the approval of the HfL Business Plan and the leasing and loan agreements it contains.
- 2.6 To further support this activity the Council has set up a clienting function which will add a further layer of scrutiny to provide assurances to the OSP that HfL are delivering outcomes in line with the Business Plan outputs and within budget.
- 2.7 The HfL 2019-20 Business Plan key strategic objectives are summarised in the table below:

Strategic Objectives	Build new sustainable homes for local people	Deliver high quality community places & a great landlord service	Generate surpluses for reinvestment in homes	Build the HFL infrastructure & a high performing team
<p>2019-20 Business Plan Goals <i>for delivery/performance measurement by March 2020</i></p>	<ul style="list-style-type: none"> • 70 New council level rents complete & in management by Mar 2019 (Lollard Street) • 145 Council level rent homes and 14 affordable rent homes on site by Mar 2020 • Achieve planning resolution for a further 150 homes by Mar 2020 • Provide an excellent development service to the Council – measure by SLA • Investigate & test modern methods of construction • Zero notifiable health and safety incidents within the period • Identify and develop sites within the strategic pipeline to ensure continued delivery 	<ul style="list-style-type: none"> • Implement new Homes for Lambeth landlord service & target satisfaction > [80%] • Have 100 AST homes by Mar 2020 • Complete the RSH registration & ensure full compliance with regulatory standards • Support the delivery of Lambeth’s Key Guarantees • Research Market Rent tenure options by Jun 2019 • Reduce inequality through the creation of 50 apprenticeships / job opportunities for local people through the lifecycle of the programme • Promote cohesive and sustainability neighbourhoods through the development of community, health and welfare initiatives • Showcase 6 case studies to evidence social value activities/achievements 	<ul style="list-style-type: none"> • Establish financial plans to enable effective forecasting & monitoring • Implement effective contracting & performance monitoring of suppliers • Identify & implement the most tax efficient structuring of projects & activities • Optimise grant funding & recycle local grants for local people • Ensure market valuation advice is incorporated within the specification and design of market homes to maximise surpluses 	<ul style="list-style-type: none"> • Recruit the Homes for Lambeth team structure & demonstrate VFM & savings in consultancy through case studies • Establish and implement demonstrably robust treasury and audit practices • Procure a framework of housing management providers by Mar 2020 • Contain costs within approved budgets

2.8 In summary this Business Plan further sets out Homes for Lambeth's main intentions and activities as follows:

Key delivery objectives and priorities for 19-20 and programmes of works including:

- Including construction on site starts for 4 primary regeneration schemes at Knights Walk, South Lambeth, Fenwick and Westbury; plus innovative modular housing solutions at a small in Hillside Gardens (in partnership);
- To set up new landlord services for the management of 70 new council level rent homes at Lollard Street and up to 100 AST lettings through the buyback of leased properties;
- Further master-planning including design and feasibility works at Somerleyton Road;
- Work towards securing planning permissions on early phase at 3 lead estates, at Central Hill, Cressingham Gardens and Fenwick for a further 150 homes and to progress on identified small sites; and,
- Support delivery of the "Key Guarantees".

Forecast investment requirements for the period, financial controls, procurement and risks:

- The finance sections of the report provide a more detailed financial overview however in short HfL Business Plan forecasts an indicative capital expenditure by HfL of £21.5m by March 2020 for schemes under construction. This forecast capital expenditure is expected to be supported by grant funding of £2.0m. In addition, HfL expect expenditure of up to £9.1m for the period to March 2020 to support the Council's feasibility work for future regeneration schemes; this budget includes HfL staffing resources and externally commissioned professional services;
- HfL have established financial controls and budgets will be monitored by the boards in accordance with the commitments set out in the Memorandum of Understanding (MOU) including council oversight. There will be further oversight by the regulator of Social Housing who have an interest in the financial management of HfL Homes Ltd. to ensure affordable housing assets are not put at risk;
- HfL will further procure, scope and enter into the necessary contracts for works, supplies, land and lease and grant agreements to deliver the schemes set out in their Business Plan, overseen by the respective HfL Boards; and,
- The identification, management and maintenance of a risks register associated with the business activities.

Key Enabling Activities:

- The completion of effective recruitment, engagement and development of staffing (and resource) with the relevant experience and skills to deliver a complex set of urban regeneration programmes; estimated to be around 26 staff by March 2020; The continued development of branding and establishment of Homes for Lambeth's corporate identity which ensures that its relationship with the council is understood by residents.
- Development effective policies and procedures. Securing investment and funding which will largely be under a series of agreed loans and borrowing under commercial terms from council; and,
- Entering into agreement with the Council for a variety of Lease and Land transfers to further support and enable the redevelopment of sites and delivery of new homes.

2.9 Adoption of the HfL Business Plan 2019-20 will be deemed by the respective boards of HfL Group and its subsidiaries as an endorsement and instruction to:

- Commit to those regeneration and overarching key development projects and strategic objectives as identified within the relevant sections of the appended HfL business plan 2019-

20 including the necessary land and development transactions with the Council, third parties and between companies in the HfL group;

- To further develop and agree a motoring framework and suite of detailed Key Performance Indicators towards ensuring delivery of the strategic objective and outputs;
- Enter into the necessary contracts with suppliers, contractors and grant funding bodies etc. to facilitate delivery of the schemes and activities set out in the HfL Business Plan 2019-20;
- Complete and ensure a number of vital enabling activities as detailed in sections 8 – 11 towards the successful delivery of the HfL Business Plan 2019-20;
- To identify and effectively manage and mitigate against the identified risks associated with all business activities which may impede the business including those to the Shareholder as detailed in section 12 of the HfL Business Plan 2019-20; and,
- Critically to ensure approval of the necessary loans, equity and land transfer agreements required to deliver the business plan key strategic objectives and outputs.

2.10 In order to enable HfL to progress the Business Plan, the Council for its part will need to execute decisions (such as disposal of land and allocation of funding) in a timely manner according to its own delegated procedures.

Governance

2.11 The Memorandum of Understanding (MoU) agreed and approved by Cabinet in 2018 represents an important governance contract that sets out the contractual relationship between the Council as shareholder and the group of companies and formalises the contractual relationships between each of the group of companies.

2.12 The MoU includes a Scheme of Delegation that sets out who can take what decisions regarding the operation of the group of companies.

2.13 The process for developing, reviewing and formally adopting the Business Plan for the HfL Group of companies (individually and collectively) is subject to the terms of the MoU between each of these companies and the Council as the sole shareholder of the parent company (HfL Group).

3 FINANCE

3.1 In agreeing this to the recommendations set out in this report there are no direct financial costs to the Council, however HfL's Business Plan 2019-20 does contain an expectation that the Council will do three main things.

3.2 Firstly, it will agree to transfer land for HfL to develop, secondly that it will make loans to HfL, and thirdly that it will further commission HfL to undertake pre-development work on specified sites.

3.3 With respect to the transfer of land, the individual transactions will still require an appropriate decision to be made by the Council, most likely a Cabinet Member delegated authority report. The decision will effectively be a disposal of the land interest on a long lease basis and the Council would expect to receive a capital receipt based on an agreed valuation of the land. Any capital receipt must be accounted for corporately and although there is an expectation that these receipts will be reinvested into the rebuilding of estates, the allocation of these monies will require a separate decision.

3.4 As HfL have limited assets it is likely that they will find it difficult to obtain loan finance at a reasonable rate in the initial years of its operation. Therefore, it has been previously agreed that the Council will provide loans to HfL: the Director of Finance and Property has delegated authority to agree loans and thus no additional decision reports will be required.

- 3.5 The initial development loans will be to the HfL Build Company and will be made on State Aid compliant rates, subject to the provision of appropriate documentation by Homes for Lambeth, so the Council can assess the risk and get external advice if required. At the time of writing HfL have not formally requested for a loan to be made to fund development activity and so the amount and timing of any loans is not known. However, the Business Plan at paragraph 2.7 shows the order of magnitude of the loans that are likely to be requested during 2019-20.
- 3.6 If the Council decides to further commission HfL to undertake pre-development work on specified estate regeneration sites, the process would be similar to work undertaken by any other external contractor. The Council will need to agree the outputs required, the timescales and a cost with HfL who would bill the Council once the outputs have been delivered. It would be expected that these agreements would be funded from existing capital budget provision for Estate Regeneration.

4 LEGAL AND DEMOCRACY

- 4.1 Section 1(1) of the Localism Act 2011 introduced the “general power of competence” for local authorities, defined as “the power to do anything that individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area. The generality of the power conferred by subsection (1) is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power.
- 4.2 Section 4(2) of the Localism Act 2011 provides that where, in exercise of the general power, a local authority does things for a commercial purpose the authority must do them through a company.
- 4.3 Section 95 of the Local Government Act 2003 authorises the Council to do for a commercial purpose anything which it is authorised to do for carrying on any of its ordinary functions (other than where it is under a statutory duty to provide that function) however, this power is only exercisable through a company.
- 4.4 Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any other of its functions, whether involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
- 4.5 Section 9 of the Housing Act 1985 empowers the Council to provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them. This power may equally be exercised in relation to land acquired for the purpose of disposing of houses provided, or to be provided, on the land, or of disposing of the land to a person who intends to provide housing accommodation on it.
- 4.6 Section 24(1) of the Local Government Act 1988 provides the Council with the power, subject to the consent of the Secretary of State, to provide any person with financial assistance for the purposes of, or about, the acquisition, construction, conversion, rehabilitation, improvement, maintenance or management (whether by that person or by another) of any property which is or is intended to be privately let as housing accommodation. Financial assistance is defined to include the making of a grant or a loan, guaranteeing the performance of any obligation owed to or by that person; indemnifying them against loss, or where that person is a body corporate acquiring shares or loan capital in that person.
- 4.7 Under section 26 of the Local Government Act 1988 the Secretary of State has issued “The general consent under section 25 of the Local Government Act 1988 for financial assistance to any person

2010". General consent C empowers the Council to provide any person with any financial assistance for the purposes of or about the matters referred to in section 24(1) of the 1988 Act.

- 4.8 The provision by the Council of financial support to the companies may raise questions of state aid under Article 87 of the EC Treaty and the Council must be satisfied that the proposed actions are lawful. The specific ingredients of state aid under Article 87 are: (i) there is aid; (ii) it is granted by a Member State or through State resources; (iii) it favours certain undertakings; (iv) it distorts or threatens to distort competition; and (v) it affects inter-State trade. An "aid" comprises any form of intervention which has the same or similar effects to a subsidy. Independent legal and accountancy advice have confirmed the terms of the loans to the company is state aid compliant.
- 4.9 Section 149 of the Equality Act 2010 sets out the public-sector equality duty replacing the previous duties in relation to race, sex and disability and extending the duty to all the protected characteristics i.e. race, sex, disability, age, sexual orientation, religion or belief, pregnancy or maternity, marriage or civil partnership and gender reassignment. The public sector equality duty requires public authorities to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under that act
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and
 - c) Foster good relations between those who share a protected characteristic and those who do not share it, which involves having due regard to the need to—
 - (i) tackle prejudice, and
 - (ii) promote understanding.
 - d) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to—
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it, including steps to take account of disabled persons' disabilities;
 - (iii) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - e) Compliance with the duties in section 149 of the Act may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under the Act.
 - f) The Equality Duty must be complied with before and at the time that a policy is under consideration or decision is taken - that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.
- 4.10 When considering whether to adopt the recommendations of this report, the decision maker will be exercising discretion within the constraints of the duties referred to above and should therefore have in mind the following principles of administrative law:
- (i) the decision must be within the Council's powers;
 - (ii) all relevant information and consideration, including the Council's fiduciary duty to the Council Tax payer must be considered; and
 - (iii) all irrelevant considerations, including unauthorised purposes, must be ignored.

- 4.11 This proposed key decision was entered in the Forward Plan on 11 February 2019 and so the necessary 28 clear days' notice has not been given. The intention is to commence the contract in April 2019, so the general exception procedure will be followed. The reasons why the report was not included in the forward plan and that the decision cannot be delayed will be included in the necessary public notice to be published on the council's website (and sent to the Chair and Vice-Chair of Overview & Scrutiny Committee and relevant officers) alongside this report. The report and notice will be published on the website for five clear days before the decision is approved by the Cabinet in consultation with the Leader of the Council. A further period of five clear days - the call-in period – will then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5 CONSULTATION AND CO-PRODUCTION

- 5.1 Consultation and coproduction with residents and the wider community is central to the development of individual regeneration schemes and officers from HfL team continue to work closely with residents and communities to support them through the process, ensure they have a say in the look and feel of their new homes, and help them to understand what Homes for Lambeth is, and what it means for them.
- 5.2 Consultation and coproduction has and will continue to play a key role in the development of key Homes for Lambeth outputs and policies, including the Key Guarantees (agreed by cabinet in March 2017).

Residents have already been consulted on the tenancies and leasehold agreements which Homes for Lambeth will provide. The Council, in its capacity as shareholder of Homes for Lambeth, will require HfL Homes (the housing association) to use these new tenancies and leases for those residents who are currently living on these regeneration estates and would be moving to a newly-built HfL home.

Residents of the regeneration estates have also been asked for their views on the specification of service for future housing management arrangements. This specification will define what HfL for expect from companies bidding to provide housing management services. The specification will also determine the cost of these services. It is intended that Homes for Lambeth will then shortlist suppliers who have shown they can meet this specification. As the rebuilding of estates work nears completion residents will be consulted on the final choice for their estates.

- 5.3 Officers within the Council and HfL have and will continue to work with Members to further develop the proposals set out in this report.
- 5.4 Local Ward Councillors will also be consulted at the point that a development site within their ward is identified for development via HfL.

6 RISK MANAGEMENT

- 6.1 The risks highlighted in the table below are a high level summary of a more comprehensive council risk register.

Risk	Likelihood (1= v unlikely 4 = highly likely)	Impact (1 = Minor impact 8 = Major impact)	Mitigation	Post Mitigation Likelihood	Post Mitigation Impact
Delay in sites being brought forward in time to facilitate decants	3	7	Early engagement with Lambeth to identify and appraise potential opportunity sites. Develop asset management strategy	2	4
Reduction in sales prices and rental values so fewer affordable homes can be provided	2	7	Run sensitivities to test resilience to market downsides. Ongoing monitoring of market conditions	2	5
Freeholder/leaseholder buy back costs above budgeted estimates due to higher number of leaseholders opting for the offer and house price inflation	3	6	Assumptions in financial model to include Lambeth's estimates buy back rates and costs including compensation.	2	4
Risk that operating costs, voids and bad debts are higher than forecast leading to viability challenges and reduced or no surpluses generated	3	6	Incentivise managing agent to perform well with KPIs, tight variation controls and strong contract management. Maintain stock in good standard with active marketing to attract tenants. Down side sensitivities in financial model.	2	4
Delays in site transference due to CPO and Vacant possession which will impact on programme delays and have major implications on viability	2	6	Robust strategy and procedures for CPO and VP processes Robust tracking and of monitoring of scheme phases	2	4

7 EQUALITIES IMPACT ASSESSMENT

- 7.1 The Boards of the Homes for Lambeth companies will adopt a suite of policies that guide how they will carry out their business. This suite of policies will include an Equalities policy reflecting the principles included in the Council's policy.
- 7.2 The impact of estate regeneration will be different for each project at different times and therefore Equalities Impact Assessments are required on a project basis and reviewed at regular intervals. No specific equalities impact assessment has been carried out to inform this Cabinet Report as these are being carried out at a project by project level.
- 7.3 In progressing estate regeneration projects, Homes for Lambeth will abide by the Council's approach to equalities, which are embedded in the Future Lambeth Borough Plan. The principles that will be followed by the Housing Regeneration team will be:
- 7.4 **Information:** Any equalities strategy for an estate regeneration project is only as good as the information it is based on. It is therefore essential to collect adequate information concerning those affected by estate regeneration and to maintain such information up-to-date. This is undertaken through the course of estate regeneration projects by means of activities such as housing needs assessments, which are carried out for all affected households.
- 7.5 **Training:** Equalities principles must be embedded in all minor decision-making throughout an estate regeneration project. This requires that those working on estates projects are continually mindful of equalities issues and have access to adequate training to ensure that they embrace such principles in their day-to-day work.
- 7.6 **Assessment.** Formal equalities impacts need to be carried out to inform any major decisions or commitments on the future of an estate. For a typical estate regeneration project, equalities impact assessments are required at the following stages:
- **Feasibility Stage** – to help inform whether or what part of an estate will be redeveloped – an Equalities Impact Assessment accompanies the Cabinet decision on the scale of redevelopment for an estate;
 - **Masterplanning and Local Lettings Plan Stage** – to help inform the design work and to ensure that the replacement homes adequately cater for the existing community of residents, whose homes are being demolished – an Equalities Impact Assessment then accompanies any Cabinet report that seeks authorisation for a compulsory purchase order; and,
 - **Allocations** – to help inform the allocations process to ensure that homes are allocated in a way that conforms with equalities principles – once construction and decanting has commenced, equalities reviews will be undertaken at pre-defined intervals specific to each estate.
- 7.7 New small site developments will have localised impacts on the immediate neighbourhood around these projects. Any impacts on local residents will be identified and determined in the process of working up designs for projects and preparing and submitting planning applications. The planning process itself requires consultation with local residents and the Council will work with local interests as part of the design process. It is only through the process of such consultation that it will be possible to identify what and whether there are any impacts and then deduce whether these raise any equalities considerations. Community statement will be submitted with planning applications and will address such matters.

8 COMMUNITY SAFETY

- 8.1 Homes for Lambeth will contribute positively to community safety by ensuring that each scheme delivered involves the removal of areas that attract anti-social behaviour and providing more passive surveillance of streets and spaces. The wider regeneration initiatives will promote estate pride and actively design out the potential for crime as part of the development process.
- 8.2 As outlined above, Homes for Lambeth will also contribute towards the delivery of safer and stronger communities. The provision of safe, high quality housing, committed to in the Homes for Lambeth design principles, is recognised to make a positive contribution to the improved wellbeing of residents. Therefore, by increasing the provision of accessible housing, Homes for Lambeth will directly support Lambeth's communities to become safer and stronger. The Council will lead the stakeholder engagement for each scheme and will ensure that residents have both an active involvement and influence over how each new development is planned and operated.

9 ORGANISATIONAL IMPLICATIONS

Environmental

Environmental sustainability will be a key consideration for any proposed interventions and the Council will seek the highest possible standards with the resources available.

9.1 Staffing and accommodation

Homes for Lambeth new staffing structures have been set up and in the process of finalizing with a series of appropriately qualified external appointments and council seconded staff. The governance proposals HfL has created new, un-remunerated directorship roles for Council officers with an appropriate level of support provided to assist officers in these new roles. Four remunerated roles for non-executive Directors has also been created.

9.2 Procurement

The MOU requires Homes for Lambeth to acquire Council approval for procurement that is outside the parameters of the business plan. Procurement required to support the business plan will be subject to Homes for Lambeth's own procurement policy.

9.3

There are no immediate procurement considerations arising from this report. Direct engagement with procurement officers is taking place to support the formation and mobilisation of HfL and to ensure that suitably robust and legally compliant procurement policies and practices are put in place to guide the activities of HfL.

9.4 Health

The delivery of additional safe, warm and affordable new homes across a range of tenures, together with the delivery of safer and stronger communities that are designed with and for Lambeth's communities will directly support the health and wellbeing of residents. The Lambeth Health and Wellbeing Strategy (2016) identifies having a good home as an important factor in preventing ill health and poor wellbeing. HfL will also make investments to generate income for the General Fund that will support the Council to sustain the delivery of vital services that residents need in the face of sustained Central Government cuts. The Council's Social Value principles are also embedded within Homes for Lambeth's approach, which will result in new economic and learning opportunities for residents.

10 TIMETABLE FOR IMPLEMENTATION

10.1 A high level delivery plan for Homes for Lambeth is set out in Section 2 and Appendix F of the appended Business plan.

Audit Trail				
Consultation				
Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Councillor Matthew Bennett	Cabinet Member for Planning, Investment & New Homes	07.02.19	14.02.19	Summary
Emma Peters, Interim Strategic Director Sustainable Growth and Opportunities	Sustainable Growth and Opportunities	05.02.19	05.02.19	
Sandra Roebuck, Director of Development, Planning and Housing Growth	Sustainable Growth and Opportunities	31.01.19	04.02.19	
Matthew Gaynor, Assistant Director Finance	Corporate Resources	30.01.19	31.01.19	3
Greg Carson, Legal Services	Corporate Resources	30.01.19	30.01.19	4.1-4.10
David Rose, Democratic Services	Corporate Resources	14.02.19	14.02.19	4
Ownership and Stewardship Panel	Date of Meeting: 19.02.19			

Report History	
Original discussion with Cabinet Member	during 2019
Report deadline	20.02.19
Date final report sent	20.02.19
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	11.02.19
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information Report to Cabinet, 15 May 2017 - Incorporating and Mobilising Homes for Lambeth	Incorporating and Mobilising Homes for Lambeth (May 2017) https://modern.gov.lambeth.gov.uk/documents/s88683/Cabinet%20Report%20-%20Incorporating%20and%20Mobilising%20Homes%20for%20Lambeth%20-%20May%202017.pdf
Appendices	Appendix A – Homes for Lambeth – Business Plan 19-20