

## Lewisham Council Case Study

### The story of the local authority's approach to community-led housing

#### Basic summary

- **Local housing market characteristics**
  - Urban
  - High demand
  - Mixed model of provision: history of stock transfer, but still 16,000 Council homes managed either by an ALMO – Lewisham Homes – or through a PFI contract;
  - Council has target to build 500 Council homes, as part of wider priority to increase affordable housing supply
  - Council sees community-led models as part of a wider mixed-market approach.
- **Region: London**
- **New build homes. Examples given:** CLT community self-build; CLT
- **Partners:** Rural-Urban Synthesis Society CLT (RUSS); London CLT; Lewisham Citizens
- **Main outcome:** only local authority working with two Community Land Trusts on live projects, which will deliver around 50 affordable homes over the coming three years

**Key message:** Community led housing (CLH) projects have the capacity to overcome some of the challenges typically encountered in developing new homes. They tend to engage local communities very effectively, maximise shared community spaces to enable denser developments providing more homes, and provide one of the few remaining vehicles for providing affordable housing that is guaranteed to remain affordable in perpetuity. They also provide much greater community ownership of design, quality and management than is typically the case.

Lewisham Council committed in its Housing Strategy to support community led development, and is now working with two Community Land Trusts (CLTs) to develop around 50 affordable homes over the next three years.

#### 1. *The story: what was the problem that needed addressing?*

Top housing challenges in Lewisham:

- Rising homelessness – homeless acceptances up 24% between 2010 and 2013
- A lack of affordable housing at all levels – rising house prices (median house price up 51% in 2009/2014) and private sector rents (median 2 bed rent up 18% in 2009/2014)
- Ensuring that existing social rented housing stock is suitable and of a high quality

#### 2. *Why is the local authority supporting CCLH?*

CLH supports Key Objective 1 in Lewisham Council's [Housing Strategy for 2015-20](#): 'Building the homes our residents need' and its aim 'To innovate and create new models of affordable and sustainable housing':

- "We want to support our families and citizens as they seek to secure a suitable home that is affordable and sustainable across all tenures"
- "the Council itself will explore innovative ways of building new homes and searching out new routes to finance more affordable social housing."

- “Lewisham’s residents and communities will have a critical role to play in ensuring the development of the right homes in the right places”

In practice, this means diversifying the supply of new homes, including by supporting groups of residents to commission and/or build their own affordable homes, e.g. through community-led self-build and CLTs.

The Council supports community-led development because it:

- Helps develop smaller, trickier sites that larger organisations find uneconomic
- Harnesses people’s energy and drive
- Offers a way of managing local concerns over residential development
- Delivers new homes and communities that people want to live in
- Allows denser development when designed by community groups as projects tend to include shared rather than private open spaces.
- Guarantees that new homes remain affordable in perpetuity

**3. *Who is benefitting or will benefit from CCLH schemes in the local authority area?***

CLH schemes are for local people priced out of the housing market and in housing need. The RUSS scheme at Church Grove is intended to create a diverse community of younger and older people as well as families, couples and single people. This will be achieved by creating a mix of properties and tenure. Residents for the social housing properties will be drawn from the local authority housing register. The remainder of homes will be affordable in relation to local incomes and are for a range of households unable to access an appropriate home on the open market.

**4. *How does Lewisham Council enable CCLH schemes to develop?***

- LC identifies smaller council-owned sites with complex issues and leases them to CLH organisations at a peppercorn rent
- LC worked with self-build facilitators to engage interested residents, explore options for delivering the project and help select a community-led self-build enabler.
- LC selected an enabling development partner by conducting an EU compliant ‘competitive dialogue’ procurement process on shortlisted proposals

**5. *Partnership work in the area to support CLH.***

The council uses enabling developer RUSS to support community self-build schemes. This means that there is an effective, and community focussed, enabling organisation working between the Council and the individual self-builders. The Council has supported RUSS through the development of its plans, the land transfer, and in enabling it to potentially access GLA Innovation Funding.

The London CLT scheme will operate in a slightly different manner, as the CLT has been set up to commission homes for local people, rather than to enable direct self-build. In this instance the focus is on the community coming together to meet an identified need, supported by the Council, and commissioning a more mainstream, although affordable, development. Again the

Council has supported the CLT in developing its plans, making land available, and in accessing GLA funding.

**6. Examples of homes that have been or will be produced by CCLH schemes in Lewisham:**

There are two CLH projects in Lewisham:

***Church Grove project with the Rural-Urban Synthesis Society CLT (RUSS).***

This community self-build scheme will be built on a council site with access, flood risk and contamination problems. LC decided to allocate the site for community-led development in 2014 and went through an EU competitive dialogue process, selecting CLT [RUSS](#) as an enabling developer in 2016. The land has been leased to RUSS at a peppercorn rent. A development agreement has been signed, to ensure that the social benefits (self-build and affordable housing) are delivered for the land receipt, with planning issues to be completed in 2017 and works starting on site in 2018.

The site would have provided 9 homes if sold. RUSS community-self build will achieve a greater density, providing 33 affordable homes (5 social rent nominated to by the council, and 28 shared equity homes selected by ballot). The homes will be built to Passivhaus energy standards. RUSS will ensure the homes remain affordable to those in need in perpetuity by retaining a stake of at least 20% in all the homes as a CLT.

Residents will be able to earn up to 20% of the price of their home, through their labour on the scheme. A contractor will construct the enabling works, ground works, foundations and ground floor level platform. Thereafter contractors will work together with self-builders, working in teams doing jobs in batches across the site. Self-builders will sign contractual agreements with RUSS to deliver costed packages of work.

The cost of the scheme, £6.2m, is being met by a combination of grants and loan finance and £1m of self-build labour.

To see cabinet reports in respect of the project click [here](#) and [here \(item 46\)](#).

***Brasted Close (London CLT and Lewisham Citizens)***

This community-led development will provide 10-15 homes for affordable sale on a council estate garage site previously marked for council-led infill development.

London CLT and Lewisham Citizens engaged with local residents to develop the plans for the site. Having been selected by residents at a 'Pick the architect' event in September 2016, Archio met residents on site to begin the design process. A residents steering group was established in January 2017.

LC will transfer the site to the CLT in 2017. The homes are all for affordable sale, with prices linked to median incomes in perpetuity. Residents will sign a contract with the CLT to ensure that, when the homes are sold on, the value will be at a similarly affordable level.

To see the cabinet report in respect of the project click [here](#).

**7. Lessons learnt and what Lewisham Council will do next:**

The community engagement mechanisms on these projects are of a different quality and nature altogether. The Council is seen as having listened and understood need for different approaches. The schemes are supporting a new vision for community-led development and facilitating collaboration with the local community.

However, the Council is also realistic in that these schemes take a long time to come forward and to deliver homes for people who need them. In time, and with the support of a growing number of local authorities and the GLA, enabling organisations like RUSS and London CLT will be able to develop at greater scale and pace.

Until that time, the Council's main focus is on supporting its current partners through the planning and delivery stages of their projects, and supporting the work across London through the GLA and others, to enable the sector as a whole to scale up.

**Next steps**

Lewisham Council will continue to:

- Work in close partnership with RUSS and London CLT to see their schemes through to successful completion;
- Work with the GLA and other partners to support the development of approaches that enable the sector to move to scale, including around finance, capacity, and land disposal processes.

**Contact**

Jeff Endean

Housing Strategy and Partnerships Manager

Lewisham Council

[jeff.endean@lewisham.gov.uk](mailto:jeff.endean@lewisham.gov.uk)

020 8314 6213