

Meeting of the

CABINET

Wednesday, 3 December 2008 at 5.30 p.m.

SUPPLEMENTAL AGENDA ONE – SECTION ONE

VENUE

Committee Room, 1st Floor, Town Hall, Mulberry Place, 5 Clove
Crescent, London, E14 2BG

Members:

Councillor Lutfur Rahman (Chair)	– (Leader of the Council)
Councillor Sirajul Islam (Vice-Chair)	– (Deputy Leader of the Council)
Councillor Ohid Ahmed	– (Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Rofique U Ahmed	– (Lead Member, Culture and Leisure)
Councillor Anwara Ali	– (Lead Member, Health & Wellbeing)
Councillor Alibor Choudhury	– (Lead Member, Employment and Skills)
Councillor Marc Francis	– (Lead Member, Housing and Development)
Councillor Clair Hawkins	– (Lead Member, Children's Services)
Councillor Joshua Peck	– (Lead Member, Resources and Performance)
Councillor Abdal Ullah	– (Lead Member, Cleaner, Safer, Greener)

[Note: The quorum for this body is 3 Members].

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

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LONDON BOROUGH OF TOWER HAMLETS

CABINET

WEDNESDAY, 3 DECEMBER 2008

5.30 p.m.

- 7 .1 Draft 2009/12 Tower Hamlets Housing Strategy (CAB 069/089) To Follow (Pages 1 - 154)**
- 11 .3 Sale of Bishop Challoner School site - Revised Contract Terms (CAB 079/089) (Pages 155 - 156)**
- 12. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**
- 12 .1 Building Schools for the Future - Procurement and Programme Update (CAB 085/089) (Pages 157 - 166)**

Agenda Item 7.1

Committee: Cabinet	Date: 3 December 2008	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Corporate Director Development and Renewal Originating officer(s) Aaron Cahill – Interim Housing Strategy Manager		Title: Draft 2009/12 Tower Hamlets Housing Strategy Wards Affected: All		

Special Circumstances and Reasons for Urgency

The report was unavailable for public consultation within the standard timescales set out in the Authority's Constitution, because of the expected publication of the Mayor's Draft London Housing Strategy in late November 2008. The Mayor's document will eventually be a statutory document that local housing strategies will need to broadly conform to. It was considered necessary to delay the release of the Committee Report and the Draft Housing Strategy in order to gain an early appreciation of the Mayor's overall intentions, including any significant announcements that might impact on the Council's proposed approach. The Mayor's document was published on 20 November 2008 and has necessitated some changes to both the Committee Report and the Draft (Tower Hamlets) Housing Strategy itself.

1. **SUMMARY**

- 1.1 The purpose of this report is seek approval from Cabinet to consult publicly with Tower Hamlets sub regional and regional stakeholders on the Draft Housing Strategy attached as Annexes to this report. Specific areas for comment sought from Members are on the structure, content, policy recommendations and timelines proposed in the Draft Housing Strategy and make changes as appropriate; agree the consultation approach suggested and provisional dates for the final Housing Strategy to be returned for decision.

2. **RECOMMENDATIONS**

Cabinet is recommended to:-

- 2.1 **Note** structure, content, policy commitments and timelines proposed in the Draft 2009/12 Housing Strategy;
- 2.2 **Agree** changes as appropriate;
- 2.3 **Agree** consultation approach and provisional timeframe set out in section 5.12 for the final Housing Strategy to be returned for decision.

3. BACKGROUND

- 3.1 The housing agenda continues to be a major issue for Tower Hamlets residents and the requirement for an up to date Housing Strategy that helps deliver more and better housing is necessary. The most recent Housing Strategy Statement covered the 2005/08 financial years, hence the need for an update. With the recent publication of Tower Hamlets' Community Plan and the planning framework that the Council is currently developing, it is an opportunity to ensure that each of the documents is strategically linked.
- 3.2 The opportunity to refresh the Council's housing strategic approach is timely as there have been major changes to the strategy, policy and governance environment in which it operates. Changes have included the publication of the:
- Housing Green Paper published by Communities and Local Government in July 2007. This paper set out the Government's commitment to work with partners to provide: more homes to meet growing demand; well-designed and greener homes, linked to good schools, transport and healthcare; and more affordable homes to rent
 - Hills Report - Ends and Means: the Futures Roles of Social Housing in England (Jan 2007) focused on the need for addressing worklessness amongst social housing tenants and the need to give more choice to tenants
 - National Strategy for Housing in an Ageing Society – sets out the Government's approach to meeting the housing challenge of an ageing population
- 3.3 In addition, following the enactment of the 2008 Housing and Regeneration Act:
- the Tenant Services Authority is to be created which will be responsible for regulating housing associations (and later councils and arms length management organisations), setting performance standards and taking enforcement action where standards are not being met.
 - the Homes and Communities Agency (HCA) is to be created taking over the investment functions of the Housing Corporation, English Partnerships and the Decent Homes responsibilities of Communities Local Government. HCA's new role will be providing investment support for infrastructure and housing new supply in London (and the rest of England).
- 3.4 At the regional level, the recent publication of The London Housing Strategy (November 2008), a draft for consultation with the London Assembly and functional bodies, highlights a number of significant changes to the former Mayor's Draft Strategy published in September 2007. Whilst the 50,000 affordable housing delivery target for 2008/11 remains intact, the new document:

- Removes the 50% affordable housing target for individual boroughs
- Proposes that future affordable housing targets be agreed with individual boroughs
- Strongly promotes intermediate (principally low cost home ownership) affordable housing delivery

3.5 The final London Housing Strategy when published in Late 2009 will be a statutory document and all local strategies will need to be in broad conformity with it. In addition, the London Mayor will become the Chair of the London Sub Committee of the Homes and Communities Agency and will have strategic responsibility for affordable housing investment (including that for decent homes) in the capital. The Council will therefore need to work with the new strategy, policy and funding arrangements as they emerge, to help maximise the affordable housing investment settlement for the Borough's residents.

3.6 Whilst new working and funding arrangements following the decision to establish the Homes and Communities Agency are still to emerge, it is likely a closer partnership working relationship will evolve with local authorities through the 'single conversation' that the Homes and Communities Agency has been promoting. Tower Hamlets is well-positioned to take advantage of the changes as it is/has:

- London's top performing borough on affordable housing delivery
- London's second highest housing capacity
- Supportive of investment that funds additional affordable housing
- Very high housing need

3.7 The Council also has a strong track record on estate regeneration delivery which has emerged as a theme in both the Mayor's Draft Housing Strategy and the broader Thames Gateway delivery agenda.

3.8 The creation of Tower Hamlets Homes – the borough's Arms Length Management Organisation – also presents an opportunity for the council to re-appraise his strategic housing role given it is no longer responsible for housing management issues (but still retaining ownership of the council housing).

4. Draft Housing Strategy Process and Structure

4.1 The Draft Housing Strategy has been developed in consultation with officers primarily from Development and Renewal with additional support from officers from Communities, Localities and Culture, Adults Health and Well Being and Tower Hamlets Homes. Consultation sessions have also been held with the Tower Hamlets Housing Forum and the Older Person's Partnership Board. The Draft Strategy follows the structure below:

- 4.2 **Chapter 1 Strategic Overview** – Summary of needs evidence base and an overview of the national, regional and local policy and strategy ‘direction of travel’.
- 4.3 **Chapter 2 Delivering and Managing Decent Homes** – Focuses on decent homes and management issues across the tenures and landlords, with reference to the impending establishment of Tower Hamlets Homes. Key priorities under this heading include:
- More and better tenant involvement in decision making
 - Ensuring all social landlords deliver and maintain the decent homes standard
 - Ensuring that Tower Hamlets Homes (the council’s arms length management organisation) gains the Two Star Management rating from the Audit Commission to unlock decent homes capital investment
- 4.4 **Chapter 3 Placemaking and Sustainable Communities** – Sets out the relevance of the housing agenda to the wider placemaking and sustainable communities agendas. The interface with the Local Development Framework and Community Plan and the broader ‘people-focused’ agenda, e.g., economic inclusion, is set out here. Key priorities under this heading include:
- Reducing existing overcrowding in existing housing stock, and putting in preventative measures to reduce future overcrowding
 - Sustaining community cohesion
 - Reducing carbon emissions from existing and new homes and reducing fuel poverty
- 4.5 **Chapter 4 Managing Demand, Reducing Overcrowding** - Sets out the Council’s proposed approach to addressing the huge demand for affordable housing and particularly how overcrowding can be reduced and also prevented. Key priorities under this heading include:
- Amending the Council’s letting Policy
 - Developing and implementing a new overcrowding reduction strategy
 - Developing and implementing a new estate renewal decanting strategy
 - Delivering the council’s Homelessness Strategy
- 4.5 **Chapter 5 New Housing Supply** – Covering the demand for housing (including lettings and homelessness issues) and how it is met through housing supply. Key priorities under this heading include:
- Increasing the provision of new family accommodation in all sectors
 - Delivering the London Plan housing target 3,150 homes annually up to 2016/17

- Preventing and reducing homelessness
- Using the Council's and other stakeholders' assets and resources more effectively over a longer timeframe
- Innovative approaches that help working households to access affordable housing for ownership

4.6 **Chapter 6 Investment Strategy** – Sets how the investment required to resource the priorities in Chapters 2-5 will be sought and managed.

5. Key Issues

5.1 The Draft Housing Strategy covers a wide range of issues under the above three headings that seek to capture the broad scope of housing activity in the borough. Some of the key strategic challenges currently facing the Council include:

- Recalibrating its strategic role following the establishment of Tower Hamlets Homes
- Taking account and advantage of changes in governance and political leadership at regional level with a particular focus on developing a productive working relationship with the Homes and Communities Agency
- Understanding the full impact of the current turmoil in the financial markets and its likely impact on current and future development activity, particularly where the borough has a land interest
- Continuing to build on its track record of high affordable housing delivery

5.2 The more project-based key issues that are featured in the Draft Housing Strategy are as follows:

5.3 Tower Hamlets Homes and the Housing Estate Renewal Agenda

5.4 Reference is made in the Draft Strategy to the establishment of Tower Hamlets Homes (THH) and the importance of gaining the 'Two Stars' management award necessary to obtain additional decent homes capital resources required.

5.5 An additional issue is securing wider community plan objectives on housing estates owned by the council but managed by THH. This could include taking the form of 'infill' housing development which has the potential to increase lettings opportunities for households on the Common Housing Register, particularly those overcrowded. It is intended to work with a partner housing association to pilot this approach which will be the subject of a separate report to Cabinet.

5.6 Local Delivery Vehicle

The Council intends to explore the benefit of establishing a local delivery vehicle, possibly a Local Housing Company or similar that can maximize the value of land

currently in its ownership over a longer timeframe than has previously been achieved.

5.7 Overcrowding Reduction Strategy

Overcrowding in Tower Hamlets continues to be an issue that blights the livelihoods of a large proportion of Tower Hamlets' residents. The Council is undertaking a range of initiatives designed to reduce overcrowding and will be increasing its efforts to help address this issue. In tandem with this, the Council also intends to further examine issues associated with large family accommodation in high density locations through a Supplementary Planning Document on high density housing issues.

5.8 Maximising Social Landlords' Community Plan Contribution

Housing associations – particularly members of the Tower Hamlets Housing Forum – already make a significant contribution to Community Plan objectives. This contribution needs to be increased through new members attracted to the Forum, including Tower Hamlets Homes. Particular areas of focus will include tackling anti-social behaviour; employment creation initiatives; recycling and improved public realm management; and healthy living initiatives.

5.9 Corporate Strategic Housing Projects

Ten projects have been identified that are considered to be (a) of key strategic importance to the borough and (b) projects that it has considerable influence over. Tower Hamlets Homes and the Overcrowding Strategy have already been mentioned above. The remaining eight projects are development projects which are expected to make a significant and major contribution to the local agenda through their size, location and wider contribution to the Council's Community Plan objectives:

- 2012 Olympic Park
- Blackwall Reach/Robin Hood Gardens
- Bromley-by Bow Masterplan Area
- Chrisp St Area
- St Clements Hospital
- Aspen Way
- Ocean Estate
- Reshaping Poplar
- Tower Hamlets Homes/Housing Estate Renewal Strategy
- Overcrowding Reduction Strategy

5.10 Identification of the projects identified above will help the Council, its partners and other external stakeholders understand where the strategic priorities and resources are currently focused.

5.11 Consultation

5.12 Subject to agreement of Cabinet on 3 December 2008 and any amendments required to the document, the Draft Housing Strategy will be the subject of a public consultation process starting in **Mid December 2008** and ending in **Early March 2009**. This will necessitate the need for:

- A launch event
- Presentations to and facilitated sessions with Local Area Partnerships; resident groups; Community Plan delivery groups; Tower Hamlets Housing Forum, etc.
- Discussions with statutory bodies such as the Greater London Authority (and other functional body members); Government Office for London; Thames Gateway Development Corporation; Homes and Communities Agency (English Partnerships/ Housing Corporation)

5.13 The final Strategy is provisionally proposed for submission to the Cabinet Meeting of **6 May 2009**.

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

6.1 This report sets out a number of proposed priority areas which, if agreed, will form the basis of targeted action plans for the Council working with its key partners.

6.2 The agreed Housing Strategy document will underpin key decisions that will be taken in relation to the allocation of resources in respect of both private and public sector housing within the Borough, and will have significant financial implications in respect of capital investment, priority areas financed from the Council's General Fund, and landlord priorities financed through the Housing Revenue Account. Each of these must be seen in the context of limited resources being available, and must be subject to further Cabinet decision with appropriate detailed scheme specific financial implications being considered.

6.3 The main costs associated with the recommended development of the Housing Strategy will be staffing related and will be absorbed within the existing funded staffing structures.

6.4 There will also be a consultation process which will incur costs on items such as advertising, printing, hiring venues and facilitating public meetings. These costs will be borne from within existing budgetary provision.

7. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

7.1 Whilst there is no statutory duty to produce a housing strategy it is good practice expected of a four star authority and provides overarching policy to which subsidiary plans required by legislation comply. It is also good practice to conduct wide consultation upon strategic proposals as now proposed.

7.2 There are no immediate legal implications arising from this report

8. ONE TOWER HAMLETS CONSIDERATIONS

8.1 On reducing inequalities, the commitments set out in the Draft Housing Strategy will help deliver real and lasting change. The delivery of more affordable homes will help give households, particularly those from black, Asian, or other minority ethnic backgrounds) on low incomes (many of whom are benefit dependent) a secure home. This has the potential to create an environment for household members – particularly children – to improve their educational attainment which will in turn help them access sustainable employment in the future. The delivery of more housing that is wheelchair accessible and meets lifetime homes standards will help reduce inequalities. An equalities impact assessment of the housing strategy is in the process of being developed and will help ensure that the Final Strategy impact on groups who historically suffer from inequality benefit.

8.2 The tenure of housing developed can potentially impact on community cohesion. The amount of private housing developed for sale and private rent has been particularly high in Tower Hamlets. However, the large majority of this housing is inaccessible to residents due to high house prices. Therefore, maximising the amount of affordable housing for both rent and intermediate (eg, shared ownership) can contribute to community cohesion. This can be achieved by reducing the number of households on the Common Housing Register waiting for a home, whilst also giving an opportunity for local applicants to access low cost home ownership opportunities. A community cohesion contribution can also be through the delivery of the decent homes programme.

8.3 The content of the Borough's Community Plan and the work of the Tower Hamlets Partnership features in the Draft 2009/12 Housing Strategy. Delivery of the housing commitments set out in the Strategy has the potential to make a significant contribution to the 'Great Place to Live' strand of the Community Plan. The housing agenda directly and indirectly makes a significant contribution to core Local Area Agreement targets, such as decent homes and new affordable homes delivery. Housing also makes a wider contribution to Community Plan objectives, such as on increasing household recycling; increasing educational attainment; reducing crime; and, increasing skills and training opportunities. Adoption and implementation of the Draft Housing Strategy which has a good 'strategic fit' with the Community Plan will help Tower Hamlets deliver both the housing and sustainable communities priorities that are identified in both documents.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 The Draft Housing Strategy makes reference to the contribution that housing makes to climate change and the need for carbon emission reductions from

existing housing across all tenures, and new housing that will make a significantly reduced contribution in the future, with the objective of zero carbon housing by 2016.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 The key immediate risk associated with this Draft Housing Strategy relates to ensuring that all sections of the community are effectively involved with the consultation process and have the opportunity to contribute to the development of the document.
- 10.2 Wider risks associated with the objectives that the housing strategy is seeking to deliver primarily relate to finance and delivery issues. The impact of the 'credit crunch' continues to cause a downward pressure on the availability of mortgage finance for both developers and homebuyers, with little short-term prospect of the situation changing. An additional risk is associated with Tower Hamlets Homes (THH) attaining the Two Star management standard required to unlock capital resources necessary to deliver the decent homes plus standard to the council stock managed by THH.

11. EFFICIENCY STATEMENT

- 11.1 The Draft Housing Strategy seeks to achieve greater efficiency in a number of ways. The Council is keen to build on its record as a market leader in the development of new affordable housing. Developing new affordable housing, particularly social rented housing, helps reduce dependence on temporary accommodation which is often expensive for the Council to use and not satisfactory for the households concerned. The Draft Strategy is seeking all social landlords to raise their standards of service delivery and the quality of their homes. The Draft Strategy is also seeking that public sector land, whether vacant or with housing currently developed, be asset managed effectively. Major strategic projects have been identified, most of which involve sites that Tower Hamlets has a major land interest in: by releasing these sites for development, Tower Hamlets will be helping to bring forward a significant amount of additional affordable housing in the Borough. It is also proposed that the feasibility of selecting a panel of preferred affordable housing developers be investigated in order to reduce the number of development housing associations in the borough and the consequent proliferation of housing management organisations that usually accompanies this process.

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of “back ground papers”	Name and telephone number of holder and address where open to inspection.
Housing Strategies File	Aaron Cahill – 0207 364 6149 LBTH, Development and Renewal Directorate, Anchorage House, 5 Clove Crescent, London E14

13. APPENDICES

Appendix 1 – Tower Hamlets Draft 2009/12 Housing Strategy

Appendix 2 – Evidence Base Annex

Tower Hamlets Draft 2009/12 Housing Strategy



Index Page	Pages
Executive Summary	3 - 10
Chapter 1 – Strategic Overview	11 - 16
Chapter 2 – Delivering and Managing Decent Homes	17 - 34
Chapter 3 – Placemaking and Sustainable Communities	35 - 46
Chapter 4 – Managing Demand, Reducing Overcrowding	47 - 64
Chapter 5 – New Housing Supply	65 - 81
Chapter 6 – Investment Strategy	82 - 90
Annex A - Strategic Indicators and Targets	91
Annex B – Evidence Base (Separate Document)	

DRAFT 2009/12 HOUSING STRATEGY

EXECUTIVE SUMMARY

1. Summary

1.1 Tower Hamlets Council is consulting on its Draft Housing Strategy. This is an important document as it sets out how the Council wishes to see the housing agenda addressed in Tower Hamlets over the coming years. In the Draft Strategy, we focus on four key objectives that need to be addressed:

- Delivering and Managing Decent Homes
- Placemaking and Sustainable Communities
- Managing Demand, Reducing Overcrowding
- New Supply of Housing

1.2 The focus on **Delivering and Managing Decent Homes** is because the council and its partner social landlords are responsible for both ensuring that their tenants live in decent homes and that these homes are managed well. **Placemaking and Sustainable Communities** is focused on the contribution that existing and new housing makes to the wider socio-economic agenda, to making a place both attractive to live in and economically vibrant. **Managing Demand, Reducing Overcrowding** highlights the challenges the Council is facing in meeting the huge demand for affordable housing and attempting to reduce the significant overcrowding that many in the community experience. **New Housing Supply** is about ensuring that there is an increasing supply across all tenures of housing, with a particular focus on more family housing for social rent.

1.3 Delivering against these objectives need to sit within the broader policy framework set out in the **Tower Hamlets' Community Plan**, particularly the focus on making the borough a **Great Place to Live**. The period of the final Strategy will be for the 2009/12 financial years and will be annually reviewed.

2. Tower Hamlets Housing Priorities

2.1 The housing challenge in Tower Hamlets is immense and the Draft Evidence Base that accompanies the Draft Strategy reflects the scale of the challenge. Each of the chapters feature commitments designed to deliver lasting change for the better. The Council has a leadership role to play in delivering change, but the large proportion of that change will be delivered by its partners, not the Council itself, hence the need to provide clear and effective direction. Council Key Priorities include:

- Ensuring that Tower Hamlets Homes (the council's arms length management organisation) gains the Two Star Management rating from the Audit Commission to unlock decent homes capital investment

- Reducing existing overcrowding in existing housing stock, and putting in place preventative measures to reduce future overcrowding
- Increasing the provision of new family housing in all sectors, particularly family housing for social rent
- Delivering the London Plan housing target 3,150 homes annually up to 2016/17, of which 50% should be affordable housing
- Using the Council's and other stakeholders' assets and resources more effectively over a longer timeframe
- Innovative approaches that help working households to access affordable housing for ownership

2.2 The more specific targets are set out in **Tower Hamlets' Local Area Agreement** which focus on:

- Number of additional market and affordable homes provided
- Number of affordable homes provided (i.e.) social rent and intermediate)
- Number of affordable family social rented homes provided
- Reduction in Non Decent Homes in stock transferred to housing associations
- Reduction in Non Decent Homes in Tower Hamlets Homes stock

2.3 These specific targets are set out in the Annex to Chapter 6 of the Draft Housing Strategy, but do not take account of the wider contribution that the housing agenda can make to other targets such as household recycling, street cleanliness, educational attainment and employment. What follows are the commitments set out in the Draft Housing Strategy that the Council in partnership with other key stakeholders that will help deliver lasting change for Tower Hamlets' residents.

3. Delivering and Managing Decent Homes – Key Priorities

3.1 The Council believes that every resident in the borough has a right to live in a home that meets a decent standard and is managed effectively. The standard of homes and management varies considerably in the borough and the Council wants to see all affordable housing and that private housing occupied by vulnerable households raised to decent homes standard levels and wants all social landlords delivering at least a 'Good' management service.

3.2 In this chapter of the strategy, the Council in partnership with other stakeholders sets out how it will:

- Raise and keep the standard of **all** social housing stock in Tower Hamlets to the Government's decent home standard
- Ensure that Tower Hamlets Homes (the council's arms length management organisation) develops a work programme to deliver the decent homes standard and an improved 'Two Star' management service
- Ensure all social landlords in the borough have an asset management strategy
- Develop a Decent Homes Plus Standard that will set out additional repairs and improvements that would be expected when decent homes works are undertaken.
- Develop and implement a Private Sector Renewal Strategy which will include reference to Disabled Facilities Grants and a pilot approach to selective private sector licensing
- Develop and implement an Energy Efficiency Strategy for private dwellings and make available additional information on energy conservation issues for households wishing to improve their homes
- Develop and implement a local climate change reduction policy that will help reduce carbon emissions from existing and new housing
- Expect all social landlords to make reasonable financial provision to fund adaptation works to meet changing residents' needs
- Expect all social landlords operating an efficient, effective and fair management service delivering an Audit Commission approved 'Two Star' service as a minimum
- Require all social landlords in the borough to have a tenant Involvement statements (or similar report) setting out how it involves tenants in the running of its organisation
- Working in partnership with Tower Hamlets Housing Forum members (including Tower Hamlets Homes) develop a Performance Management Framework that will track social landlords' management performance

4. Placemaking and Sustainable Communities - Key Priorities

4.1 The Council believes that housing has a key role to play in delivering better places to live and offering people opportunities to achieve a better quality of life. This involves ensuring that new and regenerated housing

environments make a positive contribution to the places that people live in. In addition, new investment has to make a positive contribution to the opportunities available to people through access to services and utilities, helping to improve individual and community well-being.

4.2 In this chapter of the strategy, the Council in partnership with other stakeholders sets out how it will:

- Deliver a high quality urban planning and development process which supports the delivery of the four Community Plan crosscutting themes:
 - A Great Place to Live
 - A Prosperous Community
 - A Safe and Supportive Community
 - A Healthy Community
- Ensure that Local Area Agreement targets on street and environmental cleanliness are met
- Bring forward regeneration proposals that help regenerate localities, which may include the development of new housing
- Facilitate the delivery of a pilot area-based low carbon project
- Increase the proportion of household recycling undertaken in Tower Hamlets.
- Deliver more skills and employment training opportunities, drawing on resources available from the Working Neighbourhoods Fund and other sources
- Ensure that healthy living programmes and health infrastructure requirements are an integral part of social housing providers' activities
- Publish a Local Biodiversity Action Plan for 2009/2013
- Ensure developers take account of security issues when designing new homes and that they contribute to the Community Plan community safety objectives
- Ensure the Council's Supporting People programme is integrated with the Homelessness Strategy and wider Housing Strategy objectives, together with priorities of the PCT and Probation Service
- Work closely with Tower Hamlets Housing Forum members to deliver the objectives set out in the Protocol and the wider objectives of this Housing Strategy

5. Managing Demand, Reducing Overcrowding – Key Priorities

5.1 The Council believes that existing and new affordable housing needs to be used as effectively as possible in order to manage existing and future housing demand. Specifically, a fresh approach is needed to reduce overcrowding in the borough.

5.2 In this chapter of the strategy, the Council in partnership with other stakeholders sets out how it will:

- Amend the Tower Hamlets Lettings Policy, including incorporating those Overview and Scrutiny Committee recommendations on reviewing the Choice Based Lettings scheme agreed by Cabinet
- Encourage all housing associations partners who have or intend to develop stock in the borough to become members of the Common Housing Register Forum and its parent group, the Tower Hamlets Housing Forum
- Develop and implement an Overcrowding Reduction Strategy drawing on previous successful approaches and initiatives
- Review sub-regional nomination protocol arrangements to ensure that the Tower Hamlets is receiving a fair allocation of large family accommodation developed in the Borough
- Develop and implement an Estate Renewal Decanting Strategy which will include housing association-led innovative solutions that will help speed up the decanting process
- Deliver the actions set out in the Council's 2008/13 Homelessness Strategy
- Work with the Nominated Undertaker for the Crossrail Act, other agencies and stakeholder groups to ensure the Eleanor Street Travellers' Site is relocated in accordance with best practice design standards.
- Produce an over-arching strategy that will set out the Borough's approach to Gypsy and Traveller issues which include the development of suitable proposals for the provision of additional site accommodation based on information set out in the pan London Accommodation Assessment, London Housing Strategy and Regional Spatial Strategy

6. New Housing Supply - Key Priorities

6.1 The Council believes that the amount of affordable housing – particularly social housing - in Tower Hamlets needs to be maximised, The quality of new housing needs to be higher, reflecting new priorities on climate change, lifetime standards and at the same time delivering housing that helps deliver more employment and training opportunities.

6.2 In this chapter of the strategy, the Council in partnership with other stakeholders sets out how it will:

- Seek as a strategic target 50% affordable housing on all housing developed in the borough, applying 35% on individual privately owned sites
- Seek 45% of the social rented element of new developments to be for large family purposes (i.e., three bedrooms or more) either provided onsite, or where delivery proves unsustainable, provided offsite; 25% of the intermediate and market homes should have three bedrooms or more
- Require all affordable housing to comply with the Housing Corporation's Design and Quality Standards (Apr 2007) guidance
- Develop specific guidance that highlights housing design requirements for black, Asian and minority ethnic groups with a particular focus on the needs of the Bangladeshi community
- Examine family high density housing issues in its forthcoming High Density Living Supplementary Planning Document
- Explore and deliver innovative approaches to facilitate the delivery of more family accommodation for households on low to medium incomes, including Community Land Trust models of affordable housing
- Require all new housing development to meet the Government's national target of zero carbon housing by 2016.
- Test the feasibility of designating affordable housing partners for development sites in order to improve local management service delivery and maximise contribution to Community Plan objectives
- Examine the value of establishing a panel of preferred affordable housing developers that will work in partnership with the Council deliver housing and wider Community Plan objectives and will have locally based housing management services

- Maximise Lifetime Homes Standards delivery in new housing stock and seek at least 10% of all new homes to be wheelchair accessible (GLA London Accessible Housing Register Standards) or easily adaptable for wheelchair users
- Investigate alternative housing delivery vehicles that can best realise corporate housing development objectives
- Prioritise its resources to the identified key corporate strategic housing projects

7. Investment Strategy - Key Priorities

7.1 The Council believes that additional investment from the Government – principally through the Homes and Communities Agency – needs to be maximised to fund schemes that will meet the Borough’s housing priorities. The key areas for investment are new affordable housing; meeting the decent homes standard; and, delivering estate renewal.

7.2 In this chapter of the strategy, the Council in partnership with other stakeholders sets out how it will:

- Secure additional investment from Government to resource Tower Hamlets Homes’ Decent Homes Plus programme
- Ensure all housing associations invest in their stock to meet the Government’s Decent Homes Standard
- Deliver the decent homes standard for vulnerable households in private sector housing
- Reduce long term empty homes in the private sector
- Adaptations to help disabled people stay in their homes rather than depend on institutional care
- Maximise investment that delivers placemaking and sustainable communities objectives
- Ensure that the Council’s Strategic Housing Land Assessment (SHLAA) is aligned with statutory agencies’ investment plans and strategies
- Maximise housing investment to help build more social rented and intermediate housing, with a particular focus on more affordable family housing

- Focus on the ten key projects identified to help deliver sustainable housing outcomes for borough residents
- Convene a Housing Strategy Programme Board that will oversee the implementation of commitments set out in the Draft Housing Strategy
- Produce an Annual Report highlighting progress against housing strategy objectives
- Ensure partnerships and staffing arrangements are in place to ensure the strategy commitments are delivered

8. Conclusion

8.1 Much is already being achieved on the housing agenda in Tower Hamlets. But we need to achieve more and ensure that we maximise the value of any public sector investment available to the borough. And we also need to ensure that we deliver wider Community Plan outcomes that help deliver places that people want to live in and opportunities to maximise their personal potential. This Draft Strategy is about helping to achieve these outcomes.

8.2 The consultation process has two core purposes; firstly, it offers an opportunity for stakeholders – residents; housing developers; businesses; public service providers; etc, to find out what the Council is proposing and why. And secondly – and more importantly – it offers an opportunity for stakeholders to recommend changes to what is being proposed. By responding to this consultation process, it will help improve the content and delivery of the Draft Housing Strategy. Please take this opportunity to help shape Tower Hamlets' housing future.

9. Consultation Questions

In the Draft Housing Strategy, we have set out what the key housing priorities are and the commitments we are making to help address them:

Are the priorities we have identified the right ones, and are there others that we should be considering?

Are the commitments we are making the right ones, and are there others that that we should be considering?

What issues should we be taking account of when considering particular needs of black, Asian and minority ethnic groups?

Are there other people or groups with particular requirements whose needs should be addressed in this Draft Strategy?

Comments on the Draft Housing Strategy can be emailed to housing@towerhamlets.gov.uk or sent to the Housing Strategy Team, Directorate of Development and Renewal, Mulberry Place (AH), 5th Floor, 5 Clove Crescent, London E14 1BY

Chapter 1 - Strategic Overview

1. Introduction

1.1 Housing in Tower Hamlets should be an opportunity for households to achieve individual well-being and realise their lifetime aspirations. For many people it is. Tower Hamlets continues to witness major new housebuilding and redevelopment work that is making a lasting difference to people's well-being. But for a large proportion of people the situation is very different, particularly for those living in poor, temporary, or overcrowded accommodation. Housing is instead, both harming their well-being and frustrating their aspirations.

1.2 This Draft Housing Strategy is about how we can accelerate our efforts to change that situation for the better in a lasting way. There are many different sides to the housing challenges that Tower Hamlets faces, which make it all the more important that the borough has an organised and realistic response that can make a difference. In developing such a response, the Draft Housing Strategy is focused on achieving the following objectives:

- Delivering and Managing Decent Homes
- Placemaking and Sustainable Communities
- Managing Demand, Reducing Overcrowding
- New Supply of Housing

1.3 The focus on **Delivering and Managing Decent Homes** is because the council and its partner social landlords are responsible for both ensuring that their tenants live in decent homes and that these homes are managed well. **Placemaking and Sustainable Communities** is focused on the contribution that existing and new housing makes to the wider socio-economic agenda, to making a place both attractive to live in and economically vibrant. **Managing Demand, Reducing Overcrowding** highlights the challenges the Council is facing in meeting the huge demand for affordable housing and attempting to reduce the significant overcrowding that many in the community experience. **New Supply of Housing** is about ensuring that there is an increasing supply across all tenures of housing, with a particular focus on more family housing for social rent.

1.4 The Council will continue to play a very important role in delivering these three objectives identified above, but this will depend increasingly on its ability to:

- Use its powers, resources and people to best effect
- Generate external resources – particularly capital funding - where necessary
- Increase the effectiveness and efficiency of partnership working to deliver shared objectives

1.5 This will be all part of the council's over-arching 'enabling' approach, focused on influencing partners' to deliver wider socio-economic objectives which feature in the Community Plan and are identified as Local Area Agreement (LAA) targets. LAAs set out the priorities for a local area agreed between central government and a local area (the local authority and Local Strategic Partnership) and other key partners at the local level. Tower Hamlets' housing related LAA targets are set out in Annex A of Chapter 6 of this Draft Strategy. An important element to this approach is understanding the wider national and regional agenda in order to maximise the amount of resources going into Tower Hamlets and ensure those resources are used effectively and efficiently.

2. The Sustainable Communities Strategy: Tower Hamlets' Community Plan

2.1 Delivering the council's housing objectives needs to strategically fit with the wider sustainable communities strategy for the borough to improve individual and community well-being. This strategy is the Council's new Community Plan – **2020 Vision – Tower Hamlets Community Plan** ⁽¹⁾ - and is structured along the following themes:

- A Great Place to Live
- A Prosperous Community
- A Safe and Supportive Community
- A Healthy Community

2.2 The **Local Strategic Partnership** which is responsible for overseeing the delivery of the Community Plan has established four Delivery Groups for each theme that will play a key role in delivering the LAA targets agreed with Government. Housing is most closely associated with the first theme – A Great Place to Live. The quality, quantity and affordability of housing all feature in the Community Plan and the associated Local Area Agreement housing targets (detailed in the Chapter 6 Annex), and the Draft Housing Strategy will make a key contribution to both the housing targets and the wider socio-economic targets that the Council is responsible for delivering.

3. Local Development Framework (LDF) – Core Strategy

3.1 The LDF Core Strategy ⁽²⁾ sits under the Community Plan and provides the council with a spatial development strategy for the borough. It helps facilitate the delivery of social, economic and environmental objectives set out in the Community Plan. It provides the delivery mechanisms for housing and is the core link between the planning and housing strategies for the borough.

4. Housing in Tower Hamlets

4.1 In Annex A to this Draft Housing Strategy, a robust evidence base sets out the scale of the housing and wider socio-economic challenges Tower

Hamlets stakeholders and residents face. Particular challenges it is facing centre on:

- insufficient affordable homes – particularly family homes - to meet housing needs
- market housing for sale which is unaffordable to people on low to medium incomes
- high levels of overcrowding amongst existing tenanted stock which is likely to remain a serious problem in the short term unless radical action is taken
- a high proportion of non-decent homes, particularly amongst council housing, that needs to be made decent and asset managed in an effective manner

4.2 In summary there is a very strong case for housing investment in the borough. But there is also a very strong case to ensure that investment is delivering housing and other outcomes that strategically fits with what the borough wants, hence the need for a Housing Strategy that sets out the framework that sets out in simple terms what is needed and how it should be delivered.

4.3 This Draft Housing Strategy references the most recent Housing Needs Assessment Study undertaken in 2004. The Council intends to commission a new study – a Strategic Housing Market Assessment – that will look in more detail what kind of housing current and future residents – across all tenures - are likely to need over the medium to long term. Whilst housing demand is known to be high in Tower Hamlets, the Council nonetheless needs to have an evidenced based approach to its future housing requirements. Examples of issues that will be examined include inward and outward migration; the amount of elderly accommodation required; the affordability of market housing and housing market trends generally. This piece of work which will help inform planning policy also, is likely to be commissioned and completed during 2009.

5. National and Regional Policy Context

5.1 Whilst local priorities continue to guide the delivery of the local housing strategy, national and increasingly regional priorities, need to be taken account when considering how housing issues are addressed locally. And one of the key purposes to having a housing strategy is to maximise resources for the borough in order to improve the quality and quantity of its housing.

5.2 At the national level the Government has published the:

5.3 **Housing Green Paper** ⁽³⁾ set out the Government's commitment to work with partners to provide: More homes to meet growing demand; Well-designed and greener homes, linked to good schools, transport and healthcare; and more affordable homes to rent.

Tower Hamlets Strategy Interface

2020 Vision
Tower Hamlets Community Plan
 by 2020 *“improve the quality of life for everyone who lives and works in the borough.”*
 ~ A Great Place to Live
 ~ Prosperous Communities
 ~ Safe and Supportive Communities
 ~ Healthy Communities

Housing Strategy

LDF

Decent Homes and Management

- Tower Hamlets Homes investment programme
- Decent Homes Plus Standard for all social housing
- Decent Homes for Vulnerable Private sector Tenants
- Minimum ‘Two Star’ management service
- Tenant involvement

Placemaking and Sustainable Communities

- Urban Planning
- Low Carbon Neighbourhoods
- Working Neighbourhoods
- Community Safety
- Community Cohesion
- Health
- Education
- Supporting People
- Leisure & Culture

- Managing Demand, Reducing Overcrowding

- Lettings Policy
- Overcrowding Reduction
- Estate Renewal Decants
- Homelessness
- Gypsies and Travellers

New Housing Supply

- More family homes
- New vehicles for delivery
- Low/zero carbon housing
- Lifetime homes
- Strategic Sites Delivery

Evidence Base; Strategic Housing Land Availability Assessment.

5.4 **Hills Report - Ends and Means: the Futures Roles of Social Housing in England** ⁽⁴⁾ focused on the need for addressing worklessness amongst social housing tenants and the need to give more choice to tenants

5.5 **National Strategy for Housing in an Ageing Society** ⁽⁵⁾ set out the Government's approach to meeting the housing challenge of an ageing population.

5.6 Following the enactment of the **2008 Housing and Regeneration Act** ⁽⁶⁾:

- the **Tenant Services Authority** has been created which will be responsible for regulating housing associations (and later Councils and Arms Length Management Organisations), setting performance standards and taking enforcement action where standards are not being met.
- the **Homes and Communities Agency (HCA)** has been created, taking over the investment functions of the Housing Corporation, English Partnerships and the Decent Homes responsibilities of Communities Local Government. HCA's new role will be to provide investment support for infrastructure and housing new supply in London (and the rest of England).

5.7 At the regional level, the publication of **The London Housing Strategy** ⁽⁷⁾ (November 2008), a draft for consultation with the London Assembly and functional bodies, highlights a number of significant changes to the former Mayor's Draft Strategy ⁽⁸⁾ published in September 2007. Whilst the 50,000 affordable housing delivery target for 2008/11 remains intact, the new document:

- Removes the 50% affordable housing target for individual boroughs
- Proposes that future affordable housing targets be agreed with individual boroughs
- Promotes intermediate (principally low cost home ownership) affordable housing delivery

5.8 The final London Housing Strategy will be a statutory document and all local strategies will need to be in broad conformity with it. In addition, the London Mayor will also become the Chair of the London Sub Committee of the Homes and Communities Agency and will have strategic responsibility for affordable housing investment (including that for decent homes) in the capital. The Council will therefore need to work with the new strategy, policy and funding arrangements as they emerge, to help maximise the affordable housing investment settlement for the Borough's residents.

6. Meeting the Challenges

6.1 The housing challenges are well-known in Tower Hamlets and are evidence based in the annex to this strategy. What follows in the Draft

Housing Strategy is a focus on four key objectives in individual chapters that will help achieve the lasting change needed:

- Delivering and Managing Decent Homes
- Placemaking and Sustainable Communities
- Managing Demand, Reducing Overcrowding
- New Housing Supply

6.2 Each chapter sets out specific commitments that will help the council play a key role in partnership with others – particularly locally based housing associations – to make a lasting difference for current and future residents of the borough.

6.3 The four themes are often interdependent and critically the delivery of market housing helps diversify tenure in Tower Hamlets and also (through planning obligations) requires private developers to provide affordable housing also. The current challenges being experienced in the finance industry – the ‘credit crunch’ – will have an impact on what planning obligations can reasonably be expected in the future. This however should not detract from the need for the Council to articulate what the housing strategic priorities in Tower Hamlets are, and how it expects them to be delivered.

6.4 What follows after these four chapters is the investment plan which will draw out the key actions that need to be achieved in order to help facilitate the delivery of the objectives set out in each of the chapter headings set out above.

References

1. LBTH 2020 Vision – The Tower Hamlets Community Plan (2008) – www.towerhamlets.gov.uk
2. LBTH Core Strategy and Development Control Plan (2007) – www.towerhamlets.gov.uk
3. Communities and Local Government Housing Green Paper (2007) – www.communities.gov.uk
4. Hills Report - Ends and Means: the Future Roles of Social Housing in England (2007) – Published by the London School of Economics
5. Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society (2008) – www.communities.gov.uk
6. 2008 Housing and Regeneration Act – www.parliament.uk
7. The London Housing - Draft for consultation with the London Assembly and functional bodies (2008) www.london.gov.uk
8. Mayor's Draft Housing Strategy (2007) – www.london.gov.uk

Chapter 2 – Delivering and Managing Decent Homes

1. Why is delivering and managing decent homes an issue in Tower Hamlets?

1.1 One of the core reasons for developing a Tower Hamlets housing strategy is to set out the minimum standards of housing quality and management that the council expects social landlords to deliver for its residents. On the quality side, the council expect all social landlords to deliver the Government's decent homes standard as soon as possible. On the management side, the council expects social landlords to be delivering an Audit Commission 'good' standard with an expectation that the service will improve further over time.

1.2 The decent homes agenda has a wider ambit than social housing. The council wishes to see the decent homes standard delivered for vulnerable tenants in the private rented sector. And the Council would like to see existing homes becoming more flexible in order to meet people's changing needs. Reducing carbon emissions from existing housing will be key to meeting the Mayor's Climate Change Action Plan objectives.

2. Key Priorities

2.1 In this chapter, we set out how we intend to deliver the following key priorities. The Council with its partners intends to:

- Raise and keep the standard of **all** social housing stock in Tower Hamlets to the Government's decent home standard
- Ensure that Tower Hamlets Homes (the council's arms length management organisation) develops a work programme to deliver the decent homes standard and an improved 'Two Star' management service
- Ensure all social landlords in the borough have an asset management strategy
- Develop a Decent Homes Plus Standard that will set out additional repairs and improvements that would be expected when decent homes works are undertaken.
- Develop and implement a Private Sector Renewal Strategy which will include reference to Disabled Facilities Grants and a pilot approach to selective private sector licensing

- Develop and implement an Energy Efficiency Strategy for private dwellings and make available additional information on energy conservation issues for households wishing to improve their homes
- Develop and implement a local climate change reduction policy that will help reduce carbon emissions from existing and new housing
- Expect all social landlords to make reasonable financial provision to fund adaptation works to meet changing residents' needs
- Expect all social landlords operating an efficient, effective and fair management service delivering an Audit Commission approved 'Two Star' service as a minimum
- Require all social landlords in the borough to have a tenant Involvement statements (or similar report) setting out how it involves tenants in the running of its organisation
- Working in partnership with Tower Hamlets Housing Forum members (including Tower Hamlets Homes) develop a Performance Management Framework that will track social landlords' management performance

3. Evidence Base Summary

3.1 In the Evidence Base Annex to the Draft Housing Strategy it is shown that:

- 41% of Tower Hamlets Homes council housing did not meet the Decent Homes Standard
- 15% of housing association stock in Tower Hamlets did not meet the Decent Homes Standard
- 33% of private rented housing did not meet the Decent Homes Standard
- The cost of raising Tower Hamlets Homes council housing stock to the decent homes standard is currently just under £400m

4. Background

4.1 This chapter focuses on the issue of delivering and managing decent homes. First announced by the Government in its Housing Green Paper (2000), a target for achieving a decency standard for all affordable housing by 2010 was set. An additional requirement on tackling fuel poverty was added later.

4.2 Delivery of the Decent Homes Standard and the provision of effective, efficient and fair housing management should be considered as the core social landlord business offer. This provides the platform for the wider offer sought on neighbourhood renewal set out in the next chapter, but this offer is dependent on social landlords getting the core business right.

4.3 There are other aspects to the Decent Homes agenda covered in this chapter. Housing associations are required by the Government to meet the decent homes standard as well and one of a number of new policies in this Draft Housing Strategy includes tracking associations' progress – particularly stock transfer associations - on delivering the decent homes target.

4.4 Also included is the delivery of the decent homes standard for vulnerable households in the private rented sector. A new performance and regulatory framework for social landlords is also covered in this chapter.

4.5 For a home to be decent, it needed to be 'warm, weatherproof and have reasonably modern facilities.' Further detail is given on what the definition involves in this chapter as there have been some changes in the Government policy since 2000.

4.6 Three options were available to local authorities to achieve the decency standard where insufficient mainstream resources were available:

1. Stock Transfer to a new or existing housing association
2. Arms Length Management Organisation (ALMO)
3. Private Finance Initiative (PFI)

4.7 The 2001 and 2003 Price Waterhouse Cooper studies on Tower Hamlets Council-owned housing stock both indicated a need for the council to consider the above options in the absence of 'a fourth option' which would involve the stock remaining in council management and ownership. In this scenario, insufficient resources would be available from its own current and future budget to undertake the investment required to bring the stock up to the standard required by the Government.

4.8 Establishing this target has led to a significant increase in investment in existing social housing stock and this trend continues. Tower Hamlets' response to the Government's challenge was to implement the *Housing Choice* process whereby tenants were given the opportunity to choose a new social landlord. Over 13,000 homes have been transferred to housing associations via this process, leveraging in over £420m of additional investment to the borough. This is in addition to stock transferred under previous initiatives funded by the Government's Estate Renewal Challenge Fund (ERCF).

4.9 Despite the potential benefits of stock transfer, many tenants and leaseholders were reluctant to transfer to a Registered Social Landlord, and

others voted against. To ensure that these residents also had an opportunity of a decent home, the council has established an Arms Length Management Organisation (ALMO) – **Tower Hamlets Homes** - to take on the management of the remaining stock. This stock totals over 22,000 homes which include just over 9,000 homes owned by leaseholders and freeholders making it the single largest social landlord in the borough. Subject to Tower Hamlets Homes being awarded a two star 'good' management rating by the Audit Commission, additional resources will be sought from Government to which will also unlock the additional investment resources available from Government to deliver the decent homes works required.

5. Decent Homes – A Definition

5.1 The Government sets out four key criteria to achieving the Decent Homes Standard in the social housing sector ⁽¹⁾. The home should:

- Meet the current statutory minimum standard for housing
- Be in a reasonable state of repair
- Have reasonably modern facilities and services
- Provide a reasonable degree of thermal comfort

5.2 Taking each criterion in turn:

5.3 **Meet the current statutory minimum standard for housing** – The statutory standard is now covered by the Housing Health and Safety Rating System (HHSRS) which replaced the fitness standard in April 2006. For a home to fail the decency standard, it will have one or more 'Category 1' hazards.

5.4 **Be in a reasonable state of repair** – dwellings which fail to meet this criterion are those where either:

- One of more of the key building components are old and because of their condition, need replacing or major repair; or
- Two or more of the other building components are old and because of their condition, needs replacing or major repair.

5.5 **Have reasonably modern facilities and services** – dwellings which fail to meet this criterion are those which lack three or more of the following:

- A reasonably modern kitchen (20 years old or less)
- A kitchen with adequate space and layout
- A reasonably modern bathroom (30 years old or less)
- An appropriately located bathroom and WC
- Adequate insulation against external noise (where external noise is a problem): and,
- Adequate size and layout of common areas for blocks of flats

5.6 A home lacking two or fewer of the above is still classed as decent, therefore it is not necessary to modernise kitchens and bathrooms if a home meets the remaining criteria.

5.7 **Provide a reasonable degree of thermal comfort** – This requires homes to have both effective and efficient heating which in turn contributes to a reduction in tenants’ fuel poverty.

6. Decent Homes in Tower Hamlets

6.1 Tower Hamlets is committed to delivering decent homes for all social housing tenants, i.e., in both homes managed by Tower Hamlets Homes and housing associations. As a result of the failed transfers, the Government’s 2010 target for all social housing homes to be decent will not be met in Tower Hamlets even though good progress is being made in reducing the number on estates now owned by stock transfer housing associations.

6.2 Housing associations account for an increasing proportion of social housing in Tower Hamlets. This is for two reasons: firstly, the stock transfer of homes from the local authority sector to housing associations through the *Housing Choice* process, and secondly the continuation of new affordable housing by housing associations. Monitoring housing association progress against the decent homes target will be a requirement of this Strategy.

6.3 Tower Hamlets will require annual reports from social landlords – Tower Hamlets Homes and housing associations – on the number of decent homes and non-decent homes in their stock. In addition, asset management plans will need to be put in place to help ensure non-decent homes are kept to a minimum. The Council will also closely monitor progress against the wider promises made by stock transfer housing associations.

Commitment 1	Responsibility	When
Tower Hamlets will require all social landlords to meet the decent homes standard	Social Landlords	Annually Monitored
Commitment 2	Responsibility	When
Social landlords will report annually to the borough on progress towards the target.	Social Landlords/LBTH Housing Strategy Team	Annually Monitored
Commitment 3	Responsibility	When
Stock transfer housing associations decent homes delivery will be separately monitored in line with the Local Area Agreement targets	Stock transfer housing associations/ Tower Hamlets Council	Annually Monitored
Commitment 4	Responsibility	When
Stock transfer housing associations ‘Offer Document’ promises and ‘Transfer Agreement’ contractual requirements will be separately monitored	Stock transfer housing associations/Tower Hamlets Council	Annually Monitored

7. Decent Homes in Council Housing – Establishing Tower Hamlets Homes

7.1 Tower Hamlets Homes (THH) will be responsible for day-to-day management of homes and estates owned by the Council. The services provided will include:

- maintenance and repairs
- caretaking
- major works to bring homes up to the decent standard
- collecting rent and service charges and dealing with arrears
- letting homes and dealing with empty property
- handling right-to-buy for the council
- tenant and leasehold management

7.2 The council is still the owner of the homes and it is still responsible for housing policy in the borough. The council is also the sole owner of THH and will monitor the organisation carefully to ensure that it is delivering services to the required standard: THH will be answerable to the council. In some ways there is no change for residents. There is no change in tenancy or lease arrangements for tenants and leaseholders. The stock remains in council ownership. Tenants are still council tenants, with their existing council tenancies, and leaseholders remain council leaseholders, with their existing leases. Tenants' and leaseholders' rights do not change.

7.3 One of the reasons for establishing Tower Hamlets Homes was to access additional capital investment required from the Government to fund the decent homes programme. It also provides impetus for the Council to both improve the standard of the housing but also – at arm's length – to improve the management of the stock up to the Audit Commission's 'two star' standard. To achieve this, Tower Hamlets Homes will need to be performing in key areas such as: Stock Investment and Asset Management; Tenancy and Estate Management; Housing Income Management; Resident Involvement; Allocations and Lettings; management of Right to Buy, as well as value for money (2).

7.4 Tower Hamlets has derived its objectives in consultation with residents on the raised standard of homes that the ALMO will be able to deliver to homes that:-

- are warm and dry with an effective heating system
- are secure and draft free with double glazing where this can be fitted
- have modern electrical wiring with enough sockets
- have reasonably modern facilities including kitchens and bathrooms
- are accessed through clean and safe communal areas.

7.5 Works to the internal of each property will only be undertaken to homes for rent, not to those sold under the right to buy.

Commitment 5	Responsibility	When
Tower Hamlets Homes will develop and put in place a programme that will deliver the Decent Homes Plus Standard to the social rented stock under its management.	Tower Hamlets Homes / Tower Hamlets Council	2010
Commitment 6	Responsibility	When
Tower Hamlets Homes and the Council will implement a business plan that will enable Tower Hamlets Homes to deliver the decent homes plus programme of work. All sources of funding will be explored to fund the Decent Homes Plus Programme and any additional estate renewal work required to regenerate Tower Hamlets estates.	Tower Hamlets Homes/Tower Hamlets Council	2010

8. Decent Homes and Asset Management

8.1 For homes that are or will be decent through investment by the social landlord concerned, an asset management strategy will be required. Such a strategy can take the following characteristics:

- A five year external redecoration programme – to protect the building and window fabric
- Annual gas safety inspection - to meet the landlord's statutory responsibilities on safe gas installations in the home
- Regular jetting of drains - to avoid blockages which can lead to flooding and/or overflow of sewage

8.2 These are a just a few reasons why it is very important to have an asset management strategy in place, anticipating problems that might arise from particular components of the building failing at points in the future as well as making the component last as long as possible. This Asset Management Strategy will also identify any major works required to specific blocks which may also include an option to demolish buildings if they are at the end of their economic life and/or are not meeting current housing needs and aspirations.

Commitment 7	Responsibility	When
3.1 Tower Hamlets will expect all social landlords to develop and implement an Asset Management Strategy that sets out how the decent homes standard is to be maintained. The Asset Management Strategy will be available to tenants and other housing stakeholders.	Social Landlords	2009

9. Decent Homes Plus and the Wider Neighbourhood Renewal Agenda

9.1 The Council will expect housing associations to continue to play a key and successful role in delivering outcomes sought in the borough’s Community Plan. Delivering the Decent Homes Standard is considered a basic requirement and does not cover all components of the building and the immediate environment around it. The obvious examples of omissions from the standard are lift replacements where needed and environmental improvements.

9.2 The amount of additional repair and improvement work that can be undertaken will be constrained by the resources available. Past funding programmes that have been available for this kind of work – e.g., Estate Action and to a lesser degree the Single Regeneration Budget – have been wound down for some years and resources required for comprehensive internal, external and environmental improvement of housing on the scale needed are not available from council budgets.

9.3 In more recent years, the main means to generating the resources required has been through the stock transfer process which has unlocked dowry resources from the Government and private finance raised by private developers and housing associations.

9.4 Recent CLG Guidance has emphasised the importance of ensuring that decent homes delivery should be part of a wider strategy for regeneration. This issue is developed further in the next chapter but the proposition is fundamentally right that housing investment approaches should be part of a wider neighbourhood renewal approach and this is reflected in the Tower Hamlets’ Community Strategy.

9.5 The range of works described in the section above which Tower Hamlets Homes intend to carry out comprise a wider scope of works than that specified by the Government and represents a step towards a ‘Decent Homes Plus Standard’. This will be consolidated in a single document which will set out the Council’s expectations on what added value it can expect from decent homes investment.

Commitment 8	Responsibility	When
Tower Hamlets will develop a Decent Homes Plus Standard that will set out additional repairs and improvements that would be expected when decent homes works are undertaken.	Tower Hamlets	2009

10. Decent Homes in the Private Rented Sector

10.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 requires the Council to have a Private Sector Renewal Strategy for their area. This policy must set out the local priorities, the nature of the

assistance given by the Council to meet these priorities and who is eligible to receive it. In developing such a strategy the Council is required to consider the strategic objectives that either relate directly or otherwise impinge on the Council's actions in respect of housing.

10.2 The Housing Act 2004 was the most comprehensive review of housing enforcement legislation for 50 years. The Act introduced a fundamental change to the way local authorities deal with house condition problems. Until the Housing Act 2004 the Housing Fitness Standard was a measure of whether a dwelling met minimum legal standards. The Housing Act 2004 introduced the Housing Health and Safety Rating System (HHSRS) which replaced the old fitness for human habitation standard in April 2006.

10.3 The new system moves away from a prescriptive standard and replaces it with the risk assessing of 'hazards' within dwellings. These hazards are then converted into Category 1 and Category 2 hazards. Local Authorities have a duty to take action to deal with Category 1 hazards.

10.4 The Act also introduced a mandatory requirement for licensing certain types of Houses in Multiple Occupation (HMOs) and gave new powers to deal with empty properties – Empty Dwelling Management Orders (EDMOs). There are also powers in the Act to update the definition of overcrowding, which to date has not been implemented. HMOs are amongst those properties that are most likely to be a risk to the health and safety of their occupants. They are also increasingly the source of much anti-social behaviour on Council and housing association estates. Only those HMOs with three or more storeys and five or more occupants are currently covered by the mandatory licensing scheme. The Council believes that smaller HMOs can cause similar problems also. The council intends to investigate the feasibility of selective licensing of properties in multiple occupation.

10.5 Taking account of the Council's responsibilities to address the issues identified above, the Council will develop a **Private Sector Housing Renewal and Empty Properties Policy Framework** which designed to ensure that private sector residents have a safe, decent and affordable home suitable to their needs. The objectives the Framework will be to:

1. Improve the living conditions for owner-occupiers and private sector tenants
2. Reduce the number of unfit properties, including houses in multiple occupation, in the private sector, and where possible bring them up to the decent homes standard.
3. Increase the proportion of vulnerable people, who live in the private sector, who live in homes that are in a decent condition.
4. Reduce the number of private sector empty properties, and where possible bring them up to the decent homes standard and make them available for letting for key workers or via the Council's rent deposit guarantee scheme.

5. Reduce the number of domestic burglaries by providing effective home security works to homes in the private sector
6. Enable disabled and other vulnerable residents to remain safe and independent in their own homes
7. Help prevent homelessness
8. Improve the overall SAP rating of private sector dwellings
9. Improve the availability of hospital beds by reducing the delay in hospital discharges

10.6 The Council's Private Sector Housing Renewal Policy Framework and Empty Properties Policy Framework will reflect national, regional and local priorities and will be founded on partnership principals, delivering an increasingly strategic and enabling focus on meeting the needs of the borough's residents.

10.7 **Disabled Facilities Grants** are available to owners, owner-occupiers or tenants to help a disabled person live more independently in their own home. This has obvious advantages to both the occupier who is able to stay in his/her home and service providers who are not required to provide residential care. The proposed works have to be necessary and appropriate for the disabled person and also have to be reasonable and practical.

Commitment 9	Responsibility	When
Tower Hamlets will develop an implement a Private Sector Renewal Strategy that will deliver decent homes in the private rented sector and achieve a reduction of Category 1 hazards.	Tower Hamlets	2009
Commitment 10	Responsibility	When
Tower Hamlets will make available information on disabled facilities grants for residents and maximise use of available resources	Tower Hamlets Council	Ongoing
Commitment 11	Responsibility	When
Tower Hamlets will investigate the feasibility of additional selective licensing of private sector properties which are in multiple occupation	Tower Hamlets Council	2009

11. Energy Efficiency

11.1 Local Authorities have statutory duties in respect of energy conservation in domestic dwellings under the Home Energy Conservation Act. Energy conservation both helps reduce fuel poverty and also reduces harmful carbon emissions. The energy services unit was set up to provide a focus for domestic energy efficiency and respond to the Home Energy Conservation Act 1995. The unit was formed under the Directorate of Housing in 1995 and it is based at Anchorage House. The team's main function is to fulfil the

council's statutory duty (as the Energy Conservation Authority for Tower Hamlets) by reducing domestic energy consumption by 30% on 1996 levels by 2010.

Commitment 12	Responsibility	When
Tower Hamlets will develop an Energy Efficiency Strategy for private dwellings and make available additional information on energy conservation issues for households wishing to improve their homes	Tower Hamlets	2009

12. Reducing Carbon Emissions from Existing Housing

12.1 The London Mayor's **Climate Change Action Plan** ⁽³⁾ sets out his carbon emission reduction targets for the capital. This is restated in his most recently updated London Plan ⁽⁴⁾ and his Draft London Housing Strategy ⁽⁵⁾.

12.2 The Pan-London carbon reduction target is to reduce carbon emissions by 60% by 2050 against a 1990 base. In seeking to meet this target, the Mayor has adopted minimum reduction targets (which will be kept under review) as follows:

15% by 2010; 20% by 2015; 25% by 2020; 30% by 2025

12.3 The Climate Change Action Plan focuses strongly on the important role that action on carbon reduction emissions from existing housing plays. The domestic sector contributes nearly 40% of London's total emissions.

12.4 Reference is made in the Climate Change Action Plan to the role that the Decent Homes programme plays in delivering the thermal comfort, with the caveat that more should be done to improve the overall energy efficiency of homes that are being invested in.

12.5 Carbon emissions are caused by inefficient use of electricity, gas and water. Significant reductions in carbon emissions can be achieved by:

- Simple, cost free actions to cut wasteful energy use (for example turning off lights when we leave rooms, washing clothes at 30C not 40C)
- Reducing necessary electricity use by increasing the take up of energy efficient lightbulbs and appliances
- Reducing energy used for heating and cooling by improving the thermal efficiency of homes

12.6 Approaches as described above can be very successful not least because the resident concerned stands to save money by using less electricity and gas in their home. However, more radical action is likely to be needed over the coming years to fully address the challenge that is being set.

12.7 Decent homes investment can make an impact on reducing carbon emissions from housing although it is highly unlikely that such repairs and improvements can make homes zero carbon in a envisaged in the Code for Sustainable Homes. The British Research Establishment (BRE) as well as creating the Code for Sustainable Homes (and its predecessor Ecohomes) standard for new housing, has also developed the Ecohomes XB Standard which enables housing stakeholders to measure the environmental impact of repairs and improvements to components of existing housing.

Commitment 13	Responsibility	When
Tower Hamlets will develop and implement a local climate change reduction policy that will help reduce carbon emissions from existing and new housing	Tower Hamlets Council	Annually Monitored
Commitment 14	Responsibility	When
Social landlords when considering repairs, refurbishment and new build should have regard to the Mayor's climate change policies in the London Plan; Climate Change Action Plan; and local policies that will help reduce carbon emissions from homes in Tower Hamlets.	Social Landlords/ Developers/Private Landlords/ Home Owners	Annually Monitored

13. Small Adaptations for People with Additional Requirements

13.1 The Government in its recently published Strategy for Housing the Elderly commits housing stakeholders to delivering the Lifetime Homes Standard for all new housing by 2013, with a further commitment to introduce statutory regulations if the target is not met voluntarily.

13.2 Independent of this, is the need to consider what can be done for tenants who are resident in existing homes or who are allocated homes that need adaptation work undertaken. Whilst there will be financial limits as to the scope of works that can be undertaken, Tower Hamlets considers it necessary that all social landlords in the borough make reasonable financial provision for adaptation works to be undertaken to address the changing needs of residents, particularly for the elderly and the disabled. The East London Protocol allows housing associations to apply for Disabled Facilities Grants.

Commitment 15	Responsibility	When
Tower Hamlets will expect all social landlords to make reasonable financial provision to fund adaptation works to meet changing residents' needs.	Social Landlords	Annually monitored

14. Delivering Effective, Efficient and Fair Housing Management – The Regulatory Framework

14.1 Social landlords are inspected periodically by the Audit Commission and are awarded a standard – one to three stars, with an indication of the ‘direction of travel’ of their service - on the basis of the inspection. Key areas that are subject to the inspection approach are as follows:

- Stock investment and asset management
- Tenancy and estate management
- Housing income management
- Resident involvement
- Allocations and lettings (as appropriate)

14.2 In addition, other areas may be inspected such as neighbourhood renewal and supporting people.

14.3 The inspection role of the Audit Commission should not be confused with the regulatory role of the Housing Corporation who also fund new development by housing associations. The Corporation has a responsibility for ensuring that associations’ governance (i.e., how they make decisions), financial viability and management performance are in accordance with good practice.

14.4 The creation of the Tenant Services Authority will bring these two functions together. This new organisation’s key tasks will be on regulation, tenant protection and improving social landlord performance, with high standards of governance and probity, and protection of private and public sector investment. At the time of writing, it was not known whether Arms Length Management Organisations (ALMOs) will fall under the remit of the Tenant Services Authority.

Commitment 16	Responsibility	When
Tower Hamlets will work closely with Tenant Services Authority to ensure that tenants in Tower Hamlets receive an effective, efficient and fair management service and that all social landlords are seeking a minimum ‘Two Star’ service.	Tower Hamlets Council	Annually Monitored

15. Tenant Involvement in Housing Management

15.1 Tower Hamlets is committed to ensuring that all social landlord tenants are provided the opportunity to influence the policies and practices that govern the management of their homes. Tenant involvement can involve:

- Representation on housing association/Tower Hamlets Homes boards
- Regular focus groups / fora to consult on management issues

- Effective communication with tenants which takes account of diversity and the needs of ‘hard to reach’ groups

15.2 More detail on a model approach is set out in the Audit Commission’s Key Lines of Enquiry on tenant involvement. Tower Hamlets recognises that effective and inclusive consultation and participation can benefit its residents and the social landlord, in the following ways:

- Foster better community spirit;
- Improve communication
- Improve service delivery
- Increase resident satisfaction
- Maximise cost effectiveness and efficiency
- Providing services and standards tenants want
- Raise standards
- Strengthen and empower local communities

15.3 In seeking to deliver the above objectives, a more direct form of tenant involvement can be the establishment of a tenant management organisation which takes on the management function (but ownership responsibilities) of a social landlord. The Council benefits from a number of tenant management organisations who have a long history of service delivery in Tower Hamlets.

15.4 At all levels of the housing agenda, Tower Hamlets Council wants to maximise tenant involvement in the delivery of social landlords’ management services and broader community regeneration activities.

Commitment 17	Responsibility	When
Tower Hamlets will require all social landlords in the borough to have a tenant Involvement statements (or similar report) setting out how it involves tenants in the running of its organisation	Social Landlords	2009

16. Tower Hamlets Leaseholders

16.1 A significant number of households in Tower Hamlets are leaseholders. A particular constituency that the Council and Tower Hamlets Homes needs to focus are those who hold leases in housing owned by the Council. The large majority of these homes are in council blocks where services for leaseholders, eg, communal lighting and heating; estate cleansing, horticultural maintenance, etc, are inevitably mixed in with services that tenants receive also. Leaseholders’ homes were mainly purchased under the ‘right to buy’ and now comprise over 40% of the stock managed by Tower Hamlets Homes.

16.2 An ongoing issue for the residents of these homes is the amount of service charge that they are required to pay and the services that they

receive. In line with the Full Council decision of 15 October 2008, the Council and Tower Hamlets Homes will be working together to assess how services charges are budgeted and eventually charged for. A particular focus will be on drawing on current best practice; the legislative framework; with the intention of any new arrangements in place in time to determine the estimates for the 2009/10 financial year and the actual expenditure charged for the 2008/09 financial year.

Commitment 18	Responsibility	When
Tower Hamlets and Tower Hamlets Homes will commission an independent audit of processes that determined 2007/08 leasehold service charges and recommend changes that will improve the way estimates and actuals are calculated in the future.	Tower Hamlets Council/Tower Hamlets Homes	2009

17. Social Landlords' Performance Management Framework

17.1 Tower Hamlets Council is committed to ensuring that all social landlord tenants in the borough are afforded the opportunity of influencing the policies and practices that govern the management of their homes. One of the needs the Housing Strategy must address is how to improve standards and build on good performance.

17.2 A performance management framework that helps govern the relationship between Tower Hamlets Homes (the ALMO), housing associations and the Council will be reviewed each year and some of its main elements will include:-

- Key aims and objectives
- Monitoring core activities, processes and performance reporting arrangements
- Liaison arrangements - system of monthly and quarterly performance meetings
- Dealing with under performance

17.3 The Council has flexibility to determine a programme of best value reviews based on local priorities and the views of Tower Hamlets' residents and stakeholders and is currently in the process of reviewing its approach to Best Value.

17.4 **Performance Monitoring** includes the use of the Performance Management Framework for all service areas. Tower Hamlets Homes will be required to report performance monthly and housing associations will report on a quarterly basis. In addition to this, quarterly reports will be compiled for corporate purposes and will include detailed information on all key performance indicators. The Council will monitor and review the implementation of its performance management framework against its objectives and ensure that the results are readily available to all stakeholders.

In particular, the Council will work closely with Tower Hamlets Homes through regular meetings to review progress against targets and make any necessary recommendations that will help improve performance.

17.5 The Council currently subscribes to the Housemark system to enable it to benchmark all aspects of its service delivery with other local authorities and other potential providers. Housemark also provides access to numerous examples of good practice from other providers and will help to inform our strategy and service development.

17.6 **Housing Policy Objectives** The Council retains responsibility for the development of Housing Policies, these will include rent setting, homelessness and allocations, achievement of the decent home standards, etc. Any suggested changes will be the subject of consultation between the Council, Tower Hamlets Homes (THH) and other members of the Common Housing Register Forum before implementation. The Council and the THH will work closely to ensure that the policy objectives of the Council are achieved through the procedures and practices of the THH. The Council Housing Strategy Team will be responsible for communicating policy revisions to the Chief Executive of THH so that these can be reflected where appropriate by changes to the THH delivery plan and/or procedures and practices.

17.7. **Key Aims and Objectives**

- **To strive for excellent performance** through the application of Best Value, sound performance management supported by a Service Improvement Plan and the adoption of continual process improvement techniques;
- **To meet customer satisfaction aspirations** with their homes, neighbourhoods, tenant involvement opportunities and with services provided;
- **To access sufficient investment to achieve decent homes** and decent neighbourhoods across the borough and to achieve a “step change” to satisfactory improvement of housing that meets residents aspirations;
- **To improve service delivery** together with other key council departments and service providers, to meet changing demand, needs and aspirations, better match demand and supply and to provide more responsive services.

17.8 As the strategic enabling housing authority for the local area, Tower Hamlets expects all social landlords to provide a good management service for its tenants. With this aim, the borough will develop a Performance Management Framework which will set out its expectations on key areas of housing management service, e.g., void turnaround, rent collection, speed of repairs, etc. It is not the intention of the borough to introduce its own

regulatory regime and the information requirements are not intended to be unduly onerous on social landlords, and ideally will be accessible from sources such as *Housemark*.

17.9 Having access to information on social landlords' performance will help improve the Borough's own evidence base of borough housing activity and inform its own approach to influencing the work of social landlords in the borough, and inform any actions that the Borough needs to undertake as necessary. Support for organisations that are struggling, e.g., peer support, exchange of staff, good practice etc, that pre-empt early signs of governance or business planning challenges, may potentially have a significant longer term benefit for all parties. Housing associations will also be encouraged to work on joint housing management approaches that will help effect better and more sustainable management of local areas.

Commitment 19	Responsibility	When
Tower Hamlets in partnership with Tower Hamlets Housing Forum members (including Tower Hamlets Homes) will develop a Performance Management Framework that will track social landlords' management performance	Tower Hamlets / Tower Hamlets Housing Forum	2009

18. Consultation Questions

In this chapter, we have set out what the key decent homes and housing management priorities are and the commitments we are making to help meet those priorities.

Are the priorities we have identified the right ones, and are there others that we should be considering?

Are the commitments we are making the right ones, and are there others that that we should be considering?

What issues should we be taking account of when considering particular needs of black, Asian and minority ethnic groups?

Are there other people or groups with particular requirements whose needs should be addressed in this chapter?

References

1. Decent Homes Standard Definition www.communities.gov.uk
2. Audit Commission Key Lines of Enquiry www.audit-commission.gov.uk
3. Mayor's Climate Change Action Plan (2007) www.london.gov.uk
4. London Plan Consolidated with Alterations since 2004 (2008) - www.london.gov.uk
5. London Housing Strategy – Draft for Consultation with the London Assembly and functional bodies (2008) - www.london.gov.uk

Chapter 3 – Placemaking and Sustainable Communities

1. Placemaking and sustainable communities in Tower Hamlets

1.1 Tower Hamlets, with the exception of the City of London, is geographically the smallest borough in Greater London. Despite this, saw one of the largest affordable and market housebuilding programmes in London in 2007/08. Much infrastructure investment is being channelled into the borough. It continues to be a focal point for the Thames Gateway agenda with the Canary Wharf a key generator of economic activity. It is also one of the host boroughs for the 2012 Olympic Games which will realise major legacy development in the north-east of the borough following the Games. And new transport investment – principally Crossrail and the East London Line Extension – will provide new opportunities for housing development.

1.2 It is also a borough that historically has led people to closely associate themselves – or belong to - particular localities. The strong focus on localities in Tower Hamlets gives a helpful platform to the concept of ‘placemaking’ and ‘sustainable communities’. This agenda can be about physically redeveloping areas, but as importantly, it is also about the coordination of local service delivery in areas such as community safety, lifelong learning and street management.

1.3 Key documents that drive these two mutually inclusive agendas are the:

- Community Plan ⁽¹⁾ – the Borough’s Sustainable Communities Strategy for delivering individual and community economic, environmental and social well-being
- Local Development Framework ⁽²⁾ – effectively a suite of planning documents that sets out how, where, what and when development should happen in Tower Hamlets

1.4 The housing agenda helps integrate these agendas through the delivery of new housing and the broader housing and specialist management services that are provided. In housing development terms, regeneration outcomes over and above the homes are often sought and delivered through planning obligations such as public realm improvements and local infrastructure improvements.

1.5 Using this platform, this chapter focuses on how housing stakeholders and other service providers can help create places that facilitate the development of sustainable communities. Ensuring new developments are sustainable in the widest sense, new developments should be mixed use and mixed tenure, and appropriate to the locality. And critically, the necessary accompanying socio-economic infrastructure should be programmed in to

support the new places that are created or regenerated. In short, new development needs to deliver 'gains' for existing communities, particularly those who are disadvantaged. A particular issue here is to ensure that new housing developments add 'social value', helping to alleviate poverty amongst existing and new householders. Training, employment and job opportunities are key to helping adult members of households entering the sustainable employment. As importantly, is the need to ensure that alleviating child poverty is addressed as part of any holistic approach to regenerating localities. This can take the form of taking advantage of neighbourhood nursery place availability; ensuring children are taking full advantage of local educational opportunities; as well as the more basic requirement of having room to study and learn.

1.6 The council as the key 'place shaper' – particularly through its planning role - and provider and coordinator of local services has a primary role to play in this agenda. But there needs to be a wider commitment from housing stakeholders across the spectrum to help deliver places that people want to live in. This chapter sets out what that commitment entails.

2. Key Priorities

2.1 In this chapter, we set out how we intend to deliver the following key priorities. The Council with its partners intends to:

- Deliver a high quality urban planning and development process which supports the delivery of the four Community Plan crosscutting themes:
 - A Great Place to Live
 - A Prosperous Community
 - A Safe and Supportive Community
 - A Healthy Community
- Ensure that Local Area Agreement targets on street and environmental cleanliness are met
- Bring forward regeneration proposals that help regenerate localities, which may include the development of new housing
- Facilitate the delivery of a pilot area-based low carbon project
- Increase the proportion of household recycling undertaken in Tower Hamlets
- Deliver more skills and employment training opportunities, drawing on resources available from the Working Neighbourhoods Fund and other sources
- Ensure that healthy living programmes and health infrastructure requirements are an integral part of social housing providers' activities

- Publish a Local Biodiversity Action Plan for 2009/2013
- Ensure developers take account of security issues when designing new homes and that they contribute to the Community Plan community safety objectives.
- Ensure the Council's Supporting People programme is integrated with the Homelessness Strategy and wider Housing Strategy objectives, together with priorities of the PCT and Probation
- Work closely with Tower Hamlets Housing Forum members to deliver the objectives set out in the Protocol and the wider objectives of this Housing Strategy

3. Evidence Base Summary

3.1 In the Evidence Base Annex to the Draft Housing Strategy it is shown that:

- The levels of economically active households in Tower Hamlets was below the London and national averages
- Of the economically inactive households in Tower Hamlets, a much higher proportion than the London and national average are not seeking work
- The proportion of residents without any qualifications was higher than the London and national averages
- Average incomes are slightly higher than the London and national averages
- On selected recorded crime, LBTH is ranked 4th highest in Inner London

4. Background

4.1 Delivering and managing decent homes and more affordable homes are relatively easy to measure. What is often difficult to measure is what makes a good place to live. People's preferences are often influenced by their age, family set-up, ethnic and/or cultural background, and profession. However, at the base level, the creation of new places that are:

- well designed and accessible to all
- have a mix of market, social and intermediate tenures, as well as other socio-economic uses such as access to jobs, health and education facilities
- efficient, accessible, and, where applicable affordable public services

are all key in most people's eyes to delivering a successful and sustainable place.

4.2 As the strategic enabling agency and the key local services provider, the council working with members of the Tower Hamlets Partnership and other stakeholders has a key role to play in ensuring that:

- New housing developments (including estate redevelopment) meet the council's design standards and planning requirements
- All local services are delivered (often in partnership with other stakeholders) in an efficient and where possible and necessary, an integrated fashion helping to deliver community plan objectives
- People who live in the new or regenerated developments have access to opportunities that help ensure they are economically and socially included.

4.3 Taken together, these three overlapping objectives will be an important element to housing's contribution to delivering the Tower Hamlets' wider sustainable communities strategy.

5. Urban Planning and Development

5.1 A core element to modern urban planning is the concept of place-making. The most vibrant and popular neighbourhoods tend to be places that are well-designed, economically vibrant and have mix of tenures and uses. Such places will have focal point which in an inner city context can be an 'urban village' which would normally be characterised by shops; doctor's surgery; dentist's surgery; places of worship; bank/post office; bars/pubs and so on. Successful places are also often characterised by good access to transport links enabling fast access to places of work and shopping facilities.

5.2 Tower Hamlets Local Development Framework (its local plan document) is focused on delivering sustainable and successful places that people will want to live in, contributing to the Borough's objective of delivering 'One Tower Hamlets' which reflects the 2020 Community Plan objective to:

"improve the quality of life for everyone who lives and works in the borough."

5.3 This objective is underpinned by the delivery against four cross-cutting themes:

- A Great Place to Live
- A Prosperous Community
- A Safe and Supportive Community
- A Healthy Community

all of which the housing agenda has something to offer in two particular ways: it creates new demands on public services, but also presents an opportunity

through the planning obligations negotiation process to deliver new socio-economic infrastructure that can help meet those new demands.

Commitment 20	Responsibility	When
Tower Hamlets Council will work in partnership with all stakeholders involved in the urban planning and development process to deliver the four Community Plan crosscutting themes	Tower Hamlets Council / Development Stakeholders	Annually Monitored

6. Managing the Public Realm

6.1 Ensuring that residents have access to good quality open space that is clean, safe and well-managed is a housing strategy objective. The Council will expect all social landlords to play a role in ensuring that Local Area Agreement targets on street and environmental cleanliness are met. Much of the public realm comprises housing and makes a real and lasting difference to people's perception of places.

Commitment 21	Responsibility	When
Tower Hamlets Council will work in partnership with social landlords to ensure that Local Area Agreement targets on street and environmental cleanliness are met.	Tower Hamlets Council / Social Landlords	Annually Monitored

7. Supporting Local Businesses in New/Regeneration Housing Schemes

7.1 Local economies thrive through having a wide range of shops and businesses for people to choose from. Local businesses have a significant offer to make through delivering goods and services that people want and need; employing local people; and, creating and keeping social and market capital within the Borough's boundaries. Efforts should be made to ensure new local businesses are encouraged to setup in new and regenerated housing schemes and existing local businesses are not permanently displaced from their existing localities.

Commitment 22	Responsibility	When
Tower Hamlets will encourage the creation of new, and retention of existing, local businesses in new and regenerated housing schemes	Tower Hamlets Council	Ongoing

8. Regenerating Localities, Making Best Use of Council Assets

8.1 Tower Hamlets has been the focus for a number of major regeneration projects which has involved partial or full redevelopment of council estates in need of substantial renovation. This has often involved replacement of council housing with housing association homes, with additional housing provided for market housing to both generate revenue to support the regeneration proposals and also diversify the tenures of areas.

8.2 Tower Hamlets Council will continue to encourage locally based housing associations to progress proposals that meet wider placemaking and sustainable communities objectives, e.g., low carbon emission objectives, diversification of tenures, public realm improvements. The Council will also work closely with Tower Hamlets Homes to put forward proposals that meet regeneration objectives where decent homes investment offers poor or marginal value for money, or simply involves bring forward small sites on council estates for redevelopment.

Commitment 23	Responsibility	When
Tower Hamlets Council will work in partnership with locally based housing associations and Tower Hamlets Homes to bring forward regeneration proposals that help regenerate localities, which may include the development of new housing.	Tower Hamlets Housing Forum / Tower Hamlets Council	Ongoing

9. Low Carbon Areas

9.1 In line with the Government's and Mayor's climate change objectives, Tower Hamlets will seeking to ensure that housing residents across all tenures and developers play their part in helping to reduce harmful carbon emissions from existing housing stock. Delivery of low and zero carbon objectives to existing and new homes has already been covered in earlier chapters, but carbon reduction measures can be achieved by simple and practical measures around the home that can take the form of:

- accessing advice available such as the LDA-funded Green Homes concierge service or the Energy Savings Trust
- minimising household energy and water usage
- maximising household recycling activities
- promote use of Combined Heat and Power Systems

9.2 Taken together, it is possible for stakeholders to work in partnership to deliver a holistic approach to reducing carbon emissions on an area-based approach and Tower Hamlets will work with partners to pilot such an approach.

Commitment 24	Responsibility	When
Tower Hamlets will work in partnership with housing stakeholders to facilitate the delivery of a pilot area-based low carbon project	Tower Hamlets Council	2009

10. Household Recycling

10.1 A key corporate priority for Tower Hamlets is an increase in the proportion of household recycling currently being achieved. The amount of

recycling currently being undertaken is relatively low compared to the rest of London and a significant improvement can be achieved through improved working relationships with social landlords, principally through the Tower Hamlets Housing Forum.

Commitment 25	Responsibility	When
Tower Hamlets Council will work in partnership with social landlords to increase the proportion of household recycling undertaken in Tower Hamlets.	Tower Hamlets Council / Social Landlords	2009

11. Working neighbourhoods

11.1 Sustainable communities are invariably characterised by the large majority of the working age population being in sustainable employment. However, there will be some people who are economically inactive, e.g., between jobs; women either on maternity leave or homeworking; and people who have retired or who are temporarily off sick from work. This issue is further complicated by the ‘poverty trap’ where household income can fall if a household member or members enter employment. And some households are simply worried that their benefit entitlement may take too long to restart if their new employment proves temporary. There are no simple local solutions to addressing this issue as benefit entitlements are determined by central government.

11.2 The Hills *Ends and Means* Report highlighted the high proportion of workless households in social housing. The Council would like to see more Tower Hamlets tenants in sustainable employment, however, it is **not** the view of the Council that the granting of a social housing tenancy should be conditional on the tenant/tenants actively seeking and obtaining sustainable employment. The Government’s Housing Reform Green Paper is expected to be published in early 2009 which may feature Government policy on this topic and others that the final LBTH Housing Strategy will need to take account of. The Council will seek to have proposals on “conditionality” rejected during the consultation process on the Housing Reform Green Paper.

11.3 Improving educational attainment will help improve Tower Hamlets residents’ employability over the long term as Tower Hamlets does suffer from a higher than regional and national average unemployment rates, which is exacerbated by low educational attainment.

11.4 The publication of the Mayor’s Adult Skills and Employment Strategy aimed at bringing together the various skills and employment stakeholders, strategies and resources, together with the creation of the Government’s Working Neighbourhoods Fund presents a good opportunity for a local authority like Tower Hamlets to approach this agenda in a new way. Through its housing partners, there is an opportunity to deliver more and better skills and employment outcomes for its residents in a sustainable way.

Commitment 26	Responsibility	When
Tower Hamlets will work with Tower Hamlets Housing Forum members and other stakeholders to deliver more skills and employment training opportunities, drawing on resources available from the Working Neighbourhoods Fund and other sources	Tower Hamlets Council/ Tower Hamlets Housing Forum	Ongoing

12. Health

12.1 A proactive approach to addressing health needs in Tower Hamlets will be achieved in three different ways:

- A continuing education programme highlighting how residents should take a pro-active interest in their household members' health
- ensuring that residents take an active interest in their own well-being and take steps to address ill-health when it occurs
- Ensuring that the physical infrastructure is in place to ensure that health needs can be met, whether through existing routes, such as the GP Surgery, or through future routes, such as the proposed Polyclinics.

12.2 Housing stakeholders have a key role to play improving the health of the residents they house through dissemination of healthy living initiatives promoted by health agencies. Similarly, they have a responsibility to ensure that health infrastructure requirements are factored into new developments, whether provided onsite or offsite.

Commitment 27	Responsibility	When
Tower Hamlets will seek to ensure that healthy living programmes and health infrastructure requirements are an integral part of social housing providers' activities.	Tower Hamlets Council / Tower Hamlets Housing Forum	Ongoing

13. Biodiversity

13.1 A Local Biodiversity Action Plan (LBAP) sets out the objectives and proposes action for the protection, conservation and enhancement of biodiversity with measurable targets to be implemented at the local level.

13.2 The Mayor's Biodiversity Strategy is the first regional biodiversity strategy with a statutory basis. Every London Authority is encouraged to work towards the principles and proposals it sets by producing its own Local Biodiversity Action Plan. It is therefore by implication, a statutory requirement to produce a Local Biodiversity Action Plan.

13.3 The Tower Hamlets LBAP is currently being updated for the period 2009-2013. The Action Plan is divided into four Habitat Action Plans, one of which is called 'Gardens and Grounds' and includes amongst other habitat types - communal gardens on housing estates and community and private gardens.

13.4 With the increasing need to protect our borough's biodiversity in the context of unprecedented loss, there is an urgent need for all housing stakeholders to take ownership of biodiversity conservation and enhancement and for the Housing Strategy and Biodiversity Action Plan to be mutually reinforcing of each other.

Commitment 28	Responsibility	When
Publish a Local Biodiversity Action Plan for 2009/2013	Tower Hamlets Council	2009

14. Personal and Community Safety

14.1 A fundamental and recurring concern for all residents is personal and wider community safety. The 1998 Crime and Disorder Act require local authorities to do what they reasonably can to prevent crime and disorder in its area. This includes establishing a Crime Reduction Partnership, whose responsibilities are now undertaken by the Safe and Supportive Community Delivery Group. Addressing personal and community safety issues in a housing context will generally take three forms, through:

- Ensuring that new and regenerated places are designed with crime prevention issues addressed, drawing on resources such as *Secured by Design*
- Ensuring that housing stakeholders work closely at a strategic level with community safety agencies through the Living Safely Partnership to deliver objectives set out in the Crime and Drugs Reduction Strategy
- Joint working between social housing partners with community safety partners on dealing with crime problems in local crime and anti-social behaviour hotspots

14.2 Social landlords have a key role to play in building on recent successes in crime reduction and this role will need to be enhanced in future years. Tower Hamlets will lead the way by fast-tracking capital works designed to tackle anti-social behaviour problems in those blocks lacking effective security.

Commitment 29	Responsibility	When
Tower Hamlets will work with social housing providers to ensure they take account of security issues when designing new homes and that they contribute to the Community Plan community safety objectives.	Tower Hamlets Council / Private and Affordable Developers	Ongoing

15. Supporting People

15.1 Supporting People is a national programme aimed at promoting independence and quality of life for vulnerable people. By providing housing-

related support services that provide services to all vulnerable people in Tower Hamlets, including:

- Sheltered housing
- Homes for the single homeless and rough sleepers
- Specialist housing schemes for people with learning difficulties or support needs linked to mental health
- 'Floating Support' to people in their own homes to help them stay as independent as possible (to help with running a home and/ or gaining access to benefits, work, training or employment for example)
- Support to young people leaving care
- Domestic Violence refuges and women only supported housing

15.2 With an overall aim of enabling people to live successfully in their accommodation, Supporting People is has been an opportunity to bring about a comprehensive change in the way the needs of vulnerable people are met. Launched on 1 April 2003, the programme has introduced a different system of providing, commissioning and monitoring services – led by local needs, focussed on the development of partnership working, and supported by a robust review and monitoring system.

15.3 The Supporting People programme works by:

- Supporting vulnerable people in social housing through:
 - Preventing tenancy failure
 - Reducing Anti-social Behaviour (ASB)
 - Contributing to community cohesion and diversity by supporting a wide range of people of all ages from all sections of the community, to remain in their own homes.
- Ensuring supported housing schemes are of a high quality and give good value for money for local people (such as in sheltered housing and hostels for the single homeless e.g. reducing evictions and abandonments)
- Supporting people in carrying out decorating to their homes particularly for older people

15.4 The programme costs approximately £15 million p.a. and provides support to over 3000 people. Supporting People in Tower Hamlets can have an impact on three levels - bringing positive change to:

15.5 **Individuals** – Housing related support services have a key role to play in improving the quality of life of vulnerable people by promoting independence, well-being and enabling people to live successfully within their communities. We aim to ensure individuals value the services they are receiving because they have a positive impact on their lives, and enable them to realise their aspirations through appropriate support.

15.6 **Communities** – In providing services that support vulnerable individuals and families, Supporting People can have a positive impact on communities by promoting social inclusion. Supporting People in Tower Hamlets can play a key role in the partnerships and multi-agency work to promote neighbourhood renewal, social inclusion, reduce offending and anti-social behaviour, and enable people to share in community activities, lifelong learning and increased prosperity.

15.7 **Service level** – We are working in partnership to ensure services are high quality, accessible, co-ordinated and effective. Supporting People involves the review of all supported housing services – this enables us to drive up the quality and effectiveness of services in financial and service outcome terms, and ensures they are contributing to the delivery of other key targets and strategies.

15.8 **Key Supporting People medium term priorities**

- Work to influence and contribute to the implementation of Homelessness Strategy
- Link closely to the work relating to looked after children and young people in care, with Children’s Services
- Continued integration with the systems and procedures in Adults Social Services to deliver good Value for Money and seamless services, particularly across Adult Services and together with Tower Hamlets PCT (as well as other key stakeholders e.g. Probation)
- Planning and responding to the move of SP funding, from being a ‘ring fenced’ grant, to being included within the Area Based Grant system linked to the Local Area Agreement framework.
- Implementation of the Hostel and Move on Strategy and response to the action plan linked to the Hostel Scrutiny Review.
- Implementation of the Strategic Review of Floating Support.

Commitment 30	Responsibility	When
Tower Hamlets will ensure that the Supporting People programme is integrated with the Homelessness Strategy and wider Housing Strategy objectives, together with priorities of the PCT and Probation Service	Tower Hamlets Council	Ongoing

16. **Working with Tower Hamlets Social Landlords**

16.1 Tower Hamlets Council continues to enjoy a close working relationship with housing associations active in the borough. The creation of the Common Housing Register and the Forum that oversees the lettings policy is one such example of the close working relationship. With the creation of Tower Hamlets Homes, the borough will need to focus more strongly on developing and implementing its strategic enabling role. Increasingly, the borough will become more dependent on social landlords to deliver its wider objectives. This was

recently set out in the Tower Hamlets Housing Forum protocol, articulating housing associations' collective commitment to the borough.

16.2 As the housing agenda evolves, and demand for housing quantity and quality continues to grow, the council will work closely with social landlords to ensure Tower Hamlets social housing tenants from whichever landlord see an improvement in the wider social landlord 'offer'. Current areas of work include anti-social behaviour; public realm; common housing registers; financial inclusion. The work of the current groups will be revised to reflect the recent adoption of the Community Plan and the four strands of a great place to live; a prosperous community; a safe and supportive community; and, a healthy community.

Commitment 31	Responsibility	When
Tower Hamlets Council will work closely with Tower Hamlets Housing Forum members to deliver the objectives set out in the Protocol and the wider objectives of this Housing Strategy	Tower Hamlets Council / Tower Hamlets Housing Forum	Annually Monitored

17. Consultation Questions

In this chapter, we have set out what the key decent homes and housing management priorities are and the commitments we are making to help meet those priorities.

Are the priorities we have identified the right ones, and are there others that we should be considering?

Are the commitments we are making the right ones, and are there others that that we should be considering?

What issues should we be taking account of when considering particular needs of black, Asian and minority ethnic groups?

Are there other people or groups with particular requirements whose needs should be addressed in this chapter?

References

1. LBTH 2020 Vision – The Tower Hamlets Community Plan (2008) – www.towerhamlets.gov.uk
2. LBTH Core Strategy and Development Control Plan (2007) – www.towerhamlets.gov.uk
3. Secured by Design - <http://www.securedbydesign.com/>

Chapter 4 – Managing Demand, Reducing Overcrowding

1. Managing Demand, Reducing Overcrowding in Tower Hamlets

1.1 Tower Hamlets has amongst the highest housing need in London. Housing demand at the end of October 2008 was for just under 23,000 households. The amount of housing need was greatest – over 11,500 - amongst households seeking a home with one bedroom. In addition, over 1,600 households needed a home with four bedrooms or more. Whilst this is a comparatively smaller number than those seeking a one bedroom home, because little larger accommodation gets developed, those waiting for these kinds of homes have to wait many years to be rehoused. The Council therefore needs to strike a balance between the size of accommodation it wishes to see developed by both private developers and housing associations. However, it is clear that more large family accommodation for social rent needs to be developed. And as the Council rehouses people from the Common Housing Register, new households join the list often making it difficult to demonstrate the successful work the Council has achieved over the years.

2. Key Priorities

2.1 In this chapter, we set out how we intend to deliver the following key priorities. The Council with its partners intends to:

- Review the Tower Hamlets Lettings Policy in the event that the Overview and Scrutiny Committee's recommendations on reviewing the Choice Based Lettings scheme are agreed by Cabinet
- Encourage all housing associations partners who have or intend to develop stock in the borough to become members of the Common Housing Register Forum and its parent group, the Tower Hamlets Housing Forum
- Develop and implement an Overcrowding Reduction Strategy drawing on previous successful approaches and initiatives
- Develop and implement an Estate Renewal Decanting Strategy which will include housing association-led innovative solutions that will help speed up the decanting process
- Deliver the actions set out in the Council's 2008/13 Homelessness Strategy
- Produce an over-arching strategy that will set out the Borough's approach to Gypsy and Traveller issues which include the development

of suitable proposals for the provision of additional site accommodation based on information set out in the pan London Accommodation Assessment, London Housing Strategy and Regional Spatial Strategy

- The Council will work with the Nominated Undertaker for the Crossrail Act, other agencies and stakeholder groups to ensure the Eleanor Street Travellers' Site is relocated in accordance with best practice design standards.

3. Evidence Base

3.1 In the Evidence Base Annex to the Draft Housing Strategy it is shown that:

- Over 22,000 households were on the Common Housing Register, of which 64% were waiting for a home, with the remaining 36% likely to be existing tenants seeking a transfer
- Over 7,000 households on the Common Housing Register were experiencing overcrowding
- Tower Hamlets was London's top performing borough for new affordable housing supply with over 1,200 new homes completed in 2007/08
- Just over 2,000 homes per annum were available for social rent annually from new supply and council and housing association re-lets
- The average price of a flat was £292,000, which is beyond the means of people living in social rented accommodation or on the Waiting List
- In 1985, council housing comprised 79% of the Borough's housing stock: by 2007, it comprised 16%
- During 2007/08, a One Bedroom Flat rented from the council cost £80.54p per week. In the private rented sector, a similar sized property cost £238.59 per week

4. Background

4.1 The need and rationale for new affordable housing for social rent and intermediate purposes is well-established from research undertaken locally, regionally and nationally.

4.2 At the local level, Tower Hamlets' *Housing Needs Survey 2004* ⁽¹⁾ estimated that 3,021 new affordable homes were needed each year for five years. This was needed in order to tackle both the backlog of need and address future needs.

4.3 The most recent update of the Mayor's London Plan ⁽²⁾ detailed the findings of the London Housing Requirements Study. This estimated that London required an additional 33,500 homes were required on annually over a ten year period to meet both backlog and demand arising from population change. The current London Plan planning target is 30,500 homes annually, of which 50% should be affordable. Tower Hamlets' target is 3,150 homes from all sources (including long term empty homes brought back into use).

4.4 The Government's Housing Green Paper ⁽³⁾ set a national target (England only) of 2 million homes by 2016 and 3 million homes by 2020. Significant proportions of these homes will be in London, particularly the Thames Gateway Growth Area part of which is located in Tower Hamlets.

5. Tenure Definitions

5.1 There are three main types of housing tenures (summarised from the Mayor's London Plan) that are available to people in Tower Hamlets:

- **Social Rent** – This is affordable housing which is normally owned and managed by social landlords – local authorities and housing associations – for social rent and are allocated to people in necessitous housing need. Local authority housing is let to tenants on 'secure tenancies' and housing association housing is let to tenants on 'assured tenancies'.
- **Intermediate** – This is affordable housing for people on low to medium incomes who are not eligible for social rented housing and not financially able to access market housing. This normally will be shared ownership/equity or sub-market private rented housing.
- **Market** – This is housing available for market sale or for private rented purposes.

5.2 Other forms of housing can include student accommodation; nurses/ police/firefighters housing which is normally let in connection with the person's occupation; hostel accommodation; and, gypsy and traveller accommodation.

5.3 Within the social rented category is 'supported housing' which is housing that is for people who either have dependency needs or circumstances which necessitate particular service requirements

5.4 The section below on allocating affordable housing primarily deals with the allocation of social rented housing. Intermediate housing is available on application to prospective home-owners/tenants on the basis that they meet the criteria (e.g., key worker) and that they are likely to be able to meet the housing costs (and other living costs) associated with living in the development.

6. Letting Affordable Housing

6.1 Lettings policies tend to be focused on the letting of newly available social rented housing and the re-letting of existing social housing which has become empty. The Borough's current policy is set out in the Tower Hamlets Common Housing Register Lettings Policy (Revised 12 September 2005). The Lettings Policy has to meet statutory duties that the Government says must be considered. In particular, this means that we have to decide housing need by giving 'reasonable preference' to the following groups of people

- People who are homeless (within the meaning of Part 7 of the 1996 Act)
- People who are owed a duty by any housing authority under 190(2), 193(2) or 195(2) of the 1996 Act (or under 65(2) or 68(2) of the Housing Act, 1985) or who are occupying accommodation secured by any housing authority under 192(3)
- People occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory conditions
- People who need to move on medical or welfare grounds; and
- People who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or to others)

6.2 Households who want to be considered for housing through Tower Hamlets need to complete a housing registration form which (subject to standard eligibility checks) will be join the borough's 'housing list'. The (single) housing list consists of Waiting List (for people who want their first home) and the Transfer List for people who wanted to transfer from their existing home. In Tower Hamlets, the housing list is called the Common Housing Register whose management is overseen by the Common Housing Register Forum a partnership between the local authority and member housing associations (and more recently Tower Hamlets Homes).

6.3 The categories of housing need are allocated to four groups:

- Group 1 Community Gain which includes households with emergency priority; 'decant' status; or who are 'downsizing' by at least one bedroom
- Group 2 Community Priority which includes households with extenuating social or health needs; the homeless
- Group 3 – Community Mobility which includes applications from all others on the housing list not from community groups 1,2 and 4

- Group 4 – Community General which includes housing association tenants whose organisation is not a member, and applicants with no connection with the borough or are home owners.

Source: LBTH Common Housing Register Lettings Policy ⁽⁴⁾

6.4 Operation of the Common Housing Register in practice means that new letting and re-letting of partners' housing stock is made available via the common housing register as well as that which is available from the local authority stock. Similarly, it also means that tenants of partner housing associations have access to available properties also. And the means to accessing homes under this system is through the Council's Tower Hamlets Homeseekers website at www.thhs.org.uk. Homes are also advertised in East End Life a Council newspaper that is distributed to all borough residents free of charge, and the Homeseekers Brochure, which is circulated to key access points. This enables households registered with the scheme to 'bid' for homes either through the website, by ringing up the Homeseekers' telephone number (available in Community Languages), by filling in a coupon or by vulnerable residents being placed on autobid - where the IT system automatically bids for available homes, if it meets with the applicant's preferences.

6.5 Much of the new affordable housing for social rent is let to households on the Housing Register, although a large proportion of new homes are allocated to other local authorities under the Sub Regional Allocations Protocol arrangement. The Council will be reviewing following the publication of this Draft Housing Strategy the current sub regional nomination arrangements.

7. Lettings Policy Changes

7.1 The Council's Overview and Scrutiny Committee considered a report in May 2008 which recommended a number of changes to the Council's Lettings Policy. These recommendations are to be submitted to Tower Hamlets' Cabinet for decision. The review was wide ranging and the objectives of the review were to:

- Consider the accessibility of the scheme with a view to improving access particularly for elderly and disabled residents
- Consider the impact of the Council's policy to tackle overcrowding in the borough
- Consider the medical assessment process and how they work
- Consider homelessness in the context of choice based lettings
- Explore resident and other stakeholder understanding of how the process works with a view to addressing any issues identified
- Consider the level of transparency in decision making in the allocation of properties

7.2 Key elements of the Overview and Scrutiny Report included recommendations to:

- Consider joining the East London Lettings Company scheme, subject to a feasibility study
- Adopt a Local Lettings Plan approach for all new developments of 20 units or more affordable homes to help facilitate sustainability
- Undertake a full Equality Impact Assessment of choice based lettings in Tower Hamlets in order to understand its impact on community cohesion

7.3 In the event of the recommendation above being agreed (and others not listed above), the Borough's Lettings Policy will need to be reviewed in consultation with the Common Housing Register Forum and other stakeholders.

Commitment 32	Responsibility	When
Amend the Tower Hamlets Lettings Policy, including incorporating those Overview and Scrutiny Committee recommendations on reviewing the Choice Based Lettings scheme agreed by Cabinet	Tower Hamlets/ Common Housing Register Forum	2009

7.4 As part of this housing strategy review process, the need for a renewed focus on addressing overcrowding, the estate renewal decanting demand and homelessness became evident.

8. Maximising Nominations for Social Housing

8.1 The scale of demand for social housing in Tower Hamlets requires that all sources of nominations are maximised. The two key sources of social housing are nominations for new homes and nominations for existing housing that has become empty. Members of the Common Housing Register Forum make available all their stock for nomination through their Homeseekers website. A number of housing associations that develop in Tower Hamlets are not members of the CHF and consequently nominations are not necessarily being maximised. By not being involved in local decision making processes, it is also likely that non-CHF members are not necessarily maximising their contribution to the wider socio-economic agenda overseen by the borough's community plan partnership.

Commitment 33	Responsibility	When
Tower Hamlets will encourage all housing associations partners who have or intend to develop stock in the borough to become members of the Common Housing Register Forum and its parent group, the Tower Hamlets Housing Forum.	Tower Hamlets Council	2009

9. Overcrowding Reduction Strategy

9.1 No housing problem in Tower Hamlets is as acute as that of household overcrowding. Historically, the East End was often associated with overcrowded as well as squalid housing conditions. The post-War council housing boom and migration into the suburbs meant that overcrowding was much reduced in the years up until 1979. However, the influx of new communities and the squeeze on building new council homes in the 1980s and 1990s resulted in increases in overcrowding back to levels not seen since the 1930s.

9.2 The impact of overcrowding is always most acutely felt by young children. Independent research has shown that the health, education and well-being of children growing up in overcrowded homes are all markedly lower. For example, youngsters sharing three or four to a bedroom are much more likely to suffer from infectious diseases. Their performance in school is affected by the lack of quiet space to study and having their sleep disrupted by other siblings at night. The lack of private space is particularly unfair on teenage girls sharing a bedroom with their brother.

9.3 Overcrowding is also a key driver of homelessness in the Borough, including statutory homelessness acceptances. With so many households waiting such long periods for the transfer to the family-sized home they need it is inevitable that many children become adults while they are still on the waiting list, and some get married and have children of their own. While there is some desire, particularly among some Bangladeshi families, to live in multi-generational households, these often result in tensions between older and younger family members. This in turn, sometimes leads to them being told to move out and apply as homeless.

9.4 While transfer means that Tower Hamlets has made actually significant progress in reducing overcrowding within our existing stock, the number of families on the waiting list remains daunting. In total, more than 11,000 households (as evidenced below) are registered for a two, three, four or five-bedroom property. While some of those will be households, placed in suitably-sized temporary accommodation, the overwhelming majority of the remainder are currently living in overcrowded conditions.

Tower Hamlets Housing Demand (28 October 2008)

Bedrooms Needed	CG1	CG2	CG3	CG4	Total
1	951	714	7,821	2,204	11,690
2	450	876	2,938	533	4,797
3	164	926	3,135	362	4,587
4	51	309	965	77	1,402
5+	14	88	147	9	258
Total Demand	1,630	2,913	15,006	3,185	22,734

Homes Let (Between 1 April 2008 – 30 September 2008)

Bedroom Size	CG1	CG2	CG3	CG4	Total
0	1	13	74	1	89
1	51	191	131	7	380
2	23	217	91	2	333
3	13	63	30	-	106
4	4	4	2	-	10
5+	-	1	4	-	5
Total Lets	92	491	333	10	926

Source: East London Life (Edition 733)

9.5 Tower Hamlets is widely-recognised as being at the forefront of innovative schemes to try to help overcrowded families. However, and its partners need to work much more closely and effectively and consider radical actions that will help alleviate this ongoing problem that blights the livelihoods of so many people.

9.6 Initiatives that are already used to reduce overcrowding include:

- Knockthroughs of two properties into one (particularly where one of the properties is already overcrowded)
- Cash incentive schemes to encourage under-occupiers to move into the owner occupied sector where possible
- Cash incentive schemes to encourage under-occupiers to downsize into smaller accommodation
- Young adult members of severely overcrowded households being prioritised for re-housing independently
- Development of more large family accommodation
- Offer cash incentives to encourage council tenants to secure private sector accommodation

9.7 These initiatives have helped ensure that the level of overcrowding does not get any worse. However, the Council believes it is not acceptable to leave another generation of young children growing up for years in overcrowded conditions. The real solution to this crisis is clearly a significant and sustained increased in the delivery of new family-sized social rented homes. HM Treasury's Spending Review announcement in July 2007 of an £8 billion programme of investment in new affordable housing over the following three years provides some scope to begin to deliver those homes in the numbers required. And Tower Hamlets' housing association partners has already been allocated £37m of Housing Corporation grant for social rent schemes from the 2008/11 programme and is expecting to receive considerably more given the borough's delivery track record.

9.8 However, those homes will take several years to be built. In the meantime, we believe it is right that LB Tower Hamlets utilise every available source at its disposal to maximise the number of overcrowded families moved into bigger homes over the next eighteen months. We believe it is possible to

help an additional 500 overcrowded families over and above those who would have been re-housed otherwise. The council is therefore proposing an urgent package of additional measures:

- Pilot a Local Homes Initiative that will build homes on small sites with the intention that these will only be available for households on the Tower Hamlets Common Housing Register
- Review the amount of new large family accommodation (i.e., four bedrooms or more) that is made available to other boroughs for sub regional nomination purposes
- Purchasing available properties previously sold under the Right to Buy and encourage housing associations to purchase such homes in their localities
- Reform the Choice-Based Lettings scheme, so that it increases the priority awarded to applicants living in overcrowded households

10. Local Homes Initiative

10.1 The council believes that there is significant scope to build family-sized social rented homes on land within existing estates. Many such sites were identified during the Housing Choice process, but on those estates where transfer did not go ahead, most of those sites have remained empty and in some cases derelict. Some of these sites will clearly need to be sold on the open market to help raise funding for the decent homes works in neighbouring blocks. However, there is a balance to be struck between addressing the funding shortfall facing Tower Hamlets Homes and helping overcrowded families trapped for years on the council's waiting list.

10.2 We are therefore proposing to pilot a new initiative designed to sell the leasehold on a small sample of these sites to an RSL partner willing to focus development there on three and four-bedroom social rented homes. Tower Hamlets Community Housing has expressed interest in this kind of development, and detailed negotiations are ongoing. In return for a capital receipt, Tower Hamlets Council will secure a commitment from THCH to supply a specific number of family-sized homes on each site, subject to planning permission. We are also in discussion with another RSL to facilitate a similar initiative.

10.3 While we recognise the importance for social tenants being able to move to other parts of London, LB Tower Hamlets wishes to maximise the number of lettings made available to people from within the Borough. To ensure this occurs, we will consider investing our own grant resources from section 106 agreements rather than Homes and Communities Agency funding if that organisation will not provide an exemption from the sub-regional nominations agreement. In total, we hope to secure around 100 family-sized social rented homes from these two pilot schemes.

11. Choice-Based Lettings

11.1 The Cabinet shares some of the concerns raised in last year's Overview & Scrutiny Committee report on the Choice-Based Lettings (CBL) scheme. In particular, we believe that the priority often awarded to homeless households over that awarded to overcrowded households, can sometimes encourage families to "go homeless" rather than bide their time on the waiting list. This behaviour can become self-perpetuating as more and more households realise that homeless households are being prioritised for rehousing, they "go homeless" too.

11.2 The legislation requires that both homeless and overcrowded households are given "reasonable preference" in the allocation of social housing. Historically, the Council has awarded greater priority to homeless households than to those who are overcrowded. Under the CBL, this translates into homeless households being automatically placed Community Group 2, while overcrowded households are usually placed in Community Group 3.

11.3 Several other London Boroughs are beginning to move away from this interpretation of a "needs-based" approach to allocating social housing. Newham Council has been at the forefront, and has faced legal challenge as a result. However, Hackney, Southwark and Islington Councils are now all moving to equalise the priority between homeless and overcrowded households. It is a timely opportunity for Tower Hamlets to follow suit.

11.4 As part of the forthcoming review of Tower Hamlets Lettings Policy, we will therefore be proposing to bring together homeless and overcrowded households into a single Community Group, and determining the successful applicant on the basis of who has waited longest. Those households with multiple "reasonable preferences", for example who are both statutorily homeless and with Extenuating Health Priority will be given increased priority ahead of this group. Additional measures will be brought forward to increase the priority awarded to single applicants and couples within overcrowded households.

12. Buying Back Ex-Council Homes

12.1 The loss of so many family-sized council homes is one of the root causes of today's housing crisis, not only in Tower Hamlets but across the country. While this council supports the principle of residents being able to exercise the right to buy, the refusal of successive governments to allow local authorities to reinvest the proceeds of those sales in building new social rented homes has resulted in ever greater pressure on an ever scarcer resource.

12.2 The Government has recently introduced changes to the Right to Buy which seek to place it on a much more sustainable footing. Among these changes is a right of first refusal for councils on all former council homes

being sold on by the original purchaser. The Council will seek to maximise opportunities available through this route.

12.3 Nevertheless, a sizeable number of ex-council flats are usually on the market at any given time. In today's difficult housing market it seems that private landlords owning these properties as part of an investment portfolio are finding rental returns diminishing. Some are therefore looking to dispose of these assets. At the same time, a growing number of ex-council flats are coming up for auction following repossession. Both sources include three and four-bedroom properties. They are usually valued at between £200,000 to £250,000, depending on their location.

12.4 Tower Hamlets Council therefore proposes to buy back around one hundred of these family-sized homes to be let to an overcrowded family on a secure council tenancy. These acquisitions will be focussed in blocks on the remaining council estates, rather than those transferred to an RSL. We will encourage partner RSLs to adopt a similar approach on stock transfer estates. Officers are assessing the viability of potential funding options.

12.5 Clearly, in a declining market the timing of these acquisitions will be crucial to ensure the tax payer secures value for money. It will also be essential to assess the quality of each property in detail, as many of those that have been let out privately for several years are now in dire need of significant repair. To achieve this, expertise may need to be brought in to Development & Renewal. Subject to the responses of consultees and Cabinet's final approval, it is intended that these acquisitions should begin to take place from Spring 2009 onwards.

12.6 To maximise the impact from the initiatives identified above, an overcrowding reduction strategy will need to be developed and implemented.

13. Reviewing Tower Hamlets Contribution to Sub Regional Nominations

13.1 The council and its housing association partners are signatories to the East London Sub Regional Nominations Protocol. This allows a proportion of affordable homes developed in the borough to be made available to the other East London boroughs housing register applicants. Similarly the Council has access to nominations in the same boroughs. Whilst the Council supports the flexibility that this offers, it is also concerned that it is not benefiting sufficiently from the high amount of affordable housing that is being developed in Tower Hamlets, particularly in respect of large family social rented housing.

Commitment 34	Responsibility	When
<p>Tower Hamlets will develop and implement a new Overcrowding Reduction Strategy with annual targets through:</p> <ul style="list-style-type: none"> - Knockthroughs - Local Homes Initiative - Reducing under-occupation - Repurchase of Ex Council properties - Lettings Policy changes 	<p>Tower Hamlets Council/Tower Hamlets Homes/Common Housing Register Partnership</p>	<p>2009-12</p>
Commitment 35	Responsibility	When
<p>The Council will review the current Sub Regional Nomination arrangements to ensure that Tower Hamlets is gaining an appropriate share of homes developed in the borough and lobby for changes if required</p>	<p>Tower Hamlets Council/ East London Housing partnership</p>	<p>2009</p>

14. Estate Renewal Decanting Requirements

14.1 Tower Hamlets is one of London's market-leaders in delivering estate renewal projects. This kind of projects usually involve an element of demolition and new build which helps regenerate the areas concerned through more and better housing which often includes a more diverse mix of tenures. A guiding principle to all new estate renewal projects is that they should lead to an increase in the amount of social housing which should include a substantial amount of new family accommodation. In the short term, such schemes create a demand on available social housing stock and inevitably this demand is competing with demand from other Community Groups, particularly the overcrowded and the homeless.

14.2 Estate renewal projects rightly take a long time to develop as they necessarily involve a significant amount of consultation and can eventually lead to the demolition and/or major refurbishment of residents' homes. In the event of a 'preferred option' being agreed, the decanting process can take many years, particularly for those with large family housing requirements. Similarly, buying out leaseholders' interests, usually purchased under the right to buy, can take a similarly long time.

14.3 The number of homes in Tower Hamlets – local authority and housing association – that have 'decant status' now totals nearly 800 homes. A further 500+ homes are likely to come forward in the near future seeking similar status. Many of these householders suffer from overcrowding as described above and therefore meeting estate renewal decant requirements can meet overcrowding objectives as well. The long term gains from these projects are often considerable in terms of additional affordable housing and better public realm, but short term requirements from available housing stock to 'decant'

residents is likely to rise considerably in the next five years and will clearly have an impact on meeting other housing requirements. Tower Hamlets will need to look at alternative options beyond giving Community Group 1 status to tenants with decant status as it is highly unlikely that there will be sufficient new (and relet) opportunities to meet the demand required to unlock the estate renewal sites for development.

Commitment 36	Responsibility	When
Tower Hamlets will develop and implement an Estate Renewal Decanting Strategy which will include housing association-led innovative solutions that will help speed up the decanting process.	Tower Hamlets/ Common Housing Register Forum	2009

15. Homelessness Strategy

15.1 Since Tower Hamlets Council adopted its first homelessness strategy in 2003, progress has been made on preventing homelessness and improving service provision for those in housing need. A full range of preventative services has been developed – including rent deposit schemes, mediation services, tenancy support and a sanctuary scheme for women fleeing domestic violence – which has helped to drive down the number of homelessness applications and acceptances.

15.2 Through the Supporting People programme, housing-related support services are provided for single homeless people and rough sleepers, young people, refugees, women fleeing domestic violence, teenage parents and other groups. Over the past 4-5 years, various strategic reviews have helped to improve the quality of these services and better focus them on the borough's needs. A range of additional services operate in the borough, including outreach and day centres – meeting the needs of some of the borough's most vulnerable residents. The third sector provides a diverse range of advice services, including legal advice on housing issues.

15.3 Despite the progress that has been made, the Council – through the development of a new 5 year strategy for 2008-13 ⁽⁵⁾ – is now aiming to take the next step in service provision for those in housing need in order to meet the challenges of the years ahead. This cannot be delivered by the Homeless and Housing Advice service alone, but requires an enhanced commitment to corporate and cross-service partnership working. A strengthened homelessness strategy will play a key part in delivering improved outcomes for Tower Hamlets across all the areas and themes of the new Community Plan, including:

- increasing employment rates amongst disadvantaged groups
- helping and supporting families, and reducing child poverty
- keeping young people safe, healthy and engaged with services
- supporting vulnerable people
- reducing crime and re-offending

- improving health outcomes
- tackling inequality, and promoting cohesion through a fair and transparent allocation of social housing

15.4 Policy Framework

15.5 Under the Homelessness Act (2002), local authorities were required to have in a place a homelessness strategy by July 31 2003, and then to publish a new strategy within 5 years, based on a full review of both levels of homelessness and resources and services available locally. This must cover:

- levels and likely future levels of homelessness
- the activities which are carried out to prevent homelessness; the securing of accommodation for those who are homeless; and the support available for those at risk of homelessness
- The resources available for these activities / services

15.6 Local issues

15.7 Tower Hamlets conducted a comprehensive review of homelessness over 2007-08. Some of the key issues coming out of the review are:

- Applications and acceptances have fallen significantly between 2003 and 2005. However, while continuing on a downward trend, an enhanced and integrated approach to meeting housing need in the borough as a whole will be necessary to driving down homelessness even further
- Homelessness disproportionately affects BME families and communities, although this is heavily related to younger age profile of those in housing need
- 60% of homelessness acceptances in Tower Hamlets are the result of ejection by parents, relatives, or friends, compared to a national average of 37%. In effect therefore, the main cause of homelessness locally is household formation largely in the context of overcrowding in both social and private sector, and the unaffordability of market-rate housing for many
- One in twelve children in Tower Hamlets live in homeless households – and living in temporary accommodation can cause some specific problems for families
- Single homelessness remains a significant issue locally - around 1500 single people present to the Homelessness Service every year, although only a small minority are housed directly under the legislation by falling within a priority need category
- Youth homelessness is also a key issue locally - approximately 300 young people aged 16-17 present to the Homelessness Service every year, as well as a significant number of 18-25 year olds
- Homelessness and worklessness are heavily correlated. High rent levels in temporary accommodation can provide a disincentive to work

15.8 Main strategy themes

15.9 In order to address these local challenges as well as delivering on the related key central government targets of reducing numbers in temporary accommodation by half of 2010 levels, provided supported housing for all homeless 16-17 year olds, and making further steps to reduce rough sleeping, the new homelessness strategy has 5 overarching themes:

- Providing more support for families – preventing homelessness and meeting wider needs
- Shaping services locally to support vulnerable people through to settled, sustainable options
- Preventing overcrowding and homelessness by providing access to the right housing options at the right time
- Delivering homelessness services as part of an integrated approach to employment and financial inclusion
- Excellent services for local people, focussed around the needs of individuals and families

15.10 Dependencies on other policy areas

15.11 It is absolutely fundamental that a homelessness strategy is delivered in partnership. Within the Council, this is largely between Adults Health and Well-being, Children's Service and Development and Renewal / Housing, as well as Community Safety personnel. More widely, partnership must include all RSLs, criminal justice system, NHS partners and third sector stakeholders. Two key dependencies in particular are around:

- Allocations policy
- Supply of affordable housing.

15.12 The Primary Care Trust is strongly committed to contributing fully to the homelessness strategy and in 2008/9 has agreed to fund a number of initiatives, including:

- Two full time outreach workers to be based at Children's Centres, working with families in temporary accommodation and with a specific focus on families with children under five, pregnant women, and teenage parents
- An adaptations budget for families in temporary accommodation not qualifying for mainstream Disabled Facilities Grant
- A specialist worker to work with homeless women / women at risk of homelessness due to domestic violence and with alcohol dependency / substance misuse problems

- Increased capacity at Health E1 Medical Centre

Commitment 37	Responsibility	When
Deliver the actions set out in the Council's 2008/13 Homelessness Strategy	Tower Hamlets Council	Annually Monitored and Reviewed

16. Gypsy and Traveller Site - Eleanor St, E3

16.1 Tower Hamlets has one official council Gypsy and Travellers Site located at Eleanor Street, E3. First opened in 1983, it has been extended and modernised to provide accommodation to a settled community on 19 pitches. The Crossrail project has given rise to the need to relocate the site to an area of land immediately adjacent its current location. This is due to the requirement to build a ventilation shaft for the railway tunnel, to be constructed underneath the site from 2013.

16.2 The Eleanor St site has a number of overcrowded pitches, in common with similar sites elsewhere in London. The Council carried out an initial local needs assessment in 2006, as supporting evidence for the petition to the Crossrail House of Commons Select Committee. The assessment indicated that additional provision would need to be planned in this particular instance following the site relocation exercise.

16.3 The Council has successfully negotiated an undertaking within the statutory framework of the Crossrail Bill to ensure that the site at Eleanor Street is relocated in line with relevant provisions of site design guidance produced by Central Government's Communities and Local Government department. Opportunities will be sought to provide an enhanced level of improvement in the new site design to meet best practice standards. The site will be designed to maximise the potential use of land adjacent the site that will be returned to the Council when the Crossrail construction is complete in 2017.

Commitment 38	Responsibility	When
The Council will work with the Nominated Undertaker for the Crossrail Act, other agencies and stakeholder groups to ensure the Eleanor Street Travellers' Site is relocated in accordance with best practice design standards.	Tower Hamlets Council / Crossrail	Ongoing

17. Gypsy and Traveller Strategy

17.1 The Council will put in place an overarching Gypsy and Travellers Strategy. A programme of work will be undertaken to develop and implement proposals to meet the needs identified in the pan London Accommodation

Assessment and targets established by the regional housing and spatial strategy process. The legal requirement on Tower Hamlets to address Gypsy and Traveller housing needs is unambiguous:

- The Housing Act 2004 requires Local Authorities to assess the need for Gypsy and Traveller accommodation in their areas at the same time as they assess the housing requirements of the rest of the population.
- Planning Circular 01/2006 planning for Gypsy and Traveller Caravan Sites introduces a requirement for every Local Authority to proactively identify land to meet the identified need. This land is required to be identified in new local plans (being prepared as a part of the Local Development Framework).
- Planning Policy Statement 3: Housing requires local authorities to consider the needs of Gypsies and Travellers as a part of a Strategic Housing Market Assessment, which will replace the Housing Needs Survey as the future mechanism to assess housing need across a borough.

17.2 At a regional level, the Council participated in the 2007 pan London accommodation assessment exercise. The findings that will be published in an assessment report which be incorporated into the Mayor for London's Housing Strategy expected in winter 2008. The Council will need to review site provision and quality (as will all other boroughs) in detail during the consultation on the draft London's Housing Strategy.

Commitment 39	Responsibility	When
The Council will produce an over-arching strategy that will set out the Borough's approach to Gypsy and Traveller issues which include the development of suitable proposals for the provision of additional site accommodation based on information set out in the pan London Accommodation Assessment, London Housing Strategy and Regional Spatial Strategy.	Tower Hamlets Council	2009

18. Consultation Questions

In this chapter, we have set out what the key decent homes and housing management priorities are and the commitments we are making to help meet those priorities.

Are the priorities we have identified the right ones, and are there others that we should be considering?

Are the commitments we are making the right ones, and are there others that that we should be considering?

What issues should we be taking account of when considering particular needs of black, Asian and minority ethnic groups?

Are there other people or groups with particular requirements whose needs should be addressed in this chapter?

References

1. Housing Market Demand and Housing Need Study (2004) – Fordham Associates
2. London Plan Consolidated with Alterations since 2004 (2008) - www.london.gov.uk
3. Communities and Local Government Housing Green Paper (2007) – www.communities.gov.uk
4. Tower Hamlets Lettings Policy – www.towerhamlets.gov.uk
5. LBTH Homelessness Strategy 2008/13 – www.towerhamlets.gov.uk

Chapter 5 – New Housing Supply

1. New Housing Supply in Tower Hamlets

1.1 One of the core reasons for developing a Tower Hamlets housing strategy is to set the framework for the delivery of new housing in the borough, with a particular focus on delivering more new affordable family housing for social rent. Despite being a geographically small borough, it delivers a comparatively large amount of affordable housing. According to the Housing Corporation, Tower Hamlets hosted the delivery of over 700 social rented affordable homes and 600 intermediate affordable homes in 2007/08. This was the largest by a local authority in London and over 10% of the Housing Corporation's London programme. Despite this impressive record, not enough affordable housing is being developed for social rent and intermediate (e.g., shared ownership) purposes, which is having a direct and indirect negative impact on the borough's Community Plan targets. This chapter sets what the borough expects from affordable housing developers and what the borough will do to help deliver those expectations.

2. Key Priorities

2.1 In this chapter, we set out how we intend to deliver the following key priorities. The Council with its partners intends to:

- Seek as a strategic target 50% affordable housing on all housing developed in the borough, applying 35% on individual sites privately owned sites
- Seek 45% of the social rented element of new developments to be for large family purposes (i.e., three bedrooms or more) either provided onsite, or where delivery proves unsustainable, provided offsite; 25% of the intermediate and market homes should have three bedrooms or more
- Require all affordable housing to comply with the Housing Corporation's Design and Quality Standards (Apr 2007) guidance
- Develop specific guidance that highlights housing design requirements for black, Asian and minority ethnic groups with a particular focus on the needs of the Bangladeshi community
- Examine family high density housing issues in its forthcoming High Density Living Supplementary Planning Document
- Explore and deliver innovative approaches to facilitate the delivery of more family accommodation for households on low to medium incomes, including Community Land Trust models of affordable housing

- Require all new housing development to meet the Government's national target of zero carbon housing by 2016.
- Test the feasibility of designating affordable housing partners for development sites in order to improve local management service delivery and maximise contribution to Community Plan objectives
- Examine the value of establishing a panel of preferred affordable housing developers that will work in partnership with the Council deliver housing and wider Community Plan objectives and will have locally based housing management services
- Maximise Lifetime Homes Standards delivery in new housing stock and seek at least 10% of all new homes to be wheelchair accessible (GLA London Accessible Housing Register Standards) or easily adaptable for wheelchair users
- Investigate alternative housing delivery vehicles that can best realise corporate housing development objectives
- Prioritise its resources to the identified key corporate strategic housing projects

3. Evidence Base

3.1 In the Evidence Base Annex to the Draft Housing Strategy it is shown that:

- During 2005/08, 7,000 homes delivered of which over 2,400 were affordable making Tower Hamlets one of the top performing boroughs on affordable housing delivery
- The average price of a flat was £292,000, which is beyond the means of people living in social rented accommodation or on the Waiting List
- During 2007/08, a One Bedroom Flat rented from the council cost £80.54p per week. In the private rented sector, a similar sized property cost £238.59 per week

4. Background

4.1 The need and rationale for new affordable housing for social rent and intermediate purposes is well-established from research undertaken locally, regionally and nationally.

4.2 At the local level, Tower Hamlets' *Housing Needs Survey 2004* ⁽¹⁾ estimated that 3,021 new affordable homes were needed each year for five years. This was needed in order to tackle both the backlog of need and address future needs.

4.3 The most recent update of the Mayor's London Plan ⁽²⁾ detailed the findings of the London Housing Requirements Study. This estimated that London required an additional 33,500 homes annually over a ten year period to meet both backlog and demand arising from population change. The current London Plan planning target is 30,500 homes annually, of which 50% should be affordable. Tower Hamlets' target is 3,150 homes from all sources (including long term empty homes brought back into use).

4.4 The Government's Housing Green Paper set a national target (England only) of 2 million homes by 2016 and 3 million homes by 2020. Significant proportions of these homes will be in London, particularly the Thames Gateway Growth Area part of which is located in Tower Hamlets.

5. Tower Hamlets' Planning Policy

5.1 Every local planning authority is required by law to produce a set of Local Development Documents which set the Local Development Framework. Amongst these documents will be the 'Core Strategy'; a Statement of Community Involvement; Area Action Plans; Masterplans; and specific documents setting out policy detail of certain thematic areas such as affordable housing, waste, or climate change.

5.2 The Core Strategy is Government defines its role as follows:

The core strategy should set out the key elements of the planning framework for the area. It should be comprised of a spatial vision and strategic objectives for the area; a spatial strategy; core policies; and a monitoring and implementation framework with clear objectives for achieving delivery. It must be kept up-to-date and, once adopted, all other development plan documents must be in conformity with it.

Source: CLG Planning Policy Statement 12 ⁽³⁾

5.3 The key housing-related policy areas covered by the Core Strategy are highlighted below and detailed in the annex to this chapter. It is important to note that planning policy is a 'material consideration' when private and affordable developers are proposing schemes to the borough. A borough's housing strategy does not have the same status – i.e., is not statutory – and therefore it is important to recognise that borough planning policy sets the framework for housing development in Tower Hamlets. Therefore, the Draft Housing Strategy needs to be in broad compliance with the Core Strategy (and any other related documents). Over-arching the two is the Sustainable Communities Strategy – the Borough's Community Plan - which promotes economic, environmental and social well-being in the borough.

6. Housing Quantity

6.1 Tower Hamlets' annual housing target set by the Mayor of London for all tenures is 3,150 homes per annum up to 2016/17, of which 50% should be affordable. Tower Hamlets supports the strategic target of 50% affordable housing and will seek a minimum of 35% affordable housing on individual sites, 80% of which should be for social rent and 20% for intermediate purposes.

Commitment 40	Responsibility	When
Tower Hamlets will seek as a strategic target 50% affordable housing on all housing developed in the borough, applying 35% on individual sites.	Tower Hamlets Council / Private and Affordable Housing Developers	Ongoing

7. Housing Types

7.1 Tower Hamlets is committed to maximising the amount of affordable housing developed but is more committed to ensuring a sustainable mix of affordable housing is developed also. The Borough's Interim Planning Policy on Housing sets out the following preferred mix of **social rent** housing types in new development:

Bedsits	One Bed	Two Bed	Three Bed	Four Bed	Five/Six Bed
0%	20%	35%	30%	10%	5%

7.2 The borough has no requirement for bedsit accommodation and there is a requirement that 45% of the social rented units developed are three bedroom or more, in excess of the Mayor's target of 42%. The ability of developers to provide the above mix will vary according to the site location, the density of the development, availability of socio-economic infrastructure and the economic viability of the scheme.

7.3 For the **intermediate housing** of a proposed scheme, Tower Hamlets will seek at least 25% of the homes to have three bedrooms or more.

7.4 For **market housing** of a proposed scheme, Tower Hamlets will seek at least 25% of the homes to have three bedrooms or more.

Commitment 41	Responsibility	When
Tower Hamlets will seek 45% of the social rented element of new developments to be for large family purposes (i.e., three bedrooms or more) either provided onsite, or where delivery proves unsustainable, provided offsite; 25% of the intermediate and market homes should	Tower Hamlets/ Housing Developers	Ongoing

have three bedrooms or more.		
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8. Housing Design and Space Standards

8.1 A key determinant of housing quality is a home's internal space standards. Especially where overcrowding is an issue, ensuring that there is adequate living space in each room can make a big difference to the well-being of residents. Affordable housing (including that developed by private developers) will need to comply with the Housing Corporation's **Design and Quality Standards** (April 2007) Tower Hamlets intends to review its requirements on publication of the Mayor of London's Housing Design Guide (alongside other design requirements).

Commitment 42	Responsibility	When
Following publication and review of the Mayor's Housing Design Guide, Tower Hamlets will make a decision on whether to adopt the document for housing and planning policy guidance purposes.	Tower Hamlets	2009

8.2 Space standards for housing in Tower Hamlets are guided by the Residential Space Standards Supplementary Planning Guidance, which is currently under review.

8.3 Developers should also have regard to housing design requirements of black, Asian and minority ethnic groups, with a particular focus on the cultural requirements of the Bangladeshi community which require homes of three bedroom and above to have separate kitchens and dining rooms.

Commitment 43	Responsibility	When
All affordable housing to comply with the Housing Corporation's guidance set out in <i>Design and Quality Standards</i> (Apr 2007)	Private and Affordable Housing Developers	Ongoing
Commitment 44	Responsibility	When
Develop guidance that has regard for housing design requirements for black, Asian and minority ethnic groups with a particular focus on the needs of the Bangladeshi community	Tower Hamlets Council	Ongoing

9. Family Housing in High Density Developments

9.1 In connection with the above commitment, a review of the rationale for building family housing (i.e., 3 bedroom plus) in high density developments – principally those that are 'private developer-led' – will be undertaken. The reasons for this are threefold:

- Family housing in extremely high density locations can present housing management issues for landlords and service charge issues for residents
- Lack of access to amenity and recreational space can be limiting for the development of family well-being and contribute to potential neighbour disputes over common areas
- Service charge costs (in addition to rental payments) can confine new households in the 'poverty trap' making it uneconomic for people to seek sustainable employment, with some elements of services charges not eligible for benefits.

9.2 Good design and effective management are considered core to achieving this objective.

Commitment 45	Responsibility	When
Tower Hamlets will examine family housing issues in its forthcoming High Density Living Supplementary Planning Document	Tower Hamlets	2009

10. Car Free Developments

10.1 Reduction of car usage is a simple and effective way of reducing carbon emissions and also improving the personal health of householders. Tower Hamlets benefits from significant public transport infrastructure which means that car dependency should be significantly less than in other boroughs. Nonetheless, the lack of access to a car can hinder households' ability to take up employment; visit family and friends; transport children to school. Protecting the environment is increasingly the high priority for future housing developments, but consideration must be given to ensuring new residents of housing developments are not wholly excluded from accessing personal use of a car.

11. Intermediate Housing for Families on Low to Medium Incomes

11.1 A key priority for Tower Hamlets is creating more housing choices for economically active residents who have children and wish to stay in the borough. Historically, residents whose housing requirements have grown would choose – if financially able – to move further out into the Sub Region where house prices have been lower and the house type – house with garden – more in line with their aspirations of a familial home.

11.2 It is likely that people will continue to make this decision as the trend of people moving from urban areas when they are young to suburban areas as they get older is to be expected. But unless Tower Hamlets is able to make available the choice of an affordable larger homes for households on low to medium incomes, then this decision will be forced upon people rather than be a genuine choice. The Council is therefore keen to ensure that more intermediate housing for families on low to medium incomes in Tower Hamlets.

11.3 In this vein, Tower Hamlets is keen to ensure that innovative forms of housing development that deliver more intermediate housing this objective. Tower Hamlets is developing a proposal that will secure a 'community land trust' form of housing that will help secure this objective, which if successful could be rolled out more widely in the borough and beyond.

Commitment 46	Responsibility	When
Tower Hamlets will explore innovative approaches to facilitate the delivery of more family accommodation for households on low to medium incomes, including Community Land Trust models of affordable housing	Tower Hamlets Council	2011

12. Reducing Carbon Emissions from New Housing

12.1 As set out earlier in this Draft Strategy, carbon emission reduction targets are in place and ensuring that carbon emissions are not added to by new development is a key issue for stakeholders. In that vein, the Government has set a target that all new housing which is developed – both private and affordable – is zero carbon by 2016.

12.2 The current method of measuring the environmental efficiency of new housing is through the Code for Sustainable Homes (CSH) ⁽⁴⁾ which denotes the efficiency of new housing from Level 1 (the lowest) to Level 6 (the highest), with Level 5 meeting the Government's zero-carbon target.

12.3 The Housing Corporation expects all affordable housing developed to meet CSH Level 3 and is set out in *Design and Quality Standards* ⁽⁵⁾. The former Mayor's Draft Housing Strategy sets a target of CSH Level 4 during 2011/14, with a target of CSH Level 6 by 2015. Both the Mayoral targets are subject to technology being available.

12.4 In tandem, the developers should have regard to the Sustainable Design and Construction and Energy policies set out in the Borough's Local Development Framework and the Mayor's London Plan. They should also be maximising opportunities for future residents to recycle household waste.

Commitment 47	Responsibility	When
Tower Hamlets will require all new housing developments to meet the Government's national target of zero carbon housing by 2016.	Private and Affordable Housing Developers	2016
Commitment 48	Responsibility	When
Tower Hamlets will require all new housing developments to maximise opportunities for household recycling both within the home and in communal areas outside it.	Private and Affordable Housing Developers	2009

13. Development Site Registration

13.1 Tower Hamlets wishes to see an integrated and accessible management service available to all current and new tenants. Similarly, it expects all housing associations who develop housing in the borough to become members of the Tower Hamlets Housing Forum which will help ensure the delivery of the Community Plan objectives. To help achieve these objectives, the council intends to test the feasibility of designating key sites to preferred development partners (for affordable housing purposes) who have a locally based management service and are committed to delivering Community Plan objectives via the Tower Hamlets Housing Forum.

Commitment 49	Responsibility	When
Tower Hamlets test the feasibility of designating affordable housing partners for development sites in order to improve local management service delivery and maximise contribution to Community Plan objectives.	Tower Hamlets Council/Tower Hamlets Housing Forum/Housing Corporation	2009
Commitment 50	Responsibility	When
Tower Hamlets will also examine the value of establishing a panel of preferred affordable housing developers that will work in partnership with the Council deliver housing and wider Community Plan objectives and will have locally based housing management services	Tower Hamlets Council/Tower Hamlets Housing Forum/Housing Corporation	2010

14. Accessibility and the Lifetime Homes Standard in New Housing

14.1 Future housing needs to be built to meet residents' needs which will change during their lives. Delivering the Lifetime Homes Standard to all new homes is a means to achieving that.

14.2 The **Mayor's London Plan** (2008) (Policy 3A.5) sets out a requirement for all new housing (i.e., market and affordable) to be built to Lifetime Homes Standards and that 10% of all housing should be either designed to be wheelchair accessible or easily adaptable for use by wheelchair users.

14.3 The Government in its recently published **Strategy for Housing the Elderly** ⁽⁶⁾ (2008) commits housing stakeholders to delivering the Lifetime Homes Standard for all new housing by 2013, with a further commitment to introduce statutory regulations if the target is not met voluntarily.

Commitment 51	Responsibility	When
Tower Hamlets will seek to maximise Lifetime Homes Standards in new housing stock and seek at least 10% of all new homes to be wheelchair accessible (GLA London Accessible Housing Register Standards) or easily adaptable for wheelchair users.	Private and Affordable Housing Developers	2013

15. Vehicles for Housing Delivery

15.1 One of the key announcements in the Housing Green Paper was on Local Housing Companies (LHCs). This was part of a wider Government initiative to give local authorities more of a role to play in the development of new affordable housing. The basic idea behind LHCs is to use local authority land in vacant possession in partnership with a private developer and a funder(s) to bring forward more and better housing in a strategic and organised fashion. The intention is that local authorities gain a return on their investment in a longer term fashion as opposed to an early capital receipt. This approach can lead to an uncertain early development process (as the developer has to raise much private finance) and lose value from the local authority when the developer is perceived to be generating excess profits when the homes are eventually sold.

15.2 LHCs are one of a number of options that are explored in the Housing Green Paper. Others include:

- A Local Authority-Owned Company
- Community Land Trust
- Limited Liability Partnership
- Single Estate Transformation Model
- Strategic Housing and Regeneration Partnerships

15.3 Given the scale of housing need in Tower Hamlets and the importance the Government is putting on the use of alternative vehicles for housing development, Tower Hamlets will be testing which vehicles can assist deliver the borough’s housing strategic objectives.

Commitment 52	Responsibility	When
Tower Hamlets to investigate alternative housing delivery vehicles that can best deliver corporate housing development objectives	Tower Hamlets	2009

16. Development Sites in Tower Hamlets

16.1 Tower Hamlets continues to be the focus for major housing development activity in London. In 2007/08, the borough hosted the delivery of more housing – and more affordable housing – than any where else in London. Whilst the housing output being achieved is both significant and is delivering close to 10% of London’s total target, there is a recurring concern that not enough affordable housing is being developed and insufficient socio-economic infrastructure is accompanying the new housing being developed challenging its long term sustainability.

16.1 Ensuring that the borough achieves maximum value from new housing development in the medium to long term will mean adopting a more ‘programme managed’ approach to housing development. A key link to be developed here is the development of the Strategic Housing Land Availability

Assessment (SHLAA). The Assessment needs to make a judgement on two aspects:

- The potential for new dwellings on each site in terms of net gain (or loss) of dwellings; and
- When the site is likely to be developed, depending on the site’s “deliverability” and “developability”

16.2 The first five years illustrate what sites are developable in the short to medium term, with the following ten years what can be developed in the long term. Each year, the SHLAA is revised to reflect changes that have occurred, reflecting any new sites that have been identified and updating the development profile forecast. A more developed narrative on the SHLAA can be found in the annex to this Chapter.

16.3 The SHLAA will effectively become the register of available developable land in the borough, which necessitates the need for a renewed focus on how the borough oversees the development of new housing in its area.

16.4 Given that the large majority of public funding for new housing development comes from public funders – principally the Homes and Communities Agency in the very near future - the borough usually has a limited, but nonetheless important role to play in enabling new housing development. Other key factors here are the roles of private and affordable housing developers and the private finance required to build new market and affordable homes.

16.5 Housing development activity for the purposes of this strategy has been divided into three broad areas:

Housing Development Category	Lead
Corporate Strategic Housing Projects - where the local authority has a key interest in ensuring that a positive outcome is achieved	Tower Hamlets Council / Great Place to Live Delivery Group
Private Sector-led Projects (where affordable housing generates significant affordable housing)	Tower Hamlets Council / Great Place to Live Delivery Group
Housing association-led projects	Tower Hamlets Council / THHF Development Sub Group

16.6 Reporting mechanisms will need to be put into place to organise how information generated from **Private Sector-led Projects** and **Housing Association-led Projects** is organised into reports that can inform Development and Renewal interventions.

16.7 Outlined below is a brief narrative on each of the corporate strategic projects setting out the rationale for **Corporate Strategic Housing Projects** in Tower Hamlets

1. **2012 Olympic Park** – After the hosting of the Olympic Games and Paralympic Games, over 9,000 homes will be developed in the Olympic Park. Apart from the housing developed in the Olympic Village (in Newham) the housing in the rest of the park will take over ten years to develop, some of which will be developed within Tower Hamlets' north eastern boundary. More detail will emerge as the 2012 Legacy Masterplan Framework is developed.

2. **Blackwall Reach/Robin Hood Gardens** - This site which includes the Robin Gardens Estate is adjacent to the Blackwall Tunnel Approach. A Draft Development Framework has been published and has been the subject of public consultation. The development is expected to lead to the development of approximately 2,500 homes (including 700 affordable homes) and 150,000 sq ft of retail and employment space which will also include enhanced public realm, open space; new mosque; re-housing of existing tenants in St Mathias site.

3. **Bromley-by-Bow Masterplan Area** – A number of sites are at different stages of development and the local authority has a strategic interest in ensuring that this area – with Bromley-by-Bow London Underground at its centre – is developed in an organised fashion. The borough has two key sites that it has a major land interest in:-

- **Ailsa St** - The site has estimated capacity for 850 homes, a primary school, open space and employment uses. Development of this site (and Bow Lock) will need to assist with addressing the 'connectivity' agenda which is about helping to improve east-west pedestrian and vehicular traffic, particularly over the A102
- **Bow Lock** – The site has estimated capacity for 300 homes, improved public realm and employment uses. A higher proportion of affordable housing is being sought, particularly intermediate for families which may be delivered through a Community Land Trust

4. **Chrisp St Area** – Poplar Harca, the key landowner, is in the process of selecting a development partner who can help regenerate this key area in Poplar. The Council is working in partnership with the housing association to ensure this development delivers a wide range of benefits for the area.

5. **St Clements Hospital** – Located on Bow Rd, this is an English Partnerships owned site which has capacity for approximately 275 homes. The Council is seeking an exemplary project that maximises affordable housing delivery and wider socio- economic outcomes.

6. **Aspen Way** - This is a 100+ acre area site surrounding Poplar DLR station which is in a mix of land ownerships including LBTH, Canary Wharf, TfL/DLR. A long term project, this site is expected to yield over 5,000 homes and will have a strong public realm element. The project is intended to geographically and economically connect Canary Wharf/Isle of Dogs with South Poplar.

7. Ocean Estate - This New Deal for Communities scheme will see major redevelopment of part of the estate which continues to feature significant decanting of tenants. The new build element of this project will lead to new build of over 800 social, intermediate and market homes and refurbishment of over 1,200 existing homes.

8. Reshaping Poplar – The Council is working in partnership with Poplar Harca on a series of projects (which includes Chrisp St above) that will help both regenerate the Poplar area and deliver more and better housing for residents. It is estimated that over 15,000 mixed tenure homes could be delivered in this area over the long term and the Council will be working in partnership with Poplar Harca to ensure housing and wider socio-economic outcomes are maximised.

9. Tower Hamlets Homes/Housing Estate Renewal Strategy – It is a corporate priority for The Council expects that Tower Hamlets Homes will be awarded the ‘Two Star’ management standard awarded by the Audit Commission required to unlock the additional investment available from Government to deliver Decent Homes. This additional investment will help to significantly raise the quality of life for Tower Hamlets Homes’ residents.

16.9 This additional investment creates the potential to deliver wider socio-economic outcomes (ie, those sought in the Community Plan). In addition there is the potential to deliver new homes through infill development and selective demolition where homes are beyond their economic life and /or do not meet housing needs (e.g., bedsits). This has the potential to supplement the resources available to support Tower Hamlets Homes’ Business Plan to deliver the Decent Homes Plus programme.

Note: The final corporate strategic housing project is delivery of the Overcrowding Reduction Strategy featured in Chapter 4.

Commitment 53	Responsibility	When
Tower Hamlets Council to prioritise its resources to the identified key corporate strategic housing projects	Tower Hamlets	2009

17. Consultation Questions

In this chapter, we have set out what the key decent homes and housing management priorities are and the commitments we are making to help meet those priorities.

Are the priorities we have identified the right ones, and are there others that we should be considering?

Are the commitments we are making the right ones, and are there others that that we should be considering?

What issues should we be taking account of when considering particular needs of black, Asian and minority ethnic groups?

Are there other people or groups with particular requirements whose needs should be addressed in this chapter?

References

1. Housing Market Demand and Housing Need Study (2004) – Fordham Associates
2. London Plan Consolidated with Alterations since 2004 (2008) - www.london.gov.uk
3. Communities and Local Government Planning Policy Statement 12 – www.communities.gov.uk
4. Code for Sustainable Homes - www.communities.gov.uk/documents/planningandbuilding/doc/codesustainablehomes
5. Housing Corporation's Design and Quality Standards (2007) – www.housingcorp.gov.uk
6. Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society (2008) – www.communities.gov.uk

Additional information on the Lifetime Homes Standard can be found at <http://www.lifetimehomes.org.uk/>

Annex – Strategic Housing Land Availability Assessment (SHLAA)

What is the SHLAA?

Strategic Housing Land Availability Assessment (SHLAA) identifies and assesses all sites that have a potential for future housing developments. The Assessment needs to make a judgement on two aspects:

- The potential for new dwellings on each site in terms of net gain (or loss) of dwellings; and
- When the site is likely to be developed, depending on the site's "deliverability" and "developability".

SHLAA requires the boroughs to demonstrate a supply of deliverable and developable housing sites for the next 15 years. The document is a key component of the evidence base that supports the delivery of sufficient land for housing to meet the GLA target of delivering 3,150 homes per annum until 2016/17.

The SHLAA will be updated annually and will feed into the Council's Annual Monitoring Report (AMR).

Context

The SHLAA provides important evidence base to support the delivery of sufficient land for housing to meet the Mayor's target of delivering 3,150 homes per annum until 2016/17. The SHLAA needs to demonstrate a fifteen year supply from the date of adoption of the LDF (estimated to be around the autumn of 2009). Although the Mayor is committed to undertaking a new Housing Capacity/ SHLAA for boroughs to draw on, however, until the results from the new study are finalised, they are expected to roll forward their annual target to cover the required 15 year period (Statement from GOL and GLA).

The SHLAA has considerable wider value in plan-making for existing urban areas. It addresses the issue of how existing residential areas will change as a consequence of infilling and redevelopment for housing, and how the consequence of this change for social services, GP services, education or transport will be managed. In other words, HLAA will assist in developing a planned approach to managing change in such areas. The SHLAA evidence, alongside employment land review information, will help in addressing these matters because it focuses attention on the areas where opportunities exist for development and change to actually take place.

Using the SHLAA's findings, the Planning authorities must

- Identify specific, deliverable sites for the first five years of a plan (the sites should be available and ready for development within this timescale);
- Identify specific, developable sites for years 6 to 10 in plans and for years 11 to 15, to enable the five year supply to be topped up;
- Where it is not possible to identify land for years 11 to 15 local authorities should identify broad locations for future growth; and

Windfall allowances are not to be included in the first 10 years of the plan (unless there are justifiable local circumstances that prevent specific sites being identified).

Core Requirement of the SHLAA

Each site will be assessed in accordance with the criteria, as stated by Government guidance set out below

- A list of sites, cross-referenced to maps showing locations and boundaries of specific sites (and showing broad locations, where necessary);
- An assessment of the deliverability/developability of each site (i.e. in terms of its suitability, availability and achievability) to determine when an identified site is realistically expected to be developed;
- Potential quantity of housing that could be delivered on each identified site or within each identified broad location (where necessary);
- Constraints on the delivery of identified sites; and
- Recommendations on how these constraints could be overcome and when.

In Tower Hamlets where a significant amount of housing is expected from small sites, the Assessment will need to identify more smaller sites.

However, it must be stressed that the Assessment is not a policy document and therefore does not allocate land for development.

National Planning Policy Guidance

PPS3 requires that local authorities should develop policies and implementation strategies to ensure that sufficient, suitable land is available to achieve their housing and previously-developed land delivery objectives.

A key role for the SHLAA is to provide evidence of the availability of suitable land for new housing, and the impact of new sites on affordability and existing and planned infrastructure.

.PPS3 requires all boroughs to improve the affordability and supply of housing. It also advocates the most efficient and effective use of land, including building on brownfield land and in locations that offer good access to employment opportunities, key services and social infrastructure (e.g. clinics, schools, community facilities). To that effect, it requires the Councils to prepare an evidence based housing strategy backed by SHLAA, Strategic Housing Market Assessment (SHMA) and Need & Demand Assessment. The information in SHLAA would contribute to decisions about sites that will enable continuous delivery of housing for fifteen years from the date of adoption of the LDF (expected in 2009), taking into account the level of housing provision set out in the London Plan at 31,500 dwellings from 2007/08 until 2016/17 (it does not stipulate the level of growth after that).

Regional Policy: London Plan

The Consolidated London Plan, 2008 sets an annual target of minimum of 3150 new dwellings per annum until 2017 (Policy 3A.1).

It requires the borough to identify new sites in Opportunity areas and Thames Gateway and seeks to maximise the potential of sites by

- encouraging higher densities as per the density matrix (adopted by Tower hamlets too)
- change of use of surplus industrial and commercial land to residential where they are consistent with principles of sustainable development;
- Reducing the number of vacant lands.

Housing Capacity Study

The London Housing Capacity Study (2004) forms the basis of arriving at housing targets set in the London Plan. It estimates housing capacity from four key sources- large sites (0.5 ha and above), small sites (below 0.5 ha), projected housing yields from non self-contained dwellings and reductions in long term vacant housing stock.

The housing requirements of 31,500 dwellings for Tower Hamlets estimated by London's Housing Capacity Study (2004) are for the period of 2007/08-2016/17. Although the Study had a twenty year time-frame, it does not provide robust estimate of capacity beyond 2016/17.

Local Plan: Community Plan

The Tower Hamlets Community Plan 2007/08 aspires to develop places "which combine a healthy environment with enjoyable open spaces, a well-designed mix of homes and business premises, good-quality services and excellent public transport".

The Plan wants to improve the quality of new housing and ensure a better supply of affordable housing.

The Council's approach

The Council has undertaken a Housing and Land Availability Assessment to identify all sites within the borough with potential for future housing growth.

As part of the assessment, the Council intends to compile a list of all sites that are considered "available" and "deliverable" sites. The list will identify a rolling supply five years supply and a further 10 year supply of sites.

It is proposed that the site threshold will be sites that deliver at least 10 units, irrespective of the size of the plot. Government guidance recommends that Local Authorities should consider the nature of the housing challenge in their Housing Market Area when determining how comprehensive the assessment should be. When taking into account annual housing trajectories, the Lead Partners consider that this threshold can be justified.

The sites have been identified through the following methods:

Sites in Planning Process

- Sites identified in the Council's Planning Register (from 1st April 2003- 31st March 2008) , i.e
 - Sites with outstanding planning permission for housing or mix of uses (including housing)
 - Sites with Planning permission for housing that are under construction
 - Sites with Planning Permission refusal where the objection can realistically be overcome
 - Sites where applications have been withdrawn due to reasons that can be overcome
- Sites identified in the Master plans, Area Action Plans and Sites with Planning Briefs
- Sites identified by previous studies such as GLA, LDF, UDP, NLUD study (the unimplemented proposals,
- Sites identified in Housing Capacity study (considers sites of 0.5 ha and above)

Sites not currently in the planning process

- Existing residential areas where existing or proposed planning policy actively encourages additional housing, e.g., through infilling and redevelopment.
- Housing Estates with possibility of infill and decanting/redevelopment
- Surplus Council and public sector properties with housing potential
- Vacant or derelict/underused properties such as surplus car parks
- Major strategic projects identified by Planning authorities for regeneration
- Sites no longer required for employment purposes or other non-residential uses and can be designated for housing

Size of sites

Only sites which delivered 10 or more dwellings shall be included in the Assessment because, judging from the planning permissions in 2007/08, out of the 211 sites that had planning approvals in 2007/08 or started construction, 14% of the sites with potential of 10 or more dwellings will deliver 93% of all dwellings.

End.

Chapter 6 – Housing Investment Strategy

1. Why does Tower Hamlets need a housing investment strategy?

1.1 In the previous three chapters, we described the borough's housing priorities into three broad areas: decent homes; additional affordable homes; and placemaking and sustainable communities. Developing and implementing a housing investment strategy and delivery plan is about identifying the resources necessary and putting in place a plan to ensure the resources are well spent. The housing targets for the borough are detailed in Annex A of this chapter and are summarised as follows:

- Number of additional homes provided (i.e., market and affordable)
- Number of affordable homes provided (social rent and intermediate)
- Number of affordable family social rented homes provided
- Reduction in Non Decent Homes in stock transferred to housing associations
- Reduction in Non Decent Homes in Tower Hamlets Homes stock

1.2 As set out in Chapter 3, the housing agenda has a significant contribution to make to the wider socio-economic agenda set out in the Borough's Community Plan. Delivery against these targets will be developed and delivered by members of the Tower Hamlets Housing Forum (including Tower Hamlets Homes) and other housing associations active in the borough.

2. Key Priorities

2.1 In this chapter, we set out how we intend to deliver the following key priorities. The Council with its partners intends to:

- Secure additional investment from Government to resource the Tower Hamlets Homes' Decent Homes Plus programme
- Ensure all housing associations raise their stock to meet the Government's Decent Homes Standard
- Deliver the decent homes standard for vulnerable households in private sector stock
- Reduce long term empty homes in the private sector
- Adaptations to help disabled people stay in their homes rather than depend on institutional care
- Maximise investment that delivers placemaking and sustainable communities objectives

- Ensure that the Council's Strategic Housing Land Assessment (SHLAA) is aligned with statutory agencies' investment plans and strategies
- Maximise housing investment to help build more social rented and intermediate housing, with a particular focus on more affordable family housing
- Focus on the ten key projects identified to help deliver sustainable housing outcomes for borough residents
- Convene a Housing Strategy Programme Board that will oversee the implementation of commitments set out in the Draft Housing Strategy
- Produce an Annual Report highlighting progress against housing strategy objectives
- Ensure partnerships and staffing arrangements are in place to ensure the strategy commitments are delivered

3. Background

3.1 An investment strategy for most organisations is about securing money to achieve an objective. With a housing investment strategy, the approach is more complex. The land and/or buildings need to be appropriate for investment particularly with regard to planning and investment criteria from statutory funders; sufficient money – often a mix of public and private - in place to fund the work; an appropriate partnership and vehicle to deliver the outcome sought; and, crucially administrative, political and community support for the actions needing to be undertaken. In tabular terms, the issues could be illustrated as follows:

Theme	Resources	Vehicle/Process	Outcome
Delivering and Managing Decent Homes	Major Repairs Allowance; ALMO Resources / Housing Associations.	Tower Hamlets Homes / Housing Associations	Delivery of Decent Homes Plus Standard and well managed homes
Placemaking and Sustainable Communities	Affordable Housing Grant; Private Finance; Other Public Sector Sources, eg, HCA, LDA, EP, GLA etc.; Community Infrastructure Levy; Growth Area resources	Housing Associations; Housing Developers; Alternative Housing Delivery Vehicles	Delivery of: Decent Homes Plus Standard; Affordable Housing Target; Placemaking and Sustainable Communities objectives

Theme	Resources	Vehicle/Process	Outcome
New Affordable Housing	Affordable Housing Grant; Private Finance; Housing Association Reserves; Land at discounted value; S106 planning obligations	Housing Associations; Private/Affordable Housing Developers; Alternative Housing Delivery Vehicle	Delivery of Affordable Housing Target

4. Decent Homes Investment

4.1 Tower Hamlets is committed to delivering the decent homes standard for all its residents as soon as is reasonably practicable. Specifically, Tower Hamlets will:

- Seek additional investment from Government and other sources that will resource the delivery of the decent homes plus standard to housing stock managed by Tower Hamlets Homes
- Monitor delivery of the decent homes standard to homes transferred to housing associations under the *Housing Choice* programme
- Monitor delivery of the decent homes standard to stock managed by social landlords

Commitment 54	Responsibility	When
Tower Hamlets will seek to maximise housing investment in existing stock to achieve the Decent Homes Standard	Tower Hamlets Council / Social Landlords	2010

5. Private Sector Renewal and Disabled Facilities Grants

5.1 Tower Hamlets will continue to seek to identify resources (grants or loans) to help deliver:

- the decent homes standard for vulnerable households in private sector stock
- reduce long term empty homes in the private sector
- adaptations to help disabled people stay in their homes rather than depend on institutional care

Commitment 55	Responsibility	When
Tower Hamlets will seek to reduce the number of non-decent homes in the private rented sector occupied by vulnerable tenants	Tower Hamlets Council	Ongoing
Commitment 56	Responsibility	When
Tower Hamlets will ensure the delivery of a service that will entitle eligible residents to claim Disabled Facilities Grants	Tower Hamlets Council	Ongoing

6. Placemaking and Sustainable Communities Investment

6.1 Delivery of investment under this heading is key to protecting the value of investment generated under the decent homes and new supply headings. In placemaking terms this might mean a higher specification to public realm improvements or external fabric. In sustainable communities this could involve an enhanced approach to economic inclusion for workless tenants. Sources of additional funding will include:

- English Partnerships and the successor Homes and Communities Agency
- London Mayor’s Targeted Funding Streams
- CLG funding initiatives such as the Housing Options programme
- CLG Local Area Agreement Funding
- CLG Working Neighbourhoods Fund
- Planning Obligations from Housing Developers
- Innovative use of public sector land

Commitment 57	Responsibility	When
Tower Hamlets will seek to maximise investment opportunities that deliver placemaking and sustainable communities objectives.	Tower Hamlets Council	Ongoing

7. New Supply Housing Investment

7.1 Land Investment

7.2 One of the known challenges to achieving new housing development in urban settings is the lack of developable land. Problems associated with ‘brownfield’ land (i.e., has had a previous use) include fragmented (and sometimes unknown) ownerships; land contamination; illegal uses; poor access arrangements; and lack of socio economic infrastructure. All of these issues place potentially onerous development and planning obligation costs on the developer that can make a scheme economically unviable to develop. Landowners sometimes have unrealistic land value expectations and are content to leave the land undeveloped and rely on the land’s ‘book value’.

7.3 The Government recognised the problems associated with land supply and required local authorities in Planning Policy Statement 3 to undertake a Strategic Housing Land Assessment identifying land available over a 15 year period, with a particular focus on land available in the first five years.

7.4 Tower Hamlets will also work closely with statutory public sector agencies such as the London Development Agency, London Thames Gateway Development Corporation, English Partnerships, the Housing Corporation and the Homes and Communities Agency (when established) to help bring forward land for development in an organised and strategic fashion. Similarly, it will work closely with housing associations, Tower Hamlets Homes and private developers to take advantage of 'infill' and estate redevelopment opportunities that help regenerate disadvantaged areas and deliver the placemaking and sustainable communities agenda.

Commitment 58	Responsibility	When
Tower Hamlets will develop, publish and maintain a Strategic Housing Land Availability Assessment (SHLAA) identifying a fifteen year supply of land that will help deliver the annual housing planning target, currently 3,150 homes.	Tower Hamlets Council	Annually
Commitment 59	Responsibility	When
Tower Hamlets will work closely with statutory agencies to ensure that SHLAA data informs statutory agencies' investment programmes. priorities, including the London Development Agency, London Thames Gateway Development Corporation, English Partnerships, Housing Corporation (and Homes and Communities Agency when established)	Tower Hamlets Council	Ongoing

8. Housing Investment

8.1 With the largest affordable housing delivery programme in London, the borough continues to attract a significant amount of public sector investment, chiefly through the Housing Corporation. The borough will continue to seek additional grant support on the basis it meets the commitments set out in Chapter 4 which stipulates the housing types, tenures and quality the borough is seeking.

Commitment 60	Responsibility	When
Tower Hamlets will work with statutory agencies – Housing Corporation, English Partnerships, Housing Corporation (Homes and Communities Agency when established), London Thames Gateway Development Corporation, Greater London Authority, London Development Agency, Transport for London - to maximise	Tower Hamlets Council	Ongoing

housing and wider infrastructure investment to deliver housing strategy objectives.		
Commitment 61	Responsibility	When
Tower Hamlets will seek to maximise opportunities from the Government's 'Homebuy' and successor programmes to enable residents to maximise opportunities to gain access affordable home ownership opportunities	Tower Hamlets / Homezone Partner	Ongoing

9. Corporate Strategic Housing Projects

9.1 Highlighted in the Housing Strategy are key projects that will help ensure that the council is playing a direct role in facilitating the delivery of more and better housing for its residents. They have been identified as schemes where the borough can make a significant difference through use of its land, planning powers and influence:-

- 2012 Olympic Park
- Blackwall Reach/Robin Hood Gardens
- Bromley-by Bow Masterplan Area
- Chrisp St Area
- St Clements Hospital
- Aspen Way
- Ocean Estate
- Reshaping Poplar
- Tower Hamlets Homes/Housing Estate Renewal Strategy
- Overcrowding Reduction Strategy

Commitment 62	Responsibility	When
Tower Hamlets will focus on the ten key projects identified to help deliver sustainable housing outcomes for borough residents	Tower Hamlets Council	Ongoing

10. Delivery Plan

10.1 Key to achieving Tower Hamlets investment priorities is a delivery plan. This will be dependent on staff in the Tower Hamlets' Development and Renewal Directorate working effectively together to deliver the commitments set out in this Draft Strategy. Key to achieving this will be:

- Organising the Directorate's housing strategy work
- Putting in place local partnership arrangements to achieve the Tower Hamlets investment priorities is seeking, primarily through building on the current good relationship with Tower Hamlets Housing Forum, and working relationships with private developers
- Ensuring Tower Hamlets maintains a productive working relationship with national and regional statutory funders

- Disseminate Tower Hamlets housing investment activities on a regular and promotional basis

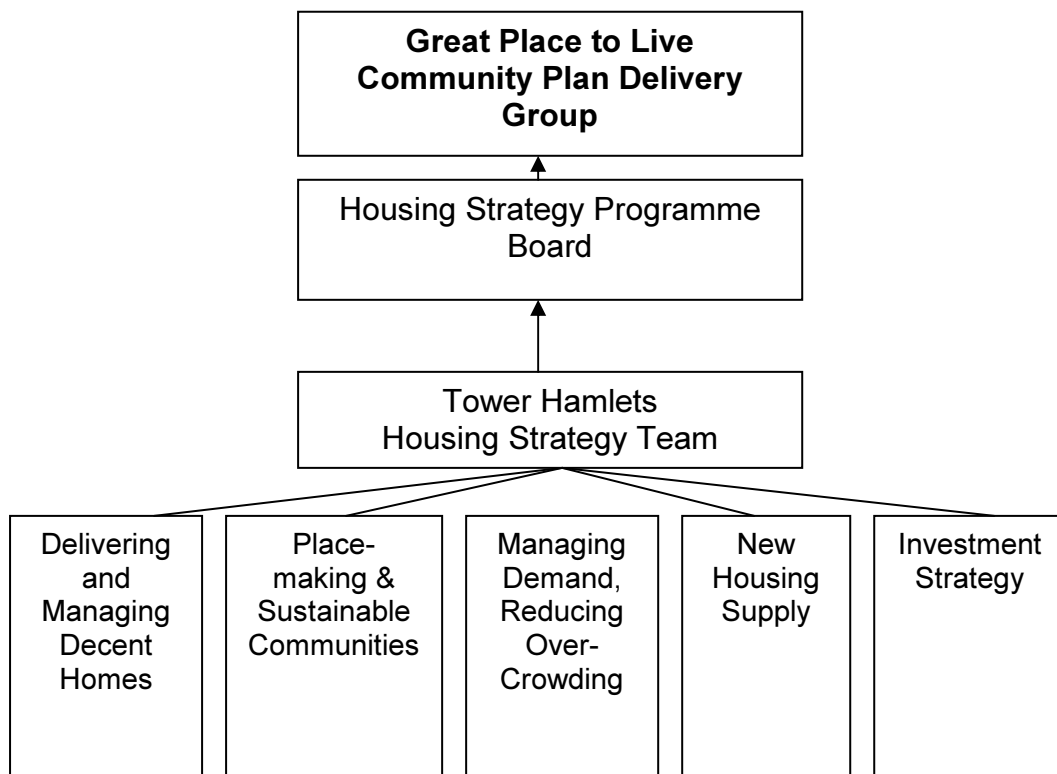
11. Organising the Directorate's Housing Strategy Work

11.1 The scale of housing investment that Tower Hamlets continues to means that the borough needs to organise its staff and financial resources as effectively and efficiently as possible. This draft housing strategy will become the workplan for the borough's housing strategy team who will be responsible for convening a Housing Strategy Programme Board meeting quarterly.

11.2 This Housing Strategy Programme Board will have overall responsibility for:

- Delivering the commitments set out in each of the chapters
- Overseeing the delivery of each of the corporate strategic housing projects identified in Chapter 5
- Reporting to the Great Place to Live Community Plan Delivery Group, helping to ensure alignment between Housing Strategy and wider Community Plan objectives.

11.3 The process will require a designated officer who will be responsible for ensuring that respective schemes meet the commitments in this Strategy.



Commitment 63	Responsibility	When
Tower Hamlets will convene a Housing Strategy Programme Board that will oversee the implementation of the commitments set out in the Draft Housing Strategy and corporate strategic housing projects and report to the Great Place to Live Community Plan delivery Group	Tower Hamlets Council	Quarterly

12. Disseminate Tower Hamlets housing investment activities on a regular and promotional basis

12.1 The borough will promote its housing work in an Annual Report to local, regional and national stakeholders, highlighting its achievements from the previous year and highlighting priorities for the New Year.

Commitment 64	Responsibility	When
Tower Hamlets will produce an Annual Report setting out achievements and priorities.	Tower Hamlets Council	Annual

13. Sustaining local partnership arrangements

13.1 Tower Hamlets will be heavily dependent on the work of its housing partners in delivering the commitments set out in this Draft Strategy. Therefore, the borough will be keen to maintain existing good working relationships with housing associations, other affordable housing developers and private sector partners.

Commitment 65	Responsibility	When
Tower Hamlets will continue to work closely with Tower Hamlets Housing Forum with a particular focus on overseeing the management of the Common Housing Register and delivering wider Community Plan priorities.	Tower Hamlets Council / Tower Hamlets Housing Forum	Monthly
Commitment 66	Responsibility	When
Tower Hamlets will convene an Annual Developers Forum meeting for affordable and private developers to discuss housing development issues	Tower Hamlets Council	Annual

14. Consultation Questions

In this chapter, we have set out what the key decent homes and housing management priorities are and the commitments we are making to help meet those priorities.

Are the priorities we have identified the right ones, and are there others that we should be considering?

Are the commitments we are making the right ones, and are there others that that we should be considering?

What issues should we be taking account of when considering particular needs of black, Asian and minority ethnic groups?

Are there other people or groups with particular requirements whose needs should be addressed in this chapter?

End

Annex A

Strategic Indicators and Targets

	Indicator	Definition	Comment	08/09 Target	2009/10 Target	2010/11 Target	2011/12 Target
1	LAANI154, National154	Net additional homes provided	Strategic	2999	2999	2999	tbc
2	LAANI155, National155	Number of affordable homes delivered (gross)	Strategic	1688	1688	1688	1688
3	LAALocal03	Number of social rented housing completions for family housing	Cabinet Strategic			1400	
4	LAA405c	Percentage reduction of non-decent homes in homes transferred to RSLs in previous years	Cabinet Strategic	1	5	49	
5	LAANI 158 National158	% non-decent council homes	Strategic	51	49	47	

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Tower Hamlets Draft 2009-2012 Housing Strategy Evidence Base November 2008

To be read in conjunction with Tower Hamlets Housing Strategy 2009 to 2012

Page	Contents
2	Chapter 2. Delivering and Managing Decent Homes
8	Chapter 3. Placemaking and Sustainable Communities
22	Chapter 4. Managing Demand, Reducing Overcrowding
33	Chapter 5. New Supply

Chapter 2 - Delivering and Managing Decent Homes

Decent homes delivery – social sector homes

Key Facts

- In the social housing sector, non-decent homes are more wide spread in council housing (59%) than housing association properties (15%). Overall 33% of the social housing stock is non-decent.
- In the last two completed financial years, non-decent council homes have decreased.
- Latest returns reveal 3,673 RSL homes are non-decent, sixty per cent of these homes are transferred council stock requiring significant investment from RSLs to bring up them up to standard.

List of tables

2.1 Decent and non-decent homes by social housing provider. 1 April 2007

	Local Authority		Housing Association		All Social Landlords	
Decent Homes	6,446	41%	19,881	85%	26,327	67%
Non Decent homes	9,257	59%	3,522	15%	12,779	33%
Total	15,703	100%	23,403	100%	39,106	100%

Source: Tower Hamlets, Stock Condition Survey 2000, updated.

2.2 Percentage of non-decent council homes over time (actual and forecast)

Indicator	2006/07 Actual	2007/08 Actual	2008/09 Target	2009/10 Target	2010/11 Target
% of non-decent council homes	61.74	58.95	51	49	47

Source: LBTH D&R, Indicator LAANI 158 and BV1848, extracted 11 September 2008

2.3 Non-decent homes by RSL provider, 2008

RSLs operating in LBTH	Non-decent (count)	Percentage of each RSL's rented stock that is non-decent (General needs, SH, Elderly)
Belgrave	11	46%
East End Homes 1	858	24%
East Homes	133	22%
Gatewa(LABO,BGVP) 1	150	9%
Grand Union	1	-
Guinness Trust	2	-
Newlon	23	5%
Old ford HA (Circle)	748	29%
One HG	147	7%
Peabody Trust	94	11%
Poplar Harca 1	1,158	19%
Southern HG	169	16%
Spitalfields	51	11%
Swan Housing	103	9.3%
Tower Hamlets CH 1	40	1.4%
William Sutton	8	3%
TOTAL	3,673	-

1. Community and regeneration RSL

Note: Stock profile of non-decent RSL homes isn't currently available

Sources: HIP1 returns 2007/08

Decent Homes and Asset Management - council housing only

Key Facts

- 95 per cent of all properties included in the decent homes bid are high-rise or medium-rise flats.
- Overall, 49% of homes in the bid belong to leaseholders (likely to contribute to costs) and the remainder are tenanted.
- Of all homes in the bid, the majority were built after the war.
- Family-sized accommodation in the Decent Homes bid represents 24% of tenanted stock.
- Existing resource projection in the council stock for decent homes is around £15,500k annually for the next four years. **This doesn't include any ALMO decent homes bid resources.*
- On the assumption a 2* performance rating is achieved, the combined cost (in-bid homes and out of bid homes) of the Decent Homes funding programme is about £444m. The Council is able to provide £205m; the bid remains at £192m, and total ALMO funding required outside the bid is a further £60m and £14m for environmental improvements.

List of tables

2.4 Stock profile: Council homes build types managed by Tower Hamlets Homes and included in the Decent Homes bid, August 2007

Property Type	Tenants	Leaseholders	Total
1945-1964 house	93	0	93
1965-1974 house	9	0	9
Bungalow	40	0	40
High rise flats	2,371	1,305	3,676
Medium rise flats	4,353	3,687	8,040
Other pre 1945 house	151	0	151
Post 1944 low rise flats	102	36	138
Post 1974 house	182	0	182
Pre 1944 low rise flats	10	15	25
Total	7,311	5,043	12,354

Note: other stock profile information is available on other homes not in the bid. For example, tenanted homes that have ceased to be in the housing choice programme or voted to remain with the council, as well as a small number who are considering transfer.

Sources: TH 27 Application, table 1a

2.5 Stock profile of tenanted homes (THH managed) included the Decent Homes bid, August 2007

Dwelling bed-size	Studio	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed
Number	536	2,014	2,887	1,518	294	55	5	2

Note: other stock profile information is available on other homes not in the bid (for example, tenanted homes that have ceased to be in the housing choice programme or voted to remain with the council, as well as a small number who are considering transfer).

Sources: TH 27 Application, table 2a

2.6 Projected resources for investment in the Council's stock (including Decent Homes). No assumption is made here of future decent homes funding.

	2008/09	2009/10	2010/11	2011/12	2012/13
Supported Capital Expenditure (LA Decent Homes)	15,500	15,500	15,500	15,500	14,500
Major repairs allowance (MRA)	11,890	11,890	11,890	11,890	11,890

Sources: June 2008, cabinet report, Table 1.

2.7 Additional ALMO funding requirements for homes, 2007/08 to 2016/17 (on the assumption the authority achieves 2* rating from the inspectorate)

Homes included in the bid							
£000s	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 – 2016/17	Total
Decent Homes Programme funding requirements	7,992	11,670	37,818	44,162	68,183	115,649	285,474
Mainstream resources available (Council)	7,992	11,670	10,340	13,186	14,852	44,540	102,580
ALMO funding required (excluding 5% sustainability)	-	-	27,478	30,976	53,331	71,109	182,894
5% sustainability funding required	-	-	1,524	1,524	1,524	4,572	9,144
Total ALMO funding Required	-	-	29,002	32,500	54,855	75,681	192,038

Homes outside of the bid (ceased to be in Housing Choice, voted to stay with the council, small number considering transfer)							
£000s	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 – 2016/17	Total
Decent Homes Programme funding requirements	2,662	3,181	6,128	4,355	3,678	138,575	158,579
Mainstream resources available (Council)	2,662	3,181	6,128	4,355	3,678	82,634	102,638
ALMO funding required (excluding 5% sustainability)	-	-	-	-	-	55,941	55,941
5% sustainability funding required	-	-	-	-	-	4,890	4,890
Total ALMO funding Required	-	-	-	-	-	60,831	60,831

Combined (total of the two tables above)							
£000s	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13 – 2016/17	Total
Decent Homes Programme funding requirements	10,654	14,851	43,946	48,517	71,861	254,224	444,053
Mainstream resources available (Council)	10,654	14,851	16,468	17,541	18,530	127,174	205,218
ALMO funding required (excluding 5% sustainability)	-	-	27,478	30,976	53,331	127,050	238,835
5% sustainability funding required	-	-	1,524	1,524	1,524	9,462	14,034
Total ALMO funding Required	-	-	29,002	32,500	54,855	136,512	252,869

Sources: TH 27 Application, table 12a, 12b, 12c

Decent Homes Plus and the wider neighbourhood renewal agenda (ALMO homes only)

Key Facts

- The expected cost to meeting Decent Homes Plus is £395.6m.

List of tables

2.8 Expected cost of work required (by type) to reach our Decent Homes Plus standard

Externals – including roofs, structural repairs, windows & scaffolding	£200,876,268
Internals – including kitchens & bathrooms	£126,991,310
Common parts	£22,088,384
Doors	£8,611,752
Door entry systems	£8,271,949
Lifts	£11,721,875
Water booster pumps	£5,035,500
Insulation	£4,100,225
Asbestos removal	£3,549,900
Adaptations	£4,344,391
Total	£395,591,554

Sources: Tower Hamlets Homes, Housing Strategy section, data provided Sept 2008

Decent homes, green and sustainable homes in the private sector (existing sections are titled: DH in the private sector, energy conservation and DFG)

Key Facts

- Thirty-three per cent of homes in the private sector are non-decent and a good proportion of occupiers are vulnerable people.
- In the last four years 316 non-decent homes in the private sector have received assistance and made decent.

List of tables

2.9 Failure factors of non-decent homes in the private sector in Tower Hamlets

Non-decent private sector dwellings	33%
Inadequate thermal comfort	24%
Unfit	5%
Disrepair	10%
Non modern facilities	6%
Non-decent homes occupied by vulnerable residents	33%
Vulnerable residents in non decent homes	61%
SAP less than 30	4%

Source: LBTH Affordable Housing Development Team

2.10 The main funding pots (TFS) to help reduce non-decent homes in the private sector

Equity Release – House proud Scheme			
Year	Completions	Characteristics	DH criteria met
April 2003 to March 2008	61	60 RTB leaseholders, age 60+. 1 x private leaseholder	Varied - in accordance with the Tower Hamlets decent homes programme.

Non-decent empty properties brought back into use	
2005/06	20
2006/07	-nd-
2007/08	25 (exceeded target of 17)

Source: LBTH PHIT

2.11 Total number of non-decent homes receiving assistance to become decent, 2005 to 2008

Year	Non-Vulnerable	Vulnerable			
		Pensioners	Families with children	Other	TOTAL
2004/05	-	10	-	-	10
2005/06	7	180	6	15	201
2006/07	1	83	4	5	92
2007/08	25	13	0	0	13
					316

Note: Achieving decency through improvement and not demolition

Source: HSSA, LBTH.

Reducing carbon emissions in *existing* housing

(Note: carbon emission reduction measures for new build homes can be found in Chapter 4)

Key Facts

- Homes energy efficiency ratings (SAP) have improved over the last five years, although with a gradual increase in the last two years.

List of tables

2.12 Home energy efficiency – the average Standard Assessment Procedure (SAP) rating of *local authority* owned dwellings. (1 = poor, 100 = excellent)

Actual 2023/03	Actual 2003/04	Actual 2004/05	Actual 2005/06	Actual 2006/07	Target 2007/08	Target 2008/09	Target 2009/10	Target 2010/11
47.61	48.46	62.04	63.79	63.97	64.86	66.57	68.29	70.00

Note: Factors contributing to a SAP rating: thermal insulation of building fabric, efficiency and control of the heating, dwelling ventilation and solar gain characteristics and the price of fuels for space and water heating.

Source: LBTH BPSA

2.13 Home energy efficiency – the average SAP rating of *private sector* Dwellings. (1 = poor, 100 = excellent)

Year	National average	London	Tower Hamlets	Characteristics of LBTH housing where SAP ratings were worst
2004	51*	53	61	~owner-occupiers (without mortgage) ~ Pre-1919 dwellings ~ affecting build types that were terraced, detached or semi-detached, they also had the highest average heating costs. ~ affecting those dwellings reliant on room heaters

Note: 2001 figure

Source: LBTH Private Sector Stock Condition Survey, 2004

Accessibility and Lifetime Homes in *existing* council housing

Key Facts

- Wheelchair accessible homes (Accessible Housing Register category A & B) currently account for less than 1 per cent of the social rented stock.
- RSLs are the main providers/owners of existing fully wheelchair accessible homes in Tower Hamlets and of future accessible homes to be built.

- Less than a quarter wheelchair user/lifetime homes are family-sized homes.
- Accessible Housing Register (AHR) applicants represent 1.3 per cent of total waiting list demand.
- Of all lets in 2007/08, 1 per cent went to AHR applicants requiring a wheelchair user or lifetime home.

[List of tables](#)

2.14 Existing social housing homes in Tower Hamlets by accessibility category

39	Category A: Wheelchair Accessible	Designed to meet latest wheelchair accessible housing design standards offering extra space and wheelchair access to all rooms and facilities.
88	Category B: Partially Wheelchair Accessible	Designed to older wheelchair standards or significantly adapted to provide extra space and wheelchair access to at least the entrance level of the property.
30	Category C: Lifetime Homes	Designed with 16 Lifetime Homes design standards including larger space standards that together create an accessible and adaptable home.
1,478	Category D: Easy Access	Built to the older access standards or the more recent building regulations that insist on a level approach to the entrance, wider doorways and more space for all general housing. Includes all new build homes that are on the ground floor or above the ground floor with at least one lift.
3,638	Category E: Step Free	General housing with no steps to the property, which happens to have limited potential for future adaptability of the bathroom and stairs.
28,786	Category F: General Housing	Does not meet requirements for other accessible housing register categories.
27,019	Category G: Not assessed	Property not yet had an access survey *includes some council properties where AHR data is missing*

Source: Council Properties: LBTH, Northgate Business Query, Permanent residential units, 12 August 2008. For RSL properties: LBTH, HOT, Sept 08 spreadsheet

2.15 Permanent existing accessible homes by tenure

Tenure	Cat. A	Cat. B	Cat. C	Cat. D	Cat. E	Cat. F	Cat. G & un-recorded
Council (THH)	0	23	10	285	1,484	10,231	12,198
RSL	39	65	20	1193	2154	18,555	14,821
Private Market	-nd-	-nd-	-nd-	-nd-	-nd-	-nd-	-nd-

Source: Council properties: LBTH, Northgate Business Query, permanent residential units as of 12 August 2008. For RSL properties: LBTH, HOT, Sept 08 spreadsheet.

2.16 Focusing on bedroom sizes of existing *social rented* homes - AHR category A, B and C.

Bed-size	General Needs	Elderly	Sheltered	Temporary Accommod.	TOTAL
0 bed	2	2		1	5
1-bed	21	10	1	1	33
2-bed	36				36
3-bed	15				15
4-bed	5				5
5-bed+					0
Bed-size unknown	9				9
TOTAL	88	12	1	2	103

Note: Includes RSL and Council Homes on the Northgate system, the total numbers of A-C units differs from above because the latest data has yet to be uploaded onto Northgate.

Source: Northgate Business Query, 12 August 2008.

2.17 Social rented sector - letting activity and accessible housing 2007/08

Waiting List April 08			2007/08 Lets					
Total waiting list demand	All AHR Cases (A to F)	% of AHR cases to total demand	All lets ¹	Cat A - Fully WA	Cat B - Partially WA	Cat C - Lifetime	Total - Cat A - C	A-C% of total lets ¹
22,007	292	1.32%	1,660	8	7	3	18	1%

1. These two figures are for guidance only
Source: LBTH. Lettings IT Support Team

2.18 People from the AHR who need re-housing into a social rented Lifetime Home

AHR People Register – Lifetime Home need (social renting)		
Total Cat C Need (households)	% elderly AHR clients	% of family-size requirement <i>(some elderly require family-sized)</i>
25	36%	60%

Source: LBTH. Lettings IT Support Team

Chapter 3 - Place making and Sustainable Communities

Place making – urban planning and mixed tenure localities.

Key Facts

- Composition of households in each LAP (2001) revealed that over a quarter were lone non-pensioner households; in LAP 8 however this rose to nearly 32 per cent. The highest percentage of married couples with dependant children is in LAP 2(18 per cent) and the highest percentage of lone parents with dependent children, at nearly 10 per cent, was in LAP 6
- The highest concentration of family-size households (5+ people) can be found (at ward level) in Spitalfields and Banglatown, Whitechapel, Bethnal Green South, Bromley by Bow and St Dunstan's.
- Mapping (at SOA level) shows the highest concentrations of single-person households (45 to 55%) do not occur in the same SOAs as the highest densities of 5+ person households (25 to 45%). The highest concentration of family-sized households are located in the wide east west band across the middle of the borough and for single person households, they are more evenly spread throughout the borough.
- Mapping of broad base ethnicity (at SOA level) shows high concentration of the Asian population as a middle band running east to west of the borough, this links to the previous map showing concentrations family sized households. Highest concentrations of the Black population are in the eastern fringes neighbouring with Newham. The Chinese population are mainly concentrated in the Isle of dogs and neighbouring Shadwell and Limehouse. High concentrations of the white population can be found near to the river at Wapping, Shadwell, on the tip of the Isle of Dogs as well as Bow.
- Tower Hamlets has seen significant residential growth. Between 2001/02 and 2006/07, the AMR reports a total of 14,443 net additional dwellings. Tower Hamlets is one of the local authorities expected to meet a good proportion of London's future new housing capacity proposed by the current Mayor.
- The newly created households resulting form from large schemes completing in 2006/07 are located mainly in the south quay area in the Isle of Dogs, Bow East

and parts of the city fringe.

- There were 244 ha of designated open space in the borough, this equates to 1.15 ha per 1,000 population, and in 2006/07 this was slightly below the target of 1.2 ha.
- 55 per cent of all major applications approved in 2006/07 were designated as car-free to create greener and healthier lifestyles. For the previous year it was higher at 62 per cent.

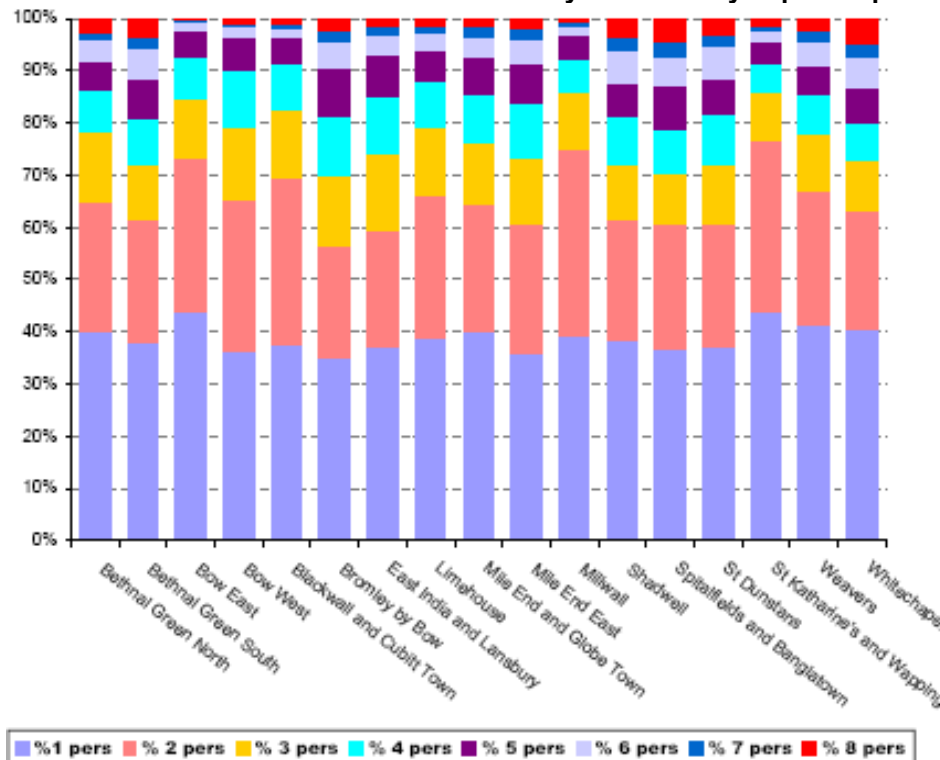
[List of tables](#)

3.1 Household composition in Tower Hamlets, by LAP, Census 2001

Percentage of households that are:	LAP 1 %	LAP 2 %	LAP 3 %	LAP 4 %	LAP 5 %	LAP 6 %	LAP 7 %	LAP 8 %
Lone pensioner	14.20	9.25	13.88	8.42	13.00	10.22	12.28	6.67
Lone non-pensioner	26.29	28.24	25.15	33.01	27.08	25.39	25.56	31.78
All pensioner	3.97	1.82	3.21	2.07	3.95	2.66	3.59	1.93
Married no children	4.75	5.18	4.59	8.38	6.05	4.74	5.80	9.49
Married, dependent children	13.27	18.00	16.12	13.40	9.52	17.24	15.40	9.53
Married, non-dependent children	2.90	2.13	2.56	2.05	3.49	2.77	3.27	2.21
Cohabiting, no children	4.94	6.81	5.33	8.23	7.57	3.73	4.88	10.28
Cohabiting, dependent children	1.76	1.42	1.44	1.31	2.40	2.14	1.94	1.60
Cohabiting, non-dependent children	0.22	0.16	0.18	0.23	0.19	0.23	0.24	0.17
Lone parent, dependent children	7.56	5.80	5.99	4.57	7.47	9.88	9.22	6.04
Lone parent, non-dependent children	3.54	2.28	3.54	2.49	4.41	4.50	4.26	2.47
Other, with dependent children	5.45	6.93	7.68	4.78	3.32	6.58	4.90	2.97
Student	1.03	1.24	1.36	0.69	1.47	1.21	0.63	0.98
Other	9.80	10.34	8.67	10.19	9.71	8.51	7.59	13.74

Source LBTH Housing Bulletin 2005, table 6. Original source: Census 2001

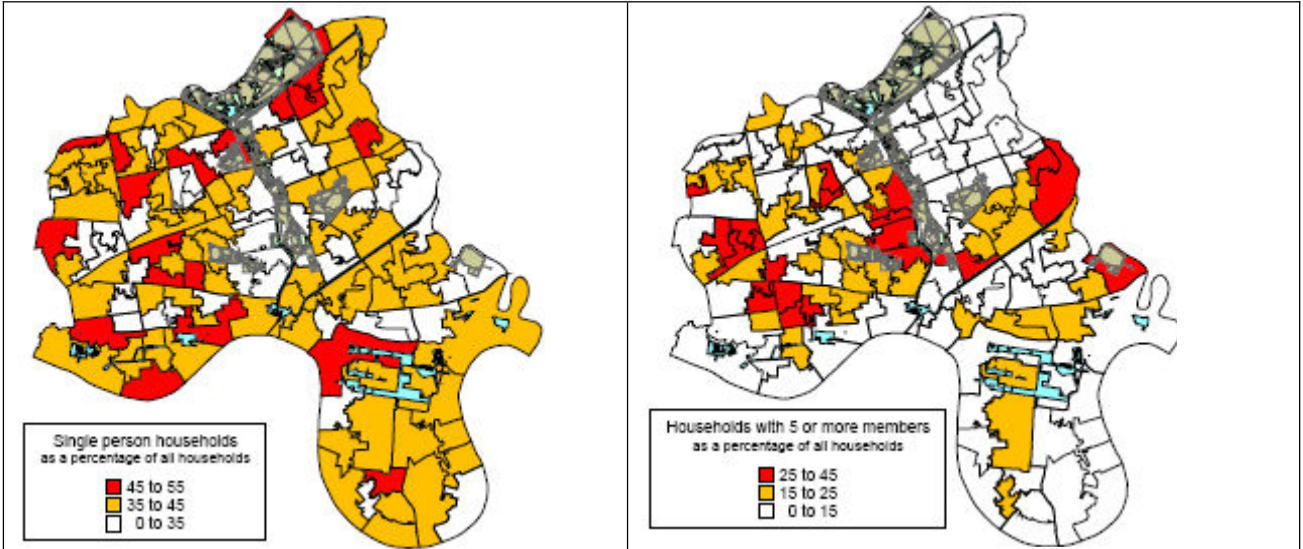
3.2 Household sizes in Tower Hamlets by ward and by super output area, Census 2001



Source: LBTH Housing Bulletin 2005, Table 7. Original source: Census 2001

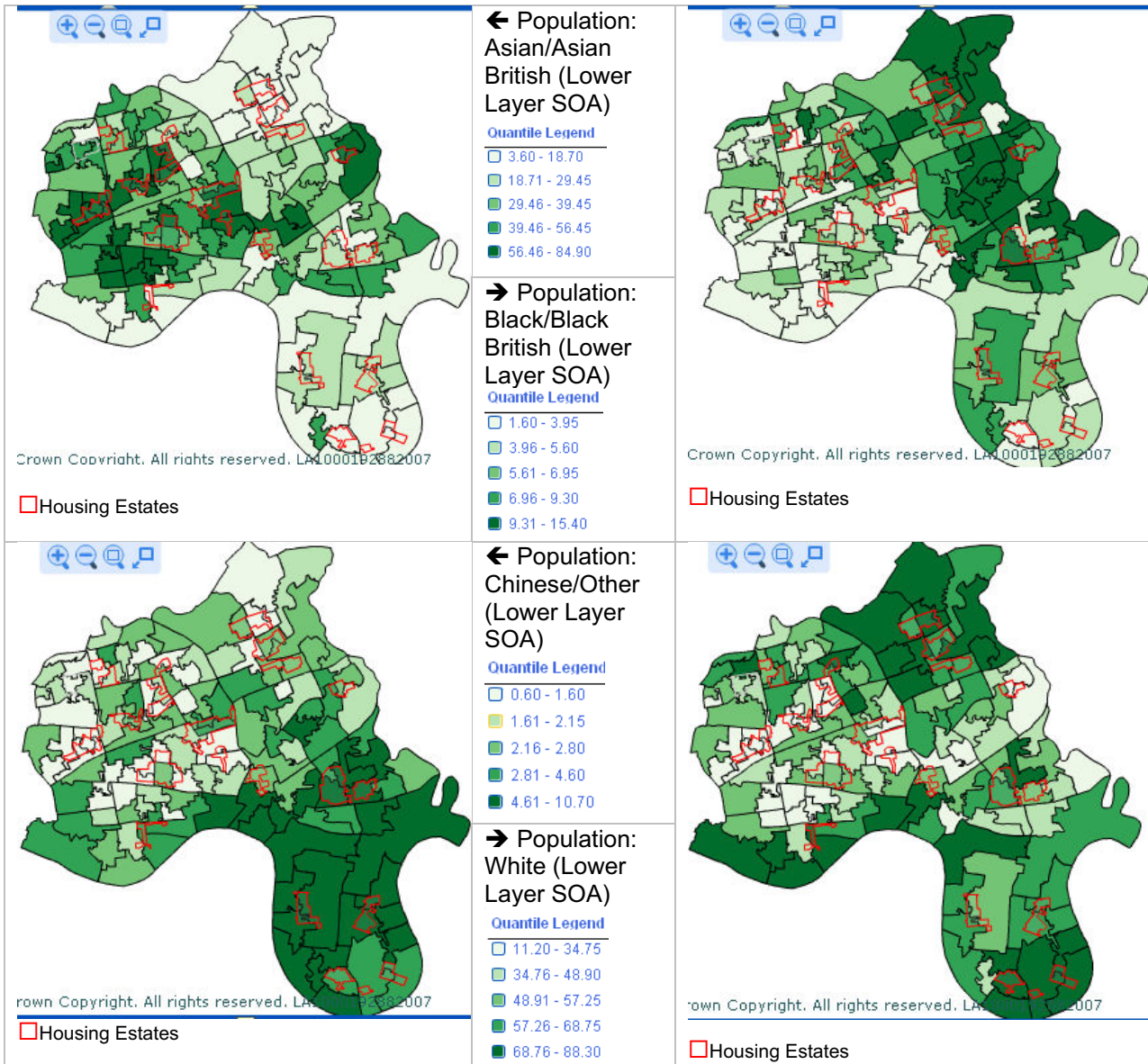
3.3 Key households by super output area: single-person households and family-sized

households, Census 2001.



Source: LBTH Housing Bulletin 2005, Map 1 and 2.

3.4 Concentration of the ethnic population by super output area, Census 2001



Source: THIS Borough. Original source: Census 2001

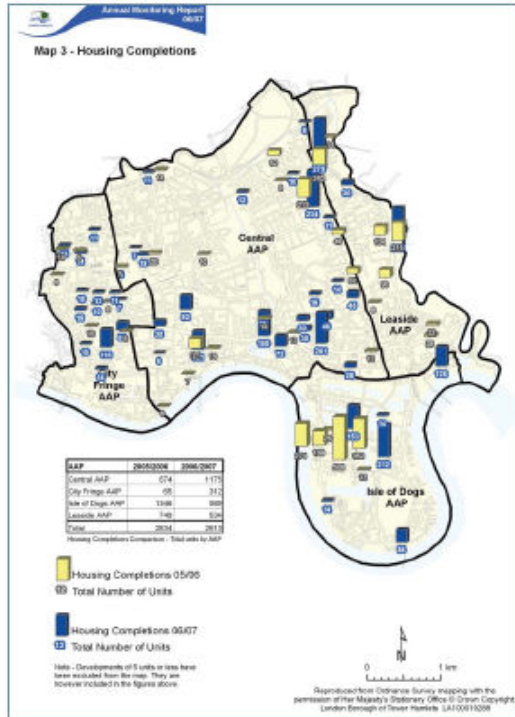
3.5 Past Growth-net additional residential dwellings (all tenures) in Tower Hamlets, 2002- 2008

Financial Year	No. of net additional dwellings
2001/02	1,630
2002/03	1,179
2003/04	2,992
2004/05	3,911
2005/06	2,361
2006/07	2,370
2007/08	2,037
TOTAL	16,480

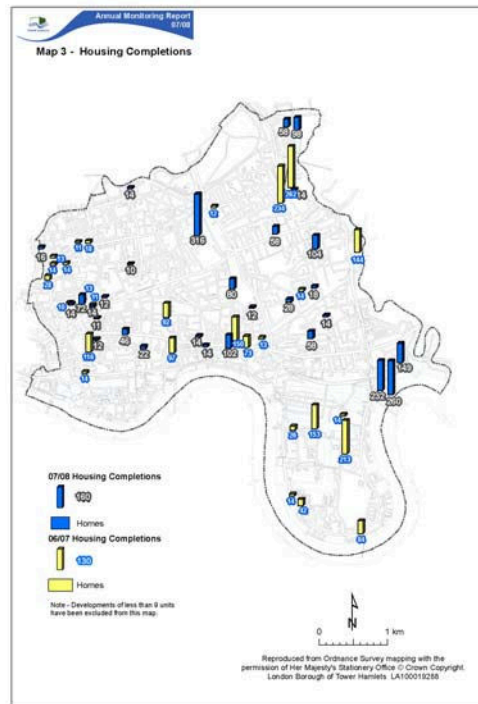
Source: AMR 2006/07 and 2007/08 AMR report highlights

3.6 Location of newly created homes, 2006/07 and 2007/08

2006/07



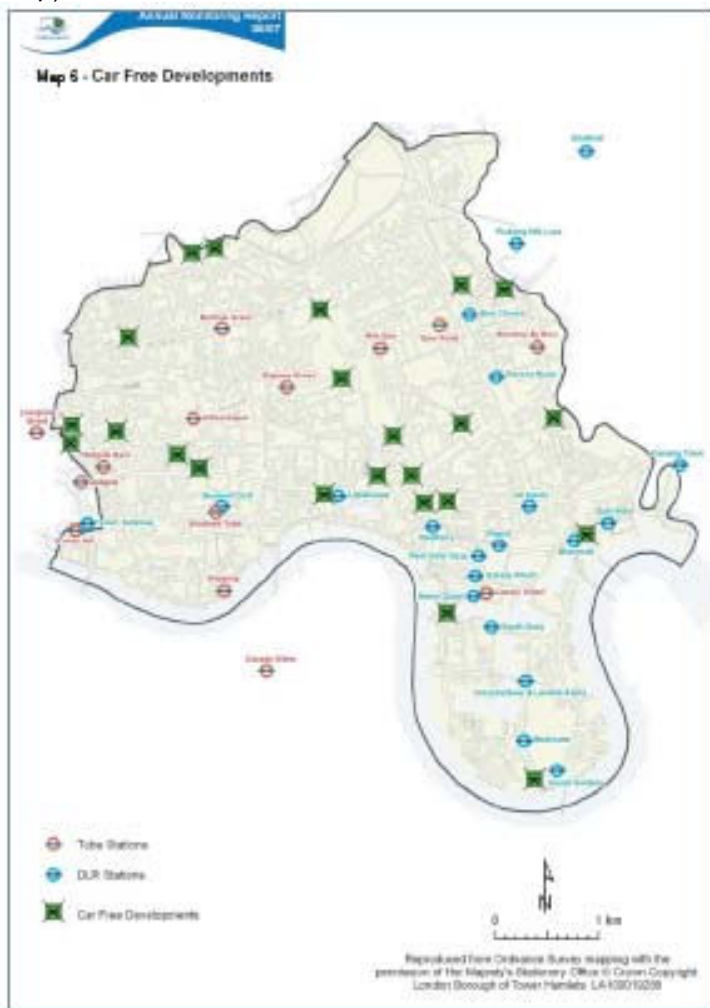
2007/08



3.7 Location of open space in Tower Hamlets, 2006/07



3.8 Location of car-free developments close to key transport links (compare with 3.6, 2006/07 map)



Regenerating Localities / Low carbon Areas

Key Facts

- Energy use in London's homes accounts for approximately 38% of total emissions, making it the single largest contributor of CO₂.
- 65% of carbon emissions in the borough come from business and industrial uses
- The built form of our cities contributes to around 60% of our total carbon emissions, if we include transport this raises to 75% a massive proportion of our emissions.

Note: No data tables are currently to hand to support this data.

Source: LBTH. Core Strategy – options and alternatives, consultation draft, July 2008

- An estimated 49,969 tonnes of CO₂ was produced through local authority properties/operations in 2007. This will be reduced in the next three years, starting with a ten per cent reduction in 2008/09.
- An estimated 2,015,000 tonnes of CO₂ was produced in the borough

[List of tables](#)**3.9 Latest baseline data - CO2 emissions from local authority operations 2007 and annual reduction targets for this type of emission**

Baseline: number of local authority properties (residential & non-residential)	Total carbon emissions in 2007	% annual reduction from local authority operations		
		Target 2008/09	Target 2009/10	Target 2010/11
About 13,500	49,969 tonnes	10	25	30

Source: LBTH, Energy Efficiency Team

3.10 Latest assumed baseline data on CO2 emissions from the local authority area and targets for the future annual reduction of emissions.

Total carbon emissions in the LA	Tonnes per capita	% annual reduction in the local authority area		
		Target 2008/09	Target 2009/10	Target 2010/11
2,015,000 tonnes	10.5 tonnes	2	6	10

Note: At September 2008, LBTH were awaiting baseline review data from DEFRA. Baseline is assumed gas/electric sales to postcodes in the borough along with allocated proportion of national energy uses.

Source: LBTH, Energy Efficiency Team

Working Neighbourhoods[Key Facts](#)

- The economic activity rate, unemployment rate and numbers of benefit claimants are all worse than London and national averages.
- Just over half the residents in Tower Hamlets have local employment and travel 5km or less to reach their place of work.
- Full-time employee jobs in Tower Hamlets showed a 63 per cent increase between 1998 and 2006. For part-time employee jobs, this was a 30 per cent increase.
- The highest proportion of employee jobs in 2006 was in Finance/IT industry and the services industry. The finance industry has grown sharply by a third since 1998, the service industry has grown at a steadier pace. Many of the other industries are in decline in Tower Hamlets. Industries where employee jobs have halved since 1998 are manufacturing and transport/communications.
- Between 2006 and 2026, the labour force in the borough is expected to increase 44.2%; this is much higher than the inner London average increase of 19%.
- Youth unemployment is higher in the borough than the London or national average.
- Currently, three-quarters of social housing tenants claim full or part housing benefit (Local Housing Allowance). Wards where council renting claimants was highest were Mile End and Globe Town, Bethnal Green South and Weavers.
- Tower Hamlets ranks number one in the country for child poverty. In 2006 over half the children aged 0 to 18 were in families dependent on benefits.
- The latest equivalised household income data (2007) for Tower Hamlets shows the average income was £37,634 (slightly more than London average); the median equivalised income at £29,460 (less than London average). Bromley-by-Bow has the highest percentage of households where incomes are less than fifteen thousand pounds a year (equivalised and unequivalised). Twelve per cent of high earners (£100K+) are located in St Katharine's and Wapping ward.

[List of tables](#)**3.11 Current Data: work deprivation in Tower Hamlets**

		Tower Hamlets	London	England
Economic Activity Rate (Persons, Apr06-Mar07)	%	54.6	69.3	74.3
Unemployment Rate (Persons, Apr06-Mar07)	%	13.2	7.6	5.5
All People of Working Age Claiming a Key Benefit (Persons, Aug05)	%	21	15	14
Job Seekers (Persons, Aug05)	%	5	3	2
Job Seekers (Persons, Aug05)	%	5	3	2
Incapacity Benefits (Persons, Aug05)	%	8	6	7
All VAT Based Local Units (Local Units, Mar07)	Count	8,855	311,675	1,788,670
0 to 4 Persons Employed (Local Units, Mar07)	Count	5,920	217,590	1,200,540
5 to 9 Persons Employed (Local Units, Mar07)	Count	1,265	42,275	264,165
10 to 19 Persons Employed (Local Units, Mar07)	Count	785	25,240	156,770
20 or More Persons Employed (Local Units, Mar07)	Count	885	26,570	167,195

Source: ONS, neighbourhood profile

3.12 Tower Hamlets economic profile

	LBTH (No. of People)	LBTH (%)	London (%)	Great Britain (%)
Economically Active	89,400	62.5%	75%	78.5%
Economically Inactive (Of who are....)	52,500	37.5%	25%	21.5%
- <i>wanting a job</i>	8,600	6.1%	6.9%	5.4%
- <i>not wanting a job</i>	44,000	31.3%	18.1%	16.1%

Source: ONS Annual Population Survey 2006

3.13 Employment in Tower Hamlets by sector

Employee jobs by industry	Tower Hamlets (employee jobs)	Tower Hamlets (%)	London (%)
Manufacturing	11,600	6.0	4.8
Construction	4,500	2.3	2.9
Services	175,000	90.9	92.0
Distribution, hotels & restaurants	22,100	11.5	21.3
Transport & communications	8,000	4.2	7.4
Finance, IT, other business activities	103,700	53.9	33.5
Public admin, education & health	33,000	17.1	22.7
Other services	8,200	4.3	6.9
Tourism-related	9,200	4.8	8.4

Note: % is a proportion of total employee jobs

Source: ONS annual business inquiry employee analysis, 2006

3.14 Employment trends in Tower Hamlets, 1998-2006.

Summary	1998	2000	2002	2004	2006	Comment
Full-time (count)	97,700	111,000	119,300	142,100	160,000	A 63% increase in eight years
Part-time (count)	25,000	28,700	28,200	32,700	32,600	A 30% increase in eight years
Jobs by industry (%)	%	%	%	%	%	
Manufacturing	13.1	11.6	9.8	7.7	6.	Declined by more than half. In 2006 the borough had more manufacturing jobs than the London average.
Construction	2.8	2.8	3.9	2.2	2.3	Hit its peak in 2003, dropping sharply in 2004 and levelled off since. In 2006 employee jobs were below the London average

Services	84.	85.4	85.9	91.3	90.9	Highest proportion of jobs in LBTH and has steady increased and is inline the London average.
Distribution, hotels & restaurants	16.	15.7	15.6	12.3	11.5	Steady decline since 1998 and LBTH sits below the London average.
Transport & communications	8.3	8.3	5.5	5.7	4.2	Sharp decline since 2002 and TH sits below the London average.
Finance, IT, other business activities	36.5	38.8	43.1	50.6	53.9	Fast growth since 1998 and TH employee jobs are well above the London average.
Public admin, education & health	19.2	19.	16.5	17.	17.1	A small decline since 1998
Other services	4.	4.2	5.2	3.8	4.3	-
Tourism-related	4.3	4.3	6.2	4.5	4.8	Dipped since 2002 but remained constant since.

3.15 Travel to work distance for the borough's working residents, 2001

Working residents travel to work distance	Tower Hamlets (Count)	Tower Hamlets %	London
Less than 2km	15,705	22	15.2
2km to less than 5km	20,764	29	21
5km to less than 10km	19,671	28	25.6
10km to less than 20km	5,326	8	21.9
Over 20km	3,314	5	7.1
Working at or from home	5,658	8	9.1

Source: Census 2001, NOMIS enquiry, excludes data for 'other'

3.16 Labour force projection, 2006 to 2026

	2006 Thousands	2026 Thousands	
	Labour Force	Labour Force	% increase
LB Tower Hamlets	103.4	148.5	44.2
Inner London	1,559.7	1,856.5	19
London (all)	3,870.6	4,322.5	11.7

Source: GLA 2007 Round Demographic Projections

3.17 Percentage of young people claiming unemployment-related benefits in the borough

	2006/07 Actual	2007/08 Actual	2008/09 Target
% of young people in LBTH (aged 16-24) claiming unemployment related benefits	20.7%	18.2%	15%

Source: LBTH D&R performance indicator, SP308 TH1022

3.18 Social Housing tenants (of working age) not claiming Housing Benefit (HB)

	Households (%)	Comments
Council tenants NOT claiming HB	9%	93% of non-HB tenants are small households (1-3 people) 7% are larger (4 to 9 people)
Housing Association Tenants NOT claiming	36%	No data available

Source: March 2008. Council tenant: LBTH Northgate business enquiry. RSL

3.19 Council renting housing benefit claimants of working age (where age is known) and by ward

Ward	No. of HB claimants of working age, who are council renters. <i>(data not available for HA tenants)</i>	Total households for each ward.	Council renters (of working age) claiming HB as a Percentage of all h/holds per ward	OBSERVATIONS of wards with the highest % of claimants
Bow East	239	5507	4%	
Spitalfields and Banglatown	148	3784	4%	
St Katharine's and Wapping	236	6356	4%	
East India and Lansbury	1 (stock transf'd)	5313	-	
Bow West	238	4895	5%	
Millwall	0 (stock transf'd)	9142	-	
St Dunstan's and Stepney	420	5354	7%	63% female claimants of working age ➤ Ethnicity (all adult ages) 49% Asian, 34% White, 7% Black, 9% other/unknowns, 1% Dual
Limehouse	637	6187	9%	62% female claimants of working age ➤ Ethnicity (all adult ages) 38% Asian, 32% White, 19% other/unknowns, 10% Black, 1% Dual
Shadwell	320	5119	6%	
Blackwall and Cubitt Town	165	7427	2%	
Bethnal Green North	420	5114	8%	60% female claimants of working age ➤ Ethnicity (all adult ages) 33% Asian, 33% White, 12%Black, 21% other/unknowns, 1% Dual
Whitechapel	451	5362	8%	
Bromley-by-Bow	131	4672	3%	
Weavers	741	5265	12%	62% female claimants of working age ➤ Ethnicity (all adult ages) 36% Asian, 30% White, 9%Black, 23% other/unknowns, 2% Dual
Mile End and Globe Town	779	4996	13%	62% female claimants of working age ➤ Ethnicity (all adult ages) 38% Asian, 18% White, 12%Black, 18% other/unknowns, 1% Dual
Mile End East	0 (stock transf'd)	4454	-	
Bethnal Green South	672	5170	12%	58% female claimants of working age ➤ Ethnicity (all adult ages) 51% Asian, 30% White, 11%Black, 19% other/unknowns, 1% Dual

Source: HB Claimants-Northgate Query Mar 07. Households per ward: ONS, Dwelling Stock by council tax band (dwellings Mar06)

3.20 Child Poverty – children in families on key benefits by statistical group, November 2006

Rates, ranks and numbers	All Claimants (000s)	Claimant rate	Rank of rate (1= highest out of 404 in GB)	Statistical Group - % of total			
				Unemployed	Sick/Disabled	Lone parents	Others 1
Tower Hamlets	27.3	52.8	1	21	28	47	4
Inner London	232.3	37.	-	9	25	63	2
London (all)	493.6	28.9	-	10	26	63	2

1. Subject to a high degree of sampling error, used as a guide only

Source: GLA, Facts and Figures 2008. Original source: DWP Information Directorate: Work and Pensions Longitudinal study

3.21 Household income for Tower Hamlets, neighboring boroughs and Greater London, 2007

	Average Income				Median Income			
	Unequiv- alised	Equivalent	Difference (Count)	Difference %	Unequiv- alised	Equivalent	Difference (Count)	Difference %
Tower Hamlets	£37,930	£37634	£295	-0.8	£31,500	£29,460	£2,040	-6.5
Hackney	£35,683	£34,714	£969	-2.7	£30,228	£28,384	£1,844	-6.1
Newham	£32,140	£29,320	£2,820	-8.8	£27,520	£24,189	£3,331	-12.1
Greater London	£38,781	£37,257	£1,524	-3.9	£33,083	£30,456	£2,627	-7.9
Great Britain	£33,716	£31,708	£2,009	-6.0	£28,383	£26,100	£2,283	-8.0

3.22 Household income distribution in Tower Hamlets, and Greater London, 2007

Borough and wards	Unequivalised						Equivalised ¹					
	Percentage of households earning under:						Percentage of households earning under:					
	Und-er 15k	Und-er 30k	Und-er 45k	Und-er 60k	Over 60k	Over 100k	Und-er 15k	Und-er 30k	Und-er 45k	Und-er 60k	Over 60k	Over 100k
Tower Hamlets	16	47	71	84	16	3	18	51	72	84	16	4
Bethnal Green North	16	49	74	87	13	2	17	52	74	86	14	3
Bethnal Green South	18	52	76	88	12	2	21	57	77	87	13	3
Blackwall and Cubitt Town	10	36	60	76	24	5	12	40	62	77	23	6
Bow East	15	47	71	85	15	3	16	50	72	84	16	4
Bow West	15	46	70	85	15	3	17	52	75	87	13	3
Bromley-by-Bow	24	64	85	94	6	1	28	69	87	95	5	1
East India and Lansbury	23	62	83	93	7	1	26	66	85	93	7	2
Limehouse	16	47	70	83	17	4	17	49	70	82	18	5
Mile End and Globe Town	19	54	78	90	10	1	22	59	81	91	9	2
Mile End East	20	56	79	90	10	2	22	60	80	90	10	2
Millwall	8	29	53	71	29	7	8	32	55	71	29	9
St Dunstan's and Stepney Green	20	57	80	91	9	1	25	63	83	92	8	1
St Katherine's and Wapping	8	30	53	70	30	8	9	31	52	67	33	12
Shadwell	18	50	73	85	15	3	21	54	74	85	15	4
Spitalfields and Banglatown	13	44	68	83	17	3	17	50	72	85	15	3
Weavers	17	49	73	86	14	2	17	52	75	87	13	3
Whitechapel	17	50	74	87	13	2	21	57	77	88	12	3
Greater London	14	44	69	83	17	3	16	49	72	85	15	3

1. Equivalised income - net household income divided by a factor based on the number and ages of the household members to adjust for varying needs.

Source: DMAG briefing, PayCheck 2007, published Feb 2008.

Health**Key Facts**

- Health indicators are mixed; the under-eighteen pregnancy rate is slightly lower than the London average as is life expectancy years.
- People claiming incapacity benefit is higher in the borough than London as a whole.
- Alcohol related death rates for males in tower Hamlets is the fourth highest in London.
- Health indicators point towards the following wards where the rank for health and social well being rate worst: East India and Lansbury, Whitechapel, St Dunstans and Stepney Green, Bethnal Green North and Weavers

List of tables**3.23 Key summary of health indicators up to 2006**

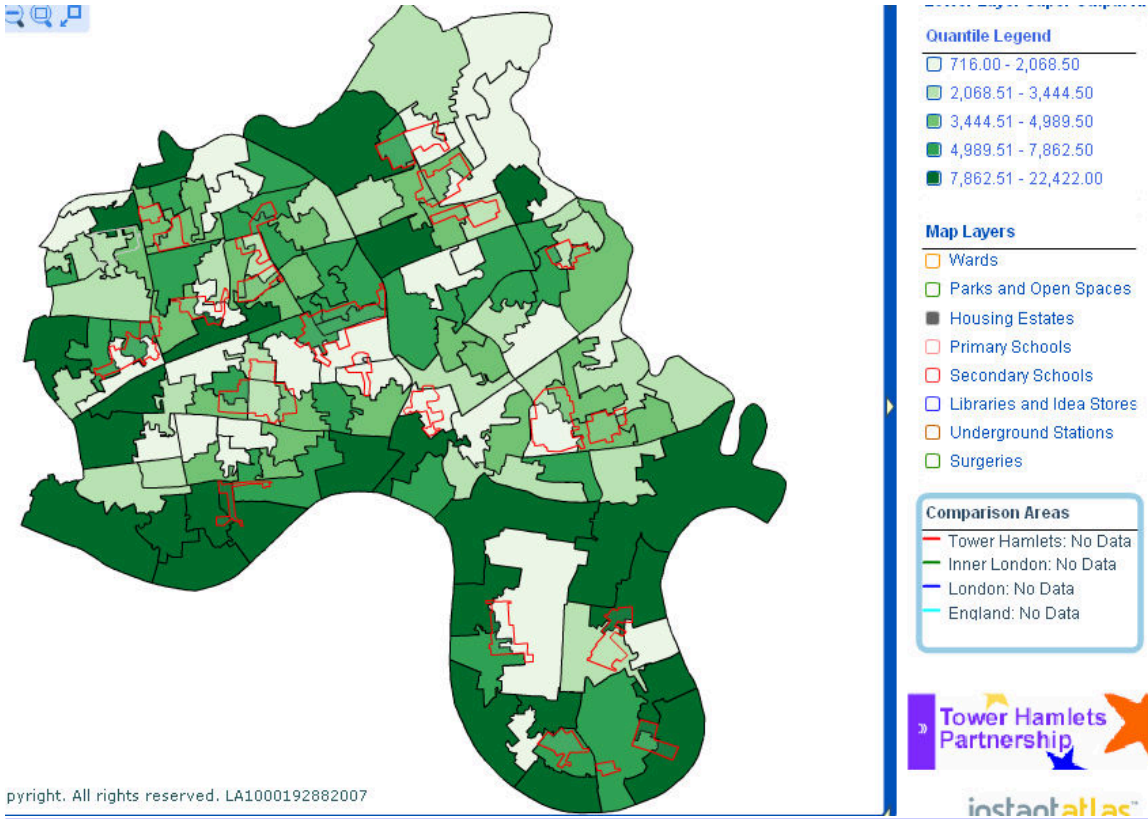
Health Indicator	Reported as..	Tower Hamlets	London	England
Under 18's Conceptions (Jan04-Dec04)	Person count	173	6,235	39,593
Under 18's Conceptions (Jan04-Dec04)	Rate per 1000 persons	42.9	48.3	41.5
Low Birth weight Live Births (Jan-Dec03)	% (persons)	9.6	8.1	7.7
Infant Mortality (Jan03-Dec05)	Rate per 1000 persons	4.4	5.2	5.1
Life Expectancy at Birth; <i>Males</i> (Jan04-Dec06)	Year	75.2	77.4	77.32
Life Expectancy at Birth; <i>Females</i> (Jan04-Dec06)	Year	80.2	82	81.55
Incapacity benefit (Aug 05)	% (persons)	8	6	7
Incapacity benefit (Aug05) - highest concentration (wards) Top 5	1. East India & Lansbury 2. St Dunstans & Stepney Green 3. Joint: Bethnal Green North & Weavers 4. Limehouse 5. Bethnal Green South			

Source: Office for National Statistics

Alcohol related death rate; <i>Males</i> (1998-2004)	Rate per 100,000	26.3	18.3	14.1
Alcohol related death rate; <i>Males</i> (1998-2004)	Rank		4 th	34 th
Alcohol related death rate <i>Females</i> (1998-2004)	Rate per 100,000	7.8	7.3	6.9
Alcohol related death rate <i>Females</i> (1998-2004)	Rank		13 th	136 th

Source: ONS, published in Health Statistics Quarterly 33

3.24 Rank of health and deprivation disability, 2007 (lower layer super output area)



Source: LBTH, THIS Borough, original source IMD 2007

Education

Key Facts

- Tower Hamlets ranks second highest for pupils in school where English is not their first language.
- Overall, the borough's pupils are second lowest in London of achieving five or more GCSEs (A-C grades) and 11th lowest for candidates taking A-level (or equivalent)
- Of the whole boroughs working population in double the amount of people have no qualifications when compared with London or nationally.

List of tables

3.25 School pupils whose first language is not English (2007)

	Tower Hamlets	As a % of all...	Rank in London
At primary school level (persons)	12,760	76.1%	2 nd highest
At secondary school level (persons)	9,930	68.7	2 nd highest

Source: Extracted from GLA, Focus on London: 2008 edition. Original source: DCFS-Schools and Pupils in England, January 2007

3.26 GCSE and equivalent achievements (inc. English and Math's) by gender and region – 2006/07

	5+ A*-C GCSEs			
	Boys	Girls	TOTAL	Rank in London
Tower Hamlets	31.6%	42%	36.5%	2 nd lowest
London	43.6%	52.3%	47.9%	
England	42.4%	51.2%	46.7%	

Source: Extracted from GLA, Focus on London: 2008 edition. Original source: DCFS

3.27 Level 3 scores (A-level or equivalent) of 16-18 year old candidates by gender - 2006/07

	Average QCA ¹ point score by students achieving all level 3 qualifications			
	Boys	Girls	TOTAL	Rank in London
Tower Hamlets	604.7	632.2	621.5	11 th lowest
London	653.5	690.8	674.1	
England	712.9	746.5	731.1	

1. QCA: qualifications And Curriculum Authority

Source: Extracted from GLA, Focus on London: 2008 edition. Original source: DCFS

3.28 Tower Hamlets working age population higher education qualification achievement (Jan-06 to Dec-06), compared with other regions.

	LBTH (No. of People)	LBTH (%) ¹	London (%) ¹	Great Britain (%) ¹
NVQ4 and above	36,000	26%	34.6%	27.4%
NVQ3 and above	54,300	39.1%	47.9%	45.3%
NVQ2 and above	68,200	49.1%	60.9%	63.8%
NVQ1 and above	80,700	58.2%	70.8%	77.8%
Other Qualifications	22,700	16.4%	15.3%	8.5%
No Qualifications	35,300	25.5%	13.9%	13.8%

1. The % is a proportion of the total working age population

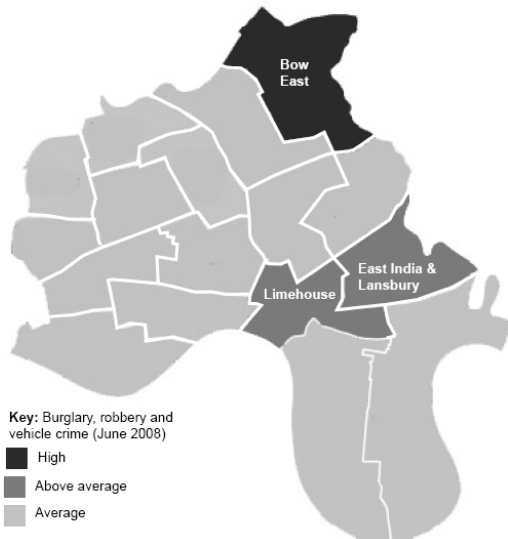
Source: ONS Annual Population Survey

Personal and community safety**Key Facts**

- Crime mapping for burglary, robbery and vehicle crime currently informs us that Bow East has a high rating, Limehouse, East India and Lansbury had an above average rating. The remainder of Tower Hamlets wards were rated as average.
- Of selected recorded crimes Towers Hamlets ranks the fourth highest in London Borough of Tower Hamlets.
- Over a six-year period most recorded offences have fallen, the exception being drug offences which have doubled.

List of tables

3.29 Latest Figures: crime mapping in LBTH – burglary, robbery and vehicle crime, June 2008



Original Source: Metropolitan Police, crime mapping test site. Website: maps.met.police.co.uk

3.30 Total Metropolitan Police Service offences, 2006/07

	Total Offences	Top 2 offences (TH and London)
Tower Hamlets	32,627 (4%)	1.Theft and Handling
London Total	921,779	2.Violence against the person

Source: Metropolitan Police Service, 2007

3.31 Selected recorded crimes - 2006/07

Rates per 10,000 population	Violence against the person	Sexual offences	Robbery	Domestic burglary	Theft of a motor vehicle	Theft from a motor vehicle	Total selected recorded offences	Rank in inner London
Tower Hamlets	363	19	90	77	61	139	747	4 th highest
London	243	12	61	80	50	122	569	
England	192	11	19	56	36	93	407	

Source: Home Office

3.32 Trends over time: selected recorded offences in Tower Hamlets

(rate per 1000 population)	Total recorded offences	Violence against the person	Burglary	Offences against vehicles	Criminal damage	Drug offences
2007/08	145	31.5	13	19.9	15.6	13.9
2006/07	153.2	36.3	13.6	20.4	16.5	10.3
2005/06	161.5	35.7	16.6	25.3	17.8	6.8
2004/05	175.5	38.1	14.8	25.7	21.4	5.3
2003/04	189.3	37.3	14.6	32	24.3	5.7
2002/03	208.8	38.3	18.1	42.6	26.8	6.8

Source: Home Office website. Link: <http://www.homeoffice.gov.uk/rds/ia/atlas.html>

Supporting people

Key Facts

- Accommodation for fourteen of the seventeen supported client types met the

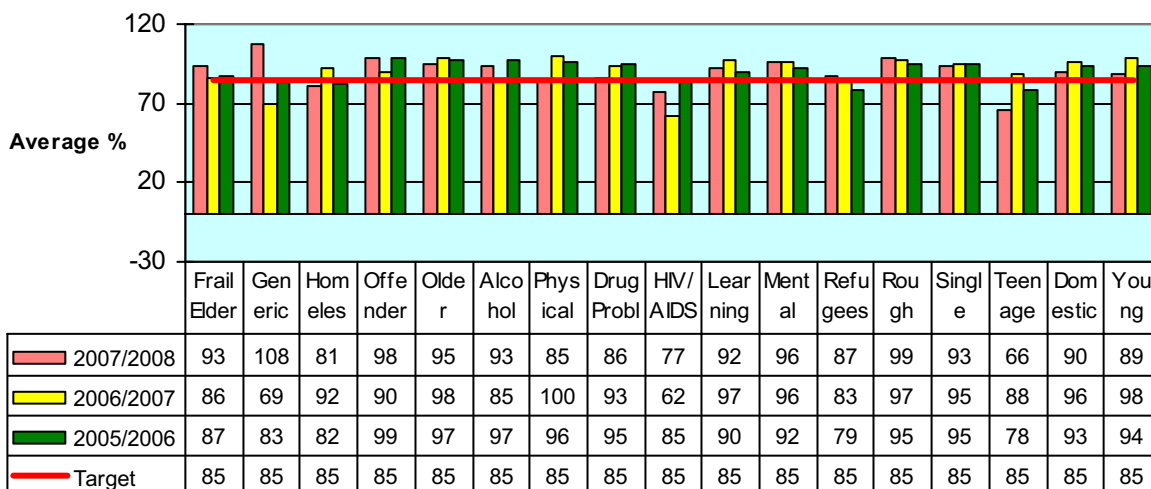
CLG's benchmark of 85% utilisation in 2007/08. Where there have been decreased rates over the years (For example, Homeless families HIV/AIDS and teenage parents) the accommodation has been remodelled or reconfigured for differing client types to ensure improved utilisation of accommodation.

- Service users supported to maintain independent living was 98 per cent in 2007/08, the same as the national average. Of supported client types, only three of fifteen groups sat just under the national average, these clients were those alcohol problems (92.82%), HIV/AIDS clients (96.49%) and some generic clients (97.42%).
- Service users who had moved-on in a planned way (seen as positive) was 62 per cent in 2007/08, under the national threshold of 71 per cent and under the challenging target of 80 . The remaining service users that moved-on are seen as negative (abandonment). Five out of eleven client groups sat below the average (data not shown), these were client groups such as offenders (13 unplanned), clients with alcohol or drug problems (31 unplanned), rough sleepers (4) and the largest numbers of unplanned were single homeless people. Three client groups where planned move-on exceeded the targets were: homeless families, refugees and teenage parents.

[List of tables](#)

3.33 Utilisation levels and benchmark levels of supported housing provided in Tower Hamlets (by client type) in the last three years.

Utilisation Levels 2005-2006, 2006-2007, 2007-2008



Note: some of the data requires verification, please use as guidance only.
 Source: LBTH SP Commissioning Body performance Indicators, 2007/08

3.34 Service users supported to establish and maintain independent living (KPI 1)

Yearly Result 2005/06	Yearly Result 2006/07	Yearly Result 2007/08	Target 2008/09
96%	97%	98%	99%

Note: some of the data requires verification, please use as guidance only.
 Source: LBTH SP Commissioning Body performance Indicators KPI 1, 2007/08

3.35 Percentage of service users who have moved on in a planned way

Yearly Result 2005/06	Yearly Result 2006/07	Yearly Result 2007/08	LBTH Target 2008/09	National benchmark Average	CLG benchmark
54%	58%	59%	62%	71%	80%

Note: some of the data requires verification, please use as guidance only.

Source: LBTH SP Commissioning Body performance Indicators, KPI 2, 2007/08

3.36 Numbers of planned service users and other service users who have moved on

	Yearly Result 2005/06	Yearly Result 2006/07	Yearly Result 2007/08
a) Number of service users who have moved on in a planned way	474	576	453
b) Number of service users who have moved on (total)	871	1000	207

Note: some of the data requires verification, please use as guidance only.

Source: LBTH SP Commissioning Body performance Indicators, KPI 2, 2007/08

Chapter 4 - Managing Demand, Reducing Overcrowding

Demand, lettings activity, housing need and pipeline supply of affordable rented Homes

Waiting list demand and letting activity

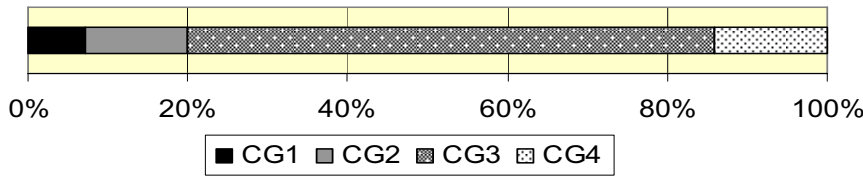
Key Facts

- Total demand on the households on the housing register at August 2008 was 22,433. About 36 per cent are likely to be transfer tenants, the remaining 64 percent from the waiting list. Demand on the housing list is 80 per cent applicants from community groups three or four (lower priority bandings). When compared with letting activity, nearly 70 per cent of lets are being taken up by community groups one and two (higher priority banding).
- Of the total waiting list demand in 2007/08 - 6% of one-bedroom demand was met, 14% of two-bedroom demand met; 5% of three-beds met, 3% of four-beds and 6% of five+ bedroom demand met.
- Between September 2004 and August 2008 there has been a 32% increase in households on the housing register, on average this has been an 8% yearly rise.
- Over the last four years lets to homeless has decreased to 678 in April 08, the target in 2008/09 is to house 900 homeless households. Under occupiers moving into suitably sized properties has been in decline since 2005/06, however 310 under occupiers on the local authority waiting list were identified in August 2008 as wanting to down-size; 80 per cent are giving up three-bedroom properties, 20 per cent four or five bedroom properties.
- Let's to households in 2007/08 still show high numbers of low income households. Only 34.9 per cent of households let to had a full-time or part-time working income and 58.8% of households qualified for housing benefit.
- Other demands (no data table) for lettings are the 800+ tenants with decant status due to be decanted in the next five years. Re-housing would be through the council's choice based lettings scheme.
- There are currently 8.935 overcrowded households on the waiting list for re-housing, and of those 1715 are severely overcrowded.
- Housing needs assessment 2004: the backlog of existing need suggested a requirement for 451 units annually. Newly arising household need required was 4,547, totalling an overall need 4,998. The total estimated supply to meet need was 1,997 units per year. This therefore left a shortfall of 3,021 units per year (the minimum requirement calculated for affordable housing). At the time in social

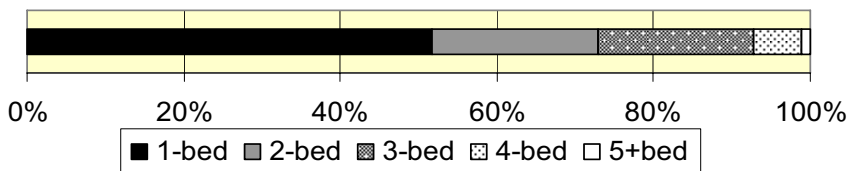
rented housing the dire shortfall was for four-bed sized properties. For all additional affordable homes, whilst there was shortfall across all bedroom sizes the worst shortfall in compared to supply was for three-bedroom homes. The targets for affordable housing in 2008/09 are 1,688 closer to the HNS requirement and the bed-size ratio of schemes closer to meeting the HNS shortfall.

[List of tables](#)

4.1 Total demand (transfers + waiting list) by community group and bed size requirement* (CG), August 2008

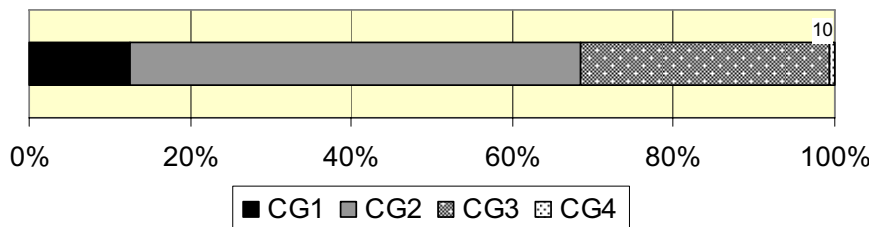


Demand by bedroom-size	
1-bed	11,596
2-bed	4,737
3-bed	4,485
4-bed	1,362
5+bed	253
TOTAL	22,433

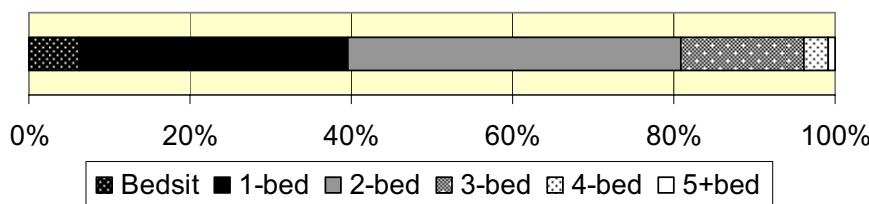


*Applicants are given a community group code, a type of priority banding

Lets in 2007/08 by applicants' community group and by banding bed-room size of home let.



Lets by bedroom-size	
Bed-sit	100
1-bed	544
2-bed	673
3-bed	248
4-bed	47
5+bed	15
TOTAL	1627



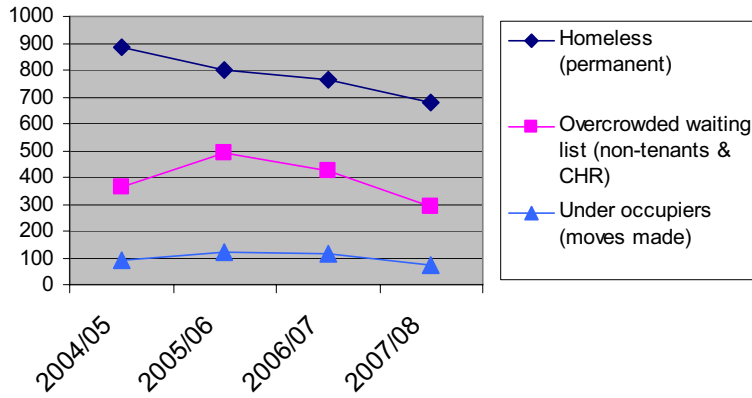
Source: LBTH Lettings

4.2 Demand over time, 2004 to 2008

Tenants waiting to transfer + waiting list	
Sept-04	16,916
April-05	17,302
April-06	18,881
April-07	19,872
Aug-08	22,433

Source: LBTH Lettings

4.3 Lets (common housing register) by selected client types, 2007/08



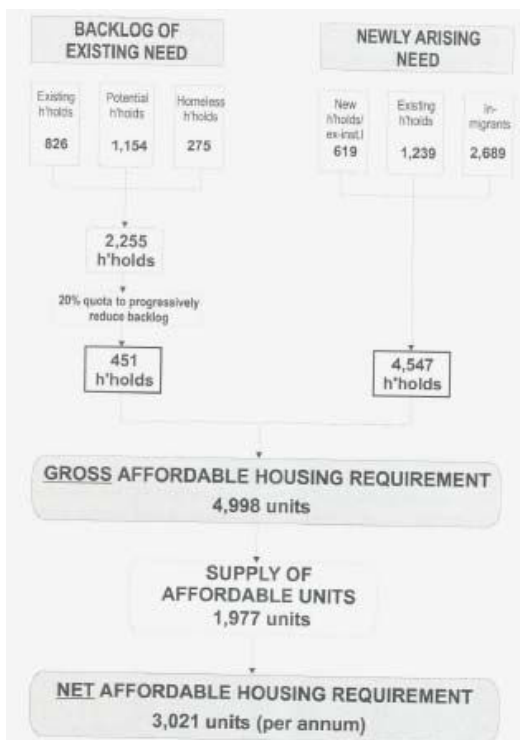
Source: LBTH Lettings

4.4 General need lets in 2007/08: The Households housing benefit status and economic status

Economic Status (head of households that let in 2007/08)	HA		LA		TOTAL	
	Count	%	Count	%	Count	%
Working full-time	297	25.4	46	22.9	343	25%
Working part-time	120	10.2	16	8.0	136	9.9%
Govt. Training/New Deal	5	0.4	4	2.0	9	0.7
Unemployed/job seeker	216	18.4	47	23.4	236	19.2%
Retired	75	6.4	16	8.0	91	6.6%
Not seeking work	344	29.4	39	19.4	383	27.9%
Full-time student	25	2.1	9	4.5	34	2.5%
Long-term sick/disabled	79	6.7	20	10.0	99	7.2%
Other	10	0.9	4	2.0	14	1%
Qualifying for housing benefit (HB)						
Yes, the tenant will qualify for HB	701	59.8	124	53.9	825	58.8%
No, the tenant doesn't qualify for HB	150	12.8	20	8.7	170	12.1%
Not known (at time of let) if tenant qualified for HB	322	27.5	86	37.4	408	29.1%

Note: Fairly good reliability, total response 1,372 for economic status and 1403 for HB, total lettings in the year confirmed as 1,627
 Source: CORE New Lettings, Annual report by LA area, 2007/08

4.5 Housing Needs Survey 2004 – needs assessment table



Supply

Key Facts

- Available social rented property to let in the last four years has been at lowest 1627 lets and at its highest 2214 units in one year (no data table included).
- The 519 new build rented units we are entitled to keep under sub-regional nomination protocol won't meet other demands to the common housing register.
- About 11% of waiting list demand was met in 2007/08.
- Forecast affordable housing completions for the next two years look steady. Looking at latest completion dates (LBTH Affordable Housing Team), there could be 1,380 affordable completions in 2008/09 and 1,486 in 2009/10. By 2009/10 the percentage of family-sized affordable could be the highest achieved so far (55% social rented and 12% of intermediate family-sized).
- There were 2,749 planning approvals for proposed affordable housing in 2007/08, further inquiry would reveal schemes started on-site or actively under construction.

List of tables

4.6 Approximate demand met in 2007/08

19,872	Demand common housing register households, April-07 (year start)
1627	Supply re-lets (this includes four social housing tenants that bought into shared ownership)
566	Supply: new build-lets that TH kept (Of 704 completions about 138 units went to other east boroughs/non-common housing register RSL)
38	Supply - imported nominations from other boroughs (Under 2004/06 programme were due to get 52 nominations but ELHP outcome forms implies we received 38 units)
<u>2,231</u>	Total Supply

About 11% of demand was met in this year

4.7 Estimated affordable pipeline supply (snapshot at 21 Oct 08, forecast completion dates are subject to change)

Year	Social rented general need new builds (Count)	% Family-sized units	Social rented general need new builds (Count)	% Family-sized units
2008/09	691	32%	689	3%
2009/10	903	55%	583	12%

Source: LBTH Affordable Housing Team 3 year pipeline spreadsheet

4.8 Proposed supply, planning approvals in 2007/08

LDD approvals in 2007/08 – Proposed* Units (funded and unfunded)		
Intermediate units	Social Rented units	TOTAL Affordable proposed
994	1755	2749

*Note: although granted permission in 2007/08, it doesn't mean they start on site straight away, especially considering the impact of the credit crunch on developments and developers. Please use this only as guidance only.

Source: LBTH Planning Strategy. Original source: LDD

Overcrowding, under-occupying and tackling overcrowding

Key Facts

- Overcrowded households are identified through the waiting list for re-housing. Overcrowding in Tower Hamlets affects the council rented sector more than the RSL sector. RSL allocation policies in the past have generally allowed for family growth when rehousing households. Overall, 22 per cent of social sector households are overcrowded and 4 per cent are severely overcrowded.
- In the past, Tower Hamlets collected data only on council renting overcrowding and not typically for RSL overcrowding. In the last four years overcrowding in Tower Hamlets council rented households has grown slightly from 8 per cent to 12 per cent of all council tenancies.
- At April-08 there were 837 households under-occupying, three-quarters are currently under-occupying a three-bed home the remainder a four of five bedroom home.
- Focusing on under-occupiers currently living in family-sized homes, the latest data (Nov-08) reveals that 53 per cent of under-occupiers are over sixty (age of main tenant). There are 21 under-occupying households (age 85+) who could be considered frail elderly. A majority of those households could be offered re-housing in elderly accommodation. 89 per cent have a one-bed requirement (single/cohabiting couple), 5 per cent have a two-bed requirement and 2 per cent a three-bed requirement (data not shown).
- Incentives offered by Tower Hamlets to discourage under-occupying resulted in 402 council renting households' down-sizing in the last four years.
- Between 1997 and 2008 there has been knock-through activity enlarging 76 Tower Hamlets council rented homes. It's thought the knock-through resulted in an extra bedroom but it could be the case the knock-through was to make another room larger, like the kitchen. Around eleven of the properties were knock-through using former utility areas (no net accommodation losses)
- Interest in under-occupiers taking up Tower Hamlets Cash Incentive Scheme (cash given to council tenants to buy a market sale home) has declined from 56 households in 2002 to just 14 in 2007/08. Since 2005 the average budget (CIS per property) appears to have fallen slightly, meanwhile property prices until April 2008 were constantly rising. Since April property prices have dropped (3.7%, April-08 to Aug-08), but still not to an extent where CIS monies can act as a 5 per cent deposit. Its likely first-time-buyer mortgages in a credit crisis will require a higher deposit to make lending to these people a more secure choice for the lenders.
- Knock-through activity planned for the next three years could see a net loss of 15 small homes to achieve 20 larger dwellings catering for existing severely overcrowded households (no data table)

List of tables

4.9 Estimates: social sector households in Tower Hamlets who are overcrowded or severely overcrowded.

LOCAL AUTHORITY			RSL			TOTAL		
Stock position (April-08) 1	% of social sector households that are overcrowded (April-08) 3	% of social sector households that are <u>severely</u> overcrowded (April-08)	Stock position (April-08) 2	% of social sector households that are overcrowded (April-08) 3	% of social sector households that are <u>severely</u> overcrowded (April-08)	Stock position (April-08)	% of social sector households that are overcrowded (April-08) 3	% of social sector households that are <u>severely</u> overcrowded (April-08)
13,138	55% (7,238)	10% (1,331)	27,302	6% (1,697)	1% (384)	40,440	22% (8935)	4% (1715)

1. LA stock position includes permanent and non-permanent properties
2. The total stock figure may include about 1000 shared ownership properties (less than 100% ownership)
3. This figure includes the severely overcrowded households.
4. The local authority overcrowded households include: existing transfer tenants, homeless households, some new applicants from the private rented sector or owner occupation.

Source: Stock position: HSSA 2007/08. Numbers overcrowded: LBTH CLG overcrowding return at April-08

4.10 Estimates: council renting overcrowding in the last four years

	April-05	April-06	April-07	April-08
Council housing Stock Position ¹	22,341	17,691	15,739	13,138
Count: overcrowded council tenancies	1831	1676	1641	1514
%: o-crowded council tenancies against stock	8%	9%	10%	12%

1. Council stock decreases due to stock transfers.

Source: Stock position: HSSA. Overcrowding: LBTH Lettings

4.11 Under-occupied social renting households on waiting lists and wanting to down-size (April-08)

		Council Tenants ¹	RSL Tenants ²	Total at April-08
Under-occupied social renters on both LA and RSL waiting lists wanting to be re-housed	Total	310	527	837
No. of under-occupied households by currently living in...	3 bedroom unit	244	393	637
	4 bedroom unit	61	106	167
	5 bedroom unit	5	28	33

1. The council renter under-occupiers identified are known from the transfer list
2. RSL under-occupiers were identified from the transfer list and are common housing registers partner RSLs only. Data on non-CHR RSL partners is unknown at present. There are phased plans for many RSLs to sign up to the CHR in the short-term, so more under-occupation will be known about in time.

Source: LBTH CLG overcrowding return at April-08

4.12 Under-occupying social renting households by age of the main tenant (latest data Nov-08)

Age of main tenant →		Age 20-44	Age 45-64	Age 65-84	Age 85+
Occupying a 3bd	Council	17	117	102	13
	RSL	46	206	127	6
	Total	63	323	229	19
Occupying a 4bd	Council	8	39	23	0
	RSL	14	48	45	2
	Total	22	87	68	2
Occupying a 5bd	Council	1	2	1	0
	RSL	1	14	7	0
	Total	2	16	8	0
Occupying a 6bd	Council	0	0	0	0
	RSL	1	1	3	0
	Total	1	1	3	0

N.B. Further analysis is available to check the level of under-occupying by age group. It shouldn't be assumed for example, where a main tenant is a pensioner that they live in a single or couple household.

Source: THH, Lettings IT team

4.13 Under-occupying households who successfully down-sized in the last four years

2004/05	2005/06	2006/07	April-08	Target 2008/09
93	121	115	73	115

Note: under-occupiers applicants are given community group 1 status (a kind of high priority waiting list band) for giving up a larger size property so that it can re-let and filled to person capacity

Source: LBTH Lettings

4.14 Under-occupiers taking-up the cash incentive scheme in the last 6 years

	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Target
Take-up	56	71	62	56	27	14	31
Budget take-up	755,000	1,206,000	1,119,000	964,000	454,000	224,000	500,000
Average budget take-up (not by bed-size) ¹	13,482	16,985	18,048	17,214	16,814	16,000	16,451
Average property price (all sizes) April each yr	259,706	261,634	276,908	295,560	340,369	385,331	-nd-

1. Information on budget spend by bed-sizes isn't to hand
Source: LBTH

4.15 Knock-through activity of council homes in Tower hamlets since 1997

Knock-through Completion by year band	Number of Knock-through properties
1997 to 2000	19
2001 to 2004	45
2005 to 2008	11
Year unknown	1
TOTAL	76

Source: THH Asset Management

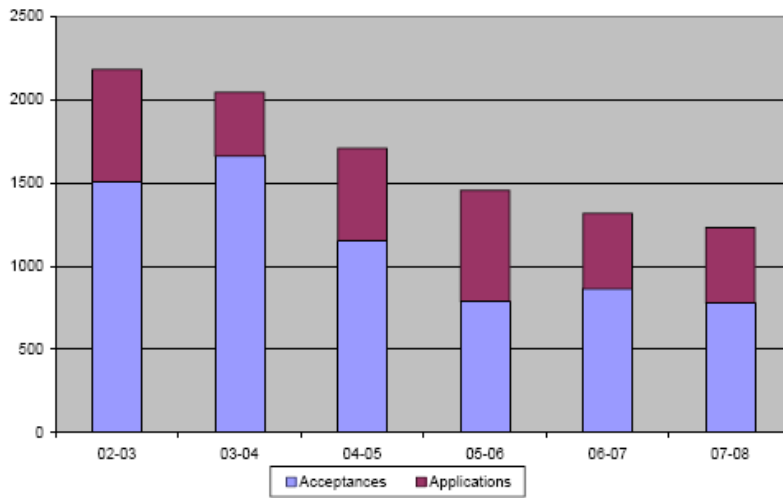
Homelessness**Key Facts**

- In Tower Hamlets homelessness applications have continued to slow since 2003. Those applicants accepted as statutory homeless have been in a steady decline between 2004/05 to 2006/07 with a very slight increase in 2007/08 to 2,569 households.
- The main reasons for the loss of homeless households last settled home were parents no longer willing to accommodate them. Sixty per cent of statutory homelessness is caused by family or relationship issues.
- Homeless households in temporary accommodation decreased by 12.5 per cent from 2004 to 2008. Around three-quarters of those housed are women with dependant children or who are pregnant with no other dependent children.
- Latest data reveals only 5% of all temporary accommodation households are placed in B&B accommodation.
- A 2007 snapshot of internal temporary accommodation in east London reveals that private sector leases were proportionally the most utilised type of temporary accommodation. The exceptions were Hackney, which favoured private sector leases via RSLs, and Tower Hamlets, where we heavily utilises our own stock.
- Nearly half of households accepted as homeless are Asian or Asian British (Indian, Pakistani, or Bangladeshi), the next two prominent broad ethnic groups are African/Caribbean or White.
- An annual one-night-count of rough sleepers in Tower Hamlets shows the number of rough sleepers have sharply risen since 2006 (3 up to 12). The picture of rough sleeping locally is complex considering the numbers of the transient population and people sleeping rough for short periods of time.

List of tables

4.16

Homeless Applications and Acceptances, 2002/03 - 2007/08



¹ updates required due to some gaps in data for 2007-08

² 2007-08 figures are not confirmed yet – projected number of acceptances for 2007-08 is 779 in comparison to 864 in 2006-07 and 789 in 2005-06.

Source: Tower Hamlets Review of Homelessness 2008, Figure 1.

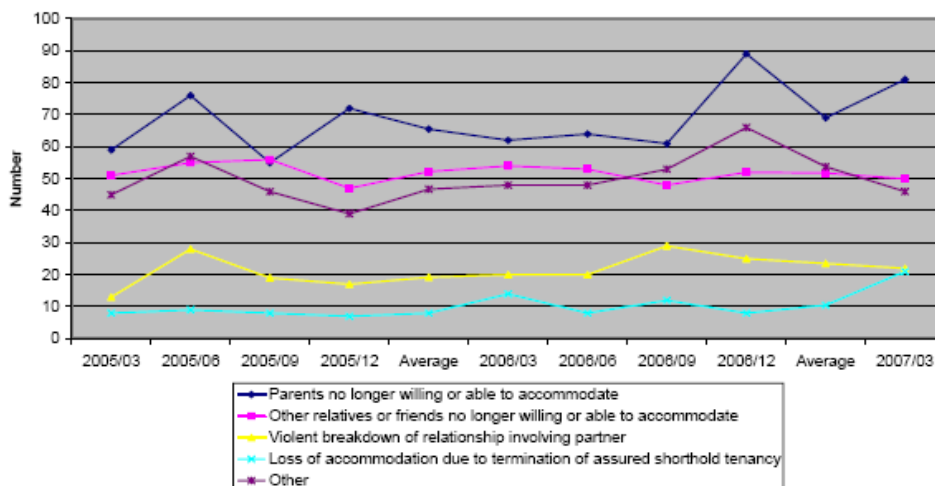
4.17 Acceptances by priority need category in Tower Hamlets during 2007/08 (Q1-Q3)

Priority Need categories, people that are/have a...	Count	%
With Dependant children	276	60%
Pregnant	51	11%
Young person	40	9%
Mental illness	32	7%
Physical disability	34	7%
Fleeing Domestic violence	3	1%
Of Old age	4	1%
Other	16	4%
TOTAL	456	100%

Source: LBTH PE1 returns for the first 3 Quarters of 2007/08

4.18

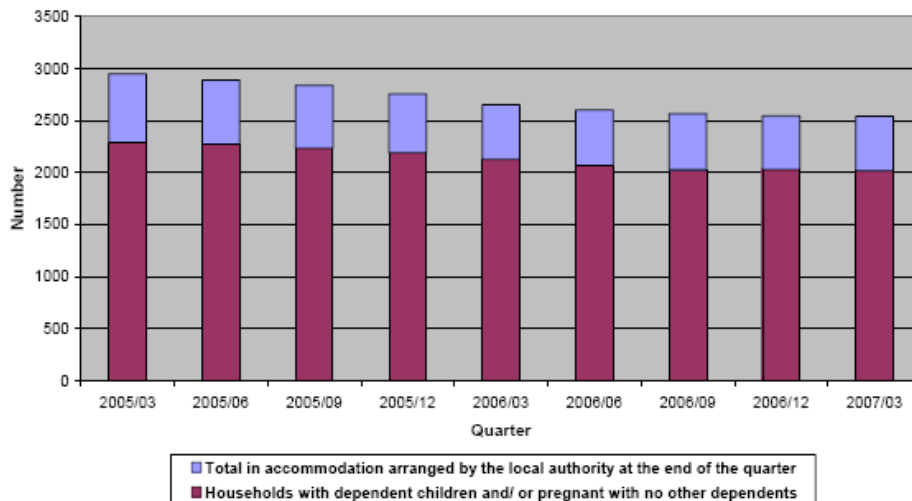
Main reasons for loss of last settled home, quarterly 2005 - 2007



Source: Tower Hamlets Review of Homelessness 2008, Figure 5.

4.19

Homeless households accommodated by LBTH, 2005 - 2007



Source: Tower Hamlets Review of Homelessness 2008, Figure 2.

4.20 Households in temporary accommodation in Tower Hamlets, 2004 to 2008

Year	Number	% with dependent children or pregnant woman	% of all TA households placed in B&B accommodation
2003-04	2923	77%	5%
2004-05	2725	75%	3%
2005-06	2652	80%	5%
2006-07	2540	79%	6%
2007-08	2559	-nd-	5%

Source: LBTH HIP annual returns, 2004-2008.

4.21 Homeless households by accommodation type, 2007 and latest data 2008

Accommodation type	2006/07 (Qtr 4)	2007/08 (Qtr 3)	% change
B&B (inc. shared annexe)	161	132	18% decrease
Hostels (inc. women's refuges)	19	3	84% decrease
LA / HA Stock	754	649	13.9% decrease
Private sector leased (by RSL / LA)	1,634	1,760	7.7% increase
Other types (inc private landlord)	0	0	-

Source: CLG, Supplementary Local Authority Tables. Extracted 3 Sept 08, no published data for Qtr4-2008 (except for B&B accommodation where HSSA figures are used)

4.22 Homeless households by accommodation type in the east sub-region, snapshot at 2007 (Qtr 2)

	B&D (841)	Hackney (1887)	Havering (586)	Newham (3722)	Redbridge (2760)	Tower.H (1540)	Walth.F (1735)
TA Type	%	%	%	%	%	%	%
B&B (inc. shared annexes)	7%	2%	0%	4%	12%	10%	6%
Hostel (inc. women's refuges)	3%	14%	10%	1%	0%	1%	3%
Private Sector Lease by Authority	82%	25%	87%	55%	81%	27%	59%
Private Sector Lease by RSL	0%	45%	0%	22%	2%	14%	27%
Direct with a Private Sector Landlord	0%	0%	0%	0%	1%	0%	0%
Accomm. within own LA/RSL stock	9%	14%	3%	1%	5%	47%	6%
Other	0%	0%	0%	18%	0%	0%	0%

Source: ELHP, Temporary Accommodation Report, September 2008

4.23 Accepted homeless households in LBTH by broad ethnic group, 2007/08, Q1 to 3

Ethnic group	Number	%
White	149	23%
African Caribbean	154	24%
Indian, Pakistani, Bangladeshi	308	48%
Other ethnic origin	21	3%
Ethnic origin not known	14	2%
TOTAL	-	100%

Source: CLG, Supplementary Local Authority Tables. Extracted 3 Sept 08, limited data available for Qtr4

4.24 Annual snapshot of rough sleepers in LBTH

Annual count	2000	2001	2002	2003	2004	2005	2006	2007
LBTH	10	6	9	2	11	5	3	13

Source: Tower Hamlets Review of Homelessness 2008, Page 9

Sub-regional Nomination Activity*An introduction to sub-regional nominations*

Schemes in the sub-regional pot are social rented general needs net additional units that included a Housing Corporation funding contribution. Schemes can complete outside the programme years. All homes are let through the two operational choice based lettings schemes in the east-region.

The calculation below is applied to the host borough's social rented new builds (funded units only)

25% Host Borough (LBTH)

25% RSL (if the RSL is a Common Housing Register partner LBTH get these units)

50% pooled units (when Housing Needs Index is applied LBTH will keep 17.59 per cent, the remainder goes to other boroughs)

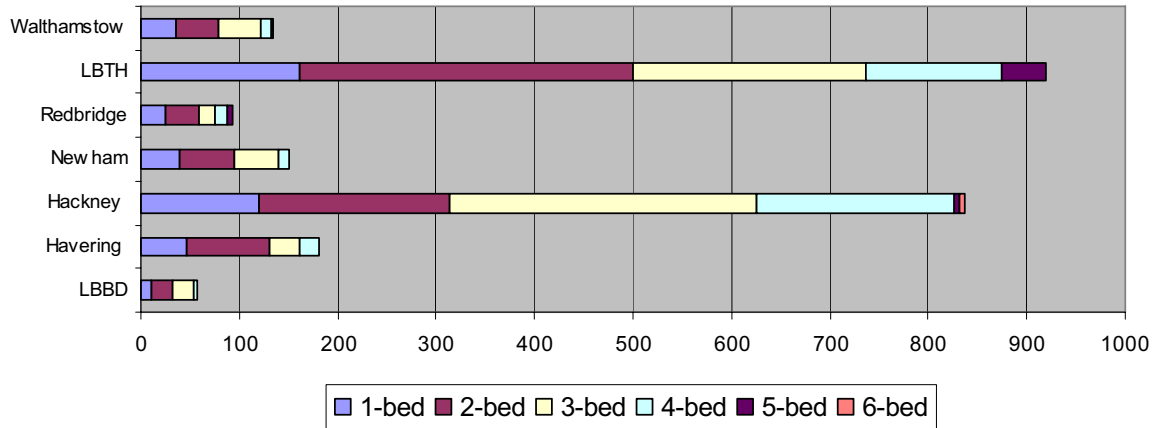
HNI score is made-up of different variables, things like IMD score, NPI supply & demand data, vacant dwelling data, overcrowding data, etc. Tower Hamlets HNI score has decreased in the current 2006/08 program, it's too early for HNI to be calculated on the 2008-11 program.

Key Facts

- Of the net additional social rented units we will produce using housing corporation funding (2006/08 programme) we would expect to keep 56 per cent.
- Tower Hamlets and Hackney are currently the largest contributors of net additional social rented to the sub-regional lettings pot (920/839 units respectively). They will also produce the main proportion of family-sized accommodation (2006/08 programme).
- Sub-regional nomination activity shows (as expected) that Tower Hamlets will give away (export) more nominations than they expect to receive (import). Imported nominations that will benefit Tower Hamlets waiting list applicants will mainly come from Hackney's schemes.

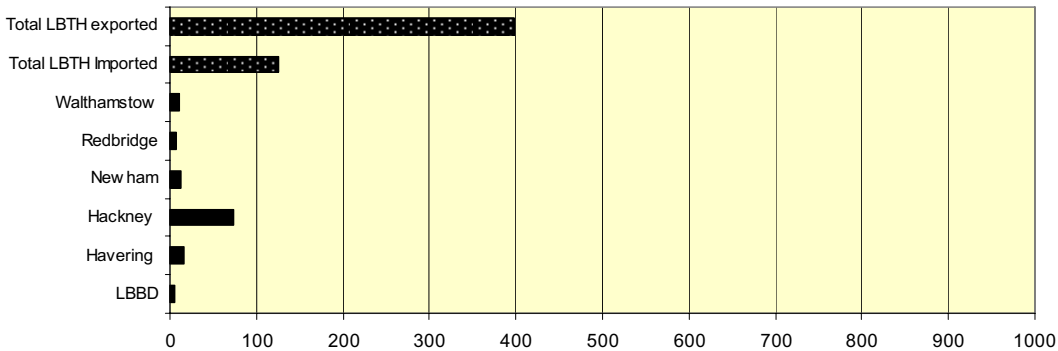
[List of tables](#)

4.25 Contribution of funded social rented units into the sub-regional pot, by borough and then by bed-size (2006/08 programme)



Source: ELHP, Sept-08 sub-regional nominations spreadsheet

4.26 Overall expected exported and imported nominations, then numbers of imported nominations by borough



Source: ELHP, Sept-08 sub-regional nominations spreadsheet

4.27 The sub-regional calculation applied to qualifying Tower Hamlets schemes

920 LBTH total of social rent units in the 2006/08 programme			
25% Host Borough	230.25	Host Borough - LBTH	
25% RSL*	206.	CHR RSLs - LBTH keeps noms	<i>the RSL's should be signed-up to the CHR prior to these schemes completing</i>
	*24	Units lost to RSL's	<i>Loss due to schemes completed in the last 6 months prior to intended sign up of non-CHR RSLs</i>
50% pooled	82.78	HNI to Host - LBTH	
	377.19	to other east boroughs	
Total kept by Tower Hamlets = 519.03 (56%)			

Note: THH letting team are currently making plans to sign up non-CHR RSLs (in the 2006/08 programme) to the CHR before the next scheme completion. Providing this happens, the nominations kept and given away are as the table above

Source: LBTH Affordable Housing Team calculation using ELHP Sept-08 Sub-regional nominations programme spreadsheet

Gypsies and Travellers

[Key Facts](#)

The 2007 London Gypsy and Traveller Accommodation Assessment (GTAA) examined regional accommodation needs. The Council will examine options for additional provision at borough level, likely to be a maximum of 33 additional pitches, based on options currently being considered regionally.

Chapter 5 - New Supply

Demand for housing (Part 1 – Home Ownership, Part 2 – Renting)

[Key Facts](#)

- Looking at tenure activity in the last twenty years in Tower Hamlets, shows owner occupation has risen, as has the housing association sector due to an increased pace of stock transfers and net additional new supply. Council owned homes have decreased, again due to stock transfer and the popularity of Right to Buy.
- Between 2006 and 2026 it's estimated the borough population will increase by 38 per cent and households by 58.3 per cent, double the average growth rate for inner London
- Social renting is still the cheapest and affordable tenure when comparing the monthly housing cost of a two-bedroom flat across low cost home ownership, unassisted ownership and private renting.
- Average house prices in Tower Hamlets in September 2008 (£362,392) fell to the same price as the previous September (£362,557). In this year property prices peaked in April (£388,051) and have dropped on average by £25,494 (a 6.6% decrease). In the same year (Sept-07 to July-08) property sales have taken a sharp dip dropping by 66%.
- At the lower quartile end of the market (terraced houses and flats) the property prices over the borough change dramatically, the more expensive homes are in the Canary Wharf area and the least expensive homes in the Bromley area. In a one year period Canary wharf had the highest number of sales in the borough, the slowest turnover in sales was the Old Ford area.
- Latest data (Q3, 2007/08) showed that 65 per cent of all flats sold and 90 per cent of all terraced homes sold would command 3 per cent stamp duty. For a flat the average stamp duty was £9,965 and for a terraced home £10,846.
- Of the assisted home ownership schemes in 2006/07, Right to Buy option appears to offer the best value for money, if the household has a good income (£34,949 to £46,768), however only certain households qualify for RTB. New Build HomeBuy (25% initial purchase) is the more affordable option with the lowest minimum income required of all the schemes but the property prices are higher. The Council's Cash Incentive Scheme offers a discount to certain tenants to give up their tenancy but would require a dual income from applicants to be able to afford a private market sale home.
- Unassisted home ownership (in 2006/07) required the highest minimum annual income. On average £100,216 income was needed to purchase a terraced house and £71, 814 to purchase a flat (assuming they are first-time-buyers).
- Internal migration of the population in the borough between 2005 and 2006 shows a net loss of -2.5, this is a lower loss than the neighbouring boroughs. For

international migration the situation was the opposite, the borough had a net gain of 3.1; this was higher than neighbouring Hackney but lower than Newham. A reason for higher international migration could be the numbers of professional workers from overseas working in Canary Wharf and requiring housing close to the workplace.

- Tower Hamlets ranks 11th highest of London's thirty-three boroughs when it comes to average moves of the population.
- In Tower Hamlets over 10,000 National Insurance numbers were distributed to new non-UK people residing in the borough (2005-06)
- Sales of 'Right to Buy' properties in Tower Hamlets have decreased in the last five years. From 1213 sales in 2002/03 to just 99 in 2006/07. Nearly all sales were flats or maisonettes and only four houses were sold. Nearly half of RTB properties sold were in the Bethnal Green area.

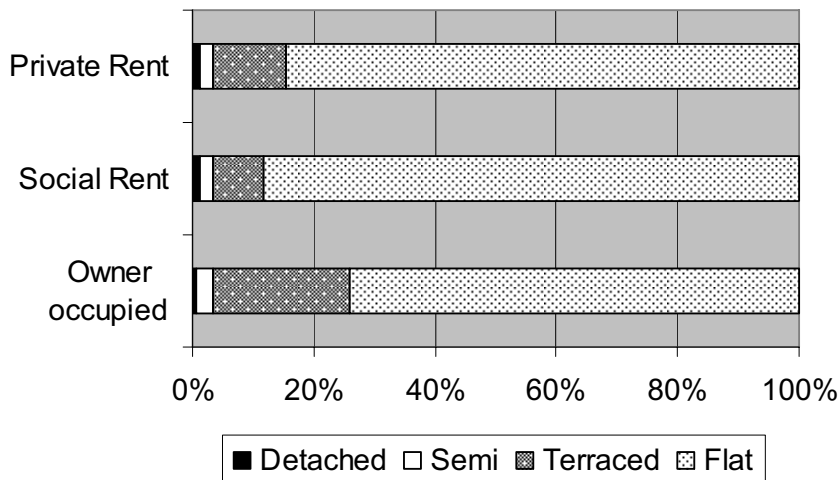
[List of tables](#)

5.1 Introduction - Tower Hamlets tenure profile over time

Year	Council	Housing Association	Private
1985	79%	8%	13%
1990	63%	9%	28%
1995	51%	13%	36%
2000	36%	20%	44%
2005	24%	18%	58%
2007	16%	23%	60%

Source: LBTH HIP / HSSA Return

5.2 Introduction – existing stock in Tower Hamlets by build type and tenure, 2001



Source: NOMIS Query, 2001 Census, Cell SO49

5.3 Introduction - population and household projection in LBTH

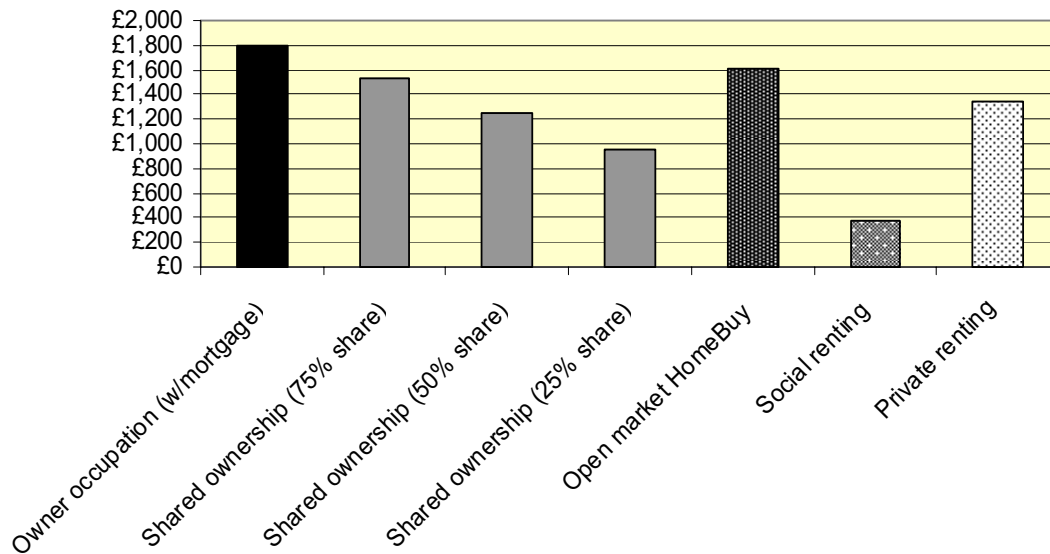
	2006 <i>Thousands</i>		2026 <i>Thousands</i>		% increase	
	Population	Households	Population	Households	Popul.	H-Hold
LB Tower Hamlets	218.8	90.5	303.8	143.3	38.8	58.3
Inner London	2,953.4	1,298.8	3,461.6	1,608.8	17.2	23.9
London (all)	7,461.4	3,151.7	8,265.2	3,722.4	8.2	18.1

Source: GLA 2007 Round Demographic Projections

Part 1 – Home Ownership, factors affecting housing demand

5.4 Comparing the affordability of monthly housing costs in Tower Hamlets

Total monthly housing costs in Tower Hamlets 2007/08 (2-bed flat)



Source: O/O: Land Registry, S/O: MHT data services, S/R: LBTH average rent. All taken in 2007/08

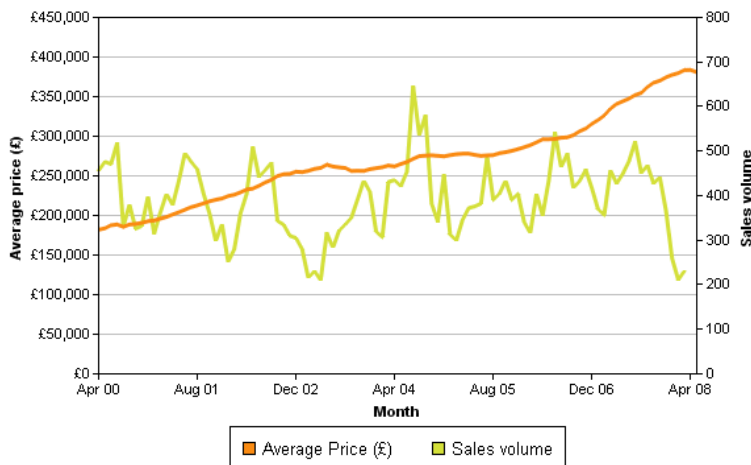
5.5 Ratio of house prices to earnings (single income) in LBTH – 2002 to 2007

Earnings Source 1: ASHE				Earnings Source 2: PayCheck		
Median				Mean		
Year	Median Gross Earnings	Average Flat price (Feb)	Property Price (flat) to earnings ratio	Mean Earnings	Average Flat price (Feb)	Property Price (flat) to earnings ratio
2002	25,283	213,342	8.4			
2003	27,470	241,378	8.7			
2004	28,544	246,133	8.6	32,157	246,133	7.6
2005	-nd-	-	-nd-	36,202	260,739	7.2
2006	28,622	271,779	9.49	36,923	271,779	7.3
2007	31,934	307,118	9.6	37,364	307,118	8.1

Source: O/O: Land Registry

5.6 Average property prices and sales volume in LBTH over time

House price and sales volume - Tower Hamlets London borough



Source: Land Registry, LBTH Housing Report

5.7 Focus on annual property prices and sales, by affordable build types and by location (Q4 2006, Q1, 2 and 3 of 2007)

Area	Terraced Average Annual Price £	Annual Number of Sales	Latest Quarter (Q3,07) Lowest and Highest Average Property Price by (Postcode Sector)	Flats/Maisonette Average Annual Price £	Annual Number of Sales	Latest Quarter (Q3,07). Lowest and Highest Average Property Price by (Postcode Sector)
Bethnal Green	£381,045	86	£508,333 (E2 7) £380,000 (E2 0)	£269,549	1,028	£398,166 (E1 6) £234,340 (38)
Old Ford	£387,400	115	£463,233 (E3) £370,443	£244,313	456	£251,465 (E3) £264,333
Wapping	£382,187	46	£498,999 (E1 8) £300,833 (E1 0)	£320,316	671	£438,760(E1W 3) £269,104 (E1 0)
Bromley	£329,479	106	£539,000 (E3 4) £267,841 (E3 3)	£236,689	591	£340,081(E14 7) £202,406 (E3 3)
Canary Wharf	£498,852	99	£891,650 (E14 8) £386,249 (E14 3)	£291,428	1517	£578,500 (E14 4) £312,457 (E14 2)
TOWER HAMLETS (ALL AREAS)	£396,792	452	-	£272,459	4263	-

Source: Land Registry (original source), further calculations made by LBTH Affordable Housing Development Team

5.8 Properties sold where stamp duty was 3% (July-Sept 2007)

Build Type	Sales under £250k		Sales over £250k		Stamp duty- based on average property price at Sep-07
Flat	189	45%	355	65%	£9,965
Terraced Housing	40	10%	369	90%	£10,846

Source: House Prices website, www.houseprices.co.uk. (Data extracted for LBTH, manually sorted by sale price) Land Registry, for the average property price at September 2007

5.9 Annual minimum (single) income required to access assisted or un-assisted home ownership in LBTH, 2006/07

Assisted Home Ownership						
Average monthly housing costs and minimum income required for LCHO schemes						
Scheme	Flat Bed-Size	Initial % Purchased	Discount £	Average OMV ¹ 2006/07 £	Total Monthly Cost (inc. Service Charge) £	Minimum Annual Income Required £
Cash Incentive Scheme 2	1b	100%	14,000	186,000	1,181	50,856
	2b			244,038	1,430	57,198
	3b			289,166	1,847	73,872
Right To Buy	1b	100%	16,000	140,277	874	34,949
	2b			157,350	1,007	39,829
	3b			179,000	1,169	46,768
New Build Home Buy	1b	25%	N/A	186,000	692	27,692
	1b	40%		186,000	808	32,324
	2b	25%		244,038	909	36,341
	2b	40%		244,038	1,060	42,420
	3b	25%		289,166	1,082	43,271
	3b	40%		289,166	1,262	50,474
Open Market HomeBuy	1b	100%	N/A	186,000	0	30,000
	2b			244,038	0	40,000
	3b			289,166	0	48,000
RESALE (second owner :S/O)	1b	60%	N/A	200,000	1,029	41,180
	2b	60%		244,038	1,263	50,524
	3b	60%		289,166	1,502	60,077

1. OMV = Open market Value

2. Discounts for vacating a council property and purchasing a private market property in the borough. This calculation doesn't apply to under-occupiers, only for those buying like-for-like size homes.

3. Calculated as the maximum 45% housing costs, as a % of net income

Sources: RTB and CIS data: LBTH. NBHBY data: Housing Options.

Un-assisted Home Ownership*						
Ave monthly housing costs and minimum income required without assistance –open market sales FTB						
Scheme	Flat Bed-Size	Average OMV* 2006/07 £	Deposit (5%) £	Stamp Duty (included in mortgage)	Total Monthly Cost £	Minimum Annual Income Required £
Private sale Terrace	Not known	396,792	19,839	11,903	£2,505	£100,216
Private sale Flat	Not known	272,459	13,622	8,173	£1,795 (including/allowing for £75 monthly service charge)	£71,814

The calculation assumes the purchaser is a first-time-buyer and has no collateral other than the deposit
Source: Land Registry: Averaged LBTH sales cost Q4 2006/07 and Q1, 2, 3 2007/08

5.10 Proportion of working households unable to buy at lower quartile property prices (2005)

	In local area		In local or contiguous area	
	%	Ranking	%	Ranking
Tower Hamlets	49.1	28	45.2	19

Source: JRF, Research report: Can work, Can't Buy, Table 5

5.11 Migration and population change (2005-06) in LBTH, compared with its neighboring boroughs and London

(1000's)	Mid-year Estimate 2005	Births	Deaths	Natural Change	Internal (UK) Migration			International Migration			Other Changes	Mid-year Estimate 2006
					In	Out	Net	In	Out	Net		
Tower Hamlets	209.4	4.1	1.2	2.9	14.4	17	-2.5	6.4	3.3	3.1	0.0	212.8
Hackney	207.1	4.5	1.2	3.2	13.3	17.5	-4.3	4.1	1.9	2.2	0.0	208.4
Newham	279.7	5.5	1.5	4	13.9	23.4	-9.5	7.3	3.1	4.2	0.0	248.4
London-all	7,456.1	117.9	51.9	66.	163.1	243.7	-80.5	170.4	100.5	69.9	0.9	7,512.4

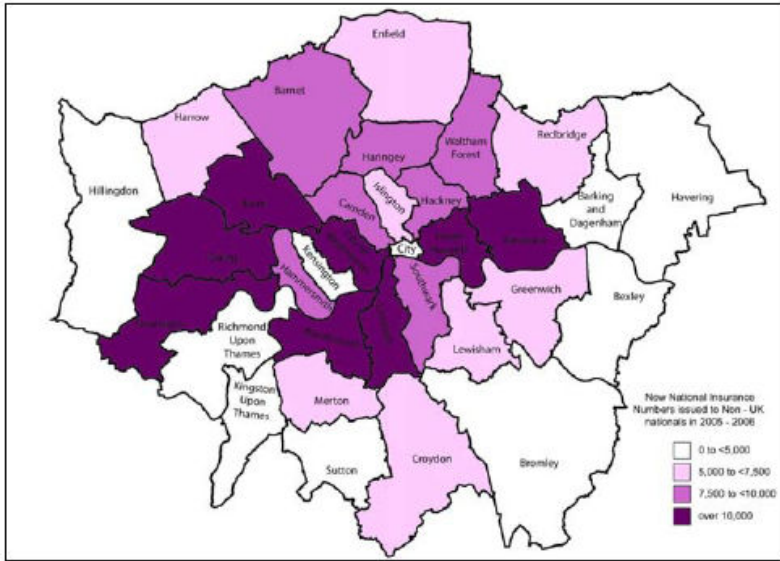
Source: GLA Facts and Figures 2008. Original source: ONS, mid-year estimates change analysis and NHSCR

5.12 Average moves: turnover rates in LBTH, compared with its neighboring boroughs and London

Per thousand population	Inflow	Outflow	Turnover	Within borough moves	Total turnover	Rank (London)
Tower Hamlets	93.6	95.3	188.9	52.5	241.4	11 th highest
Hackney	84	97.8	181.8	47.6	229.4	12 th highest
Newham	86	101	187	51.4	238.4	18 th

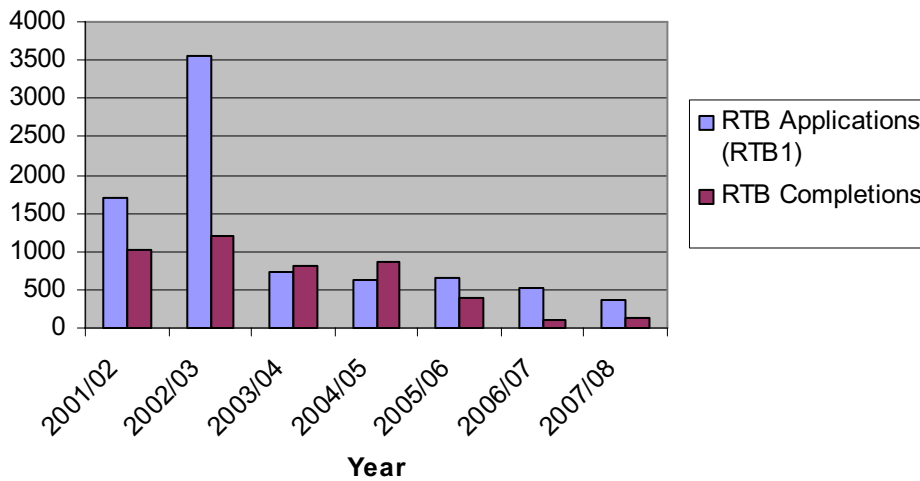
Source: GLA Facts and Figures 2008. Original source: ONS, mid-year estimates change analysis and 2001 Census

5.13 Migrant workers: new National Insurance registration of non-UK nationals by London Borough 2005/06



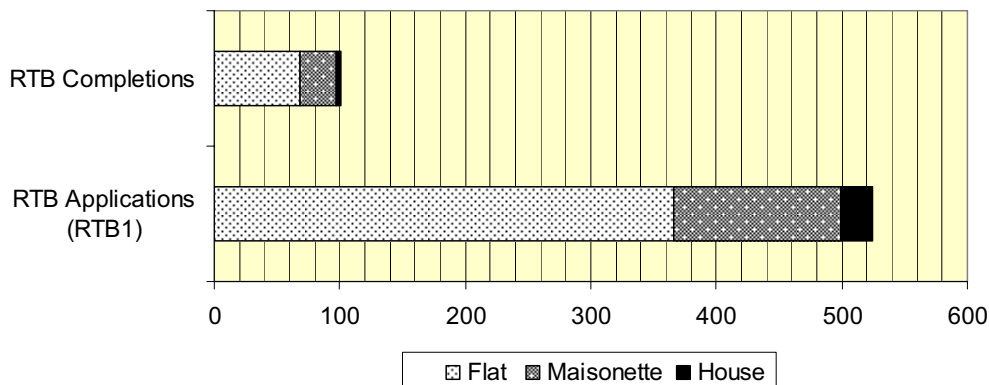
Source: Greater London SHMA, August 08 draft. Original source: DWP

5.14 Demand of the Right to Buy Scheme, 2001 to 2008



Source: LBTH, RTB Query. Extracted Oct 2007

5.15 RTB applications and completions by bed-size, 2006/07



Source: LBTH, RTB Query. Extracted Oct 2007

5.16 RTB completions by approximate sub-area, and overall bed-size of homes sold, 2006/07

Sub-area	Completed RTB sales		Bed-Size Sold	Count
	Count *	%		
Bethnal Green	43	45%	0 – 1-bed	18
Old Ford	18	19%	2-bed	40
Wapping	14	15%	3-bed	7
Bromley	19	20%	4-bed	4
Canary Wharf	1	1%	No data	30

*4 x units where area sub-area is not known

Source: LBTH, RTB Query. Extracted Oct 2007

Part 2 –Factors affecting housing demand in the rented sector**Key Facts**

- Average private sector rents are broadly in line the caps of local housing allowance.
- As expected, of all forms of renting, social renting is the cheapest option.

5.17 Private sector average weekly rents in Tower Hamlets– Snapshot November 2007

Rooms, sharers, bed-sits:	£103.49
Studio flat	£148.20
Flats and houses:-	
1 bedroom	£238.59
2 bedrooms	£310.69
3 bedrooms	£434.55
4 or more bedrooms	£541.00

Source: GLA, Rents Bulletin, Nov 2007

5.18 Local Housing Allowance for private sector weekly rented accommodation in Tower Hamlets (April 2008)

Shared Accommodation	£116.69
1 bedroom	£220.00
2 bedrooms	£275.00
3 bedrooms	£330.00
4 bedrooms	£420.00
5 bedrooms	£550.00

Source: DWP, LHA for LBTH, April 2008

5.19 Average Housing Association Rents in Tower Hamlets (March 2007)

Bed-sit	£62.00
1 bedroom	£72.27
2 bedrooms	£83.18
3 bedrooms	£93.63
4 bedrooms	£104.59
5 bedrooms	£115.76
6+ bedrooms	£121.63

Source: RSR 2007, Rents of LA's operating in LBTH only

5.20 Average Tower Hamlets Local Authority Rents (March 2008)

Bed-sit	£66.87
1 bedroom	£80.54
2 bedrooms	£90.19
3 bedrooms	£101.33
4 bedrooms	£113.27
5 bedrooms	£123.58
6 bedrooms	£125.24
7 bedrooms	£136.83
8 bedrooms	£177.57

Source: LBTH, Housing Strategy team, business query, includes service charges

Supporting people supply and demandKey Facts

- The current number of existing units funded by the supporting people programme amounts to 5165, just under half of those are for older people with support needs.
- New supply of affordable units expected to complete totals up to 2011 is 188 units. These are mainly one-bedroom units with a few two-bedroom units.
- Current legislation requires ending the use of B&B for 16-17 years olds by March 2009. It also requires all homeless teenage parents currently housed in temporary accommodation to be placed in supported housing. Including current supply it's expected that the estimated future need is 100 supported units to be met by 2009. Accommodation will include new supply, reconfiguring of existing supply and some redefining current young person supply.

List of tables**5.21 Supporting people stock available in Tower Hamlets; owned by LBTH, RSLs, Charities and Trusts (2009/09)**

Supported Housing Type	No. of units
People with physical disabilities	0
Older people with support needs	2279
Frail Elderly	161
HIV Aids	20
YP leaving care	63
YP at risk	77
Teenage parents	8
Women at risk of domestic violence	60
Homeless families with support needs	0
Single people with support needs	1105
People with drug problems	60
People with alcohol problems	164
Rough Sleepers	198
Refugees	34
Offenders at risk of re-offending	30
People with learning disabilities	45
People with mental health problems	354
<i>Generic</i>	507
TOTAL	5165

Source: LBTH, Supporting People Team, data extracted Sept-08

5.22 Pipeline supply of supported housing by expected client type use

Scheme Reference	RSL	Total Unit / Bed spaces	Client group catered for	Forecast Completion Year
JL	Gateway/ Look Ahead	10	Care Leavers	2008/09
JL	Gateway/ Providence Row	11	Move-on single homeless	2008/09
JL	Gateway/ Providence Row	32	People with complex alcohol related needs	2008/09
Refuge	Look Ahead/ Refuge	14	Women fleeing domestic violence	2008/09
GH Fields	Newlon/ Outward	14	Mental health	2008/09
Fen Rd	Newlon/Outward	-nd-	Learning disabilities	2008/09
H St	East Thames	8	Mental health	2008/09
MJ Hse (F Hse)	Look Ahead/ Wimpy	20	People with learning disabilities	2009/10
F Hse	Gateway	20	Older people with support needs	2009/10
A Rd	Gateway	40	Frail elderly	2010/11
Ship St	Peabody	19	Older people with dementia	2010/11
	TOTAL	188		

Source: LBTH, Supporting People Team, forecast supply at September 2008

5.23 Focus on current short fall in supply: meeting the need of homeless young people

YP Need	
Estimates of 16-19 year olds currently in unsupported B&B or temporary accommodation	100
Of which are 16-17 year olds...	60-70
Teenage parents in temporary accommodation	25
Expected expanding cohort of young people leaving care	30
Estimates of young offenders (in contact with YOY) that require supported housing	10
Projected extra supported unit need, expected to be met by March 2009	100
Current YP Supply	
Young people at risk	85
Care leavers	46
Teenage parents	8
Young Asian women with mental health needs	5
Total current supported supply	144

Source: LBTH SP Document: Moving towards a commissioning strategy for supported housing for young people, Sept-08

Accessible Housing

Key Facts

- The 2004 housing needs survey found 15,385 people in Tower Hamlets top have a 'special need' (For example, a physical disability or they are frail and elderly); at the time this represented about 15 per cent of Tower Hamlets population, higher than the national average of 11-13 per cent. Seventy-nine per cent were housed in the social rented sector; the next predominant tenure for these people was owner occupation at 19 per cent. LAP 7 (a high ranking deprived area) had the highest concentration of special needs households at 21 per cent of all special needs households.
- At August 2008 there were 397 households on the Accessible Housing People Register (AHR) living in inadequate housing and waiting to be re-housed in an accessible home that meets their needs. Between November 2007 and August

- 2008 households on the AHR has increased three-fold, although the requirement for fully and partially accessible homes has remained constant, a likely reason for this is the current lack of new supply or suitable re-let homes coming available.
- About half of demand is from people already housed in a social rented home (transfer tenants), the remaining demand is from homeless households and single transfer households respectively.
 - Overall there is a 43 per cent need for accessible family-sized housing. Focusing on people requiring full/partial wheelchair accessible homes there is a 53 per cent need.
 - 47 per cent of all people on the AHR are Asian/Asian British (mainly Bangladeshi) the next two predominant groups are White (28%) and Black/Black British (14%) of which Somali households make up about one-third.
 - The broad age group of the awarded client(s) requiring an accessible home are fourteen per cent under the age of 24; thirty-nine per cent between the age of 25 to 44; twenty-seven per cent between 45 to 64 and forty-six per cent were 65 and above.
 - Latest data shows us 33% of all households on the AHR were overcrowded, mainly lacking one bedroom.
 - Since 2004, the Disabled Facilities Grant (DFG) helped a total of 444 private sector households (including 278 RSL tenants) to remain living independently in their homes. The average cost of a DGF adaptation work in 2007 was £5,383; this was less than in the previous three years.

[List of tables](#)

Introduction

5.24 Introduction: people with a special need (2004), by need category, tenure and concentration in the Borough

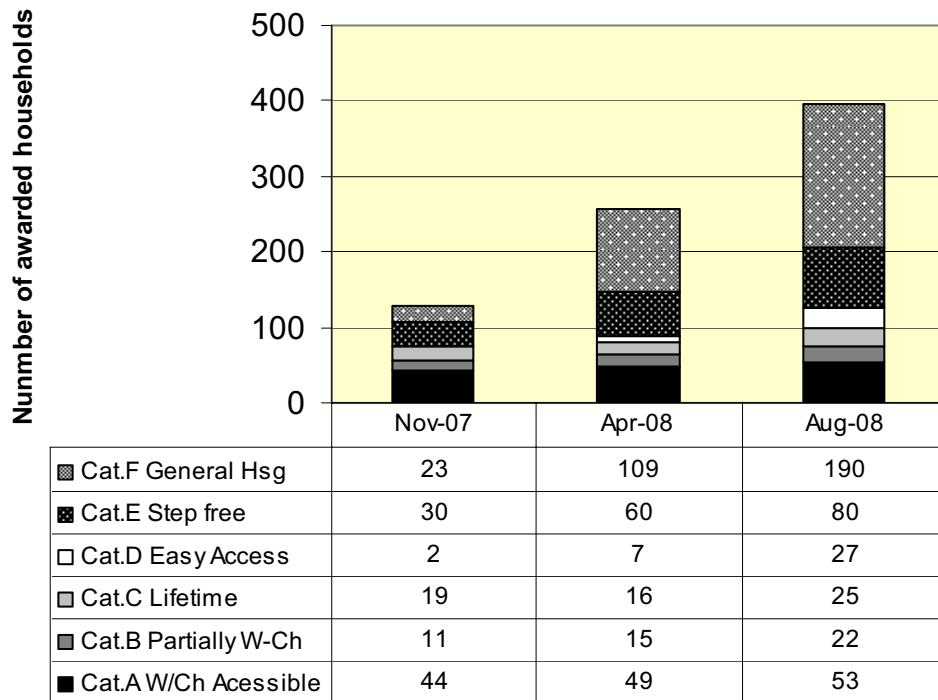
Category	No. of Households	%	Tenure	Special Needs Households	%	Sub-area	Special Needs Households	%
Frail Elderly	2,415	19	Owner Occupier (no mortgage)	1187	9.3	LAP 1	2,129	16.7
Physical Disability	8,576	67.3	Owner Occupier (no mortgage)	1289	10.1	LAP 2	1,042	8.2
Learning Disability	757	5.9	<i>Council</i>	5711	44.8	LAP 3	1,401	11
Mental Health problem	1,828	14.3	<i>RSL</i>	4354	34.2	LAP 4	1,522	11.9
Vulnerable Young people	49	0.4	Private Rented	201	1.6	LAP 5	1,429	11.2
Severe sensory disability	884	6.9				LAP 6	1,536	12.1
Other	876	6.9				LAP 7	2,729	21.4
						LAP 8	955	7.5
TOTAL	15,385	100		12,743	100		12,743	100%

Source: LBTH Housing Needs Survey 2004. Data Extracted from tables: 12.1, 12.6 and 12.7

Demand, making homes accessible

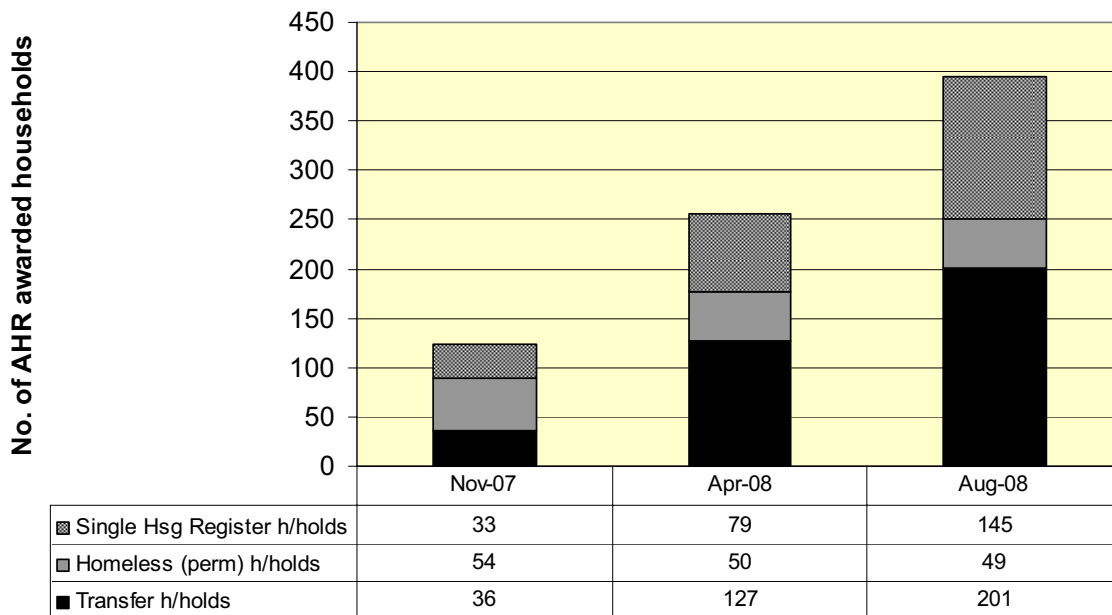
Rehousing people in social rented homes - the Accessible Housing Register

5.25 Growth in applicants awarded and AHR category (nine month period)



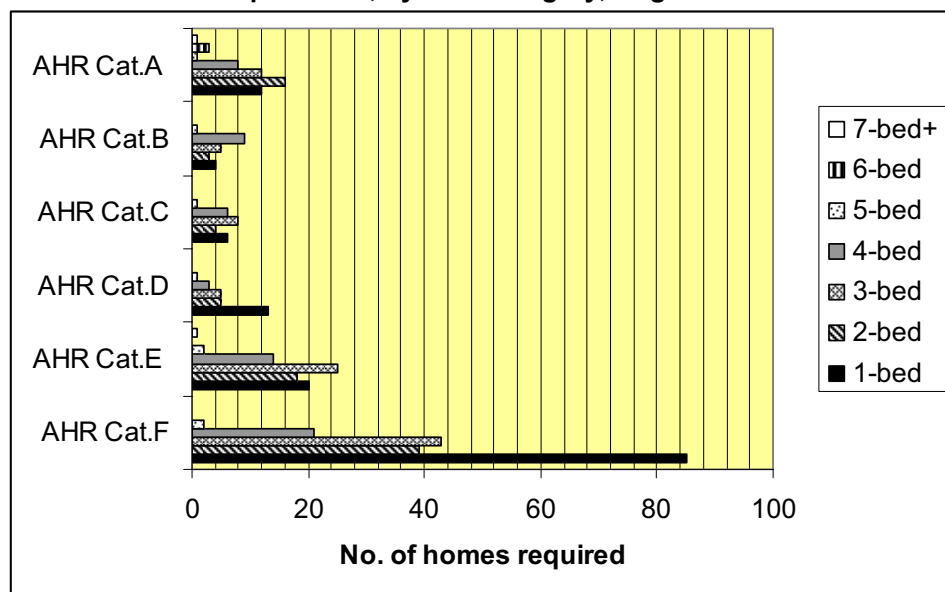
Source: Tower Hamlets Homes, Lettings IT team. Accessible housing people register at August 2008

5.26 Trends in the re-housing status of AHR applicants over a nine month period)



Source: Tower Hamlets Homes, Lettings IT team. Accessible housing people register at August 2008

5.27 Bed-size requirement, by AHR category, August 08



	1-bed	2-bed	3-bed	4-bed	5-bed	6-bed	7-bed+
AHR Cat.F	85 ♦ ○	39 ♦ ○	43 ♦ ○	21 ○	2	0	0
AHR Cat.E	20 ♦ ○	18 ♦ ○	25 ♦ ○	14 ○	2 ●	0	1
AHR Cat.D	13 ♦ ○	5 ♦ ○	5 ♦ ●	3 ●	1 ●	0	0
AHR Cat.C	6 ♦ ○	4 ♦ ●	8 ♦ ●	6 ♦ ●	1 ●	0	0
AHR Cat.B	4 ♦ ●	3 ♦ ●	5 ♦ ●	9 ●	1 ●	0	0
AHR Cat.A	12 ♦ ●	16 ♦ ●	12 ♦ ●	8 ○	1 ●	3 ♦ ●	1 ♦ ●

Key: *Elderly Clients*: ♦ All or most. ♦ About half. ♦ A few. *Clients in community group 1 and 2*: ● All/most. ○ About half. ○ A few

Source: Tower Hamlets Homes, Lettings IT team. Accessible housing people register at August 2008

5.28 Broad ethnic group of awarded AHR applicant

Ethnic Group	Count	% of all	Comment
Asian or Asian British	202	47	Mainly Bangladeshi
Black or Black British	59	14	31% are of Somali descent
Dual ethnicity	4	1	-
White or white British	117	28	Mainly White British
Unknown/not recorded	41 (36/5)	10	-
TOTAL	423	100%	

Source: Tower Hamlets Homes, Lettings IT team, ethnicity query 20 August 2008

5.29 Ages of awarded AHR applicants, snapshot August 08

Age bands	Count	Overall %	% of each age group, where the household contains a wheelchair user.
Ages under 16	0	0	0
Ages 16-24	22	6%	14%
Ages 25-34	93	23%	25%
Ages 35-44	92	23%	14%
Ages 45-54	76	19%	17%
Ages 55-64	40	10%	10%
Ages 65-74	38	10%	21%
Ages 75+	36	9%	25%
TOTAL	397	100%	

Source: Tower Hamlets Homes, Lettings IT team. Accessible housing people register at August 2008

5.30 Selected overcrowded households on the AHR, snapshot August 08

All AHR applicants	Overcrowded (excludes Homeless 1)		Households lacking 1 bedroom	Households lacking 2 bedrooms	Households lacking 3 bedrooms	Households lacking 4 bedrooms
	Count	%				
397	132	33%	80	44	5	2

Source: Tower Hamlets Homes, Lettings IT team. Accessible housing people register at August 2008

*Helping people remain in the existing home – Disabled Facilities Grant***5.31 Demand and cost of households receiving aids/adaptation work with the help of the Disabled Facilities Grant (DFG)**

Year	DFG Completions	Focus on DFG completions and RSL households	Average Cost of DFG adaptations (work and fees) £
2004/05	79	30	7,331
2005/06	127	75	6,676
2006/07	89	55	6,989
2007/08	149	118	5,383
TOTAL (Count)	444	278	
TOTAL £	£2,851,401	£1,480,601	

Source: LBTH PHIT team database query

Intermediate housingKey Facts

- The annual minimum income for the smallest size part-buy part-rent property in Tower hamlets in 2007/08 is 29,177. For an Open Market HomeBuy schemes (100% ownership with assistance of an equity loan). For a three- bedroom home under the same conditions the minimum income just about comes under the £60,000 threshold set for assisted home ownership.
- Of all council tenants 9 per cent could qualify for Low Cost Home Ownership schemes. (*This is based on council renters of working age who don't claim full or part housing benefit and where the age is known*). For RSL tenants (under the same conditions) this is about 36 per cent.
- From 2004/05 onwards intermediate housing created (mainly LCHO, Intermediate Rent and Right to Acquire) has risen on average about 32 per cent annually, totalling about 576 homes in 2007/08. The largest number of homes created were part-buy, part-rent homes.
- Forecast completions of all intermediate housing (excluding Open market HomeBuy) for 2008/09 is expected to be about 752 units, an increase of 30 per cent.
- In 2007/08 only 5 per cent of homes sold were to first-time-buyers, the remainder were previously homes owners.

Information from RSL statistical returns- to be used as guidance only:

- The broad ethnic breakdown of household completing on the LCHO schemes was White (62%); the next two predominant groups were Asian (15%) and Black (9%). These figures are in proportion to the number of (undecided) applicants.

- Seventy-two per cent of purchasers were under the age of thirty-five.
- About half of purchased homes were filled to person capacity.
- Just over half of households completing on the scheme, were previously renting in the private rented sector as intermediate housing provides good value when compared with private rents. A miniscule amount of purchasers were previously social renters (2%).
- The demand of accepted applicant (2172) for intermediate schemes outstrips the intermediate supply in Tower Hamlets (about 235 in-year purchases), but accepted applicants can express an interest in more than one borough.
- In-migrating intermediate households that didn't previously live in Tower Hamlets amounts to 289
- Migration patterns of former Tower hamlets resident purchasing intermediate housing (key workers and non-key workers) 93 bought in the borough and 227 moved and bought outside the borough

[List of tables](#)

Affordability and access issues

5.32 Minimum annual income threshold for the two main LCHO schemes (assumed to be first-time-buyers)

	New Build HomeBuy	
	First-time-buyer 25%share	Resale home 50% share
1-bed flat	£29,177	38,214
2-bed flat	£38,176	£49,857
3-bed flat	£44,626	£58,117

	Open market HomeBuy – (60% conventional mortgage, balance funded by an equity loan)
1-bed property	£33,000
2-bed property	£43,000
3-bed property	£50,000

Source: MHO Data Services. Average OMV by bed-size in 2007/08.

Note: For both schemes: assumed a 6.5% mortgage rate. Mortgage term 25-years. £5000 deposit. Figure excludes stamp duty.

For NBHBY only: Rent rate on unsold share is 2.75%. Average monthly service charge included.

For OMHBY only: 60% purchased with conventional mortgage. 1.75% Equity loan interest rate charge. No service charge included.

5.33 Proportion of social renters who could qualify for Low Cost Home Ownership (LCHO) schemes

	All h/holds (Count)	Housing Benefit (HB) Claimants (about 75% on full and 25% on part-HB)		Non-HB households		% who could buy through LCHO (where age is known)	Characteristics of non-claiming households
		Of working age	A) Pensioners & B) age unknowns	Of working age & could be eligible for LCHO	A) Pensioners & B) age unknowns		
Council households	10,723	5598	3630 A) 2654 B) 976	942	556 A) 94 B) 462	9%	93% contained 1-3 h/hold members who are likely to require 1 or 2 bed homes, 7% were households containing 4-9 people who are likely to require 2-5 bed homes
Housing Association households	27,302	14,251	A) 2514 1	9,905 2	632 2	36%	No data

1. Age data of RSL claimants wasn't available, an assumption was made that 15% of claimants were not of working age and were pensioner households. The 15% assumption was based on RSL pensioner tenants at Census 2001. Total active claimants were 16,765. Assumes total non-claimants (possible working households was 10,537.

2. Assumes the remainder of tenants aren't claiming HB (10,537) and then assumes 6% are non-HB pensioner households.

Source: March 2008. Council renter: LBTH Northgate Business Enquiry. RSL renters: LBTH housing benefit report, snapshot of active claimants at 29 April 2008. Total RSL households taken from: HSSA 2007/08

5.34 Households completing (2007/08): average income of households on the two main LCHO schemes.

	New Build HomeBuy (HBYNB)	Open Market HomeBuy (HBYOM)
1 bedroom flat	30,931	39,293
2 bedroom flat	37,365	no sales
3 bedroom flat	32,163	no sales

Source: MHT Housing Options Business Query. May 2008

5.35 Households completing – first-time-buyers or previous home owners

	Count	%
First-time-buyer	5	1.9%
Not a first-time-buyer	240	92%
Purchaser didn't know	16	6.1%
TOTAL	261	100%

Source: CORE data, New Sales, Summary Statistics, April 2007 to March 2008

5.36 Households completing (2007/08): declared ethnicity.

HBYNB and HBYOM schemes	
Broad Ethnic Group	% of completed sales
White	63%
Asian	15%
Black	9%
Dual	6%
Chinese	7%

Source: MHT Housing Options Business Query. May 2008

5.37 Households Completing (2007/08): average age of main householder.

HBYNB and HBYOM schemes	
Age	% of completing h-holds
Age 34 and under	72%
Age 35+	28%

Source: MHT Housing Options Business Query. May 2008

5.38 Households Completing (2007/08): estimating if homes were filled to capacity

Filled to capacity	Over-person capacity	Under-person capacity
51% (mainly 1-bed flats)	5%	44%

Source: MHT Housing Options Business Query. May 2008

5.39 Households Completing (2007/08): declared previous tenure of non-key workers

Previous tenure	% of completions
Renting Privately	54%
Living with family/friends	30%
From the waiting list	12%
Social housing tenants	2%
Other tenures	2%
TOTAL	100%

Source: MHT Housing Options Business Query. May 2008

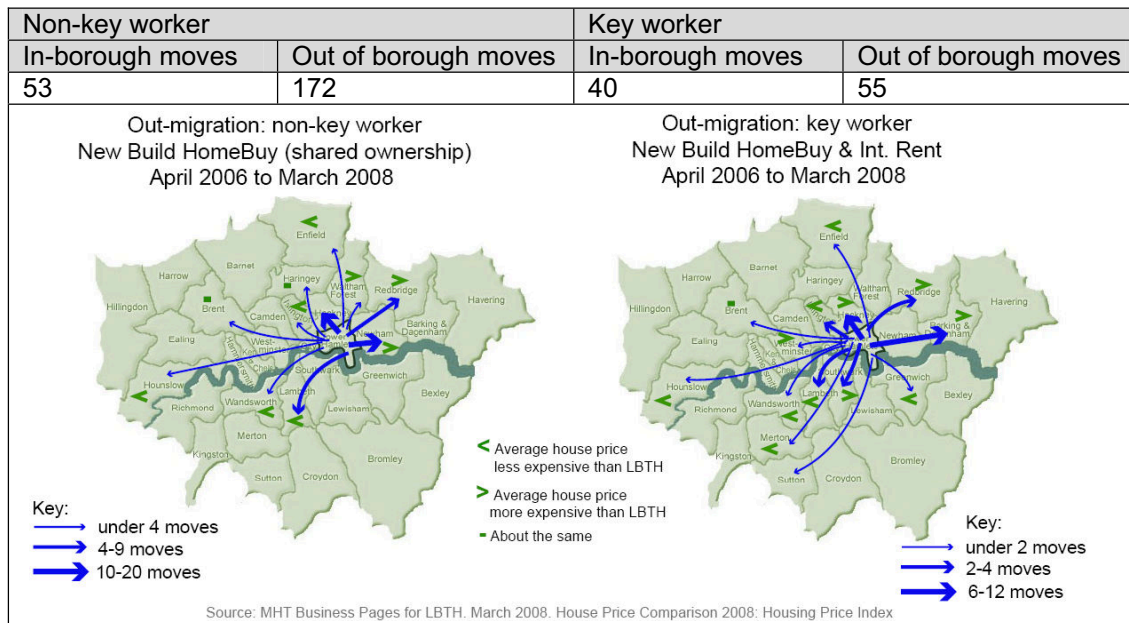
Applicant demand

5.40 LCHO activity in 2007/08

KEY WORKER Schemes 2007/08				
Scheme	Application Logged	Application Approved	Withdrawn /declined	In-year completed purchases
Open Market HomeBuy	248	195	17	1
New build HomeBuy	347	256	14	43
Intermediate rent	253	181	25	31
NON - KEY WORKER Schemes 2007/08				
Scheme	Application Logged	Application Approved	Withdrawn /declined	In-year completed purchases
Open Market HomeBuy	357	283	33	2
New build HomeBuy	823	654	71	157
Intermediate rent	144	97	21	1
GRAND TOTAL	2172	1666	181	235

Source: MHT Housing Options Business Query. May 2008

5.41 Migration patterns of former LBTH residents in the last two years



5.42 In-migration in the last two years (not former LBTH residents)

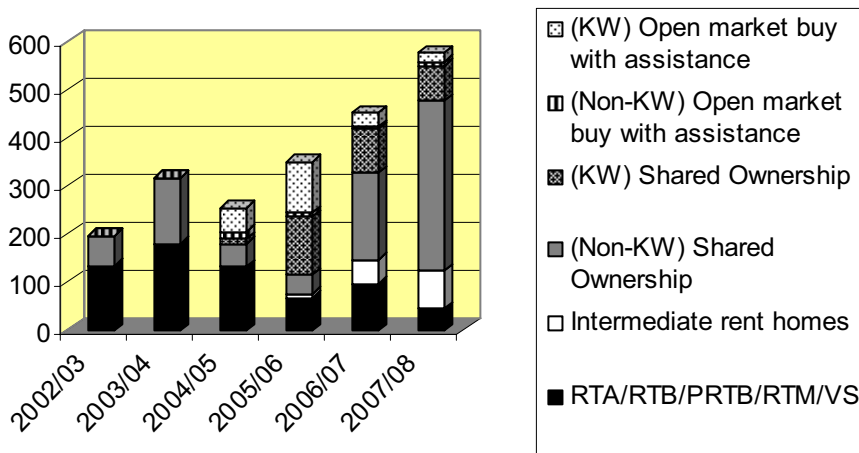
Non-key worker	Key worker
In-migration	In-migration
78	211

Source: MHT Business pages for LBTH. March 2008.

Supply, past and future

5.43 Intermediate Homes created – 2002 to 2007

Intermediate homes created in the last six years



Note: RTA, PRTB schemes aren't mainstream LCHO options as only certain households are eligible to apply.
 Source: Housing Corporation. 5yr completion data

5.44 Pipeline estimate: Intermediate homes created in the next three years

Year	New Build HomeBuy	Open Market HomeBuy	Intermediate Rent	All int. homes
2008/09	602	5	145	752
2009-10	562	Estimate not possible	21	583
2010-11	105	Estimate not possible	0	105

Note: These figures are a snapshot; the figures may increase as planning applications are approved, especially for year 2010-11
 Source: LBTH, Affordable Housing Team, 3yr pipeline supply spreadsheet compiled May 2008

Housing Supply and land supply

Key Facts

- Recorded HSSA data shows between 2004/05 and 2007/08 the number of gross affordable homes completed was 3,540, for AMR data the figure was 3,238.
- Of completions in 2007/08 the percentage of family housing the AMR reports is 25.48% social rented, 15.87% intermediate and 2.53% market, the family-sized units the affordable housing team reports are 31% social rented and 12% in the intermediate sector.
- From planning permissions approvals during 2007/08, there are potentially 2,749 units affordable units proposed. Of these 64 per cent were for social rent and 36 per cent intermediate, whilst approved in the same year, they are likely to complete at different times.
- A land availability exercise has identified land with densities per hectare that can provide 17,000 units (all tenures) in the next five years and longer-term (15 year supply) density per hectare of sites is estimated to produce 33,000 units.

Completions

List of tables

5.45 Completion data (where available) by tenure and source type, 2004 to 2008

Year	HSSA Completion data * (excludes private market homes)		AMR gross completion data * (includes private market homes)	
	Tenure	Completions	Tenure	Completions
2004/05	Market	-Not reported-	Market	1,108
	Intermediate**	211	Intermediate	108
	Social Rented	313	Social Rented	768
2005/06	Market	-Not reported-	Market	1,718
	Intermediate	174	Intermediate	104
	Social Rented	705	Social Rented	667
2006/07	Market	-Not reported-	Market	1,682
	Intermediate	242	Intermediate	395
	Social Rented	578	Social Rented	662
2007/08	Market	-Not reported-	Market	1,581
	Intermediate	613	Intermediate	63
	Social Rented	704	Social Rented	471

* Note: These figures may vary due to a variety of reasons. HSSA later data may include RTA and HBYOM which HSSA advised could be included in completion figures, this is not relevant to AMR because the interest is new builds only. Another reason could be to the date completed. For example, a larger phased scheme the affordable completions may handover prior to the market housing.

** Note: Intermediate is mainly shared ownership homes but can include some intermediate rent units.

5.46 2007/08 completions and the percentage of family-sized accommodation

Sector	2007/08 (AMR, source 1)			2007/08 (Aff.Hsg.Team, source 2)		
	No. of family dwellings	Total dwellings completed	Percentage of family housing	No. of family dwellings	Total dwellings completed	Percentage of family housing
Social rented	120	471	25.48%	215	704	31%
Intermediate	10	63	15.87%	65	542	12%
Market	40	1,581	2.53%			

5.47 Planning Approvals in 2007/08

LDD approvals in 2007/08 – Proposed* Units (funded and unfunded)		
Intermediate units	Social Rented units	TOTAL Affordable proposed
994	1755	2749

*Note: although granted permission in 2007/08, it doesn't mean they start on site straight away, especially considering the impact of the credit crunch on developments and developers. Please use this only as guidance only.

Source:

5.48 Land availability supply and capacity

Ward	15 year supply 1 (indicative)		5 year supply 1 (indicative)		Strategic Sites 2
	No. of units	Density	No. of units	Density	
Bow East	2000	50 dph	1000	200 dph	East Fish Islands • Central and North Fish Islands • Safeways • Olympic Site • Yallops Yard • Crown wharf • Wick Lane • Tredegar Estate.
Bromley-by-Bow	4000	165 dph	950	150 dph	St. Clements Hospital • Bow Common Gasworks V Bow Lane/ Furze Street • Bow Locks • Caspian Works • St. Andrews Hospital • Leven Road gas works. Housing estates of Lincoln Park • Coventry Cross • Bow Bridge • Crossways
East India & Lansbury	1500	250 dph	300	250 dph	Blackwall Trading Estate • Ailsa Street • Chrisp Street. Housing Estates of Aberfield • Brownfield
Bow West	100	125	450	350	
Mile End East	1000	100	500	150	Leopold Estate
Bethnal Green North	400	300	50	300	

Bethnal Green South	500	200	200	600	Along Cambridge • Heath Road • Valance Road
Mile End & Globe Town	400	3000	750	1000	Sutton wharf
Millwall	5000	175	3500	600	
Blackwall & Cubitt Town	15000	175	4000	350	Aspen way/Poplar DLR • London arena • Billingsgate Market • Wood Wharf • Leamouth Road • Asda site • Hercules Wharf • Pura Food Site • Robin hood Estate/Blackwall Reach
Spitalfield & Banglatown	400	135	1500	800	Rodwell House
Weavers	200	250	100	350	Bishops gate Goods yard
Whitechapel	500	350	700	350	Former Bishop Challoner School along Commercial road
St Katharine's and Wapping	1500	250	-	-	News International Car park
St. Dunstan's & Step.Green	900	350	1000		Ocean Estate • Gasworks site at Harford Street
Limehouse	100	400	400	400	Poplar Baths area
Shadwell	1000	400	400	150	St. George's Estate
TOTAL	33,000		17,000		

1. This provides an overview, numbers are indicative and not final.

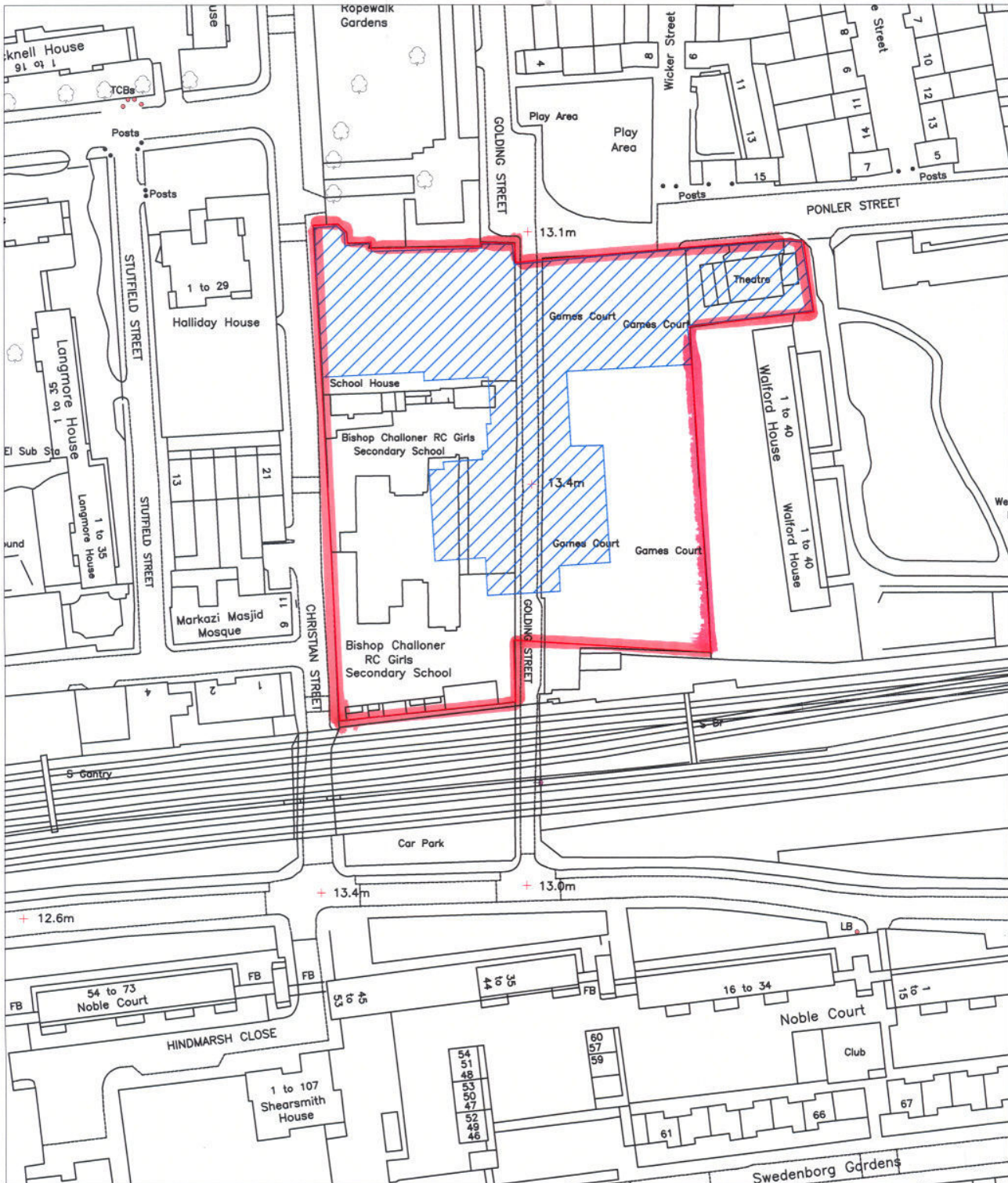
2. Not all sites have been listed. This column shows the strategic sites only.

Source: LBTH Planning Strategy, data extracted 19 September 2008

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FORMER BISHOP CHALLONER SCHOOL Scale : 1/1250



- Sale of land to Bellways
- Retained land

Reproduced from the 2002 Ordnance Survey 1:1250 map with the permission of the Controller of Her Majesty's Stationery Office © Crown Copyright LA100019288

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Agenda Item 12.1

Committee: Cabinet	Date: 3 December 2008	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Corporate Director Children's Services Originating officer(s): Ann Sutcliffe Service Head - BSF		Title: Building Schools for the Future – Procurement and Programme Update Wards Affected: ALL		

SPECIAL CIRCUMSTANCES AND REASONS FOR URGENCY

This report was unavailable for public inspection within the standard timescales set out in the Authority's Constitution, because of the continuation of negotiations with the Selected Bidder over the urgent procurement matters. This cannot wait until the next month's Cabinet meeting.

1. SUMMARY

- 1.1 This report will provide an update on the progress of the Contract close of Building Schools for the Future (BSF) programme and seek approval of the steps taken that are necessary for the procurement phase of the programme.

2. RECOMMENDATIONS

Cabinet is recommended to:-

- 2.1.1 Confirm the completion of an Early Works Agreement for Bethnal Green Technology College on 25 November 2008 in order to secure a start on site 5 January 2009; and
- 2.1.2 Authorise the completion of an Early Works Agreement for St Paul's Way Community School by 17 December 2008 in the event that contractual close is not secured by 23 December 2008;
- 2.2 To note the Authority's current programme to proceed to contractual close by 23 December 2008.

3. BACKGROUND

- 3.1 As part of the Government's £45bn 15 year BSF initiative, LBTH was allocated, in 2006, approximately £180m across two funding 'waves'. Approximately £21m of this sum has been allocated for ICT investment. The level of investment allocated by the DfES is based on pupil numbers; the priority for allocating funding in the national programmes is directly linked to deprivation indexes. LBTH has been allocated its funding in Wave 3 (FY 08/09) and Wave 5 (FY 10/11); this offers the Authority a once in a lifetime opportunity to invest in the secondary school estate and transform education delivery in Tower Hamlets.
- 3.2 The Authority is in the process of securing additional funding for wave 5 to reflect:
- 3.2.1 Additional pupil numbers resulting from a review of the pupil place planning assumptions to 2018;
- 3.2.2 Additional funding for 850 sixth form places in line with recent Government legislation for staying on rates;
- 3.2.3 Additional Type 5 funding to augment special educational needs provision in mainstream schools. This reflects the Authority's inclusion agenda; and
- 3.2.4 The addition of funding for Swanlea school in order to recognise the age of the building and its condition needs on entry into the programme.
- 3.3 The first two schools to benefit from the BSF funding are St Pauls Way Community School (STPW) and Bethnal Green Technology College (BGTC), these are known as the sample schemes. These two schools were chosen as there was a particular need to support the continued improvement, with regard to teaching and educational attainment. This investment will support the schools in providing a quality learning environment for up to 2100 students as well as the extended community.
- 3.4 On 30 July 2008, Cabinet endorsed the appointment of Bouygues Partnership for Education and Community (BPEC) as Selected Bidder for the BSF programme. Director Children's Services confirmed this appointment through the signing of a Selected Bidder letter on 9 September 2008. The selected bidder letter confirmed that in order to meet the programme of dates and protect the bid costs quoted, it would be necessary to enter into Early Works Agreement in relation to the two bid sites.

4. PROCUREMENT UPDATE

- 4.1 Since 9 September 2008, the Authority has been working with BPEC towards contractual close. This has included the following headline activities:
- 4.1.1 Design Development. Finalisation of the room layouts (1:50 plans) and commencement of detailed design development;
- 4.1.2 Corporate Governance Structures. Set up of the Shadow LEP and Shadow Strategic Partnering Board (SPB);
- 4.1.3 Contractual Documents. Finalisation of contractual documents and subcontracts for contractual close. Drafting and agreement of Early Works Agreements (EWA) for BGTC and STPW; and
- 4.1.4 Final Business Case. Production of a draft Final Business Case (FBC) for submission to Partnerships for Schools (Pfs) prior to sign off by the Department for Children Schools and Families (DCSF). This sign off is required prior to contractual close.
- 4.2 The Shadow LEP held its first meeting in October 2008 and has since been incorporated as Tower Hamlets LEP Limited. In order to reflect the broader aspirations of the LEP vehicle, this stands for Tower Hamlets Local Enabling Partnership. This is being branded as THE LEP.
- 4.3 The BSF Project Board, which has governed the BSF programme since conception, was replaced by the Shadow SPB – the governing body of THE LEP – in October 2008. The membership of this body is confirmed as below:
- 4.3.1 Voting Members. Local Authority Representative (Chair), Director of Children’s Services, and THE LEP representative, THE LEP General Manager.
- 4.3.2 Stakeholder Observers (non voting). The following organisations have confirmed a position on the board.
- 1 x Member
 - 1 x Corporate Management Team
 - 1 x Children and Young People’s Strategic Partnership Group (CYPSPG)
 - 1 x Tower Hamlets Education Business Partnership (THEBP)
 - 2 x Secondary Headteacher
 - 1 x Primary Headteacher
 - 1 x London Diocese
 - 1 x BSF Client
 - 1 x BPEC (TH)

5. EARLY WORKS AGREEMENTS

- 5.1 In order to ensure that BYUK is able to maintain the programme. In accord with cabinet July authority the Director entered in to an Early Works Agreement for BGTC on 25 November 2008. This covers development of detailed design, procurement of trade, temporary site installation, site clearance and demolition works. It was necessary to enter into this at this stage in order to ensure a start on site in January 2009 and due to the current lead times for the order of temporary accommodation and for the decant of the school pupils so the works can commence on time and the portacabins can be delivered in March 2009.
- 5.2 Should contractual close not be secured by 23 December 2008, then an Early Works Agreement will also be entered in to for St Paul's Way. This, together with the Early Works Agreement for BGTC, will guard against delay to the construction programme and ensure a start on site in January 2008.
- 5.3 A draft FBC was submitted to PfS on 31 October 2008; this was in order to recognise an estimated six week lead time for the review and sign off of a FBC by PfS and the DCSF. This draft FBC requires submission of the final LEP Business Plan financial model and back to back Governing Body Agreements (GBAs) in order to be finally reviewed and signed off by the Department.

6. FINANCIAL IMPLICATIONS

- 6.1 The Authority has entered into an Early Works Agreement (EWA) for BGTC in order to maintain the construction programme, the Bid price (which BPEC will only maintain until the beginning of January 2008) and mitigate against programme delay costs. The costs attached to the EWA will be paid the Design and Build (D&B) contract milestone payment schedule as illustrated in Table 1 below (and thus will be covered by the BSF funding envelope) when contract close is achieved. However, entering into the EWA creates a cash flow commitment from January 2009 in the event that there is a delay to contractual close. This will be met by rescheduling the Schools Children's Services Capital Programme.

Table 1 - BGTC EWA Cashflow

Application Date	Payment Due Date	Value of Payment (in pound excl VAT)	Cumulative Value of Payments (in pounds excluding VAT)
17 December 2008	2 January 2009	£676,096.00	£676,096.00

26 January 2009	10 February 2009	£504,077.00	£1,180,173.00
23 February 2009	10 March 2009	£821,792.00	£2,001,965.00

6.2 In the event that the EWA was terminated because contact close cannot be achieved due to the Authority default, then the Authority would be liable for the following costs:

- Early Works payments due prior to the expiry of the agreement (refer table 1);
- Demobilisation costs (refer table 2); and
- Cancellation charges in relation to the temporary accommodation (refer table 3).

Table 2 - EWA Demobilisation Caps

	A End of Jan 09	B End of Feb 09
Suspend works and maintain resources mobilised		
In the event that the Early Works Agreement is terminated before the dates shown in columns A and B.	£105,128	£191,333
Required to vacate and dismantle the site (including temporary accommodation)		
In the event that the Early Works Agreement is terminated before the dates shown in columns A and B.	£135,615	£198,692

Table 3 - EWA Temporary Accommodation Cancellation Charges

Timing of cancellation of temporary accommodation sub-contract	Amount
Before 30 th November 2008	£160,000.00
From 1st December 08 till end of December 2008	£525,000.00
From 1st January 09 till 31st January 2009	£432,764.10
From 1st February 09 till 28 February 2009	£272,764.10

- 6.3 There is little risk of failure to close the contract as the main issues outstanding were linked to whether there would be increased costs caused by being obliged to renegotiate costs such as temporary accommodation due to late close. In the event that the Authority had not entered into an EWA the Authority would not have been able to maintain the Construction programme this would have had an impact on all the Schools within the BSF Programme, the Bid price would have to be negotiated thereby increasing the procurement costs and potentially make the whole scheme unaffordable.
- 6.4 In order to protect bid prices for the other schools the Authority will enter in to an Early Works Agreement for STPW in December 2008 should there be a risk that contractual close is not able to be achieved by 23 December 2008. Again, this will secure the programme to the end of February and will mitigate against programme delay costs. The cash flow commitment attached to this Agreement is estimated at £2m; the exact value of this will be finalised with BPEC over the next week.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 LBTH is currently forecast to receive approximately £85m of funding from the DCSF in the first wave of investment, and based on projections reported in July 2008, the plans for this capital investment will support the LBTH education vision without producing an affordability gap.
- 7.2 This report notifies members of mitigating actions carried out by Officers in order to ensure the Construction programme can be met for BGTC and protects against any potential delay to Contractual Close.
- 7.3 Table 1 in paragraph 5 outlines a cashflow commitment of up to £2,001,965 should the D&B contract not be entered in to by the end February 2009. On Contractual Close, any monies paid by the Authority in this respect would be reimbursed through the release of the BSF funding by the DCSF. Paragraph 6.1 sets out how the cash-flow commitment from 2009 will be funded and the impact on the schools Children's Services Capital Programme.
- 7.4 This report also outlines Officers intentions to enter in to an EWA for STPW in the event that Contractual Close is not likely to be secured by 23 December. This cashflow commitment will be equivalent to the milestone payments due in the first two months of the D&B contract and is estimated at a value of £2m.
- 7.5 Paragraph 5, tables 2 and 3 outline the costs which would be due to BYUK in the event that the EWA is suspended or terminated. A maximum demobilisation cap of £198,692 would be due, together with the appropriate charges detailed in Table 2 in relation to the cancellation of the temporary accommodation order.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 8.1 The July Cabinet authorised the Corporate Director Children Services (in consultation with the Corporate Director Resources, Assistant Chief Executive (Legal) and the Lead Member Childrens Services to meet selected bidder costs in the event that contractual close cannot be achieved by 31 December 2008. Under that Authority it has become necessary to enter into an Early Works Agreement in order to place orders for portacabins to decant pupils at BGTC and do other preparatory works so the programme commences on time in January 2009.
- 8.2 This report details how that delegation will be met financially and seeks further authority to enter into Early Works Agreement in relation to St Paul's Way.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The BSF investment aims to increase employment, training and educational opportunities for the residents of the borough. Either through improved learning environments, with enhanced ICT facilities, access for community learning and opportunities for apprenticeships through the establishment of partnership vehicle to deliver the investment.
- 9.2 The priority focus of this programme is to secure improvements to the education environment which will support and secure improved attainment for our students. In addition the BPEC consortium has committed themselves to supporting training and apprenticeships across the Borough. This offering will not be limited to the construction industry, but will reflect the range of expertise which BPEC as a consortium can offer to Tower Hamlets' residents. This initiative is likely to have significant potential to reduce inequalities.
- 9.3 At the heart of the BSF programme is the desire to create sustainable communities, putting the school at the heart of the community. This supports the Extended Schools agenda, localisation of services and a cohesive approach to Children's Services. The initiative is likely to bring groups from different backgrounds together and promote strong community cohesion and community links.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The BSF programme supports and requires sustainable investment of the BSF funding. This is captured in the tender documents in the following areas:
- Building Research Establishment Environmental Assessment Method (BREEAM) – all 100% new build solutions should aspire to BREEAM 'Excellent' and all remodel/refurbishment projects should achieve BREEAM 'Very Good';

- Carbon Neutral School Initiative – in order to receive additional funding from the DCSF of £50/m2, the Authority must demonstrate a saving of at least 60% emissions from any new build school. This additional funding is being sought for the STPW development; and
- In line with The London Plan, BPEC is required to submit proposals which achieve 10% (current) and 20% (future) renewables targets. Discussions are taking place with the Planning Department, on a strategy that be applied across the estate as a whole to achieve the targets as proposed. It should be noted that refurbishment projects are difficult to achieve these targets.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 A formal risk register is maintained for this project and reviewed at each meeting of the Shadow SPB. Building Schools for the Future is subject to a centrally implemented risk review through a 4Ps Gateway Review process.
- 11.2 In September 2007, the wave 3 BSF Programme was subject to a Gateway 2 Review. The programme was awarded an 'Amber' rating and it was confirmed that risk management was embedded within the programme's methodology.
- 11.3 The Wave 3 programme will be undergoing a Gateway 3 review 2-5 December 2008. This review will provide Members with assurances that the process has been concluded correctly ahead of signing the contracts.
- 11.4 The current top two procurement risks to contractual close are:-
- 11.4.1 Securing Governing Body Agreements for the Sample Schools and the schools contained within the ICT Services Contract in sufficient time for the DCSF to carry out their review of the Final Business Case prior to 23 December 2008.
- 11.4.2 Finalisation of LEP Business Plan financial model in order to take account of detailed design development and updated wave 5 programme assumptions. Again, this is required for the Final Business Case.
- 11.5 Mitigating actions are in place for both of these items, including the submission of a draft Final Business Case to PfS at the end of October 2008 in order to commence the six week review period.
- 11.6 In the event that the D&B contracts for BGTC and STPW are not entered in to, then the Authority would be liable for the cash flow commitments detailed in this report. The likelihood of this occurring is a low risk as the only outstanding delay to the contract close in December is the Partnership for Schools approval of the final business case which will take until late December to achieve as they will only have received this at the beginning of December due to the need to

finalise costs on items in the design and build contract to ensure certainty as to costs in the future.

12. EFFICIENCY STATEMENT

12.1 The structure of the LEP model is based on a series of agreed Key Performance Indicators (KPIs) which cover: Partnering, Quality, Timeliness, Customer Satisfaction and Added Value. A Continuous Improvement (CI) target has been agreed for each of these KPIs and a commercial agreement has been reached with BPEC on the Guaranteed Minimum Saving (GMS) which this will generate across the duration of the programme.

**LOCAL GOVERNMENT ACT 1972 (AS AMENDED) SECTION 100D
LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT**

<u>Brief description of "Background Paper"</u>	Name and telephone number of holder and Address where open to inspection:
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None	N/A
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