

HOUSING SCRUTINY SUB-COMMITTEE

Monday, 10 October 2016 at 6.30 p.m.

C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London,
E14 2BG

This meeting is open to the public to attend.

Members:

Chair: Councillor Amina Ali

Vice-Chair: Councillor Andrew Cregan

Councillor Rabina Khan, Councillor Abdul Mukit MBE, Councillor Gulam Robbani,
Councillor Helal Uddin and Councillor Andrew Wood

Substitutes:

Councillor Dave Chesterton, Councillor Julia Dockerill, Councillor Marc Francis and
Councillor Candida Ronald

Co-opted Members:

Moshin Ahmad Hamim

Leaseholder Representative

Anne Elizabeth Ambrose

Tenant Representative

[The quorum for this body is 3 voting Members]

Contact for further enquiries:

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APOLOGIES FOR ABSENCE

1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

1 - 4

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.

2. MINUTES OF THE PREVIOUS MEETING(S)

5 - 12

To confirm as a correct record the minutes of the meeting of the Housing Scrutiny Sub-Committee held on

3. REPORTS FOR CONSIDERATION

3.1 LBTH Housing Strategy 2016- 2021

13 - 110

3.2 Registered Providers Cumulative End of Year Performance Report 2015/16 and First Quarter Report for 2016/17

111 - 138

3.3 Challenge Session Progress Update – The Quality of s106 Funded Social Housing

139 - 148

3.4 Spotlight session-Cabinet Member for Housing Management and Performance

4. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Next Meeting of the Sub- Committee

The next meeting of the Housing Scrutiny Sub-Committee will be held on Monday, 5 December 2016 at 6.30 p.m. in MP702, 7th Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG.

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Agenda Item 1

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:

Melanie Clay, Corporate Director of Law, Probity & Governance & Monitoring Officer,
Telephone Number: 020 7364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HOUSING SCRUTINY SUB-COMMITTEE

HELD AT 6.35 P.M. ON MONDAY, 18 JULY 2016

**MP702, 7TH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON E14 2BG.**

Members Present:

Councillor Amina Ali (Chair)
Councillor Andrew Cregan
Councillor Rabina Khan
Councillor Abdul Mukit MBE
Councillor Helal Uddin
Councillor Andrew Wood

Other Councillors Present:

Councillor Sirajul Islam – Statutory Deputy Mayor & Cabinet Member for
Housing Management & Performance

Others Present:

Jane Ball – Tower Hamlets Housing Forum
Ann Lucus – Board Chair, Tower Hamlets Homes
Ann Otesanya – Tower Hamlets Homes
Richard Hardy – Tower Hamlets Homes
Susmita Sen – Chief Executive, Tower Hamlets Homes

Officers Present:

Mark Bursnell – Senior Strategy, Policy & Performance Officer
Afazul Hoque – Interim Service Manager, Strategy, Policy &
Performance
Jackie Odunoye – Service Head, Strategy, Regeneration &
Sustainability, Development and Renewal
Martin Ling – Housing Policy Manager
John Coker – Acting Divisional Housing Manager, Development
& Renewal

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1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

The Chair, Councillor Amina Ali welcomed everybody to the Housing Scrutiny Sub-Committee meeting.

Councillor Ali made a short statement outlining her vision for the sub-committee and why housing is such an important issue.

She stated the induction session held on the 27th June, helped to identify the priority issues facing Housing provision in Tower Hamlets and had assisted in formulating the draft work programme.

She informed Members about her meeting with the Chair of Camden's Housing Scrutiny Committee – Councillor Danny Beales and the successes they had achieved. Councillor Ali hoped the newly formed Housing Scrutiny Sub-Committee would also emulate and innovate in the same way and look to find solutions to the complex housing problems in the borough.

She referred members to the agenda and stated the meeting would cover; some administrative actions, agreeing a draft work programme, followed by a report on Leaseholder Management, outcomes of the Affordability Commission and the Implications of the New Housing and Planning Act 2016.

She requested everyone to introduce themselves and commenced the meeting.

There were no apologies for absence and no declarations of interest declared.

2. APPOINTMENT OF VICE-CHAIR

Councillor Amina Ali nominated Councillor Andrew Cregan and Councillor Helal Uddin seconded the nomination. Councillor Andrew Cregan was elected as Vice-Chair of the Housing Scrutiny Sub-Committee.

3. REPORTS FOR CONSIDERATION

3.1 Terms of reference - Housing Scrutiny Sub-Committee

The Chair referred members to pages 5-13 of the agenda pack and explained that the Committee is required to review and note the terms of reference of the Sub-Committee, as agreed by Full Council at its meeting of 18th May 2016. She asked if there were any points arising:

Councillor Andrew Cregan asked for clarification regarding page 9 of the agenda pack which referred to the 26th September as the next meeting date and page 13 which referred to the 10th October.

Afazul Hoque confirmed the date to be the **10th October 2016**.

Councillor Cregan also requested that the 28th November 2016 meeting be reviewed as this was on the same date as the Labour Group meeting.

The responsible officer agreed to seek a new date for this meeting.

The Sub-Committee **RESOLVED** to:

AGREE the terms of reference, Quorum, Membership, dates of future meetings for the Housing Scrutiny Sub-Committee, subject to the aforementioned meeting date amendments.

3.2 Draft Annual Work Programme

Afazul Hoque, Interim Service Manager, - Strategy, Policy and Performance introduced the report stating the induction session held on the 27th June, had assisted in formulating the draft work programme.

He drew attention to the October and February meetings and highlighted the Sub-Committee would receive quarterly performance data for these meetings; with challenge sessions whereby Members could further probe the Cabinet Member for Housing Management and Performance as well as the Member for Strategic Development.

Afazul informed the Sub-Committee it would receive an update on the recommendations relating to Section 106 applications but there was flexibility in the work programme for the Members to consider topics such as under-occupation and explore housing schemes which deliver best practice and positive outcomes for residents.

This was followed by questions from Members who made the following points:

- Cross-party working group relating to Private rented sector should be considered, which reports directly to the Housing Scrutiny Sub-Committee. Upon discussion agreed this may be useful to consider once the Sub-Committee has established itself especially as there would be resource implications.
- Challenge sessions with Portfolio Leads need to be inclusive –i.e. involve partners and should be communicated via social networks in order to encourage public participation. Members agreed the Tower Hamlets Housing Forum represented the views of Housing Associations who are invited to all the meetings of the Sub-Committee. This relationship needs to be built before the Sub-Committee can challenge procedures and practices.
- The Sub-Committee should have a strategic approach examining housing management, in view of some registered providers growing and merging into larger organisations. Relevant questions could include; are registered providers providing value for money, what is the basic level and quality of service leaseholders/tenants can expect and how can the Sub-Committee influence culture change in organisations to be more customer-focussed. Councillor Sirajul Islam, Cabinet Member for Housing Management and Performance agreed to share

Performance indicators with the Sub-Committee, alluded to earlier as quarterly reports for the October and February meetings.

The Sub-Committee **RESOLVED** to;

Note the draft work programme for the Housing Scrutiny Sub-Committee.

3.3 Tower Hamlets Leaseholders Report

Councillor Sirajul Islam, Cabinet Member for Housing and Performance introduced this report and said work had been undertaken to examine the methodology used to calculate service charges as this was a problem identified by residents.

A number of independent studies had been conducted over the years and this report summed up the findings. He stated that the number of leaseholders in Tower Hamlets was currently 9000 residents and this figure was likely to increase. He welcomed the new Chief Executive of Tower Hamlets Homes (THH), Susmita Sen and said the organisation had now established a service improvement plan to deliver the recommendations identified.

Susmita Sen delivered her presentation to Members and made the following points:

- The Audit reports of Beever and Struthers (2010) and Mazars (2014) made several recommendations and both reports found the methodology used to calculate service charges was fair, transparent and provided value for money.
- To ensure recommendations from these reports were implemented correctly, Tower Hamlets Homes assigned the Housing Quality Network to independently test and make further comments. They concluded that good progress had been made.
- Moving forward, Susmita stated that she intended to work together with residents, partners and the Council to develop organisational excellence, provide excellent customer service and maintain homes and neighbourhoods to be proud of.
- THH was looking to co-locate its customer service teams / call handlers for repairs and maintenance with contractors in order to improve customer service and offer a swifter response.
- THH is developing a 5 year Asset Management Strategy to enable better management of its asset and plan for major works, so to improve notification to leaseholders of any increases in service charges.

This was followed by questions from the Members who made the following comments.

- Councillor Cregan asked how the Asset Management Plan would be financed. Jackie Odunoye responded that a report to July Cabinet set out in more detail projections in budget and predictions as to cost.
- Members asked how scheduled major works would be communicated to residents and how they intend to involve residents. Susmita Sen acknowledged communication with leaseholders was paramount and THH needed to develop more innovative methods of communication such as improved use of IT – Smarter apps and better online information. Councillor Rabina Khan cautioned THH to be mindful of elderly residents who may not have access to new technology. Susmita concurred and said these improvements would be in addition to improving customer service helpdesk arrangements.
- Members welcomed the co-location of customer service and contractor teams but emphasised the need to improve supervision of contactors and works in communal areas i.e. Door Entry systems and the signing off of completed works. Members enquired if financial penalties could be imposed on contractors not fulfilling their contract.

The Sub-Committee **RESOLVED** to:

Note the Leaseholder Management report by Mazar's and Tower Hamlets Homes response to the recommendations contained therein.

3.4 Affordability Commission

Jackie Odunoye, Service Head for Strategy, Regeneration and Sustainability introduced this report and asked her colleague Martin Ling to present the findings.

Martin Ling informed Members the Affordability Commission was set up at the behest of the Mayor to investigate the delivery of genuinely affordable housing in Tower Hamlets.

The Commission held three public meetings to assist in the development of housing policy and made 11 recommendations.

Martin Ling referred Members to pages 106 -108 in the agenda pack and highlighted the key themes emerging, namely:

- Social rented housing on Council owed sites
- Bespoke intermediate rented product on Council Owned sites; and
- Guidance for lower than current affordable rents for Registered providers.

In conclusion, the Affordability Commissions work has been a valuable piece of work to aid the development of Housing Strategy.

This was followed by questions from Members who made the following points:

- Was the Council still looking to develop affordable housing schemes with Borough Framework rents? Jackie Odunoye responded stating Borough Framework rents were calculated using a percentage of market rent but these rents were too high and with no grant funding available, it was open to discussion with registered providers and also a question of waiting to see what the Mayor for London was going to do.
- How will the Right to Buy scheme with registered providers affect the affordable rents of tenants? Martin Ling stated that this would be difficult to predict as the government proposal of '20% starter homes' was dependent on market forces.

The Sub-Committee **RESOVLED** to:

Note the report of the Affordability Commission.

3.5 Implications of the New Housing and Planning Act 2016

Martin Ling, Housing Strategy Manager presented this report which sets out the main reforms introduced by the Housing and Planning Act 2016 which received Royal assent on the 12th May 2016.

Martin referred Members to the various points in the report and made the following comments:

- **3.3 – Providing a statutory framework for the delivery of new starter homes** - It would be difficult to put this into the Local Plan, as the housing need would not be met and this is a concern.
- **3.6 – Rogue Landlords and letting agencies** - Stated that the Housing Team was conferring with colleagues in Environmental Services to identify and tackle rogue landlords.
- **3.12 – Social Housing** - Stated awaiting detail contained within the regulations, yet to be published.
- **3.16 – End of lifetime tenancies** - Stated awaiting detail contained within the regulations, yet to be published.
- **3.22 – High income social tenants** – Stated awaiting detail contained within the regulations, yet to be published.

In summary, the Housing Strategy Team is awaiting the outcome of the regulations before it can formulate policies and strategies to support the changes required.

This was followed by questions from Members who made the following points:

- Cllr Andrew Wood referred to point 3.5 and stated that a co-ordinated response would have been better in order to influence the wider agenda and to lobby the London Minister for Housing.
- Cllr Rabina Khan asked when the lifetime tenancies would cease to be and how registered providers would assess income of social tenants deemed to be on a high income threshold? Martin responded stating lifetime tenancies would end April 2017 and the assessment of income by Registered Providers was voluntary and early indication was medium to small Housing Associations were not keen to pursue this, while large providers may do so.

The Sub-Committee **RESOLVED** to:

Note the report and acknowledged the detail from the Housing and Planning Act 2016 were still emerging.

Members thanked Jackie Odunoye and Martin Ling for their reports.


4. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

There was no other business discussed.

The meeting ended at 8.43 p.m.

Chair, Councillor Amina Ali
Housing Scrutiny Sub-Committee

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Non-Executive Report of the: Housing Scrutiny Sub Committee 10 th October 2016	
Report of: Aman Dalvi - Corporate Director Development & Renewal	Classification: Unrestricted
Housing Strategy 2016 - 2021	

Originating Officer(s)	Martin Ling – Housing Strategy Manager
Wards affected	All wards

Summary

The Council’s last Housing Strategy ran from 2009 to 2012 and has not been updated since. Under article 4a – Policy Framework of the Council’s Constitution, the Housing Strategy is listed as a discretionary strategy which if produced must be approved by the Council.

The Mayor agreed that the Council should work towards the development of a comprehensive Housing Strategy in 2016. A programme of consultation was launched on Monday 16th May 2016 with an article in *East End Life* by Mayor John Biggs setting out his concerns with regard to the measures contained in the Housing and Planning Act 2016 and informing residents that the Council will respond by developing a new Housing Strategy. The first stage consultation ran from 16th May to 31st July 2016. A second stage of consultation ran from September 16th to October 10th 2016.

The Strategy will need to have regard to the duties placed upon the Council by the Housing and Planning Act 2016. In addition it will need to respond to the housing priorities of the new Mayor of London, elected in May 2016. The Council is not statutorily required to have a Housing Strategy but if it chooses to do so it must have regard to Section 333D of the Greater London Authority Act 1999 which requires that any local housing strategy prepared by the Council must be in general conformity with the London Housing Strategy.

The Housing Strategy will be taken to full Council for approval in November 2016. This report sets out progress to date on producing the Housing Strategy, the outcomes of the first stage of consultation, details of the second stage of consultation and a suite of documents for which form the basis of the consultation.

Recommendations:

The Housing Scrutiny Sub Committee is recommended to:

1. To consider the draft Housing Strategy and attached appendices which have been consulted upon and to note the responses to the 1st stage consultation.

1. REASONS FOR THE DECISIONS

- 1.1 To enable the Housing Sub – Committee to challenge and comment on the draft strategy documents and contribute to the development of the Housing Strategy within the agreed timetable.

2. ALTERNATIVE OPTIONS

- 2.1 To not challenge or comment on the draft strategy documents and contribute to the development of the Housing Strategy within the agreed timetable

3. DETAILS OF REPORT

At present the Council has the following housing and policy statements:

Allocations Scheme (statutory)	Approved 2013
Tenancy Strategy (statutory)	Approved 2013
Homelessness Statement 2013 /17	Approved 2013
Older Persons Housing Statement 2013 /15	Approved 2013
Overcrowding and Underoccupation Plan	Approved April 2016
Private Sector Renewal Policy	Approved April 2016

3.1 Statutory Documents

As part of the process of producing a new Housing Strategy the Council will need to update its statutory documents. The revisions to the allocations scheme and tenancy strategy will be updated separately and will be taken to Cabinet for approval.

The Allocations scheme was programmed to go to Cabinet on the 4th October and the proposals are summarised in section 5.1 of the second stage consultation at Appendix 1.

Conditions with regard to the Tenancy Strategy will be subject to regulations provided by the Secretary of State as set out in the Housing and Planning Act 2016 and will be brought forward in advance of the implementation date which is expected to be April 1st 2017.

3.2 Other relevant Housing documents

In addition to the above reports, the Medium Term Housing Revenue Account (HRA) Financial Plan, proposals for the development of a Housing Company and Fuel Poverty Strategy will also be taken to Cabinet separately and programmed accordingly.

- 3.3 All other policy areas will be updated following the consultation process and incorporated into an overarching housing strategy with links to fuller documents as appendices where appropriate. It is intended to produce a

separate Homelessness Policy and a separate Private Rented Sector Policy. Draft documents which will form part of the second stage of the consultation process are attached at Appendix 2 and 3.

3.4 The Housing Strategy, will need to be mindful of other strategic plans produced by the Council including:

- The Community Plan
- The Strategic Plan
- The Local Plan
- The proposed Growth Strategy.

Commissioning Strategies relating to vulnerable adults:

- Hostels Plan
- Sheltered Housing Plan
- Accommodation Strategy for people with Learning Disabilities.

Other corporate documents including:

- Health and Wellbeing / Better Care Fund
- Children and Families Plan.

4. Progress to date and next stages

4.1 As set out above, the Council has embarked upon a six month programme to develop a new Housing Strategy.

4.2 The programme was launched on Monday 16th May 2016 with an article in *East End Life* by Mayor John Biggs setting out his concerns with regard to the measures contained in the Housing and Planning Act 2016 and informing residents that the Council will respond by developing a new Housing Strategy.

4.3 The first stage consultation (16th May 2016 – 31st July 2016) comprised publication of:

- An online survey for respondents to complete (comprising a short and a long survey, seeking people's opinions and comments on issues that were identified as important to the borough's new housing strategy)
- A housing strategy challenges and options paper
- Internal and external partner consultation programme
- Resident engagement programme.

The first stage consultation was both successful and informative with a total of 15 public engagements, 10 internal and partner meetings including an all Member seminar and over 400 surveys completed by the public. Several strong messages emerged including:

- Major concern over the shortage of affordable housing in the borough and concern that future rents set by the Council and housing associations will force people out of the borough
- Lack of housing choices for young people brought up , living and working in the borough meaning many on average incomes will be forced to stay at home, move out or pay high rents in poor quality private rented housing
- Support for the development of 'living rent' homes for this group at sub market levels on new build schemes developed on council estates
- Concern over population growth, impact on the environment and green spaces and whether vital infrastructure including schools, health centres and transport links will be developed to match the needs of the population
- General support for the Council's approach to meeting housing need and homelessness through prioritisation of households in most need and a comprehensive advice service.

A full report on the first stage consultation is attached at Appendix 4

4.4 The second stage consultation ran from 16th September 2016 – 10th October 2016 and comprised publication of:

- Appendix 1 - A detailed draft housing strategy document with a proposed action plan.

Draft outline 'daughter' documents of the strategy as set out above:

- Appendix 2 – Draft 2016-21 Homelessness Strategy
- Appendix 3 – Draft 2016-21 Private Sector Housing Strategy

4.5 These are outline documents which set out the council's proposed approach to these two important agendas and will be fully developed further into policy papers following the second stage consultation.

4.6 These documents were placed on the website and sent to all partner organisations across the Borough and the region asking for final comments by Monday 10th October.

4.7 In total the consultation period will have lasted 16 weeks through the two stages. In addition to seeking comments on the consultation document, a further series of meeting with partners and representative groups will take place and a housing conference was held on Saturday 1st October 2016.

4.8 A further report will then be brought to Cabinet on Tuesday 1st November prior to being placed on the agenda for full Council for consideration on Wednesday 16th November 2016.

5. KEY ISSUES FOR CONSIDERATION

5.1 The changes in the housing market, pressure on affordability and the impact of the Housing and Planning Act 2016 will all place constraints on the how the Council can respond to the significant challenges ahead with limited resources. Consequently there are difficult choices to make. Set out below are some of the key priorities the Housing Sub - Committee may wish to consider at this stage regarding development of the Housing Strategy:

- Maximising affordable housing building from all sources of housing supply, with a focus on the borough's three opportunity areas.
- Agreeing how best to allocate homes balancing different needs including reducing the number of families in high cost temporary accommodation both inside and outside the Borough.
- Exploring the merits of creating a Social Lettings Agency that can help offer more housing options for homeless people and others in housing need.
- Setting up a housing company to deliver new homes both inside and outside the borough.
- Exploring the merits of the council buying or developing its own hotel to meet emergency housing needs and to develop directly, or in partnership with Registered Providers, a portfolio of temporary accommodation for homeless households.
- Developing a comprehensive approach to improving conditions in the private rented sector.
- Continuing to develop effective partnership working relationships with Tower Hamlets Homes, housing association and voluntary sector partners, residents and other stakeholders.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This report provides an update to the Housing Scrutiny Sub Committee on the consultation that has been undertaken to date on the draft Housing Strategy for 2016 to 2021, and the Committee is asked to note the responses to the 1st stage consultation.

4.2 The Housing Strategy contains various policies and statements setting out a range of activities and priorities for the Council and key partners that will provide a clear focus for ensuring that available resources are targeted to and are in line with these needs. The individual statements that have previously been approved are itemised in paragraph 3 above and have all been considered separately by Cabinet.

4.3 The implementation of the various elements of the strategy will be subject to the availability of funding, and further reports assessing the financial impact of individual proposals will be submitted in future to the Mayor in Cabinet. Delivery of the strategy will be extremely challenging in the current economic climate, particularly in view of the uncertainty surrounding the implications of the recently enacted Housing and Planning Act where much of the financial detail will only become clear when secondary legislation is published over the

coming months. The strategy will require a co-ordinated approach and alignment of funding from all major partners, and will also require that best value is obtained from limited sources of external funding, given that the Council's mainstream resources to support the strategy are extremely limited.

The Council's gross revenue budget for Housing related services is £127.253 million, consisting of £2.254 million for Lettings, £35.427 million for Homelessness and £89.572 million for the Housing Revenue Account. The costs of preparation and consultation on the Housing Strategy and its constituent elements are being met from within existing revenue resources.

5. LEGAL COMMENTS

5.1

5.1 The Council is a local housing authority and pursuant to section 333D(1) of the Greater London Authority Act 1999 ('the 1999 Act') when exercising any function relating to housing or regeneration, the Council shall have regard to the London housing strategy. Section 333D(2) of the 1999 Act provides that any local housing strategy prepared by a local housing authority in Greater London must be in general conformity with the London housing strategy.

5.2 The term 'general conformity' is not defined in the Act. In the context of the 1999 Act, 'general conformity' would allow a considerable degree of movement between the London housing strategy and the Council's housing strategy. There does not have to be strict conformity but providing that the Council considers or includes the main features or elements of something then that will be sufficient.

5.3 A local housing strategy is defined in the 1999 Act as any statement of the local housing authority's policies or proposals relating to housing. Therefore the six (6) housing and policy statements listed at the paragraph 3 of this report are local housing strategies.

7.4 Whilst the Council is not under a duty to have an overarching Housing Strategy, the overarching strategy can reflect the core [values](#) and goals and the underlying [strategies](#) for achieving them. The overarching strategy can provide clear [direction](#) for the Council and its partners in meeting housing expectations.

7.5 Further, the Strategy can consider the implications of the Housing and Planning Act 2016 ('the 2016 Act') and which received Royal Assent on 12th May 2016 and is now enacted. The Act was published on 23rd May 2016 and contains a number of housing impacts for local authorities including provisions on new homes (including starter homes); landlords and property agents; abandoned premises; social housing (including extending the Right to Buy to housing association tenants, sale of local authority assets, 'pay-to-stay', and secure tenancies), planning; compulsory purchase; and public land (duty to dispose). Whilst, subordinate legislation (e.g. Statutory Instruments) is required to introduce relevant sections of the 2016 Act into force, it would be

prudent for the Housing Strategy to consider such so as to lessen any potential impacts.

- 7.6 The Housing Strategy is a discretionary policy within the Council's Budget and Policy Framework and as such, the procedure set out in the Budget and Policy Framework Procedure Rules needs to be followed. This requires pre-decision scrutiny by the Overview & Scrutiny Committee and this report to the Housing Scrutiny Sub-Committee is consistent with that requirement.
- 7.7 Also pursuant to the Council's Budget and Policy Framework Procedure Rules, the Mayor as the Executive is responsible for preparing the draft Policy for submission to the full Council. It will therefore be for the Mayor in Cabinet to recommend the draft Policy to Full Council.
- 7.8 Two (2) stages of consultation have taken place and such consultation should comply with the following common law criteria:
- (a) it should be at a time when proposals are still at a formative stage;
 - (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
 - (c) adequate time must be given for consideration and response; and
 - (d) the product of consultation must be conscientiously taken into account.
- 7.9 A consultation report is at Appendix 4 in respect of the first stage of consultation and the Mayor as the Executive will be required to carefully consider the consultation responses before making a decision to recommend the Housing Strategy to Full Council.
- 7.10 The second stage consultation also provided draft outline 'daughter' documents of the Housing strategy namely: a draft 2016-21 Homelessness Strategy; and a draft 2016-21 Private Sector Housing Strategy.
- 7.11 With regard to the Homelessness Strategy, section 1 of the Homelessness Act 2002 places a statutory obligation on all local authorities to undertake a review of homelessness in their area and, based on the findings of this review, to develop and publish a strategy to tackle and prevent homelessness.
- 7.12 As to the Private Sector Housing Strategy, section 3 of the Housing Act 2004 ('the 2004 Act') places a duty on the Council to keep the housing conditions in its area under review with a view to identifying whether it needs to take any action with respect to its powers under: Part 1 of the 2004 Act (Enforcement of housing standards); Part 2 of the 2004 Act (Licencing of TMOs); Chapters 1 and 2 of Part 4 of the 2004 Act (Management Orders); Part 9 of the Housing Act 1985 (demolition and slum clearance); Part 7 Local Government and Housing Act 1989 (renewal areas); and Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

- 7.13 As outline documents, both these draft Strategies will be fully developed further into policy papers and will be the subject of separate reports.
- 7.14 When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). To inform the Council in discharging this duty an Equality Assessment will be carried out on the Housing Strategy prior to the 2nd stage consultation. Further information about discharging this duty is in the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 An initial Equality Assurance Checklist has been completed which does not identify any adverse impact of the draft proposals on the equality groups of the nine protected characteristics. A full assessment of individual policies such as the Allocations Scheme and Homelessness Strategy will be carried out and if any potential negative impacts are identified mitigating actions will be identified accordingly.
- 6.2 A full Equality impact Assessment is being undertaken and will be presented to the Council for consideration when the final Strategy document is taken forward for approval in November 2016.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The proposals set out in Housing Strategy will be required to align with the Council's Best Value Duty.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The Housing Strategy will have implications for sustainable actions for a greener environment and these will be considered further as each area of the Strategy is developed further.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The proposals set out in the Housing Strategy will carry risks for the Council. Each action will be separately monitored and subject to local risk management conditions by either the Council or its partners.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 Well managed housing in secure neighbourhoods can contribute to the Council's ability to reduce crime and disorder in the borough. The Council

works with its housing association partners and the police to tackle anti-social behaviour at an estate level and the development of further partnership through the delivery of the Housing Strategy will assist in taking forward this objective.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1: Draft 2016-21 Housing Strategy
- Appendix 2: Outline Draft 2016-21 Homelessness Strategy
- Appendix 3: Outline Draft 2016-21 Private Sector Housing Strategy
- Appendix 4: First Stage Consultation Report

- **Officer contact details for documents:**
- n/a

- **Originating Officers and Contact Details**

Name	Title	Contact for information
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London Borough of Tower Hamlets

Draft 2016–21 Housing Strategy

DRAFT

Introduction from the Mayor of Tower Hamlets

Housing is the biggest issue facing Tower Hamlets residents – as my postbag and email inbox confirms every day. I spend a lot of time thinking about what the Council should do to help.

In this borough we have a wide gap between those on the highest incomes and wealth and those in poverty, very high value homes and land values and widespread affordability challenges because our most socially and economically excluded households are on very low incomes.

The shortage of affordable housing has led to high numbers of homeless families, and thousands of families still overcrowded as well as other households with both physical and other disabilities who require our assistance. Although our ageing population is relatively small we expect this to grow and have a duty to help this group remain independent within their own homes or provide extra care and support where it is needed.

We now have a very mixed economy of providers with a diminishing number of council homes, a large number of Housing Associations providing most of the social housing, a massive growth in private rented housing and declining homeownership. This has all happened over a relatively short period of time.

This profile presents numerous challenges for us in terms of both future planning and day to day provision of services which this Strategy will seek to address.

As Mayor I pledged to build 1000 new council homes, and to look at helping residents who are being priced out of renting or buying in their local area. I also want to work with housing associations to ensure they are financially sustainable and properly accountable to their residents. [I want to support private renters, promoting awareness or private tenants' rights and responsibilities](#)

This document sets out how we intend to meet these challenges and is the second stage of our consultation process. This is about more than new housing delivery as residents draw on a range of services that the council provides.

Please take the time to comment on this document so we can develop a housing strategy that reflects local people's and others stakeholders' views.

Mayor John Biggs

Executive Summary

The lack of decent quality affordable housing is the major challenge the council and its residents and stakeholders currently face. Despite the borough being the top deliverer of affordable housing in the country, we need to continue to build more homes, but at a price that people can afford. We need to ensure that the homes available to us are allocated fairly and that we explore all options necessary to meet housing need. This strategy focuses also on the standard of private rented housing and how we can improve it as it is now the largest segment of the housing market.

This broader vision to our approach is set out in the *Tower Hamlets Partnership Community Plan 2015*. The Community Plan themes focus on making the borough:

- A great place to live
- A fair and prosperous community
- A safe and cohesive community
- A healthy and supportive community

To deliver the housing aspects of our vision in the Community Plan our vision by ensuring that that:

- there are housing choices for all sections of our diverse community
- the homes people live in are in a decent condition, warm, and weathertight
- the most vulnerable people's housing needs are met in a fair and inclusive way
- all homes are in safe, prosperous and thriving areas
- that our response to housing issues is measured and achieves value for money

To deliver this vision, we have broken down our approach into four broad themes, identifying the challenges and setting out how we're going to meet them. The themes are:

- Delivering affordable housing, economic growth, and regeneration
- Meeting people's housing needs
- Raising private rented housing standards
- Effective partnership working with residents and stakeholders

To meet the challenges we face, some 28 action areas have been identified to help meet them. These include:

- Maximising affordable housing building from all sources of housing supply, with a focus on the borough's three opportunity areas
- Agreeing on how best to allocate homes balancing the need of those with different needs including reducing the number of families in high cost temporary accommodation both inside and outside the Borough.
- Exploring the merits of creating a Social Lettings Agency that can help offer more housing options for homeless people and others in housing need
- Setting up a housing company to deliver new homes both inside and outside the borough
- Developing a comprehensive approach to improving conditions in the private rented sector.
- Exploring the merits of the council buying or developing its own hotel to meet emergency housing needs and to develop directly, or in partnership with Registered Providers, a portfolio of temporary accommodation for homeless households.
- Continuing to develop effective partnership working relationships with Tower Hamlets Homes, housing association and voluntary sector partners, residents and other stakeholders

The rest of this document sets out in more detail the scale of the challenge we are facing and what we are proposing to do about it.

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Index

- 1. Our vision for housing in the borough**
- 2. A snapshot of the housing evidence base**
- 3. Working with the Mayor of London against the wider national policy backdrop**
- 4. Delivery Theme 1 – More affordable housing, economic growth, and regeneration**
 - 4.1 Building new homes: local plan policy
 - 4.2 Outcomes from the Mayor of Tower Hamlets’ Housing Policy and Affordability Commission
 - 4.3 Funding new council homes, estate regeneration and other affordable housing
 - 4.4 Increasing and widening housing supply and choice
 - 4.5 Energy efficient, high quality, well designed affordable homes
 - 4.6 Modular Housing
 - 4.7 Self build and custom housing
 - 4.8 Regeneration: jobs, skills and the local economy
- 5. Delivery Theme 2 - Meeting people’s housing needs**
 - 5.1 Common housing register allocation scheme
 - 5.2 Intermediate housing register
 - 5.3 Homelessness Strategy
 - 5.4 Tenancy Strategy, including fixed term tenancies
 - 5.5 Tackling Overcrowding
 - 5.6 Older persons’ housing needs
 - 5.7 Supported housing and other forms of temporary accommodation
 - 5.8 Housing for people with learning difficulties and autism
 - 5.9 Project 120 – meeting the needs of people who use wheelchairs
 - 5.10 Gypsies and travellers
- 6. Delivery Theme 3 - Raising private rented housing standards**
 - 6.1 Landlord licensing scheme
 - 6.2 Closer working with private landlords including promoting accreditation
 - 6.3 Private sector housing renewal policy 2016/21 including the Better Care Fund and empty homes
 - 6.4 Buy to leave
 - 6.5 Housing Conditions: Investigation and Enforcement
 - 6.6 Other Private Sector Housing issues
- 7. Delivery Theme 4 - Effective partnership working with residents and stakeholders**
 - 7.1 Tower Hamlets Homes and the council’s tenants and leaseholders
 - 7.2 Tower Hamlets Housing Forum – working with our registered provider partners
 - 7.3 Other local authorities
 - 7.4 Private sector partners
 - 7.5 Third sector partners
- 8. Our approach to equalities**
- 9. Financial Overview – Resourcing the delivery of the housing strategy**
- 10. Action Plan**

Glossary

Section 1 – Our vision for housing in the borough

In setting a vision for housing, we need to ensure it sits within a broader vision for the borough's residents and the many stakeholders we work with. These stakeholders include private employers, housing associations, advisory agencies, services providers and people who work in the borough but who don't live here. This broader vision is set out in the *Tower Hamlets Partnership Community Plan 2015*. The Community Plan themes focus on making the borough:

- A great place to live
- A fair and prosperous community
- A safe and cohesive community
- A healthy and supportive community

These are the broad thematic headings that provide the direction for what the council does and the final housing strategy document needs to strategically fit with it.

Residents' comments are reflected in the Community Plan under the heading *Housing for all*:

Residents are worried about the affordability of homes being developed in the borough, with many households on low wages feeling that they are beyond the reach of most people who want to live in Tower Hamlets. Suitable housing options that meet the needs of people with learning disabilities, mobility issues or mental health problems are specific challenges.

Residents want the partnership to secure the continued existence of mixed communities through supporting a range of affordable housing choices that reflect the people who live and aspire to reside in the borough. They also want less development of high value housing which promotes gentrification and creates a divide, leaving certain communities behind.

Residents also highlighted the importance of issues such as drugs misuse and anti-social behaviour which can blight individual and community life on estates, and emphasised how good housing and good living conditions is fundamental to wellbeing and cohesion.

Source: *Tower Hamlets Partnership Community Plan 2015* (Page 21)

Initial consultation

The first stage consultation was both successful and informative with a total of 15 public engagements, 10 internal and partner meetings including an all Member seminar and over 400 surveys completed by the public. Several strong messages emerged including:

- Major concern over the shortage of affordable housing in the borough and concern that future rents set by the Council and housing associations will force people out of the borough
- Lack of housing choices for young people brought up, living and working in the borough meaning many on average incomes will be forced to stay at home, move out or pay high rents in poor quality private rented housing
- Support for the development of 'living rent' homes for this group at sub market rent levels in new build developments on council estates
- Concern over population growth, impact on the environment and green spaces and whether vital infrastructure including schools, health centres and transport links will be developed to match the needs of the population
- General support for the Council's approach to meeting housing need and homelessness through priority and advice

A clear majority of residents are in broad agreement with the direction set out in the Stage 1 options and challenges paper, supporting the development of truly affordable housing that meets the needs of a range of people in the borough in need on low to median incomes. It is also clear that residents are dissatisfied with many aspects of private rented sector housing and want the Council to intervene where possible to improve the quality of the sector in the borough.

We've sought to take account of these views in this document. They reflect the wide impact that housing has on people's lives. What we seek to do in this document is to set out how we think we can meet them as far as we can, within the constraints of the resources we have at our disposal and the environment in which we operate. Some of these services we have to provide, so in some instances it's about how we provide the services not whether we provide them.

The other key document to take account of is the Local Plan, the Council's strategic planning development document. The Local Plan sets out where new homes, offices, schools and transport will be located, and what policies will guide their development. This document is currently in draft form and is referred to below in section 4. It's an important document because it sets out in broad terms where the majority of new homes will be built in the borough up to 2025 and what kind of homes they should be. The Local Plan will need to be in general conformity with the Mayor of London's London Plan and will eventually need to be signed off by the Government. It is important that the council is mindful of competing regional and national priorities and policies when developing its own housing plans.

For the purposes of this document, our housing vision for the borough is as follows:

Tower Hamlets Council wants to ensure that:

- there are housing choices for all sections of our diverse community
- the homes people live in are in a decent condition, warm, and weathertight
- the most vulnerable people's housing needs are met in a fair and inclusive way
- all homes are in safe, prosperous and thriving areas
- that our response to housing issues is measured and achieves value for money

To deliver this vision, we have broken down our approach into four broad delivery themes, identifying the challenges and setting out how we're going to meet them. The themes are:

- Delivering affordable housing, economic growth, and regeneration
- Meeting people's housing needs
- Raising private rented housing standards
- Effective partnership working with residents and stakeholders

In meeting these challenges, the council needs to have in place effective partnership working with residents and stakeholders including Housing associations, developers and the voluntary sector to help deliver them. This is in effect a cross cutting theme to all our work, because if we don't work in partnership, we won't successfully meet the challenges that we have identified.

Section 2 - A snapshot of the housing evidence base

Headlines

- More than 19,000 households on the housing register.
- More than 9,000 people in substantial housing need.
- 44% of households in income poverty.
- Population of TH to increase by 26% by 2026.
- The average cost of a property in LBTH is more than 14 times (£450,000) what a typical key worker could earn in wages (£35,000).

Housing Register

- 53.75 % of households are in priority categories 1 and 2.
- 7,078 of these households are over-crowded.
- 52.3% of all households on the register are Bangladeshi families.
- 506 residents on the register are under-occupying by two rooms or more.
- There are over 232 households with a need for wheelchair adapted property in category 1a and 1b.

Homelessness

- There are nearly 2,000 households in temporary accommodation of which over 1000 are housed outside the borough.
- In 2015/16 the Housing Options Team made 656 homeless decisions, this is 15% down on decisions made in 2014/15. Of the 656 homeless decisions made, 522 were accepted as homeless
- In 2015/16, 78 households were intentionally homeless and in priority need, for the same period that 522 households were unintentionally homeless and in priority need – this is a reduction of 27% compared to 2008/09
- During 2014/15 the Housing Options Team prevented over 672 households becoming homeless

Lettings

- Nearly 8,500 homes have been let in Tower Hamlets over the past four years.
- 58% of all homes let through choice during 2015-16 were let to an over-crowded household.

Housing Stock

- The housing stock in Tower Hamlets has increased by 27% since 2003; there are now almost 121,000 homes in the Borough.
- In 1986 around 82% of all homes in Tower Hamlets were Council/ GLC owned, today only 10.9% of the stock is Council owned and for the first time in the Borough's history, less than half the housing stock is social housing.
- The private rented sector is now the fastest growing housing sector in the Borough; it has risen from 18.3% of the stock in 2003 to around 39% of the stock in 2014.
- There are now approximately 7,000 student bedspaces in the Borough, the highest in London.
- There are close to 9,000 ex-right to buy leasehold properties managed by Tower Hamlets Homes in the Borough. Overall, there are more than 15,000 leasehold properties formerly owned by the Council.

- There are an estimated 2,800 intermediate housing units in the Borough.
- The Borough is growing by over 3,000 homes per year, making Tower Hamlets the quickest growing Borough in London. Consequently the borough qualifies for the highest level of New Homes Bonus in the country.
- Tower Hamlets has a strong track record of housing delivery and continues to provide among the highest number of affordable homes in the country
- Almost 2,500 affordable homes have been delivered in Tower Hamlets in the last three years.
- The council is committed to the delivery during 2014-18 of 5,500 affordable homes in total by all affordable housing providers, of which 1,000 will be by the council for rent. The majority of these 1,000 homes will be built on council-owned vacant land.
- Tower Hamlets has delivered 25% more homes than Birmingham, the second highest delivery authority in the Country and 30% more than Hackney, the second highest delivery authority in London.

Private sector Stock

- As of 2011, Tower Hamlets had approximately 67,209 homes in the private sector, of which 62% are in the private rented sector.
- Private rented is now the largest tenure in the borough with 39% of the housing stock. The London average is 25%.
- Around 16% of properties are over-crowded while 39% are under occupying.
- Approximately half the leasehold stock sold under right to buy is now privately rented.
- Approximately 37% of the private stock was built post 1990.
- 19% of the borough's stock failed the decent homes standard in 2011 compared with 35.8% nationally
- There are approximately 284 licensed Houses in Multiple Occupation (HMOs) and 70 unlicensed HMOs in the borough
- 30% of all category one hazards are in HMOs.

Future Housing Delivery

- Tower Hamlets has an annual housing target of 3,931 set up the Greater London authority and is expected to accommodate an additional 39,310 homes by 2025

Demographics and Housing Need:

- Ethnic minority households in the Borough are disproportionately affected by homelessness. In 2015/16 80% of households accepted as homeless were from BME groups. However, ethnic minority groups account for 69% of the Borough's population.
- BME households account for over 70% of households on the Housing List, and the majority of those that are overcrowded.
- BME households are, on average, larger and more likely to be overcrowded.
- Asian households are, more likely to be homeless than any other ethnic group in the Borough. Though only accounting for 30% of the population, 59% of households accepted as homeless in 2015/16 are Asian.
- Black households in the Borough are also disproportionately affected by homelessness when compared to the population as a whole. Black households make up 16% of households accepted as homeless, but represent 7% of the Borough's population.
- The largest age groups accepted as homeless are the 16-24 and 25-44 age groups (with the latter being the largest), though the numbers of acceptances from these groups have dropped significantly – again a reflection of overall reductions in homeless acceptances.

- Acceptances across most other age groups has also reduced or remained constant. In 2008/9 323 households accepted as homeless (37.9%) were from the 16-24 age group. By 2015/16 the figure was 91 households (17%) of those accepted.
- Acceptances for the 25-44 age group has seen a steady decrease. Homeless acceptances for this age group went from 454 in 2008/9 to 349 in 2015/16, a 33% reduction.
- The number of households accepted as homeless who are 60 or above also reduced, from 31 in 2008/9 to 11 in 2015/16. Acceptances among the 45-59 age group increased from 45 in 2008/9 to 71 in 2015/16.
- The number of homelessness acceptances made as a result of a member of the household having a physical or mental disability has decreased dramatically between 2008/9 from 97 households to 18 households in 2015/6. The percentage of acceptances as a result of vulnerability due to a disability is 3.4%. However, this is the third largest priority need group, behind those with dependent children and pregnant women.
- The percentage of residents 65 and over in the borough is 6% compared to London's 11%.

¹ All data has been taken from the 2016 LBTH Housing Evidence Base

Section 3. Working with the Mayor of London against the wider national policy backdrop

Mayor of London

Sadiq Khan was elected as the new Mayor of London on 5th May 2016. Meeting housing need is one of his key objectives and the Council will work closely with him over the next four years. Set out below are his election commitments and the Council will need to consider these as it develops its own Housing Strategy.

- **Homes for Londoners** - The Mayor will set up a new team at City Hall dedicated to fast-tracking the building of genuinely affordable homes to rent and buy.
- **Putting Londoners first** - The Mayor will set a target for 50 per cent of all new homes in London to be genuinely affordable, and use mayoral powers and land to stop 'buy-to-leave' and to give 'first dibs' to first-time buyers and local tenants. He will aim to end the practice of thousands of homes in new developments being sold off-plan to overseas investors each year.
- **More investment in housing** - The Mayor will support housing associations in their plans to ensure a minimum of 80,000 new homes a year.
- **Land for homes** - The Mayor will bring forward more land owned by public bodies like Transport for London and use the Mayor's new homes team to develop that land. This will enable more homes to be built where they are needed, rather than where developers think they can make the most money.
- **London Living Rent** - The Mayor will create a new form of affordable housing, with rent based on a third of average local income, not market rates. A new form of tenure, more affordable, and giving Londoners the chance to save for a deposit.
- **Action for private renters** - The Mayor will establish a London-wide not-for-profit lettings agency to promote longer-term, stable tenancies for responsible tenants and good landlords across London.
- **Action on Landlords** - The Mayor will work with boroughs to set up landlord licensing schemes – naming and shaming bad landlords and promoting good ones.

The council supports the broad approach and specific commitments the new Mayor of London has made, but we appreciate that it will take some time to implement new strategies and policies to make the needed difference. At the time of writing the council understands that the Mayor of London intends to consult on a new Affordable Housing Supplementary Guidance document that should help maximise affordable housing delivery through the planning process. This is likely to be an early step of a wider process to refresh the London Housing Strategy and the key planning document that sits behind it, the London Plan.

The council is likely to support any effort on the part of the Mayor of London to maximise affordable housing delivery and the council is already using its own resources to help do so. But we need to ensure that the interests of the borough's residents are at the fore when discussing and negotiating any changes that are proposed.

In the meantime, the Council needs ensure that its housing strategy is in general conformity with the former Mayor of London's adopted Housing Strategy (October 2014). This focused on meeting the needs of London's growing population. The Strategy aims to almost double

housebuilding to at least 42,000 homes a year for the next twenty years. This challenge formed the core ambition of the former Mayor's Housing Strategy – formally adopted in October 2014.

The strategy also aimed to better reward those who work hard to make this city a success by:

- massively increasing opportunities for home ownership.
- improving the private rented sector.
- ensuring working Londoners have more priority for affordable homes to rent

At the same time, the strategy reiterates the previous Mayor's long-standing commitment to address homelessness, overcrowding and rough sleeping.

Wider national policy context

In May 2016, the Queen gave royal ascent to the Housing and Planning Bill which will have a significant impact on our strategy. The council was opposed to many aspects of the Bill prior to it becoming an Act of Parliament, as we think it had very little positive to contribute to meeting affordable housing need in the country and in Tower Hamlets itself. However it is now legislation that we need to take account of and implement when and where necessary.

The Act includes requirements to:

- Charge higher rents to council tenants on incomes of over £40,000 a year.
- Require council planners to allow a new 'affordable' home product called Starter Homes at 20% below market cost but for sale at no more than £450,000 which will replace other forms of affordable housing.
- Make fixed term tenancies mandatory for new council tenants.
- Require Councils to consider selling higher value council homes to fund the extended right to buy for housing association tenants.

This Act and associated interventions detailed in the Government's 2015 Spending Review, such as the four year 1% rent reductions and wider welfare reform changes (including the rolling out of the Universal Credit and reduction in the Benefit Cap to £23,000 per year) will present major challenges to all stakeholders in the borough – residents, housing associations, advisory agencies and the council itself. Resources for building new affordable housing through the Greater London Authority's investment programme are likely to be limited, with the government's focus on affordable home ownership rather than affordable or social rented housing.

The council's response

In considering our response, we're particularly concerned about:

- For our residents, the continuing roll-out of Universal Credit (which combines six existing benefits into one), the cap of £23,000 benefit entitlement to be introduced Autumn 2016 for non-working households, and the reduction in benefits to disabled people. We're also concerned about government proposals to limit benefit entitlement to the local housing allowance for vulnerable people in supported housing and to reduce housing benefits for single people under 35 in social rented housing to the shared room local housing allowance. For our Council tenants, the introduction of Pay to Stay higher rents for households earning a gross income of more than £40,000 is also a challenge.

- For our council stock, the requirement by the government to fund the extension of the right to buy for housing association tenants (nationally, not just in Tower Hamlets) using the sale proceeds of much needed council homes that become empty.
- For the investment plans of social landlords, including Tower Hamlets Homes, following the reduction of social rents that can be charged for the four years starting in 2016/17 which will impact organisations' ability to invest in their stock and build new affordable homes.
- For the development of new affordable homes for rent, given the government's focus on home ownership, including Starter Homes which are likely to be priced at up to £450,000, which the council doesn't consider to be affordable to local people which will be available to any eligible person – principally first time buyers under the age of 40 in the United Kingdom – on a first come first serve basis.

This housing strategy is about how we intend to meet these new challenges and those that we continue to face. Our response will involve the council using any resources at its disposal to bring forward the development of new affordable housing and ensure that those who live in it presently are able to continue to afford to living in their home.

This will mean increasingly working on the basis of what resources the council and its partners, particularly local housing associations, have to work with. We are not anticipating significant Government grant to deliver social rented homes in the short to medium term.

One recurring theme that has emerged from the initial consultation process is around a feeling amongst longstanding residents is one of disconnection. The vast resources that have been channelled into the borough over last 30 or so years has led to a vastly improved transport network; places that have been regenerated and transformed beyond recognition; and the emergence of Canary Wharf as a financial capital to complement the City of London. But the change has arguably not benefitted the neediest and the idea of a 'trickle down' regeneration effect where private sector investment leads to positive social outcomes has arguably had only a marginal positive effect. And we have a situation whereby many local people on low to medium incomes seeing further development and regeneration not as something to be welcomed, but something that changes things for the worse.

The reality is that we will need to find a way of finding the right balance to take forward the existing model of private housing development funding affordable housing under pressure.

These are some of the challenges that the council has to wrestle with when considering residents' needs and aspirations which continue to grow, but the resources at our disposal to meet them are diminishing.

Section 4 – Delivery Theme 1 - More affordable housing, economic growth and regeneration

Why this is important

The Council believes that the provision of suitable housing for people that is decent, warm and weathertight condition is a fundamental right. Tower Hamlets is at the forefront, regularly delivering the highest amount of affordable housing nationally for what is one of the geographically smallest boroughs in the country. Twinned with this is ensuring that the parallel challenges of delivering economic growth and regeneration that benefits local people. For ongoing investment to be successful and sustainable, the benefits need to go beyond the bricks and mortar of housing, essential though the housing is. A new facet to the challenge is sustaining delivery in what is a difficult environment with limited public funding available for new affordable rented housing. The prospects for the residential housing market currently look uncertain and we need to be flexible about how we approach the housing delivery work that we have been successful in achieving in the past.

Population growth, meeting housing need locally and the requirement to contribute to meeting housing demand across London all point to the continued development of thousands of new homes in the Borough over the next ten years.

This section sets out the strategy in terms of number of homes, the broad location, and the type and cost of affordable accommodation in the borough which we aim to develop. We also set out how we want to see economic growth and regeneration calibrated to help meet residents' broader aspirations. Much of the economic growth and regeneration in the borough is housing-led, so we need to ensure that this kind of investment gives us more than new affordable housing, important though this is.

4.1 Building new homes: Local Plan Policy

During December 2015 to February 2016 the Council undertook the first stage of consultation on its new Local Plan which is the key planning document for the borough. The Plan should make clear what development, e.g., homes, offices, schools, is intended to happen over a certain period; where and when this development will occur; and how it will be delivered

Responses to this document, *Our Borough, Our Plan – A new Local Plan First Steps (Dec 2015)* have been received and are currently being considered. A further, more developed version of the Draft Local Plan will be consulted on in autumn 2016. The aim is to adopt the final Local Plan document, subject to secretary of state approval, by autumn 2017.

The December 2015 document stated that:

Tower Hamlets is expected to contribute a minimum of 39,310 new homes, approximately 10 per cent of the London housing target, by 2025. The borough's ability to supply land for housing in these quantities is becoming increasingly limited as a significant proportion of our available sites have already been developed. Land also needs to be secured to support the delivery of new infrastructure, such as schools, open spaces, health centres and transport links to create sustainable communities – Our Borough, Our Plan – A new Local Plan First Steps (Dec 2015)

The borough currently has around 121,000 homes, so adding a further 39,310 by 2025 is going to have a major impact and add additional pressures on the places that we have and the services that the council provides.

What we set out in the in final housing strategy will set the direction of travel towards what is set out in the Local Plan as we're adopting our housing strategy in autumn 2016, a year earlier than the Local Plan. The Local Plan document and associated guidance documents are the key documents referred to when considering planning decisions, but until the Plan is adopted the draft planning documents will be considered as 'emerging policy'. The adopted housing strategy influences current and emerging planning policy but will not determine it.

At present, the council seeks 35% to 50% affordable housing on new developments, but due to national planning policy and viability arguments made by developers, it is often difficult to deliver affordable housing within that range. Due to the significant proportion of housing that is proposed by private developers, which historically has yielded a large amount of affordable housing through what are called s106 agreements, the council will need to continue maximising affordable housing from this source.

This will prove increasingly difficult with the policy changes the government has brought in with the Housing and Planning Act 2016, particularly on Starter Homes, which will be set by the government at a cost of up to £450,000 in London.

A common perception of housing choice in Inner London areas is one where you have to be very wealthy or very poor to be able to access accommodation. Even what many of our residents would consider a high income is not necessarily sufficient to enter the low end of the home ownership market. An outcome sought from this strategy is recreating some of the housing choices which enabled the borough to attract a wide range of people that contributed to public services, e.g., essential workers, but also people who contribute to the borough's diversity and cultural life. We need to look at what we can do to re-create those choices in a lasting way and understand what outcomes they can generate.

The borough has hosted significant housing delivery in the past decades for a mix of reasons: the redevelopment of docklands, its proximity to the City of London and more recently the Olympic Park (now the Queen Elizabeth Park); major local authority led estate regeneration schemes, e.g., Ocean Estate and Blackwall Reach; and now with the more recent Overground and Dockland Light Railway upgrades, the transport infrastructure is soon to benefit from Crossrail opening in stages from late 2018 onwards, providing the transport infrastructure for higher density housing development.

As set out in *Our Borough, Our Plan – A new Local Plan First Steps (Dec 2015)* land available to build new homes is becoming increasingly limited and in an increasingly challenging environment, a balance needs to be struck between housing development and educational, health and other community infrastructure needed to create great places to live, one of our community plan themes. However, significant housing development is likely to be a continuing theme in Tower Hamlets with many of the new homes expected already in construction.

The significant housing delivery the borough has hosted is likely to continue for the next decade, mainly but not exclusively in the areas below identified by the Mayor of London for housing and employment growth:

- Area 1 - City Fringe / Tech City (including Whitechapel) where 15,000 homes can be delivered.
- Area 2 - Isle of Dogs and South Poplar – 10,000 homes can be delivered.
- Area 3 – Lower Lea Valley which the Tower Hamlets element includes the Poplar Riverside Housing Zone where 9,000 homes can be delivered.

Through identifying specific areas for major growth, the Council can take a more co-ordinated approach to developing an area in a holistic manner, ensuring that other essential infrastructure including schools, leisure, health facilities and appropriate transport links can be developed in order to meet the needs of the growth in population.

The council is already working with the Mayor of London to maximise affordable housing delivery in the Poplar Riverside area through a Housing Zone. We will need to look at other ways of ensuring affordable housing delivery can be accelerated, possibly through the adoption of an alternative delivery mechanism.

Whilst the majority of future housing will be built in the three areas identified above, there will continue to be new development in other areas of the borough, particularly where the council has the opportunity to build on its own land.

Action 1: Maximise affordable housing building from all sources of housing supply, with a focus on the borough's three opportunity areas

4.2 Outcomes from the Mayor of Tower Hamlets Housing Policy and Affordability Commission

Mayor John Biggs established a Mayoral Housing Affordability Commission to investigate the delivery of actual affordable housing. The Mayor appointed an external expert panel who met three times between December 2015 and February 2016.

The Mayor in Cabinet considered the recommendations of the Affordability Commission at a meeting on the 10th May 2016 and agreed to prioritise the following areas of work:

- deliver 100% rented housing on council owned sites combining social target rents and homes at a 'living rent' (set at a proportion of median incomes at or below Local Housing Allowance levels) that is affordable without recourse to benefits for households with median incomes. These would cross-subsidise the social target rented homes.
- investigate letting the living rent homes through a separate waiting list and potentially developed by a council sponsored housing company.
- explore the option to reduce Borough Framework rents on S106 sites (where private developers are required to deliver affordable housing) to more affordable levels including social target rents taking into account impact on viability and possible reduction in overall affordable housing units.
- plan for emerging Government policy, in particular the proposed requirement to deliver 20% Starter Homes on schemes over 10 units as part of the affordable housing offer.
- review its policy regarding commuted sums (i.e., money from private developers instead of affordable housing) for affordable housing elsewhere with reference to the broader objectives of increasing affordable housing development and supporting estate regeneration

Intermediate Housing

Intermediate housing is for people who need affordable housing, but would receive low priority on the common housing register. It provides a much needed source of accommodation for people who want to live and work in the borough particularly key

workers. For many years it has provided a supply of accommodation for people who cannot afford homes on the open market.

A traditional form of affordable home ownership in the borough has been through the provision of shared ownership homes built by housing associations. Typically an applicant can buy (usually with a mortgage) a minimum of 25% of the open market value of a home and rent (and pay service charges) for the remainder. Because of high house prices in the borough, even this model is becoming increasingly unaffordable for people on average incomes. Other forms of intermediate housing include sub market rented housing which is below private market rents but above social rents.

The council will need to review how it approaches the delivery of intermediate housing with the advent of Starter Homes and the increasingly unaffordable cost of shared ownership housing. Increasing the amount of genuinely affordable homes for ownership for local people is an important part of the council's future housing approach.

Actions 2:

- Use council-owned sites to deliver 100% rented housing combining social target rents and homes at 'living rent'.
- Use council-owned sites to develop living rent homes let to applicants from a separate waiting list and potentially developed by a council owned Housing Company.
- Reduce government defined Affordable Rents to lower levels including social target rents taking into account the possible reduction in overall affordable homes for rent.
- Plan for emerging Government policy, in particular the proposed requirement to deliver 20% Starter Homes on schemes over 10 units as part of the affordable housing offer.
- Review its policy regarding commuted sums for affordable housing, with the aim of:
 - Creating mixed and sustainable communities
 - Considering the overall output of affordable housing
 - Making best use of Council owned land/assets
- Develop clear policy for market sale, for discounted market sale including Starter Homes and shared equity schemes with reference to evidence available regarding take up of subsidised home ownership schemes.
- Explore long term financial investment from institutions for an intermediate rent product for households with average/median incomes.

4.3 Funding new council homes, estate regeneration and other affordable housing

The council continues to be a major landowner in the borough through its ownership of homes and council land managed by Tower Hamlets Homes. In recent years it has been undertaking a council house building programme part funded by right to buy receipts. However, the government's policy of reducing social rents by 1% a year for four years, means that previous assumptions on future revenue for asset management of council housing and building new homes has had to be revised.

That said, the council is committed to supporting the delivery of:

- more council housing
- more housing association affordable homes to rent and buy
- the regeneration of our estates
- Investigating building and/or acquiring new homes, possibly outside the borough Intermediate housing, i.e., homes for working households, including shared accommodation in certain circumstances

The council is committed to the delivery during 2014-18 of 5,500 affordable homes in total by all affordable housing providers, of which 1,000 will be by the council for rent. The majority of these 1,000 homes will be built on council-owned vacant land.

Pipeline sites

The Council was successful in securing GLA grant funding of £3.960 million towards the costs of two new build schemes on the Locksley Estate and Hereford St comprising 92 new homes. These are both infill sites on existing housing estates.

The Council will also deliver 44 units on the Baroness Road and Jubilee Street sites. The Baroness Road scheme is an infill site on an existing housing estate, and the Jubilee Street proposal is to build on a disused hard standing area previously used as a car park.

In addition, the costing analysis to develop 134 units on the Tent St and Arnold Rd sites has now been completed.

In July 2016, the Mayor in Cabinet agreed that a revised capital budget in order to deliver 270 units on six new-build sites. The Table below shows an overall summary of the Council's new-build programme.

Scheme	Units	Comment
Poplar Baths/Dame Colet House	100	Completed
Bradwell Street	12	Completed
Watts Grove	148	On site
Jubilee Street	24	Planning Application for August 2016
Baroness Road	20	Planning Application for August 2016
Locksley Estate (Site A & D)	54	Planning Application for August 2016
Hereford Street	38	Planning Application for Sep 2016
Tent Street	72	Planning Application for Sept 2016
Arnold Road	62	Planning Application for Sept 2016

Action 3: Complete a full capacity study of Council owned land site (within the Housing Revenue Account and the General Fund) to identify further opportunities and funding options.

4.4 Increasing and widening housing supply and choice

The housing challenges the council and its residents currently face mean that we need to look at options that even a few years ago might have been considered unattractive. Some initiatives may look as if we're competing with our partners, but in the main the rationale for our approach is simple: if we're going to use our own resources to fund new initiatives, we

need to retain control of the resources used. This doesn't mean we won't use services that some partners provide, e.g., housing associations, as they are more experienced both at mixing private and public money to deliver social outcomes and operating in the market place. Initiatives we are considering include the following:

- **Social lettings agency**

This would involve establishing an agency to manage good quality homes in the private rented sector both in the borough and outside it. Other local authorities and registered providers are considering this idea so we will need to consider options for partnership working if this proposal is to be progressed.

- **New housing company**

Like many other Local Authorities, the council is considering setting up a new Company to deliver housing on its behalf. This could include homes both inside and outside the borough and for both rent and sale. The advantage of this is that it would speed up delivery and possibly enable more homes to be built. The Council will bring forward plans for the company later this year.

- **Co living Model of Housing**

This involves using accommodation in a more intensive way, where residents have sole use of a room but share facilities such as kitchens, bathrooms and leisure space. Such schemes are likely to work in high density locations and would need to be car free and may be targeted at certain groups such as single working people. This housing model can suit a certain lifestyle, for a certain period of time, but is not intended to be a permanent form of accommodation. The proposed council sponsored housing company may have a role to play in delivering this kind of accommodation.

- **Council owned temporary accommodation**

The council has been successful at both preventing homelessness and meeting homeless households' needs. It will always seek to avoid using bed and breakfast accommodation, but sometimes this is unavoidable, particularly when a homeless applicant presents themselves to the council and needs a roof over their heads urgently. Rather than spending money on high cost bed and breakfast accommodation, the council is considering buying or developing its own accommodation to meet emergency housing needs. Furthermore the Council is also considering options to develop or convert existing accommodation for use as temporary accommodation to reduce its reliance on the private rented sector. This is due to the increasing difficulty of procuring affordable temporary private sector housing and the cost to the Council of subsidising the high rents, in light of the Government's decision to freeze temporary accommodation subsidy since 2011.

Actions 4:

Explore the merits of creating a Social Lettings Agency that can help offer more housing options for homeless people and others in housing need.

Set up a housing company to deliver new homes both inside and outside the borough.

Explore the merits of the developing a co living model of housing for working people.

Explore the merits of the council buying or developing its own accommodation to meet emergency and temporary housing needs for homeless households.

4.5 Energy efficient, high quality, well designed affordable homes

New residential developments should be designed to achieve high energy efficiency targets and be near-zero energy buildings. Such buildings are designed to reduce regulated energy use for space heating, hot water, cooling, ventilation and fixed lighting but does not relate to non-regulated energy use, e.g., plug in appliances and cookers. Such developments are required to follow the energy hierarchy of Be Lean, Be Clean and Be Green to reduce energy demand. Through reducing energy demand the new properties will have low running costs for future residents to have a low carbon footprint and also reduce fuel poverty. The proposals for near-zero energy buildings will see a minimum 45% reduction in carbon dioxide emissions on-site, with the remaining regulated carbon dioxide emissions to 100% to be off-set through the Councils adopted carbon offsetting programme.

For existing residential accommodation, poor energy efficiency of a home is a contributor to fuel poverty and affects the most vulnerable households which in turn can exacerbate health issues of the households. Through carbon offsetting the Council will deliver residential energy improvement projects, thereby reducing energy use for existing residents to alleviate fuel poverty and reduce Borough wide carbon emissions.

10% of homes should be designed to meet Part M Category 3 wheelchair adaptable housing, and, for units where future tenants have been identified and their needs assessed by the Local Authority, these units should be built to the full wheelchair accessible standard (Part M Category 3 (2b)). Other homes should be built to meet Part M Category 2, unless the introduction of a lift would adversely affect service charges to such an extent as to prevent the homes being affordable.

The council will seek to build homes that deliver:

- energy efficient standards which helps both reduce fuel poverty and carbon emissions
- acceptable space standards meeting *DCLG Technical housing standards – nationally described space standard (March 2015)* and ideally exceeding them
- bedroom mixes that meet people's needs
- wheelchair accessible standards as set out above and Lifetime Homes Standards.

Actions 5:

Ensure new developments are built to near zero energy high efficiency targets and through carbon offsetting initiatives the Council will deliver residential energy improvement projects.

Building on the Mayor of London's earlier Housing Design Guide, the council will seek the highest quality housing standards in new affordable housing built in the borough.

4.6 Modular Housing

The council will also consider developing the use of portable modular housing which can be used for shorter term lettings, primarily for homeless families awaiting permanent accommodation. This type of housing can be set up quickly on empty sites which may be awaiting development and be reused as sites change use, or alternatively to provide such accommodation on a long-term basis to help meet the current and future needs of homeless households in the Borough. The Council has been working in conjunction with the East London Housing Partnership on researching the different types of modular housing now

available on the market and will develop its approach to this type of housing during the period this housing strategy covers.

Action 6: Investigate the use of modular housing to assist in meeting housing need across the Borough.

4.7 Self build and custom housing

The Self Build and Custom Housing Act 2015 requires the council to hold a register of individuals and associations of individuals who are seeking serviced plots of land (i.e., serviced with water, electricity, etc) to either self build their own homes or use custom housing (e.g., housing, wholly or partly assembled in factories). The council will be maintaining such a list as required by law and will monitor interest in this form of housing.

Action 7: Analyse the register of self builders in line with statutory requirement and in order to inform the Local Plan and respond to self and custom build demand.

4.8 Regeneration: Jobs, Skills and the Local Economy

With the major growth of residential, business and cultural activity across the borough in the coming decades, the need for a connection between capturing the value of growth and applying it to those who need a start most continues to be great.

An ongoing challenge for the council is how to maximise social, economic and environmental gains for the disadvantaged in our communities from the enormous private sector economic activity undertaken in Canary Wharf and the City of London adjacent to the borough.

Consequently, we need a specific strategy to address the needs and aspirations of young people in the borough who are joining the world of work for the first time to ensure they receive the benefits of new and continuing private investment in the borough.

As referenced earlier, the three opportunity areas in the borough in the Lower Lea Valley including Poplar Riverside, South Poplar, and City Fringe / Tech City (including Whitechapel) is where the main growth will be in the future.

Later this year, the Mayor will be considering a new growth strategy to help ensure local job opportunities are maximised for local people. This will be about higher quality jobs than are traditionally available for local people. Important though jobs are for cleaning, working in restaurants, and other kinds of service work, we need to identify white-collar career pathways for our own local people, particularly those who have completed higher education but who are unemployed or in employment below their capabilities and potential.

A characteristic of the Universal Credit regime is the imposition of a £23,000 a year cap on benefits for households without an adult in work. For households who are paying high rents, the housing benefit element of which is within the Universal Credit, will mean such households will need to ensure one member enters the employment market if they wish to avoid rent arrears and other associated debts. The council and its registered provider partners have a role to play to access such opportunities to households in order to facilitate both economic inclusion and avoid household poverty and homelessness itself.

Action 8: Develop a new growth strategy to help ensure local job opportunities are maximised for local people

Section 5 - Delivery Theme 2 – Meeting people's housing needs

Why this is important

Maintaining a high supply of new affordable housing is a core theme of this strategy, it's as important that the homes are allocated on a fair, inclusive and transparent way. Due to the continuing high demand for affordable and other forms of suitable accommodation, the council has to think innovatively about how to meet this demand. This means considering housing options outside the borough and also using private rented accommodation to meet its homelessness duties. There are also other specific areas of housing needs which the council needs to adopt specific approaches to which are covered in this section.

The previous section focused on how the council is going to increase the amount of affordable housing and ensure residents benefit from economic growth and regeneration in the borough. This section focuses on who receives support in meeting their housing needs and on what basis.

5.1 Common housing register allocation scheme

The council is required by law to have a Housing Allocation Scheme which sets out how local people can join the housing register. The council operates its scheme in partnership with housing associations that have homes in the borough and are signed up as borough partners.

For that reason, the council's scheme is called *The Common Housing Register Partnership Allocations Scheme (23 April 2013)*. As part of the housing strategy consultation process, we are going to review and consider amending some aspects of the scheme in conjunction with our Partnership members.

Cabinet in October 2016 will be asked to agree a number of changes to the Common Housing Register Allocation Scheme. These are principally to:

- Note the changes to the Allocations Scheme regarding the new Right to Move for employment reasons as required by changes in government regulations – This is a new government regulation came into effect on 20th April 2015 requiring local authorities to set aside 1% of lets to rehouse 'social tenants' who want to move for employment reasons where the employment is more than one year and over 16 hours per week.
- Agree to a new sub band in Band 2 of the Allocations Scheme to avoid the risk of legal challenge to present policy on applicants in housing need who do not meet the 3 year residence requirement – this is because of a recent court case involving Ealing Council where their policy included a similar residential requirement that was challenged by a homeless applicant fleeing domestic violence who did not meet the criteria.
- Agree to restrict existing policy that allows applicants to bid for 1 bed smaller than their assessed need where room sharing would only be accepted for children of opposite sexes under 10 years old.- the current scheme allows applicants to bid for homes 1 bed smaller than their assessed housing need, principally to mitigate the impact of the Bedroom Tax and Welfare Reform changes. Common Housing Register partners are concerned that some cases rehoused causes inappropriate overcrowding. It is proposed to retain the policy, but only allow children of opposite sex sharing a room if both are under 10 years old.
- Agree to amend the quota for Band 3 lets from 10% of one, two and three bed properties

to 5% of 1 bed & studios per annum – because homelessness is increasing, meaning expensive temporary accommodation is having to be used, it is proposed to reduce the number of lets to Band 3 who are not in housing need thereby increasing the number of available homes to high priority cases.

- Authorise the use of some social housing general needs stock as non – secure tenancies for temporary accommodation up to a maximum of 100 units per annum. This will help build up the council's supply of temporary accommodation to meet homeless needs.
- Agree the Lettings Plan for 16/17 and extend it to 17/18 – this sets out the quotas for certain need groups, such as the foster carers, care leavers, and key workers, for social housing.
- Agree to add social worker to the professions that qualify for key workers status set out in the Allocations scheme – this is proposed as the council is experiencing difficulties in recruiting and retaining experienced social workers.

The report also proposes to use private rented accommodation to discharge its homelessness duties in limited circumstances.

Action 9: Refresh the Common Housing Register Allocation Scheme to widen housing options for the council to give priority to those in housing need and use private rented housing and other suitable accommodation to meet housing needs.

5.2 Intermediate Housing Register

For many working people who want to live in the borough, they neither qualify to join the housing register to access affordable rented housing nor are they able to buy a home on the open market. This means they either live in private rented accommodation, often sharing with others, or leave the borough altogether. One of the themes of this housing strategy is to create housing choices for all sections of the borough's diverse community. To achieve this we need to look at how choice in what is called the intermediate housing market can be both increased and widened. At the moment, housing choices are confined to shared ownership (part rent, part ownership) schemes and sub market intermediate rent schemes, meaning rents are above social rents but below private rents, normally at least 20% below.

We know from what people tell us, and the evidence supporting our Local Plan, there is strong demand for this kind of housing. Many working people on low to medium incomes who do not rely on state benefits have their housing choices limited to the private rented sector. With interest rates continuing to be at a historic low, people who are unable to save for a deposit (often because they are spending on their disposable income on high rents) are not able to access home ownership.

A robust indicator of demand would be provided by an Intermediate Housing Register. This register would have similar but looser rules on eligibility and priority to that which governs the Common Housing Register for those needing affordable rented housing. For example, we would give priority to people living in the borough; consider creating quota for essential workers; restrict access to intermediate housing choices to people over a certain income and savings, but also ensure the expectations of applicants who may not be able to sustain the costs associated with home ownership are managed carefully.

Just as we need to continue delivering more affordable rented housing, we need to ensure that those who need affordable housing for home ownership (or intermediate rent) have

choices too. The intermediate register would act as the gateway for those applying for homes built at living rent as proposed in section 4.2 of this document.

Action 10: Develop and implement an intermediate housing register

5.3 Homelessness Strategy

The council currently has in place a *Homelessness Statement 2013 to 2017* which sets out our approach to preventing and reducing homelessness focused on:

- Homeless prevention and tackling the causes of homelessness
- Access to affordable housing options
- Children, families and young people
- Vulnerable adults

Many aspects of this document are still relevant particularly those related to partnership working and prevention but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. These will include:

- **Use of Temporary accommodation for homeless families**

The Homelessness Strategy will also need to consider the options to reduce the number of homeless households from Tower Hamlets who are currently in temporary accommodation. At present there are around 2,000 households in temporary accommodation, of whom over 1,000 are placed outside the borough. Over 200 households are in bed and breakfast accommodation.

This form of accommodation creates uncertainty and upheaval for residents and is becoming increasingly expensive for the Council to procure, with suitable accommodation proving too expensive in borough resulting in more households being placed in outer London and beyond.

The Council needs to agree how best to tackle this problem with potential solutions including:

- developing its own temporary accommodation as set out at 4.4 above
- using existing permanent council and registered provider properties for short term homeless housing as set out at 5.1 above
- continuing to use homes temporarily on estates that are being decanted for regeneration
- continue publishing under what circumstances it will place households outside of the borough
- buying back ex Local Authority homes sold under the Right to Buy

We will update the homelessness document to reflect progress over the past 3 years and will engage fully with all partners in 2017 to develop a further 4 year action plan to continue to tackle homeless. There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted linking their support into their health needs, education and employment chances and overall wellbeing.

Progress since 2013 includes:

- **No wrong door Project**

The Council's Housing Options service introduced its innovative programme – called No Wrong Door to ensure that customers can access all the services they need to help resolve their housing problems from one point of contact rather than having to navigate their way through lots of different agencies themselves.

The Council's Housing Options service has been transformed to offer more help to those threatened with homelessness or needing housing advice. Instead of being able to simply offer advice on housing options, staff are working closely with other agencies so as to be able to offer information on a comprehensive range of services that help with problems that often cause homelessness or housing difficulties. This includes money advice, debt counselling, landlord and tenant mediation, specialist legal advice, help in accessing education and training, help in seeking work, access to child care and our Children's Centres.

Our Housing Options staff can make referrals to other agencies to ensure clients get the help they need, and some support services are now operating from Albert Jacob House in Bethnal Green E2 the where Housing Options staff are based.

- **Overview and Scrutiny Commission recommendations**

The Overview and Scrutiny Commission held a review of the Homelessness Services and produced 17 recommendations for consideration by the Housing Options Team. These recommendations are being addressed by the service and will either be implemented at an operational level or through the refreshed Homelessness Strategy.

- **Hostel Commissioning Plan**

The Council is developing a Hostel Commissioning Plan (HCP) 2016-2019 which was approved by the Mayor in July 2016.

- **Homelessness Partnership Board**

The Council will reform its Homelessness Partnership Board drawing on the expertise of Housing Association, voluntary sector and other statutory partners such as the health services to oversee the production, delivery and monitoring of the action plan.

Action 11: Refresh our Homelessness Statement (Strategy) and align it with the 2016-21 Housing Strategy.

Action 12: Reconvene the Homelessness Partnership Board.

5.4 Tenancy Strategy, including fixed term tenancies

The council is required by law to have a Tenancy Strategy that sets out what kind of social housing tenancies should be granted by housing associations and the council (through Tower Hamlets Homes) in the borough and what basis those tenancies should be renewed. Housing associations are required to have due regard to the council's Tenancy Strategy but are not required to follow the policies that are set out.

The government through its Housing and Planning Act intends that future tenancies granted by the council should be for fixed terms of between two years and 10 years. The government

is also proposing that where families have children under the age of nine, a tenancy should be granted until the child reaches the age of 19. There will be some exceptions to fixed term tenancies, possibly for the elderly and the disabled, which will be set out in regulations to be set by central government in the future. Depending on the level of flexibility allowed by government it is intended that the new Tenancy rules will be further consulted upon.

The government is also proposing that other than where a spouse or civil partner is succeeding a tenancy, the new tenancy should be for a fixed term. The new Tenancy Strategy, once adopted will impact on future tenancies granted by Tower Hamlets Homes, and influence the tenancy policies of our local housing association partners.

In summary, our broad approach will be as follows:

- Applicants over the age of 65 should be granted lifetime tenancies
- Applicants who are severely disabled should be granted lifetime tenancies, with exceptions made where the property is wheelchair accessible accommodation
- Applicants who have children under the age of nine years old should have tenancies for at least 10 years
- General needs applicants (including those who succeed a tenancy) should be granted tenancies of up to ten years
- There should be a presumption of a fixed term tenancy being renewed if the tenant(s) housing needs are the same (or greater) than at the time of the original application
- Introductory tenancies for council tenants and starter tenancies for should be for 12 months, increased to 18 months where the tenant has not met one or more of the tenancy conditions, e.g., non payment of rent; anti social behaviour. This will be in addition to the fixed terms identified above.

It should be noted that the granting of a fixed term tenancy does not mean a tenant cannot qualify to exercise their right to buy providing they meet the qualifying conditions.

For housing association landlords, we would want them to continue the policy lettings homes on Assured Tenancies (i.e., lifetime tenancies) at social rents, but recognise in some instances this may not be possible to do that because of contractual arrangements associated with the development of new Affordable Rent accommodation. However, the council does not wish to see existing social rent homes which become empty, converted to Affordable Rent homes or with fixed term tenancies.

Action 13: Refresh the Tenancy Strategy to take account of legislative changes requiring local authorities to issue fixed term tenancies

5.5 Tackling overcrowding

The council currently has in place a 2016-2018 Overcrowding Action Plan which was updated in March 2016 and includes the following:

- Property based actions by delivering larger family accommodation through s106 schemes and new affordable housing schemes.
- Lettings actions set through the operation of the Common Housing Register Allocation Scheme (April 2013).
- Advice and partnership actions by ensuring all housing associations with stock in the borough sign up to the Common Housing Register Forum.
- Under occupation actions by developing bespoke packages to meet specific households' needs; encouraging housing associations to reduce under-occupation; and financial incentives to encourage under-occupiers to consider moving.

Action 14: Keep under review the Overcrowding and Under-occupation Plan

5.6 Older Persons' Housing Needs

People are living longer and often do not have housing choices that enable them to move to more appropriate accommodation that meets their needs. In an affordable housing context, this can involve small-sized households, sometimes single people, under-occupying family homes which could be used for larger households. Whilst the council has access to sheltered housing for older people available through its Housing Association partners, older people's needs sometimes require consideration of health and/or mobility issues. The need to continue to meet the two aims of the council's 2013 – 2015 Older Persons' Statement remain valid, which are:

- Aim 1: Provide a range of good quality accommodation and access to home adaptations and improvements that offers older people housing that meets their needs;
- Aim 2: Help older people to continue to remain active, independent and healthy in their homes supported by flexible and affordable services

The council's view is that a third aim should be added to this which is:

- Aim 3: Develop a specific approach that meets the needs and wishes of older people that will help incentivise households who are under-occupying by giving them a wider range of choice. This aim recognises that is a large and growing cohort of older people who do not require institutionalised care as well as those who do, often through extra care schemes

The Council has agreed that rather than refresh its Older Persons' Statement it will contribute fully towards the development of the Council's proposed Ageing Well Strategy that aims to cover all aspects of the health, wellbeing and quality of life of people growing older in Tower Hamlets – ensuring that Tower Hamlets is a borough where growing older is about retaining independence and dignity with the assistance of family friends and the community where necessary but knowing that the right care and support is there if that independence becomes significantly reduced.

Key housing issues which will have to be reviewed include defining future provision of older persons housing requirements as required by current National Planning Policy and reviewing all aspects of support for the ageing population including support through sheltered residential and extra care housing.

The scope of the proposed strategy encompasses the breadth of responsibilities placed upon the local authority by the Care Act 2014. In summary these responsibilities are centred on:

- maintaining and promoting independence and wellbeing.
- facilitating the development of a vibrant social care market in the borough.
- assessing and providing for needs which the authority has a duty or power (subject to available resources) to meet. This encompasses both the provision of a range of services in the community (to enable the individual to continue living in their own home) and the provision of residential and nursing home care when living in your own home is no longer a viable option.
- safeguarding vulnerable individuals. and
- working in partnership with the NHS and other stakeholders to deliver integrated and personalised care and support.

The strategy will also provide a core reference point for the future development of service delivery and/or commissioning strategies for a range of adult social care and supported housing services including:

- Information and advice provision.
- Community support, handypersons and befriending type services;
- Advocacy.
- Personal care.
- Daytime activities provision.
- Support and care in sheltered and extra care sheltered housing.
- Residential and nursing home care.

A reference group incorporating all stakeholders including residents and carers and housing partners will be set up to oversee the development and implementation of the Strategy.

Action 15: Contribute towards the development of the Corporate Ageing Well Strategy which includes reference to developing accommodation designed to meet the needs and wishes of older people.

5.7 Supported Housing and other forms of temporary accommodation

Supported Housing plays an important role in providing accommodation for people who may have dependency issues, such as alcohol, drugs, or who have particular mental health issues. Other needs that need to be met include those of rough sleepers; people with learning difficulties; and people with specific health needs. Consideration also needs to be given to children leaving care and those fleeing domestic violence. The services required, such as floating support, to enable people to live independently is funded through the Vulnerable Adults Commissioning team.

Some of these groups immediate and longer terms needs will be picked up through policies developed out of the Homelessness statement and we will consider the needs of all these groups when developing new housing and reviewing allocations policies and take into account the view of our partner organisations who provide services to the most vulnerable people in our community.

5.8 Housing for people with Learning Difficulties and autism

The vulnerable adults commissioning team are developing an Accommodation Plan which will provides an overview of the accommodation available to People with Learning Disabilities (PWLD) The borough seeks to improve the overall offer of accommodation including opportunities to invest to save whilst also supporting young people to remain close to their families, friendship networks and local community. It is recognised that this is just the start of a longer piece of work and in the next three years will be undertaking additional research to ensure that services are responding to the changing needs of this population. This will include an analysis of older carers; degenerative disease in older PWLD as well as a larger review of all out-of-borough placements.

The national autism strategy asks local authorities if their housing strategies specifically identify the housing needs of people living with autism which include an estimate of how many people with autism we would be expecting to i) live in the community ii) live in supported housing iii) live in residential / nursing care. The “transforming care programme’ is a national programme that aims to further reduce the number of people with a learning disability and/or autism who display behaviour that challenges, including those with a mental

health condition who are in institutions, particularly aiming to reduce the number of in-patient facilities and increase the number of people with an LD or autism who are living in the community.

The council will work corporately towards meeting the needs of people with learning difficulties and autism over the next three years.

Action 16: Support the development of the Accommodation Plan for People with Learning Disabilities (PWLD) and autism

5.9 Project 120 - meeting the needs of people who use wheelchairs

Project 120 (P120) was started in 2012 to address the specific housing needs of families with a wheelchair user and other complex medical needs on the Council's Housing waiting list. The name stems from the 120 families who were on the Accessible Housing waiting list at that time.

The Council works closely with developers and housing associations to identify specific needs of a family at an early stage and identify a property in development which can then be adapted accordingly to meet that need. The project has been very successful and by April 2016, 148 families had been rehoused accordingly.

Action 17: Work closely with colleagues and partners to support the most vulnerable people in the borough and continue to meet their housing needs

5.10 Gypsies and Travellers

Part of the Local Plan development process deals with assessing the housing needs of gypsies and travellers in the borough. As part of this process, council officers from planning; housing and environmental health will liaise to ensure that gypsy and traveller housing needs are fully considered in housing strategy and set out in the Local Plan to be adopted in autumn 2017.

Action 18: Assess the existing and future requirements for the gypsy and traveller communities

Section 6 – Delivery Theme 3 – Raising private rented housing standards

Why this is important

The private rented sector is now the largest segment of the local housing market. While private renting is a useful stop gap option to accommodate homeless people and working households on short term contracts, it is increasingly becoming a destination for people who want to buy a home, but can't because of the lack of a deposit, partly because they are paying high rents. A part of the housing strategy is about creating more choice for such households, but in the meantime we need to ensure that the standards of accommodation for people in private rented housing are good, weeding out any bad landlords who give the sector a poor reputation.

The Council wants to raise the standard of private rented housing in the borough. Private sector housing – housing for home ownership and private renting – represents two large segments of the housing market in Tower Hamlets. Whilst much of the new private housing in the borough is both expensive and well managed, some private sector rented homes are in poor condition and/or poorly managed. The private rented sector provides a significant amount of accommodation used by the council to meet housing needs, enabling local people to stay in the borough. So it's important for the council to strike a balance between supporting landlords who are doing a good job and tackling those who are not.

There are also a significant proportion of ex council homes – 15,000 - bought under the right to buy which are now being let by private landlords. In some instances this has led to serious overcrowding and anti-social behaviour such as noise nuisance fly-tipping, and drug-related criminal behaviour on estates owned by the council and its housing association partners.

There are a number of interventions that the council is undertaking in respect of private sector housing and other initiatives and issues it has to consider. These will be brought together through a stand-alone 2016-21 Private Sector Housing Strategy and will include reference to:

6.1 Landlord Licensing Scheme

A landlord licensing scheme has been introduced for private landlords in the west of the borough covering the following wards:

- Spitalfields and Banglatown
- Weavers
- Whitechapel

The council wants to use selective licensing to tackle anti-social behaviour, deal with poor housing standards and assist in improving the overall management of rented accommodation. The Council could consider extending this scheme to homes in multiple occupation (HMOs) provided further conditions are met.

Actions 19: Review selective/additional licensing schemes for private rented sector; explore options for a scheme for houses in multiple occupation; and lobby government to use legal powers available adopt a wider licensing scheme where necessary.

6.2 Closer working with private sector landlords including promoting accreditation

The Council is committed to supporting the Mayor of London's London Rental Standard and London Landlord Accreditation Scheme to improve the quality of the Private Rented Sector.

The London Landlord Accreditation Scheme (LLAS) awards accreditation to reputable landlords who undergo training and comply with a code of conduct. Accreditation costs a small fee, which is refundable to when a landlord offers a property to the council for use as Temporary Accommodation or to prevent homelessness via an Assured Shorthold Tenancy. Accredited landlords are able to display the LLAS logo as a badge of good practice and access a range of products and incentives including local authority grants, leasing schemes and discounts on fees for licences and other charges. It was set up in 2004 as a partnership of landlord organisations, educational organisations and 33 London boroughs. To become accredited with LLAS, landlords must complete a one-day development course, agree to comply with a code of conduct, and be a fit and proper person. Accreditation lasts for five years. Accreditation is also a condition of access to Empty Property Grants.

Action 20: Support the Mayor of London's London Rental Scheme and London Landlord Accreditation Scheme to improve regulation in the Private Rented Sector.

6.3 Private Sector Housing Renewal policy 2016-21 including the Better Care Fund and empty homes

The council is required to have a private sector housing renewal policy. The council's current Private Sector Housing Renewal Policy 2016 – 2018, makes available a mix of grants and loans, some of which are means-tested, to tenants and landlords that fund:

- Bringing long term empty homes back into use

As of May 2016, Council Tax records showed that 4,595 properties in Tower Hamlets have been empty for more than a year. Of these 2,963 are residential properties; 1,632 are commercial. In the context of a housing crisis, these vacant properties could provide desperately needed homes. The Council can adopt a number of approaches towards bringing empty properties back into use including negotiating with owners, empty property grants, enforcement through Empty Dwelling Management Orders and Compulsory Purchase Orders

- Disabled facilities that allow tenants to live independently in their homes
- Home repair grants to fund small scale repairs so that tenants can remain in their own homes safely and avoid minor accident

Disabled Facilities Grant is now contained within the Better Care Fund (BCF) which is a programme spanning both the NHS and local government. The intention is to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them with 'wraparound' fully integrated health and social care, resulting in an improved experience and better quality of life. The overall use of grant in relation to working across the sector to better enable hospital discharge and home security will be developed over the course of this strategy.

The Council also offers grants of up to £6000 who are eligible owner-occupiers to enable them to remain in their own homes safely and avoid minor accidents. Home Repair Grants may be made available to owner-occupiers who are:

- over 60, or
- disabled or infirm,
or the parent or carer of a disabled child and in receipt of an income related benefit or eligible tax credits.

Action 21: Adopt an updated private sector housing strategy for 2016-21 which includes reference to the Better Care Fund approach and addressing empty homes issues.

6.4 Buy to leave

The council, as with other inner London authorities, has concerns about a perceived trend of homes being bought on the open market and being left empty. For the council this means fewer homes available to rent and which also has a negative impact on the local economy. We need to research this perceived trend and establish what evidence there is for it and what, if any, actions are required to address it.

As well as 'Buy to Leave' homes, existing properties are also often left empty and the council will review its existing approach to approaching owners of these properties in order to encourage them to bring properties back into use, including through legal action.

Action 22: Develop an evidence base on the extent of Buy to Leave in the Borough and if necessary review the action the Council could take to reduce the number of new homes that are being purchased but being left empty by investors and by owners of existing empty properties.

6.7 Housing Conditions: Investigation and Enforcement

The Housing Act 2004 introduced the Housing Health and Safety Rating System (HHSRS), HHSRS is the key process for Environmental Health Officers inspecting and assessing housing conditions.

The principle of HHSRS is that any residential premises should provide a safe and healthy environment for any potential occupier or visitor. HHSRS is a comprehensive risk assessment process covering health and safety risks in dwellings across twenty nine categories. The rating system works by assessing the risk associated with certain home hazards in terms both of the likelihood of harm occurring and also of the outcome of that harm.

There are several options available for the council to use if a property fails an HHSRS test:

- Improvement Notice
- Hazard Awareness Notice
- Prohibition Order
- Emergency Prohibition Order

The action taken by council will depend on the nature of the hazard. Other actions the council can undertake for the following reasons:

- Statutory Nuisance

The Environmental Protection Act 1990 imposes a duty on every local authority to inspect its area for statutory nuisances, to investigate complaints of statutory nuisance, and to take action where statutory nuisance exists or is likely to occur.

Statutory nuisance is defined as occurring where "any premises in such a state as to be prejudicial to health or a nuisance".

- **Rogue landlords and agents**

A minority of landlords and agents deliberately profit from leaving their tenants to live in rundown, unsafe, or overcrowded properties, or intimidate and threaten tenants.

The Housing and Planning Act 2016 introduces a raft of new powers to take action against rogue landlords and agents

- **Banning orders**

The Act creates a new 'banning order' concept enabling a First-tier Tribunal to ban a person from letting a home or engaging in letting agency or property management work in England.

The banning order may be requested by a Local Authority against a landlord or agent who has committed a banning order offence. The scope of what constitutes such an offence will be defined in regulations.

Action 23: The council will continue to undertake its statutory responsibilities to ensure private rented sector housing is safe to live and is well managed.

6.8 **Other Private Sector Housing issues**

Other issues relating to the private rented sector including supporting the Right to Manage for private sector and housing association leaseholders, influencing the growth and reach of institutional investment in quality private rented homes and promoting joint working towards all aspects of private rented sector housing. Issues such as working with community partners and programme a regular publicity campaign to promote awareness of private tenants' rights and providing more targeted advice to leaseholders on the right to manage are discussed in more detail in sections 4.8 to 4.10 of the Private Sector Housing Strategy Outline at Appendix 3 of this document.

Section 7 – Delivery Theme 4 - Effective partnership working with residents and stakeholders

Why this is important

As a guiding principle, more is achieved through working with people than not. Partnership working at its highest level is illustrated through the council's work with partners on the Community Plan, adopted in 2015. In housing terms, the council continues to be reliant on partners in the housing association and broader third sector to help deliver its housing objectives. A key element of this partnership working centres on the operation of the Common Housing Register and the Preferred Partners Agreement which the council wishes to see continue. In addition the council places strong value on its partnership working with residents and seeks to underpin this by ensuring the boards of Tower Hamlets Homes and local housing associations have resident representation.

The council needs to consider the way it works with its partners, primarily its residents; housing associations; and other stakeholders in the borough and the Greater London Authority.

It will be important that the council is clear in expressing what changes are going to be proposed over the coming years and explain why. Some issues such as the passing into law the introduction of fixed term tenancies will involve further consultation and some difficult discussions with existing tenants and particularly those who hope to live in the borough in the future.

The introduction of Universal Credit benefits system may mean that council and housing association tenants in the future will have to pay their rent in a different way so we need to make sure advice and support is in place to ensure rent arrears do not build up.

In terms of specific areas of partnership working in the future:

7.1 Tower Hamlets Homes and the council's tenants and leaseholders

Tower Hamlets Homes (THH) is the arms length management organisation (ALMO) that is responsible for managing and maintaining the council's housing stock of some 21,000 social rented homes and leaseholder homes originally sold under the right to buy.

The ALMO (a company 100% owned by the council) was established to access government funding to deliver a decent homes programme, to repair and modernise the housing stock, whilst this programme was completed in 2016, the council continues to make significant investment in its stock to maintain a decent standard.

There has been an initial consideration of a possible extension of the Management Agreement (MA) for two years to July 2020. However, it would be prudent for the Council to consider extending its MA with THH for three years to 2021. It is rational to extend the MA for three years because it underpins the Council's commitment to the ALMO. Particularly, to deliver the Council's recently updated HRA Medium Term Financial Plan (MTFP). The MTFP covers the five year period from 2017-18 with one of the key objectives being identifying and delivering £7m of savings for the HRA.

Action 24: Continue to work with council tenants and leaseholders on the development of Tower Hamlets Homes and to consider extending the current management agreement.

7.2 Tower Hamlets Forum: working with our registered provider partners

The council works in partnership with around 50 housing associations in the borough, half of whom are members of the Common Housing Register, who collectively own and manage more homes than the council.

Specific areas of partnership working between the council and housing associations are:

- Preferred Partners Agreement - where certain housing associations which develop new housing in the borough are accredited by the council as preferred partners
- Common Housing Register Allocation Scheme – which is the council's and local housing association partners' allocation scheme for the borough
- Common Housing Register Agreement - where all new and empty homes that become available to occupy are allocated to applicants in need on the basis of the allocation rules set out in the Allocation Scheme

Some of our local housing associations – Poplar Harca, Eastend Homes and Tower Hamlets Community Housing – were set up by the council to deliver decent homes, improvements, new homes and broader regeneration outcomes which they have been undertaking.

With the government's recent decision to force housing associations to reduce their rents by 1% for four years, has meant that housing associations nationwide are progressing discussions about merging. Although a 1% reduction for four years doesn't sound much, this reduction has had a profound impact on housing association financial planning. This has impacted on the council (through Tower Hamlets Homes) too with difficult decisions having to be made about future investment. The impact on housing associations' business plans – particularly those who are developing new homes – is causing some organisations to pursue merger opportunities to insulate themselves from potential future financial difficulties.

We're concerned that such mergers will have a negative impact on local service delivery and negatively impact on broader strategic investment decisions. We are particularly keen that Tower Hamlets based local housing associations stay locally focused and accountable and we will work with the statutory authorities – principally the Greater London Authority and the Homes and Communities Agency - to make sure this remains the case.

A further issue is the government's stated intention to deregulate the housing association sector. What this means in practice will emerge over time, but our concern is that agreements and understandings in place on issues such as nomination agreements; responsibility to house homeless households; and council rights to nominate members to housing association boards will loosen.

The large majority of new affordable housing for rent will be delivered by housing association partners, most of whom are members of the council's Preferred Partners Panel. We intend to maintain this Panel but recognise that there will be difficulties ahead as with the trend with mergers, there will be fewer developing housing associations and the ability of the council to prescribe who builds what affordable housing.

The council is keen to support the work and independence of borough-focused registered providers and are prepared to work with them to assess how their investment capacity can be maximised to meet the major development and regeneration opportunities that remain in the borough. Ideally new housing that is developed by local partners in the borough, in partnership with the council (possibly with the support of the Mayor of London), can enhance the position of our local partners.

Action 25: Develop more effective working with registered providers operating in the borough delivering local priorities remain local, independent and accountable to residents. To achieve this, the council will seek to:

- crystallise this effective working relationship in the form of a covenant that sets out the obligations that the council and its registered partners have to each other and the residents that we work for in order to support local housing associations deliver our shared objectives.
- continue its partnership working arrangements with registered providers through the Common Housing Register and through a review of the Preferred Partnering Protocol.
- review how in partnership with borough-focused registered providers investment capacity can be maximised to meet major development and regeneration challenges that remain in the borough.

7.4 Other local authorities

Tower Hamlets works with its partner authorities in the East London Housing Partnership on a range of housing issues and will continue to do so as many of the issues we face in Tower Hamlets are faced by our neighbouring authorities also. As set out earlier in this document, the council is looking beyond our borough boundaries (and beyond East London) to deliver new housing options. We will need to be sensitive in our approach and work on a partnership basis and see where possible shared priorities can, if possible, be met.

Action 26: Continue to work in partnership with our East London neighbouring authorities and develop new partnerships where the council is seeking to meet its housing needs.

7.5 Private sector partners

The council works with private sector partners on a daily basis, not least through negotiating affordable housing through the planning process, usually called S106 legal agreements. These agreements require developers to deliver certain obligations in return for a planning consent. There is a broader and perennial challenge of negotiating social value from private sector investment. This is not exclusively about housing, but connects with the earlier priority to help ensure local people have access to quality employment opportunities.

Action 27: Continue to work in partnership with private sector partners to generate better employment opportunities for local people.

7.6 Third Sector Partners

Core to our partnership approach is working with third sector agencies many of which are members of the Tower Hamlets Council for Voluntary Service. Whilst many employ members of staff they are by definition reliant on people giving their time and money voluntarily to help support people who make up the Tower Hamlets community. One of their major assets is their contribution to filling the service gap that public and private sector agencies are unable to fill, nurturing community activities and services and providing forums for people to meet and interact, fostering community cohesion.

Action 28: Continue to work in partnership with third sector partners to generate better employment opportunities and broader community regeneration outcomes for local people.

Section 8 – Our approach to equalities

The Equality Act 2010 places equality mandatory duty on local authorities (and other public bodies) to protect people from discrimination in the workplace and in wider society. To meet this duty, the Council needs to consider all individuals when carrying out their day-to-day work when shaping policy, in delivering services and in relation to their own employees. It also requires that public bodies to:

- have due regard to the need to eliminate discrimination
- advance equality of opportunity
- foster good relations between different people when carrying out their activities

The adoption of the Housing Strategy and associated documents requires the Council to undertake an Equalities Impact Assessment (EqIA) to fully assess what the positive, negative or neutral impacts of adopting the documents will be on defined equality groups. The nine relevant protected characteristics of these groups are:

- age
- disability
- gender reassignment
- Marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

An initial Equality Assurance Checklist has been completed which does not identify an adverse impact from these proposals on the equality groups of the nine protected characteristics. A full assessment of individual policies such as the Allocations Scheme and Homelessness Strategy will be carried out and if any potential negative impacts are identified mitigating actions will be identified accordingly.

Respondents to the consultation on the Housing Strategy 2016 – 2021 Consultation document have been requested to be mindful of the duty placed upon the Council in relation Equality Act 2010 and are asked to identify any potential impacts of the proposals contained in this document on the equality groups accordingly. A full Equality impact Assessment will be carried out and presented to the Council for consideration when the document is taken forward for approval in November 2016

9. Financial Overview – Resourcing the delivery of the housing strategy

9.1 When framing a housing strategy and identifying policy actions to deliver them, the next issue to consider is resources. Work will need to be undertaken to ensure responsibilities are allocated to officers. This section sets out in broad terms a financial overview of the environment in which the council and its partners work within. The focus is primarily on the funding the delivery of new affordable homes.

9.2 Government Funding

9.3 The government has set out in clear terms its policy towards housing and particularly council housing in its 2016 Housing and Planning Act which is described in Section 3 of this document. The government plans to end the issuing of lifetime tenancies; require council landlords to sell its own higher value homes to fund the extension of the right to buy for housing associations; and have imposed a reduction in rents over a four year period on all social landlords. The government has also made clear that the future funding for new affordable housing will be focused principally on affordable home ownership through shared ownership and starter homes programmes, neither of which are likely to be affordable to most people in the borough on low to medium incomes. Therefore the council is not expecting any significant support from central government to meet the significant housing challenges the council and its partners are facing.

9.4 Greater London Authority Funding

9.5 The GLA on behalf of the Mayor of London administers funding programmes that channel funding available from government to build new affordable housing. The GLA in recent years has promoted Housing Zones which take a longer term, more holistic area-focused approach to realising large scale development opportunities. In Tower Hamlets, there is a Housing Zone for Poplar Riverside which is expected to deliver 9,000 new homes.

9.6 In tandem with this, significant interventions in the field of estate regeneration have been undertaken using a model of demolishing council homes to be replaced with a mix of private for sale; shared ownership; and housing association homes (usually for tenants displaced by the works) has been successfully undertaken all over London, with Tower Hamlets one of the leading agencies for change. We expect this trend to continue and the GLA are funding schemes under its Estate Regeneration Fund to achieve this.

9.7 At the time of writing, a financial settlement between the Mayor of London and the government had yet to be announced, but it is clearly likely to be less generous than previous funding rounds, but still set alongside more ambitious targets. This settlement will provide funding for new affordable housing from 2018 onwards, probably over three years, but longer for Housing Zones schemes. The GLA would normally have regard to their own Housing Strategy and London Plan when considering what priorities it wants to fund and on what terms. But it is noted that the current London Plan and Housing Strategy are quite different to the stated housing ambitions of both the Mayor and central government, so it is to be expected that both strategies will be significantly revised in the coming year.

9.8 Given the borough hosts three Mayor of London Opportunity Areas (where opportunities for major housing growth have been identified as described in Section 4.1 of this document) the council and its partners are well positioned to be recipients of new funding. New funding is likely to be increasingly focused on equity loans

rather than grant. This is particularly useful for the initial stages of major regeneration projects which require 'front funding' to help buy out leaseholders and undertake enabling work, but this money does need to be paid back to government in the future with the intention of recycling it for interventions elsewhere.

9.9 A major issue in Tower Hamlets continues to be the high cost of land and associated enabling costs. In value for money terms, schemes delivering affordable housing in outer London where land prices are lower are likely to look more attractive. The adoption of the National Planning Policy Framework and the impending introduction of the Starter Homes Initiative means it will be increasingly difficult to require private developers to provide affordable housing for rent and for the future, it is increasingly likely that the council itself will be the change agency using its own land, money and efforts that will deliver the affordable rented housing it clearly needs.

9.10 **Tower Hamlets Council Funding**

9.11 The council's Cabinet considered in July 2016 a report entitled 'Housing Revenue Account: Outline 30 Year Business Plan and Medium Term Financial Outlook'. The HRA relates to the activities of the Council as landlord of its dwelling stock, and the items to be credited and debited to the HRA are prescribed by statute. Income is primarily derived from tenants' rents and service charges, and expenditure includes repairs and maintenance and the provision of services to manage the Council's housing stock. The HRA also benefits from some but not all of right to buy receipts and can benefit from other funds, such as the government's new homes bonus.

9.12 The HRA is self-financing, no longer reliant on government subsidy, meaning the council needs to plan carefully and prudently for the future, ensuring there is sufficient funding to meet its landlord obligations to its tenants and leaseholders over the medium to long term. The original intention was to give local authorities greater freedom to use their assets and income, but in 2015 it was announced that social rents would be reduced by 1% for four years beginning in 2016/17. Combined with the pay to stay proposals and sale of higher value empty council homes, these initiatives have had a negative impact on the scope of what the council would like to do in the future.

9.13 Despite the difficult position the council finds itself in due to the government announcement on rents in 2015, over the next 30 years, the council expects to spend over £1bn (today's prices) on maintaining its stock as well as funding a significant programme of new council home building. The council has a programme of over 500 new council homes to be built (See Section 4.3) with a commitment to build a total of 1,000 council homes by 2018.

9.14 To deliver the housing strategy commitments – particularly those focused on new housing delivery – the council will need to be flexible in its approach in order to realise new priorities and initiatives that emerge in the future. Inevitably this will involve close partnership working our development partners and residents of the borough, using what land, money, borrowing powers and people resources to maximum effect.

9.15 **Tacking Fraud**

As important as ensuring the Council achieves best value through the use of existing resources is to ensure that fraudulently activity is tackled to ensure the scarce homes available are used to meet the needs of those identified through the Council's allocations scheme..

High rents in the private sector and the close proximity of Tower Hamlets to the City and Canary Wharf creates conditions which can make sub-letting attractive. The Council will seek to develop existing collaborative working arrangements to target use of social/affordable rent/home ownership homes for sub-letting activity and commercial gain as well as being diligent in its scrutiny of Right to Buy applications which attract substantial discounts for those purchasing.

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Section 10 – Housing Strategy Actions

<p>Delivery Theme 1 – More affordable housing, economic growth and regeneration</p>
<p>Action 1: Maximise affordable housing building from all sources of housing supply, with a focus on the borough’s three opportunity areas</p>
<p>Actions 2:</p> <ul style="list-style-type: none"> • Use council-owned sites to deliver 100% rented housing combining social target rents and homes at ‘living rent’. • Use council-owned sites to develop higher rent homes let to applicants from a separate waiting list and potentially developed by a council owned Housing Company. • Reduce government defined Affordable Rents to lower levels including social target rents taking into account the possible reduction in overall affordable homes for rent. • Plan for emerging Government policy, in particular the proposed requirement to deliver 20% Starter Homes on schemes over 10 units as part of the affordable housing offer. • Review its policy regarding commuted sums for affordable housing, with the aim of: <ul style="list-style-type: none"> ▪ Creating mixed and sustainable communities ▪ Considering the overall output of affordable housing ▪ Making best use of Council owned land/assets. • Develop clear policy for market sale, for discounted market sale including Starter Homes and shared equity schemes with reference to evidence available regarding take up of subsidised home ownership schemes. • Explore long term financial investment from institutions for an intermediate rent product for households with average/median incomes.
<p>Action 3: Complete a full capacity study of Council owned land site (within the Housing Revenue Account and the General Fund) to identify opportunities and funding options.</p>
<p>Actions 4:</p> <p>Explore the merits of creating a Social Lettings Agency that can help offer more housing options for homeless people and others in housing need.</p> <p>Set up a housing company to deliver new homes both inside and outside the borough.</p> <p>Explore the merits of the developing a co living model of housing for working people.</p> <p>Explore the merits of the council buying or developing its own accommodation to meet emergency and temporary housing needs for homeless households.</p>
<p>Action 5: Ensure new developments are built to near zero energy high efficiency targets and through carbon offsetting initiatives the Council will deliver residential energy improvement projects.</p> <p>Building on the Mayor of London’s earlier Housing Design Guide, the council will seek the highest quality housing standards in new affordable housing built in the borough.</p>
<p>Action 6: Investigate the use of modular housing to assist in meeting housing need across the Borough.</p>
<p>Action 7: Analyse the register of self builders in line with statutory requirement and in order to inform the Local Plan and respond to self and custom build.</p>

Delivery Theme 2 - Meeting people's housing needs
Action 8: Develop a new employment strategy to help ensure local job opportunities are maximised for local people.
Action 9: Refresh the Common Housing Register Allocation Scheme to widen housing options for the council to give priority to those in housing need and use private rented housing and other suitable accommodation to meet housing needs.
Action 10: Develop and implement an intermediate housing register.
Action 11: Refresh our Homelessness Statement (Strategy) and align it with the 2016-21 Housing Strategy.
Action 12: Reconvene the Homelessness Partnership Board.
Action 13: Refresh the Tenancy Strategy to take account of legislative changes requiring local authorities to issue fixed term tenancies.
Action 14: Keep under review the Overcrowding and Under-occupation Plan.
Action 15: Contribute towards the development of the Corporate Ageing Well Strategy which includes reference to developing accommodation designed to meet the needs and wishes of older people.
Action 16: Support the development of the Accommodation Plan for People with Learning Disabilities (PWL) and autism.
Action 17: Work closely with colleagues and partners to support the most vulnerable people in the borough and continue to meet their housing needs.
Action 18: Assess the existing and future requirements for the gypsy and traveller communities.

Delivery Theme 3 - Raising private rented housing standards
Actions 19: Review selective/additional licensing schemes for private rented sector; explore options for a scheme for houses in multiple occupation; and lobby government to use legal powers available adopt a wider licensing scheme where necessary.
Action 21: Adopt an updated private sector housing strategy for 2016-21 which includes reference to the Better Care Fund approach and addressing empty homes issues.
Action 21: Adopt an updated private sector housing renewal policy for 2016-21 which includes reference to the Better Care Fund approach and addressing empty homes issues.
Action 22: Develop an evidence base on the extent of Buy to Leave in the Borough and if necessary review the action the Council could take to reduce the number of new homes that are being purchased but being left empty by investors and by owners of existing empty properties.
Action 23: The council will continue to undertake its statutory responsibilities to ensure private rented sector housing is safe to live and is well managed.

Delivery Theme 4 - Effective partnership working with residents and stakeholders
Action 24: Continue to work with council tenants and leaseholders on the development of Tower Hamlets Homes and to extend the current management agreement.
Action 25: Develop more effective working with registered providers operating in the borough delivering local priorities remain local, independent and accountable to residents. To achieve this, the council will seek to: <ul style="list-style-type: none">• crystallise this effective working relationship in the form of a covenant that sets out the obligations that the council and its registered partners have to each other and the residents that we work for in order to support local housing associations deliver our shared objectives.• continue its partnership working arrangements with registered providers through the Common Housing Register and the Preferred Partnering Protocol.• review how in partnership with borough-focused registered providers investment capacity can be maximised to meet major development and regeneration challenges that remain in the borough.
Action 26: Continue to work in partnership with our East London neighbouring authorities and develop new partnerships where the council is seeking to meet its housing needs.
Action 27: Continue to work in partnership with private sector partners to generate better employment opportunities for local people.
Action 28: Continue to work in partnership with third sector partners to generate better employment opportunities and broader community regeneration outcomes for local people.

Annex A - Glossary of Terms

Affordable Rented Housing – comprises two forms of affordable rented housing.

- Social rented housing is usually owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime.
- Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80 per cent of the local market rent (including service charges, where applicable).

Arms Length Management Organisation (ALMO) – an organisation set up and owned by the council to manage its housing stock. The ALMO in the borough is called Tower Hamlets Homes.

Assured Tenancy – The type of tenancy issued by housing associations which are ‘lifetime’ tenancies. For new tenants, these are preceded by a ‘Starter Tenancy’, usually for one year.

Assured Shorthold Tenancy – The type of tenancy issued by housing association landlords which are fixed term tenancies. These are usually for five years, but can be as short as two years or longer than five years. Private landlords also use this tenancy, but usually issue them for shorter periods, between 6 months and year, but can be longer.

Common Housing Register Allocation Scheme – The council is required by law to produce a Housing Allocation Scheme. In Tower Hamlets, the council works in partnership with local housing associations to produce a joint document, the Common Housing Register Allocation Scheme. This document sets out the policies which decide who can go on the register which may mean being allocated affordable rented housing in the borough. The scheme also sets out how homelessness needs are met.

Commuted Sums – See S106.

Department for Communities and Local Government (DCLG) – The government department of state responsible for housing, planning and regeneration, which also sponsors the Homes and Communities Agency.

Fixed Term Tenancy – The type of tenancy issued by local authority or ALMO landlords which are for fixed terms. These are usually for five years (but can be for longer), but can be as short as two years or longer than five years. These tenancies have the same rights and conditions as Secure Lifetime Tenancies, but are for fixed terms.

Greater London Authority – comprises the Mayor of London; London Assembly; and the staff who support their work. It is the capital’s strategic regional authority, with powers over transport, policing, economic development, housing, planning and fire and emergency planning. The Mayor is responsible for producing the London Housing Strategy and the London Plan. The council’s housing strategy and local plan need to be in general conformity with the Mayor’s documents.

Homes and Communities Agency (HCA) – The government appointed regulator of housing associations who are registered with the HCA, i.e., registered providers. The HCA provides governance and financial viability ratings for individual housing associations.

Housing Allocation Scheme – See Common Housing Register Allocation Scheme.

Houses in Multiple Occupation (HMOs) – are privately rented homes where residents occupy individual rooms and use the kitchen/bathrooms on a shared basis. These can be homes which are houses, maisonettes or flats. If the home is three storeys or more, it needs to be licensed by the council for occupiers use. Increasingly HMOs can be found in former council rented and our stock transfer partners' properties.

Housing Associations – are social landlord organisations which are not local authority landlords, who provide affordable rented accommodation. Housing associations registered with the Homes and Communities Agency are known as 'Private Registered Providers' and used to be known as Registered Social Landlords (RSLs).

Intermediate Housing – A broad term to describe accommodation which is intended to be affordable for working households available for rent; ownership or a combination of rent and ownership. Such households do not usually qualify to go on the Common Housing Register but are not able to afford housing on the open market for private rent or ownership.

London Living Rent - Not an official term but widely understood as rent that could be offered in new 'intermediate' affordable homes. It's based on the principle that rents shouldn't be more than around a third of what people earn.

Secure Lifetime Tenancy - The type of tenancy issued by councils or ALMOs which are 'lifetime' tenancies. For new tenants, these can be preceded by an 'Introductory Tenancy', usually for one year.

Local Plan – A local authority planning document that sets out the council's proposed planning and land allocation policies over a set period of time.

Low Cost Home Ownership (LCHO) – A form of affordable housing that is available for sale at less than open market values, either through shared ownership or at a discounted price.

Private Rented Housing – Accommodation let by private landlords at market rates, usually on an Assured Shorthold Tenancy.

Registered Providers – Housing associations which are registered as providers of affordable housing with the Homes and Communities Agency (HCA).

S106 – is a legal agreement between a developer and the council for the developer to provide specific community contributions in return for the council granting planning consent for a scheme. These community contributions can be money – commuted sums – to go towards build of schools, health facilities, or affordable housing. Alternatively it can be an agreement to do certain things, for example, environmental improvements or provide affordable housing. The housing is usually provided through the developer contracting with a housing association.

Shared Ownership – An intermediate housing product available from housing associations (and more recently other bodies) whereby the applicant buys a share of a home (not less than 25%) and rents the remainder.

Starter Homes – A government-sponsored affordable housing product which will be available to buy at no more than £450,000 (or £250,000 outside London) and no more than

80% of local market values. The government wants to require local authorities to deliver Starter Homes through private developers.

Tenancy Strategy – A statutory local authority document that sets out its policy on the types of affordable housing tenancies (i.e., lifetime tenancies or fixed term tenancies) they wish to see granted by Registered Providers in their areas and on what terms they think the tenancies should be renewed.

Tower Hamlets Homes – The council's arms length management organisation (ALMO) which manages the council's housing stock.

DRAFT

London Borough of Tower Hamlets

Draft 2016-21 Homelessness Strategy Outline

Index

Section 1 – Reasons for a Homelessness Strategy

Section 2 - What we say about homelessness in our Draft 2016-21 Housing Strategy (July 2016), reviewing progress that we have made

Section 3 - Reviewing the Homelessness Statement 2013-17

Section 4 - Options to inform the development of the council's 2016-21 Homelessness Strategy:

Theme 1 – Homeless Prevention and Tackling the Causes of Homelessness

Theme 2 - Access to Affordable Housing Options

Theme 3 - Children, Families and Young People

Theme 4 – Vulnerable Adults

Section 1 – Reasons for a Homelessness Strategy

Introduction

A local authority with housing responsibilities – a local housing authority – under the 2002 Homelessness Act may carry out a homelessness review for their district and following that may formulate and publish a homelessness strategy based on the results of that review. It is expected that such strategies should be refreshed every 5 years.

Tower Hamlets Council previously adopted a *Homelessness Statement 2013 to 2017* which set out the council's approach to both addressing homelessness needs as defined by legislation – meeting its statutory duties - and what advice and support it was able to give to help prevent homelessness.

The council has decided to adopt a new 2016/21 Housing Strategy which sets out in broad terms the council's broad approach to housing in its area. In connection with this, the council has decided to refresh its *Homelessness Statement 2013 to 2017*, building on what has been achieved; introducing new policy actions; and aligning the new document with the council's new housing approach. An important document to read in conjunction with this document is the Common Housing Register Allocation Scheme (also being refreshed in 2016) which sets out in more detail how the council and its registered provider partners intend to meet its statutory homelessness duties.

National Policy – Legislation and Guidance

In addition to the statutory requirements of the Housing Act 1996 as amended by the Homelessness Act 2002, the government from time to time issues guidance, for example on allocations, and also information on how local housing authorities can address specific issues, such as rough sleeping. Also published are Regulations that set out in more detail the requirements of legislation.

The Localism Act 2011 was intended to allow local authorities more flexibility when managing or allocating accommodation. The provisions included the power for local authorities to discharge their full homelessness duty by providing suitable private rented accommodation for people who applied after November 2012, regardless of whether the homeless person agrees.

An important document for consideration when framing the housing allocation scheme is the *DCLG Allocation of accommodation: guidance for local housing authorities in England (June 2012)*. This makes clear that people who are homeless should be given reasonable preference – a head start on some other applicants - when determining housing priorities.

The government also published a *Vision to end rough sleeping: No Second Night Out nationwide* (July 2011) which sets out six commitments related to people who sleep rough which are focused on:

- Helping people off the streets
- Helping people to access healthcare
- Helping people into work
- Reducing bureaucratic burdens
- Increasing local control over investment in services
- Devolving responsibility for tackling homelessness

The principle behind No Second Night Out is that a person's or household's housing crisis may mean they are homeless for one night, but that there should be a sufficiently wide ranging, flexible suite of services available from local authorities that ensure that they are not roofless for a second night.

The government published *Making every contact count: a joint approach to preventing homelessness (2012)* which stated that:

Effectively preventing homelessness goes beyond addressing immediate housing needs and requires a sustained commitment across all agencies to address the underlining causes of homelessness. These are often: unemployment, low skills levels, substance misuse, mental health issues, crime and dysfunctional family background.

The document highlighted the need to recognise that homelessness is often one symptom of a wider range of challenges applicants are facing and that such needs need to be met in a holistic fashion. This involves a considerable degree of cross departmental and inter-agency working and happens on a regular basis and it's clear that this kind of working is likely to increase.

For the future, it is expected that the government will be placing a homelessness prevention duty on local housing authorities in England replicating the duty adopted in Wales. Whilst this duty is not in place, this appears to be the direction of travel of national policy and the council will need to be giving early thought to how this requirement can be met at a time of increasing homelessness demand and diminishing resources. The council already provides assistance to non-priority homeless households on a discretionary basis, which closely mirrors the Welsh system. Subject to the detail of future legislation, if this responsibility becomes statutory, there are likely to be additional costs associated with the services required.

Regional Policy - Homes for London – The London Housing Strategy (June 2014)

The Mayor of London has a statutory duty to publish and consult on a housing strategy for the capital, which needs to be aligned with his London Plan. The current strategy was adopted by the previous Mayor of London, Boris Johnson, and the council expects the recently elected Mayor, Sadiq Khan, to set in train a process to revise the current document.

There are two specific policy commitments homelessness which centre on working with boroughs to reduce rough sleeping and promoting the use of NOTIFY and the pan-London inter-borough accommodation agreement when placing homeless households in out of borough accommodation. The council will continue to help deliver the two policy commitments set out in the current housing strategy and will work with the new Mayor on new strategy and policy commitments designed to reduce homelessness and rough sleeping.

In conclusion

Ultimately, a sustained increase over the medium to long term in the provision of affordable rented accommodation (and associated supported housing) would lead over time to a reduction in reported homelessness. The amount of funding available to support the delivery of affordable rented housing supply across the capital is likely to fall given the government's commitment to supporting low cost home ownership accommodation. The situation is further exacerbated by trends in the private rented market.

The ending of Assured Shorthold Tenancies in the private rented sector has become the main cause of homelessness in London. This, combined with the fact that local housing allowance has been frozen since 2011 at a time when private rents in London have increased substantially has meant the private rented sector is an increasingly unaffordable and unsustainable housing option for people who are on average or low incomes and threatened with homelessness. This in turn is likely to result in homelessness continuing to have an upward trajectory.

The council has also struggled to procure affordable private sector temporary accommodation to fulfil its statutory duties to homeless households, resulting in a substantial increase in the cost of temporary accommodation to the general fund. Nevertheless there are occasions when suitable, affordable private sector options arise which can help prevent or relieve homelessness.

Given the availability of affordable private rented accommodation is likely to diminish, unless local housing allowance and temporary accommodation subsidy are increased to more closely match market rents, the council needs to actively plan for a future with the objective of diversifying the supply of temporary accommodation thereby reducing the dependence on expensive PRS stock and achieving an affordable pipeline of accommodation for the prevention and relief of homelessness. This will mean:

- Reviewing what accommodation we have access to now
- Creating our own portfolio of temporary accommodation and taking a strategic view on which areas this accommodation should be located
- Increasing the use of general needs accommodation for temporary accommodation purposes
- Securing our own emergency accommodation to reduce and ideally end the use of bed and breakfast accommodation
- Ensuring that available accommodation is allocated on need, and that the Council exercises its powers and ensures its lettings policy enables an annual reduction in the number of households in temporary accommodation.
- Proactively monitoring the financial welfare of households who are likely to be impacted by the benefit cap to prevent homelessness

This homelessness strategy is about how the council intends to meet the local impact of this trend. This will involve considering a range of permanent and temporary housing options described later in this document to meet these needs, both in the borough and outside it.

Section 2 - What we say about homelessness in our Draft 2016-21 Housing Strategy (July 2016) and reviewing progress that we have made

The Draft 2016-21 Housing Strategy sets out the following on its approach to homelessness.

Homelessness Strategy

The council currently has in place a Homelessness Statement 2013 to 2017 which sets out our approach to preventing and reducing homelessness focused on:

- *Homeless prevention and tackling the causes of homelessness*
- *Access to affordable housing options*
- *Children, families and young people*
- *Vulnerable adults*

Many aspects of this document are still relevant particularly those related to partnership working and prevention but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. These will include:

- Use of Temporary accommodation for homeless families

The Homelessness Strategy will also need to consider the options to reduce the number of homeless households from Tower Hamlets who are currently in temporary accommodation. At present there are around 2,000 households in temporary accommodation, of whom over 1,000 are outside the borough. Over 200 households are in bed and breakfast accommodation.

This form of accommodation creates uncertainty and upheaval for residents and is becoming increasingly expensive for the Council to procure, with suitable accommodation proving too expensive in borough resulting in more households being placed in outer London and beyond.

The Council needs to agree how best to tackle this problem with potential solutions including:

- *developing its own temporary accommodation as set out above*
- *using existing permanent council and registered provider properties for short term homeless housing,*
- *continuing to use homes temporarily on estates that are being decanted for regeneration*
- *continue publishing under what circumstances it will place households outside of the borough*
- *buying back ex-Local Authority homes sold under the Right to Buy*

We will update the homelessness document to reflect progress over the past 3 years and will engage fully with all partners in 2017 to develop a further 4 year action plan to continue to tackle homeless. There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted linking their support into their health needs, education and employment chances and overall wellbeing.

Progress since 2013 includes:

- ***No wrong door Project***

The Council's Housing Options service introduced its innovative programme – called No Wrong Door to ensure that customers can access all the services they need to help resolve their housing problems from one point of contact rather than having to navigate their way through lots of different agencies themselves.

The Council's Housing Options service has been transformed to offer more help to those threatened with homelessness or needing housing advice. Instead of being able to simply offer advice on housing options, staff are working closely with other agencies so as to be able to offer information on a comprehensive range of services that help with problems that often cause homelessness or housing difficulties. This includes money advice, debt counselling, landlord and tenant mediation, specialist legal advice, help in accessing education and training, help in seeking work, access to child care and our Children's Centres.

Our Housing Options staff can make referrals to other agencies to ensure clients get the help they need, and some support services are now operating from Albert Jacob House in Bethnal Green E2 the where Housing Options staff are based.

- Overview and Scrutiny Commission recommendations

The Overview and Scrutiny Commission held a review of the Homelessness Services and produced 17 recommendations for consideration by the Housing Options Team. These recommendations are being addressed by the service and will either be implemented at an operational level or through the revised Homelessness Statement.

- Hostel Commissioning Plan

The Council is developing a Hostel Commissioning Plan (HCP) 2016-2019 which is subject to approval by the Mayor in July 2016.

- Homelessness Partnership Board

The Council will reform its Homelessness Partnership Board drawing on the expertise of Housing Association, voluntary sector and other statutory partners such as the health services to oversee the production, delivery and monitoring of the action plan.

Action 11: Refresh our Homelessness Statement and align it with the 2016-21 Housing Strategy.

Action 12: Reconvene the Homelessness Partnership Board

Section 3 – Reviewing the Homelessness Statement 2013-17

The council currently has in place a *Homelessness Statement 2013 to 2017* which sets out our approach to preventing and reducing homelessness focused on:

- Homeless prevention and tackling the causes of homelessness
- Access to affordable housing options
- Children, families and young people
- Vulnerable adults

Many aspects of this document are still relevant particularly those related to partnership working and prevention but over the next 12 months we will consider what other options are available to prevent and meet homelessness demand. In addition this strategy will also review the Council's approach to meeting its statutory accommodation duties to homeless households as set out above.

There will be an emphasis on ensuring the most vulnerable and marginalised groups who face homelessness can continue to be assisted linking their support into their health needs, education and employment chances and overall wellbeing.

Section 4 - Options to refresh the current Homelessness Statement to inform the development of the council's 2016-21 Homelessness Strategy

The themes to the council's approach are based on those previously adopted in the Homelessness Statement adopted in 2013. In that document was set out our overall approach to meeting homelessness needs and preventing its causes in the borough.

Aim

The overall aim of the statement is to tackle and prevent homelessness in Tower Hamlets. This includes:

- Preventing homelessness
- Supporting those who are homeless or at risk of homelessness
- Providing accommodation for homeless households

An important additional tenet to the final Homelessness Strategy will be a stronger focus on:

- Reducing the net number of people in Temporary Accommodation

Principles

Throughout discussions with partners there were common ways of working highlighted as being crucial to our achievements thus far as a partnership, and would be even more important in light of the new challenges and opportunities facing the borough. These ways of working have been grouped into three interdependent principles. These principles are intended to guide how we work together as partners, and as individual organizations, to prevent homelessness and provide services for homeless people. They are based on a recognition that the causes of homelessness are complex and multifaceted and therefore need a multifaceted approach. The principles are:

- Multi-agency working
- Early intervention
- Building resilience

An additional principle for the Homelessness Strategy that is finally adopted is:

- Increased property interventions

This has been added because the council needs to diversify its temporary accommodation portfolio and reduce the general fund costs associated with the supply of temporary accommodation.

Multi-agency working - The Homelessness Strategy is a partnership statement: multi-agency working is therefore paramount to the implementation of the statement. Taking a multi-agency approach to service provision is about agencies working together to better understand the needs of, and achieve the best possible outcomes for, families and individuals. As a partnership this will require us to actively share and make better use of information, expertise and resources to provide seamless, holistic services for homeless people and those at risk of being homeless.

Early Intervention - There is a growing body of evidence at the national and local level pointing to the importance of intervening early to improve outcomes for service users and

reduce costs to services. As a partnership, we are committed to taking a proactive approach to homelessness and moving away from simply reacting to crisis, both from a preventative perspective as well as in providing support services for homeless households.

Building resilience - The weakening of welfare support and a continually challenging economic climate will place increasing pressures on households and the ability of services to respond to growing needs. A key aspect of our approach to homelessness needs to centre on assisting people to be better able to assist themselves and take control over their own lives.

It is a commitment by partners to support and empower people and families to develop the skills, competencies and resources needed to successfully respond to challenges, be they economic, social or personal, and avoid reaching crisis point. It therefore requires a recognition and understanding of the multi-dimensional issues that make it difficult for people to cope with life events.

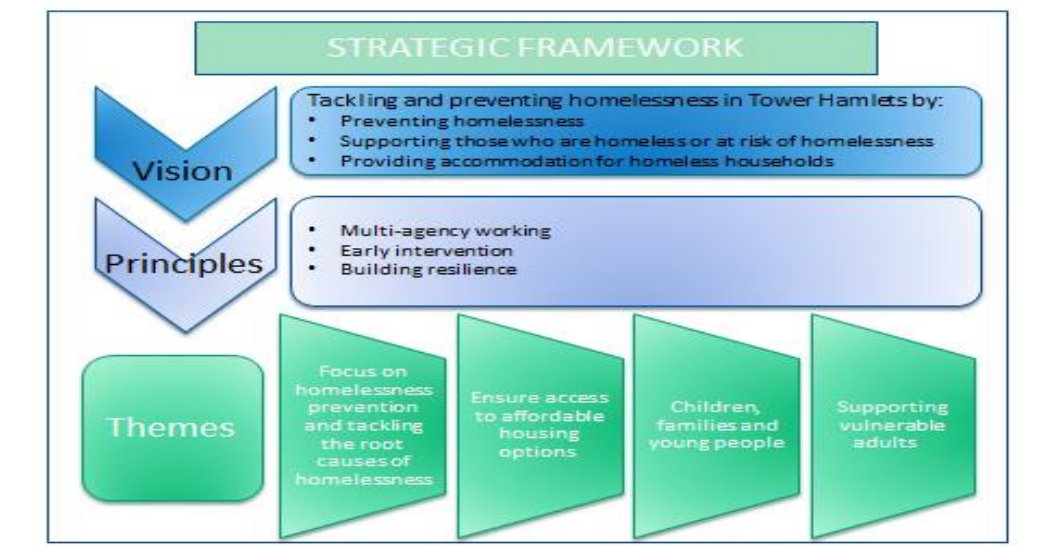
Increased property interventions – Means the council increasing and widening its portfolio of affordable temporary accommodation.

Themes

Using the findings from the evidence base and consultation with agencies, four key themes or strategic objectives have been identified as the basis of structuring the new Homelessness Statement, each with its own thematic objectives:

- Focus on homeless prevention and tackling the root causes of homelessness
- Access to affordable housing options
- Children, families and young people
- Supporting vulnerable adults

In diagrammatic terms, the approach can be illustrated as follows:



Theme 1: Homeless Prevention and Tackling the Causes of Homelessness

Objectives

Provide quality, timely and accessible information and advice focused on homeless prevention and support by:

- Ensuring that there is clear and consistent information at all key contact points for homeless households and those at risk of being homeless.
- Improving the quality and accessibility of housing and homelessness advice services and pathways.

Support people to remain in their homes by:

- Working proactively with social and private landlords to identify and support people at risk of losing their homes and assist tenants to maintain their tenancies.
- Providing advice and support for people at risk of losing their homes.
- Providing financial inclusion and income maximization advice and support for residents, particularly those at risk of losing their homes.
- Mitigating where possible the impact of welfare reform on homeless and formerly homeless people.

Address the root causes of homelessness as part of a partnership approach to tackling worklessness and exclusion by:

- Providing employment support and pathways to employment for households at risk of homelessness and exclusion.
- Strengthening strategic commitment and joint working on homelessness prevention and exclusion.
- Making better use of information and intelligence across the partnership to tackle homelessness and exclusion.

Theme 2: Access to Affordable Housing Options

Objectives

Increase the supply of housing across all tenures by:

- Working in partnership with housing providers and developers, to continue to provide new affordable homes.
- Identifying potential funding opportunities to develop new council homes.
- Bringing empty properties back into use.

Develop innovative and sustainable housing options in the private sector by:

- Improving the accessibility of the private rented sector as a continued opportunity to prevent homelessness, recognising that caps on Housing Benefit allowances influence affordability considerations
- Ensuring that the private sector offers safe and good quality housing options
- Creating a council-owned housing company to provide accommodation including both new build homes and existing properties.

Maximise the use of the existing social housing stock by:

- Ensuring that the common housing register allocation scheme reflects need and availability of accommodation
- Using general needs social housing as temporary accommodation

Ensure that there is a sufficient supply of appropriate temporary accommodation and reduce the time spent in temporary accommodation by:

- Developing a sustainable approach to procuring temporary accommodation.
- Supporting homeless households in temporary accommodation to secure settled accommodation.
- Adopting a Hostel Commissioning Plan for 2017-20 (subject to approval by the Mayor).
- Exploring the potential of purchasing accommodation to meet emergency housing need.
- Developing a portfolio of affordable temporary accommodation.

Theme 3: Children, Families and Young People

Objectives

In order to prevent families and young people becoming homeless, and provide appropriate support packages for those who do, we will:

Prevent homelessness among families and young people as part of an integrated approach to youth and family services by:

- Improving joint working across agencies to focus on homelessness prevention and early intervention for families and young people.
- Improving the use of mediation and respite to address family breakdown as a cause of homelessness.

Support homeless families and young people to be safer, healthier and emotionally and economically resilient by:

- Providing better support services for homeless families.
- Support homeless young people to achieve their full potential and positively progress to adulthood.

Theme 4: Vulnerable Adults

Objectives

In order to provide targeted support for vulnerable homeless adults and support them to live independently, we will:

Better identify the needs of vulnerable people through a personalised, multi-agency approach by:

- Improving the assessment of vulnerable adults, particularly those with multiple needs.
- Ensuring that structures and processes are in place to support a multi-agency approach to assessing vulnerable adults.

Address and reduce the support needs of vulnerable homeless people to enable them to live independently by:

- Developing a joint commissioning approach for homeless adults with complex needs, including substance misuse and mental health
- Having no new people spending a second night on the streets and reduce the number of people who are living on the streets.
- Improving move-on options for people in hostel accommodation and independent living skills of homeless people.
- Ensuring victims of Domestic Violence are supported and their housing needs are met.
- Supporting sex workers in their transition to a safe exit.
- Supporting ex-offenders to keep their homes or find suitable accommodation on return from prison.

August 2016

London Borough of Tower Hamlets

2016-21 - Private Sector Housing Strategy Outline

Index

Section 1 – Reasons for a Private Sector Housing Strategy

Section 2 – Context

Section 3 – The council’s role

Section 4 – Issues to be addressed

Section 4.1 - Landlord Licensing Schemes

Section 4.2 - Housing Conditions: Investigation and Enforcement

Section 4.3 - Letting and Managing Agents: Enforcement

Section 4.4 - Housing conditions and affordability: engagement and support for landlords

Section 4.5 - Promoting the rights of private tenants

Section 4.6 - Housing Conditions: Private Sector Housing Renewal Policy

Section 4.7 - Empty Homes

Section 4.8 - The Right to Manage

Section 4.9 - Institutional Private Sector Landlords

Section 4.10 - Improving Joint Working

Section 1 – Reasons for a Private Sector Housing Strategy

The Council wants to raise the standard of private rented housing in the borough. Private sector housing – housing for home ownership and private renting – represents two large segments of the housing stock in Tower Hamlets. Whilst much new-build private housing in the borough is both expensive and well managed, some private sector homes are in poor condition and/or poorly managed. The private rented sector provides a significant amount of accommodation used by the council to meet housing need, enabling local people to stay in the borough. It is therefore important for the council to strike a balance between supporting landlords who are doing a good job and tackling those who are not.

A significant number of former council homes bought under the right to buy are now being let by private landlords. In some instances this has led to serious overcrowding and anti-social behaviour such as noise nuisance, fly-tipping, and drug-related criminal behaviour on estates owned by the council and its housing associations partners.

A minority of private landlords and agents deliberately profit from leaving their tenants to live in rundown, unsafe, or overcrowded properties, or intimidate and threaten tenants. The Council is committed to tackling these rogue and criminal landlords including by taking enforcement action. The council is also committed to working to professionalise the sector, supporting “amateur” and small landlords to provide well-managed homes to their tenants.

The private rented sector has become unaffordable for many Tower Hamlets residents. Median rents have increased by around a quarter in the last five years. As of 2013, very nearly half of all households in Tower Hamlets have an annual income less than £30,000. From autumn 2016 a workless family with children will receive benefits of no more than £384.62 per week to cover rent and living expenses – less than the median rent of a two bedroom flat in the borough.

The purpose of this document is to set out in more detail what options are being considered to raise the standard and affordability of private housing in the borough.

Section 2 - Context

- The 2011 census revealed there were 67,209 private sector homes in Tower Hamlets; 41,670 (62%) of these were in the private rented sector.
- Private rented is now the largest tenure in the borough with 39% of the housing stock, far higher than the London average of 25%.
- Lower quartile rents in the borough are £365 per week for a two bedroom and £462 for a three bedroom flat. The weekly Local Housing Allowance rate for a family needing two bedrooms is £302.33, and for three bedrooms it is £354.46.
- The median rent for a room in a Tower Hamlets shared flat or House in Multiple Occupation is £147 per week. Single people under 35 have a weekly Local Housing Allowance of £102.99.
- Median rents have increased by around a quarter in the last five years, to £1430 pcm (£330 pw) for one bedroom and £1750 pcm (£403.85 pw) for two bedroom flats.
- As of 2013, nearly half of all households in Tower Hamlets have an annual income less than £30,000.
- From autumn 2016, government reforms mean that workless families with children will receive benefits of no more than £384.62 per week to cover rent and living expenses.
- In spite of market conditions, the Council's Housing Options and Assessment service were able to incentivise private landlords to let to 30 low-income households facing homelessness in 2015-16.
- 19,783 households are waiting for affordable housing on the housing register – all are either homeless or in unsuitable housing.
- 19,040 Tower Hamlets residents (7.5%) have a second address outside the borough.
- 4,595 properties in Tower Hamlets have been empty for more than a year. Of these 2,963 are residential properties; 1,632 are commercial.
- Around 16% of private properties are over-crowded; 39% are under-occupied.
- Approximately half the leasehold stock sold under right to buy is now privately rented.
- Approximately 37% of the private stock was built after 1990.
- 19% of the borough's stock failed the decent homes standard in 2011 compared with 35.8% nationally
- Approximately 350 Houses in Multiple Occupation (HMOs) are licensable under current statute.
- 30% of all category one hazards are in HMOs.

Section 3 - The Council's Role

The Council's functions in relation to private sector housing are carried out by a number of different sections who cover enforcement, grant processing, procurement of temporary accommodation and housing advice.

The Council will work corporately to develop a coherent private sector housing strategy that captures all the work that takes place across the Council in relation to private housing across all sectors:

Tenure	Intervention	Section
Private ownership and unoccupied	Empty Homes	3.7
Private owner-occupied including on leasehold	Housing Conditions: Investigation and Enforcement	3.2
	Housing Conditions: Home Improvement Grants	3.6
	The Right To Manage	3.8
Privately owned and let: Private rented sector	Housing Conditions: Landlord Licensing Schemes	3.1
	Housing Conditions: Investigation and Enforcement	3.2
	Housing conditions and affordability: engagement and support for landlords	3.4
	Letting and Managing Agents: Enforcement	3.3
	Promoting the rights of private tenants	3.5
	Housing Conditions: Home Improvement Grants	3.6
	The Right To Manage	3.8
	Institutional Private Sector Landlords	3.9

Section 4 – Issues to be addressed

4.1 Landlord Licensing Schemes

The Council wants to use landlord licensing to tackle anti-social behaviour associated with private renting, deal with poor housing standards and assist in improving the overall management of private rented accommodation.

Alongside investing and enforcing health and safety standards in private sector housing (see below, 4.2), the Council's **Environmental Health and Trading Standards service** manages landlord licensing.

4.1.1 Selective Licensing

The Housing Act 2004 as amended by a 2015 Statutory Instrument gives Councils the power – subject to appropriate local consultation - to introduce a selective requirement for landlord licensing in areas with a high proportion of properties in the private rented sector, provided that the area covers no more than 20% of housing stock in a housing authority area.

Following successful consultation, the Council is introducing selective licensing from 1st October 2016 for all private landlords in the following wards:

- Spitalfields and Banglatown
- Weavers
- Whitechapel

The selective licensing scheme will require all private landlords in these wards to apply for a license. The application will be assessed by an environmental health officer, and the landlord's property may be visited and assessed. The licence holder and property manager will need to meet the 'fit and proper' person requirement. If a licence is issued its conditions must be followed. These relate to gas, fire and electrical safety, and proper management.

The current selective licensing scheme ends on 1st October 2021.

4.1.2 Mandatory Licensing

The Housing Act 2004 requires all landlords of larger Houses in Multiple Occupation (HMOs) to be licensed by the Local Authority. Mandatory licensing applies to HMOs that comprise three or more storeys with five or more occupants forming two or more households.

Mandatory conditions apply to these licences. These relate to gas, fire and electrical safety, and proper management.

250 HMOs in Tower Hamlets have been licensed under mandatory requirements. Between 50 and 100 HMOs are required to have a licence but do not.

The Department of Communities and Local Governments has consulted stakeholders and is now considering whether to extend the scope of mandatory licensing, either to HMOs with two storeys or to all HMOs containing five or more people. In November 2015 the CLG stated that they plan to introduce these changes during 2016.

4.1.3 Additional Licensing

Many HMOs in the borough do not fall under the current provisions of the mandatory licensing scheme. These include a significant proportion of former Council stock sold under Right to Buy and now let by the room to multiple families and to young people. With a lack of affordable homes, the impact of welfare reform, and increasing private sector rents, it is likely that many households will adopt this tenure in order to remain in Tower Hamlets.

The Housing Act 2004 allows Local Authorities to impose additional licensing on HMOs beyond the mandatory regime where the Local Authority believes that a significant proportion of HMOs are poorly managed and giving rise to problems for residents or the general public.

The use of additional licensing must be consistent with the Local Authority's housing strategy and should be co-ordinated with the authority's approach on homelessness, empty properties and antisocial behaviour.

The Act requires that any such scheme is approved by the Secretary of State: however, a general approval was issued in 2010, provided there is a minimum 10-week consultation period.

4.1.4 Sanctions and Powers

Licensing will improve the Council's ability to engage with private landlords, and to drive up standards in the sector without the need to take enforcement action.

However, where a landlord obliged to have a licence under any of these schemes either does not have a licence or does not comply with its requirements, the Council has powers to impose sanctions:

- A failure to licence a licensable property is an offence, and can result in a fine of up to £20,000
- A breach of licensing conditions is also an offence, and can result in a fine of up to £5,000
- Where a magistrate imposes sanctions, the fine can be unlimited
- Rent Repayment Orders require unlicensed landlords to repay up to 12 months' rent – in the case of rent paid through universal credit or housing benefit, this would be returned to the council. Detail on this is given below, at 4.2.2.

Unlicensed landlords who are required to have a licence lose the right to serve notice on tenants requiring possession under section 21 of the Housing Act 1988 until the property is licensed.

There is also potential for additional action against rogue landlords who avoid **council tax**, for example by fraudulently transferring liability to HMO tenants.

The Environmental Health and Trading Standards service is currently unable to access the council tax and housing benefit data it requires to identify HMOs and unlicensed landlords.

4.1.5 LANDLORD LICENSING SCHEMES: ACTIONS

- Keep the selective licensing scheme under comprehensive review and provide a full evaluation ahead of 2021.
- Develop an incentive package to engage licensed landlords and help them manage their properties more effectively. This might include e-bulletins, information and training sessions, energy efficiency schemes or a local landlords' forum and customer panel.
- Apply for an extension to the selective licensing scheme from October 2021 in either its initial or amended form.
- After the CLG reach a decision on whether to extend the scope of mandatory HMO licensing, the Council will consider introducing an additional licensing scheme for Houses in Multiple Occupation either across the borough or in specified areas; and to apply this either to all HMOs or to certain types of HMO.
- Appraise the options to provide additional resources on a cost-neutral basis in order to enforce Rent Repayment Orders, Banning Orders, Council Tax compliance, and licensing.
- Ensure that Council Tax and Housing Benefit data is readily available to the Environmental Health and Trading Standards service in order to facilitate the identification of landlords and HMOs.
- Carry out a stock condition survey of the private rented sector in order to better inform Council decisions and actions on improving the sector.
- Obtain data from East End Homes, Tower Hamlets Homes and Poplar Harca on leasehold properties; and on which of these are rented privately.
- Require landlords who breach licensing conditions to attend The London Landlord Accreditation Scheme.
- Develop regional and sub-regional partnerships on licensing, including in relation to enforcement.

4.2 Housing Conditions: Investigation and Enforcement

4.2.1 Disrepair and poor housing conditions

The Council has a duty to keep the housing conditions in its area under review in order to identify and remedy conditions that are a health hazard or a statutory nuisance.

This duty is discharged by the Council's **Environmental Health and Trading Standards service** through inspection, enforcement, regulation, advice, and education. These service works across areas including pest control, the enforcement of legislation dealing with

accumulations of rubbish and other statutory nuisances, noise nuisance enforcement and control, as well as housing safety and standards enforcement.

The Housing Act 2004 introduced the **Housing Health and Safety Rating System (HHSRS)**, a risk assessment and methodology for Environmental Health Officers inspecting and assessing housing conditions. The principle of HHSRS is that any residential premises should provide a safe and healthy environment for any potential occupier or visitor.

Where Category 1 hazards exist the council is obliged to take action to ensure elimination of that hazard.

There are several enforcement options available where hazards are identified. In the first instance, in most cases the appropriate response is to give advice and inform. The Enforcement Officer takes formal action against landlords who deliberately operate outside the law. The Council charges a fee of £474 for each notice served.

The Housing and Planning Act 2016 has introduced new powers to apply for a **Rent Repayment Order** where a landlord has failed to comply with improvement notices or prohibition orders issued under the Housing Act 2004.

The **Deregulation Act 2015** aims to end the phenomenon of landlords carrying out “revenge evictions” where tenants complain about poor conditions – but only if the Council serves notice in relation to a category 1 or 2 hazard. This may increase the number of requests made to the Council to inspect premises using the HHSRS, further increasing demands on very limited resources.

The Environmental Protection Act 1990 imposes a duty on every local authority to inspect its area for statutory nuisances, to investigate complaints of statutory nuisance, and to take action where statutory nuisance exists or is likely to occur. Statutory nuisance is defined as occurring where “any premises in such a state as to be prejudicial to health or a nuisance”.

Where the Council identifies statutory nuisance, the first formal step is an abatement notice giving a clear timescale within which the nuisance must be remedied. The Council can prosecute for contravention or non-compliance with the notice, or can carry out 'works in default' with costs recoverable from the person served with the abatement notice.

The Defective Premises Act 1972 imposes a duty of care to see that people are reasonably safe from injury or damage to their property resulting from defects.

The Prevention of Damage by Pests Act 1949 gives the Council a duty to try and keep the area free from rats and mice. The Council can serve notice on owners and occupiers specifying treatment and/or works. Under the Act, the Council has the power to enter premises to inspect or enforce notices, including the carrying out of treatment or works.

4.2.2 Rogue landlords and agents

A minority of landlords and agents deliberately profit from leaving tenants to live in rundown, unsafe, or overcrowded properties, or intimidate and threaten tenants. The Council is committed to tackling these rogue and criminal landlords.

The Proceeds of Crime Act 2002 gives powers to seek confiscation orders against convicted individuals requiring payment to the state based upon the benefit obtained from their crimes. Successful actions resulting in very significant financial penalties have been

taken by other Councils for poor conditions, planning breaches, and failure to comply with improvement notices.

Rogue landlords, tax and mortgages: The conditions of many mortgages do not grant mortgagees the permission they need to let their property. Rogue landlords may be letting in breach of their mortgage conditions – which could lead to repossession. Rogue landlords may also withhold information about rental income from HMRC.

Protection from Eviction Act 1977: Local housing authorities can prosecute criminal offences of harassment and illegal eviction the Act. **The Local Government Act 1972** also empowers authorities to prosecute where landlords or agents have used violence to enter premises or committed harassment. Conviction under the Act can lead to an unlimited fine and up to two years in prison. However, Prosecutions are rare as they are complex and may not be in the Public Interest.

Criminal Law Act 1977: It is an offence for any person, including a landlord or agent, to use violence or the threat of violence to enter premises. A landlord or agent may be a trespasser on their own property where they have not followed correct legal procedures before entering; on this basis, a tenant who has been unlawfully evicted is a “displaced residential occupier” and is authorised under the Act to force entry back into the property.

Housing Advice help re-instate clients when they have been unlawfully evicted by applying to Court for an injunction and/or giving financial assistance to the client to pursue their right of re-entry as a lawful occupier.

Protection from Harassment Act 1997: the Act generally prohibits a person from “pursuing a course of conduct which amounts to harassment of another; and which s/he knows or ought to know amounts to harassment”. The Act creates an arrestable offence of harassment, and it is open to tenants to pursue compensation claims.

Restoration of Utilities: If the landlord is responsible for the supply of gas, electricity or water and causes it to be cut off the local authority can arrange reconnection with the suppliers with costs recoverable from the landlords.

Injunctions: An injunction is an order of a civil court directing somebody to do, or not to do, something. The court must be satisfied that the “balance of convenience” is in favour of granting an injunction, and breach of an injunction is an arrestable offence. The Housing Advice service assists in the application for injunctions.

Compensation: The Council’s Housing Advice service refers clients to community partners to pursue claims for compensation against criminal and rogue landlords.

The Housing and Planning Act 2016 introduces a raft of new powers to take action against rogue landlords and agents:

Tenants or local authorities can apply for a **Rent Repayment Order (RRO)** where a landlord has committed offences such as unlawful eviction, harassment, failure to comply with improvement notice, or failure to license where it is required. If successful the tenant (or the authority if the tenant was receiving housing benefit or universal credit) may be repaid up to 12 months’ rent. The Secretary of State will make regulations as to how the money recovered will be spent. The Act puts local authorities under a *duty* to consider applying for rent repayment orders where a person has been convicted of an offence. The Act also gives local authorities the power to help tenants apply for rent repayment orders.

Though there are clear resource implications in enforcing RROs, these are likely to be offset by potential revenue gains from successful enforcement. Alongside resources, the Council needs to delegate clear responsibility for these applications.

The Act creates a new '**banning order**' concept enabling a First-tier Tribunal to ban a person for a minimum period of 12 months from letting or managing accommodation. The banning order can be requested by a Local Authority against a landlord or agent who has committed a banning order offence. The scope of what constitutes such an offence will be defined in regulations. The local housing authority can impose a financial penalty of up to £30,000 for breach of a banning order. The Secretary of State may by regulations make provision about how local housing authorities are to deal with financial penalties recovered.

Database of rogue landlords and lettings agents: The Act sets out that the Government will operate a database of 'rogue' landlords and letting agents. Councils will be responsible for updating the database when banning order offences have been committed and when banning orders are issued, and can use it to help exercise their functions.

4.2.3 INVESTIGATION AND ENFORCEMENT: ACTIONS

- Appraise the options to provide the resources aiming at a cost-neutral budget - to make applications for Rent Repayment Orders, Banning Orders, Proceeds of Crime confiscation orders, and Council Tax compliance.
- Work closely with HMRC and mortgage providers when taking action against rogue landlords.
- Develop closer partnership working with the Police to tackle harassment and unlawful eviction.
- Conclude a procedure with legal services for bringing more prosecutions against rogue and criminal landlords.
- Coordinate prosecutions and other enforcement work undertaken by and on behalf of the Housing Options and Advice service and The Environmental Health and Trading Standards service.
- Publicise actions against rogue and criminal landlords in local media, on the Council's website and in partnership with regional and sub-regional partners.

4.3 Letting and Managing Agents: Enforcement

The Environmental Health and Trading Standards service carries out work to regulate letting and managing agents.

4.3.1 Redress Schemes and Complaints against managing agents

Since October 2014 all letting or property management agencies must belong to a consumer redress scheme. Agencies must display and publicise the name of the scheme they belong to. Information about the redress scheme should also be provided to new tenants. The Council is under a duty to enforce these requirements on the agencies in its area and can

impose a fine of up to £5,000 for non-compliance. Sums received by an enforcement authority may be used by the authority for any of its functions.

4.3.2 Agency Fees

The **Consumer Rights Act 2015** requires both letting agents and managing agents to display a list of relevant fees in a prominent position in their office and on their website if they have one. Local authority trading standards officers in the area where the agent's properties are located must enforce the Act. The Council can at its own discretion impose financial penalties of up to £5,000 for non-compliance.

4.3.3 LETTING AND MANAGING AGENTS: ACTIONS

- Advertise to the public and to agents the requirements for agencies to publicise fees and belong to a redress scheme. Publicity could include the Council website, pieces and adverts in Our East End, posters in public spaces, Ideas Stores, and Council offices, and engagement of community partners.
- Conduct a programme of publicised “spot checks” on agents.
- Set up and publicise clear and simple processes for the public to report non-compliant agents. These could include a web portal, email, SMS, and hotline.
- Appraise options for developing a Social Lettings Agency to drive up standards in the borough.
- Consider providing free or low-cost legal advice to private landlords wanting to end onerous contracts with rogue agents in order to incentivise either letting to Housing Options clients or through a Council Social Lettings Agency.

4.4 Housing conditions and affordability: engagement and support for landlords

As a means of improving the quality of private rented housing across the borough, the Council wishes to improve the quality and professionalism of private landlords. The Council also wishes to increase the supply of affordable privately rented accommodation for the borough’s low and middle income residents.

4.4.1 Landlord Accreditation

The Council is committed to supporting the **London Landlord Accreditation Scheme (LLAS)**. LLAS awards accreditation to reputable landlords who undergo training and comply with a code of conduct. It was set up in 2004 as a partnership of landlord organisations, educational organisations and 33 London boroughs. Being accredited means that landlords meet the London Rental Standard.

Accreditation is a condition of access to **Empty Property Grants** (see below, 4.7.4).

4.4.2 Private landlords and homelessness prevention

The Housing Options and Assessment service works with private landlords who agree to let to their homeless prevention clients at Local Housing Allowance rates in return for a package of benefits. This allows the Council to facilitate access to the private rented sector for residents who are reliant on benefits or low incomes.

In spite of market conditions, the Housing Options and Assessment service were able to incentivise private landlords to let to 30 low-income households facing homelessness in 2015-16.

In return for - and as a condition of – partnership, the Housing Options and Assessment service pay for landlords to gain LLAS accreditation.

The Council has a financial incentive scheme operating through Tower Hamlets Homefinder to reward landlords letting to their clients for at least two years.

4.4.3 ENGAGEMENT AND SUPPORT FOR LANDLORDS: ACTIONS

- Develop an enhanced offer to landlords and property owners in order that more will let to low-income residents nominated by the Council. In particular:
 - Appraise options for developing a Social Lettings Agency, including focussing it on letting and managing accommodation provided by the private sector to residents presenting as homeless to Housing Options.
 - Reinstate the landlords' forum.
 - Provide landlords with e-bulletins, information and training sessions, energy efficiency schemes and customer panel.
 - Incentivise landlords to join the The London Landlord Accreditation Scheme by developing a wider accreditation condition for access to other council services, benefits and grants for landlords.
 - Provide a priority Housing Benefit service to accredited landlords.
 - Require landlords who breach licensing conditions to attend The London Landlord Accreditation Scheme.

4.5 Promoting the rights of private tenants

In a fast-changing regulatory and legislative context, the Council should take steps to improve private tenants' understanding of their rights and empower tenants to improve conditions in their own homes.

4.5.1 Housing Options and Assessment Service

The private housing advice service, accredited by the Legal Services Commission, offers a free, confidential and independent service to people who live in private sector accommodation in Tower Hamlets. The Housing Advice team deal with issues including rent arrears, disrepair, deposits, and threats of illegal eviction. In addition, the team's The Money Advisers can help to look at the best way to manage debt or direct customers to a partner organisation to assist.

4.5.2 Key legislative change affecting private tenants

The 'Right to Rent': The Immigration Act 2014 introduced the concept of a 'right to rent' and therefore the concept that certain people have no right to rent a home.

Landlords and lettings agents are under a duty to check whether their tenants and prospective tenants have the 'right to rent'.

Currently, only British citizens, EEA nationals, Commonwealth Citizens with right of abode, and people with indefinite leave to remain have an unlimited right to rent.

Certain people have a time-limited right to rent. Where an existing occupier's time-limited right to rent expires, the landlord must report this to the Home Office.

People with no valid leave to enter or remain in the UK – including people whose leave has expired – have no right to rent.

Failure to conduct the often complex checks on immigration status, to report to the Home Office the expiration of an occupier's limited right to rent, or to provide accommodation to a person with no "right to rent" can all lead to a fine of £1,000 per tenant and £80 per lodger, rising respectively to £3,000 and £500 for repeated non-compliance.

There are widespread fears and emerging evidence that some landlords and agents avoid the complexities of checking immigration papers by turning away prospective tenants who they believe may not be British citizens.

The Equality Act 2010 imposes a duty on people when letting or managing premises not to unlawfully discriminate against people on the basis of race, religion or belief. A landlord or agent who refuses to let premises to, or check only individuals they think might not be British or EEA nationals, or not having a right to rent because of their colour, ethnic or national origins will unlawfully discriminate.

The government has published codes of practice to provide statutory guidance to landlords and agents on how to operate non-discriminatory lawful checks.

Recent changes have extended tenants' rights in the following areas:

Retaliatory evictions: Where a tenancy has been granted after 1 October 2015, the Deregulation Act 2015 states that a landlord cannot serve notice under section 21 – the notice allowing landlords to carry out simple "no fault" evictions – if that notice is served following a written complaint from the tenant about the condition of the property *and/or* the local authority serves either an improvement notice in relation to a hazard.

Deposit protection: Deposit protection schemes effectively ensure that landlords cannot unfairly retain tenants' deposits at the end of the tenancy. A landlord must protect their tenant's deposit. Landlords who do not do this are liable to a claim from the tenant for full and immediate return of the deposit plus a penalty, payable to the tenant, of between one and three times the deposit's value. In addition, those landlords cannot use the section 21 notice possession procedure to evict the tenant.

4.5.3 PROMOTING THE RIGHTS OF PRIVATE TENANTS: ACTIONS

- Work with community partners and programme a regular publicity campaign to promote awareness of private tenants' rights - including on the Council website, in Our East End, and through posters in public spaces, Ideas Stores, and Council offices.

- Publish and publicise expectations of how landlords should carry out the 'Right to Rent' checks consistently and fairly to avoid discrimination.
- Engage private tenants including through forums.
- Provide tenancy training to homeless households moving into the private rented sector.

4.6 Housing Conditions: Private Sector Housing Renewal Policy

The Council has a duty under the Housing Act 2004 to review housing conditions in their district. Where housing conditions are found to require improvement, assistance can be provided under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002; however a local authority is also required to have adopted a Private Sector Renewal Policy. The Private Sector Housing Renewal Policy 2016 – 2018 forms a subset of this document.

The Council's Private Sector Housing Renewal Policy 2016 – 2018 is attached to this document and sets out the Council's position on direct grant funding to owner occupiers and private sector landlords and tenants.

4.6.1 Disabled Facilities Grants and the Better Care Fund

See 5.1, Private Sector Housing Renewal Policy 2016 – 2018.
Disabled Facilities Grant is now contained within the Better Care Fund (BCF).

4.6.2 Home Repair Grants - owner-occupiers

See 4.2 Home Repair Grants, Private Sector Housing Renewal Policy 2016 – 2018.

4.6.3 Tower Hamlets Home Improvement Agency

See 5.4, Other Assistance, Private Sector Housing Renewal Policy 2016 – 2018.

4.6.6 PRIVATE SECTOR HOUSING RENEWAL POLICY: ACTIONS

- Refresh the Council's private sector housing renewal policy to set out the approach, including to partnership working and the Better Care Fund, over the 2016-21 years.

4.7 Empty Homes

4.7.1 Identifying Empty Homes

As of May 2016, **4,595** properties in Tower Hamlets have been empty for more than a year. Of these **2,963** are residential properties; **1,632** are commercial.

69.8% of the empty residential properties have been empty for more than two years. 39% have been empty for more than five years.

The Council identifies empty homes through council tax and Land Registry records and by facilitating reports from the public, property owners and developers.

A complex range of reasons lead to buildings being left empty. Many are in a neglected state and have a damaging impact on their local area. At the other end of the spectrum, Council Tax records show that nearly half are second homes (1,264 of the 2,963 empty homes).

4.7.2 'Buy to Leave'

There are increasing public and political concerns about "Buy to Leave" properties: properties bought by international investors in order to maximise their return on capital growth and then left empty. It is typically associated with buying off-plan in large developments, with significant representation of overseas investors.

Anecdotal reports suggest that a high proportion of these properties are kept empty, though currently in Tower Hamlets quantitative evidence is lacking.

The GLA's November 2015 economic analysis of London's housing market suggests that international investment is responsible for only a small share of transactions and is likely to have had only modest effects on house prices; on the other hand, it is a phenomenon concentrated in small areas, and international buyers as a proportion of sales in prime central London and Canary Wharf have increased from 23 per cent in 2005 to 40 per cent in 2014.

4.7.3 Short term holiday lettings

London had 23,000 Airbnb listings in 2015: after Paris and New York, the highest in the world. Cities across including New York, Amsterdam, Paris, and Berlin - have taken steps to regulate the market on the basis that it diminishes housing stock, disrupts social cohesion, and strains relationships between landlords and tenants. The Council has no data on the extent of the market in Tower Hamlets, or on whether it has a negative impact on local housing supply or communities.

Under the Greater London Council (General Powers) Act 1973, short-term rentals are subject to a planning restriction making the use of residential premises as temporary sleeping accommodation a "material change of use" for which planning permission is required. The Deregulation Act 2015 introduced an exception to this restriction allowing residential premises to be used for temporary sleeping accommodation for up to 90 nights a year. Owners of properties used for more than 90 days can be fined up to £20,000.

4.7.4 Engagement with owners of empty homes

The Private Housing Investment Team records empty properties on the Empty Homes database and manages casework through the database.

The Private Housing Investment Team contacts owners of empty property to broker the reuse or conversion of empty properties. In many cases this initial dialogue is enough to confirm the owner's plans for the property, and to encourage those plans to be concluded in a timely manner. The owner is offered information and assistance including:

- **Reduced or zero rate VAT.**
- **Empty Property Grants:** See 4.3 Empty Property Grants, Private Sector Housing Renewal Policy 2016 – 2018.

4.7.5 Enforcement action against owners of empty homes

Where the Council remains unsatisfied that the property will be returned to use as efficiently as possible, consideration is given to enforcement options.

Where there is a public nuisance, or a recurring or potential statutory nuisance, the Council has a duty to issue an Abatement Notice under s80 of **the Environmental Protection Act 1990**. Responsibility for this action rests with the Environmental Health Team. An Abatement Notice requires the owner to carry out specified works and take any steps necessary to abate the nuisance within specified time limits. The Council can prosecute where an abatement notice has not been complied with, or can carry out works in default and recover costs from the owner.

Where an empty building is dangerous or dilapidated, verminous or unsecured, **the Building Act 1984** gives the Council powers to require the owner to make the property safe or to address the external appearance of the building, or to take emergency action to make the building safe.

Section 215 of the Town & Country Planning Act 1990 provides a local planning authority with the power to take steps requiring land to be cleaned up when it is adversely affecting the amenity of an area. The Council can serve a notice on the owner requiring that the situation be remedied. The Council can commence prosecution proceedings for non-compliance with any Section 215 notice, resulting in a fine not exceeding £1,000. Additionally, or in the alternative, the Council can carry out works in default and seek recovery of costs from the landowner.

The Council has the power to enforce a **Compulsory Purchase Order (CPO)** on a vacant residential property under the Housing Act 1985. The powers do not cover commercial properties. However, this is a power that can only be used as a last resort. The Council must demonstrate that it has taken all steps to encourage the owner to bring the property back into acceptable use, and that the reasons for making a CPO justify interfering with the human rights of anyone with an interest in the property.

A full valuation, a financial appraisal, and risk assessment are carried out wherever CPO is considered. Cabinet approval is needed to initiate formal compulsory purchase of a property. There is currently no budget for Compulsory Purchase Orders.

Chapter 2 of the Housing Act 2004 enables the Council to take possession of an empty property and then place tenants in it through an **Empty Dwelling Management Order (EDMO)**.

The threat of an EDMO is intended to put pressure on the owner to enter into constructive dialogue. The first stage in the process is application to a Residential Property Tribunal for an interim order. The tribunal must be satisfied that the property has been empty for at least two years, as well as being vandalised or actively used for "antisocial" purposes, and that there is local support for the use of an EDMO. An EDMO cannot be granted if the owner proves the properties are in the process of being sold.

Once an interim EDMO has been granted, it lasts for up to twelve months, during which the authority works with the owner to try and agree a way to put the property back into use. If no agreement is reached during this time, the authority may make a final EDMO, which lasts for up to seven years. A final EDMO differs from an interim EDMO in that the authority is not required to obtain the owner's consent before finding a tenant for the property.

When a tenant has been found under the EDMO, the rent is paid to the local authority, which is able to recover any costs they may have incurred by taking possession of the property and making it habitable. Any money over and above these costs is to be paid to the owner of the property.

A full valuation, a financial appraisal, and risk assessment are carried out wherever an EDMO is considered, and Cabinet approval is needed to apply to a Residential Property Tribunal for an EDMO. There is currently no budget for EDMOs.

4.7.6 The New Homes Bonus

The New Homes Bonus was introduced in order to provide a clear incentive to local authorities to encourage housing growth in their areas. The Bonus rewards local authorities for each additional new build and conversion. Long-term empty properties brought back into use are also. Each year's grant is paid for 6 years. The Bonus is not ring-fenced.

4.7.7 EMPTY HOMES: ACTIONS

- Put in place clear casework procedures, targets and timescales aimed at reducing the number of empty properties in Tower Hamlets.
- Appraise options for developing a Social Lettings Agency, including focussing it on bringing empty homes back into use by letting and managing empty properties to Housing Options clients at no cost to the owner.
- Develop an evidence base on "Buy to Leave" properties including through the use of Council Tax and electoral roll data. Against this, assess the viability and desirability of responses including Planning Obligations under Section 106 of the Town and Country Planning Act 1990, and revising Council Tax rates for empty homes.
- Explore the viability of working with a social enterprise in clearly defined circumstances to facilitate the letting of empty private sector properties on a short-term basis to property guardians.
- Gather data and evaluate the impact of short-term rentals.
- Publicise and enforce existing legislation on Airbnb lettings made for more than 90 nights a year.
- Develop a budget to fund Compulsory Purchase Orders and Empty Dwelling Management Orders from 2017/18, potentially working with Registered Providers to fund this work, and consider incorporating revenues from the New Homes Bonus.

4.8.1 The Right To Manage

4.8.1 Private and Housing Association Leaseholders' Right to Manage

The Commonhold and Leasehold Reform Act 2002 provides a right for leaseholders to force the transfer of the landlord's management functions to a special company set up by them – the Right to Manage company. The right was introduced not just as a means of wresting control from bad landlords, but also to empower leaseholders to take responsibility for the management of their block.

The right to manage does not apply where the landlord of any qualifying tenant is a local housing authority: council leaseholders' rights are set out below, 3.8.2.

Leaseholders of a housing association have the right to manage as long as all the other qualifying conditions can be met. This also applies where shared ownership leaseholders have acquired a 100% share from the housing association.

Private leaseholders' right to manage is only applicable if tenants with a lease of 21 years or more comprise at least two-thirds of the total number of flats in the premises. The right to manage is not applicable if different people own the freehold to different parts of the building, there is a resident landlord.

The landlord's consent is not required, nor is any order of court. However, either the landlord or another leaseholder may object by serving a counter-notice: but the right to manage application will be defeated only if a qualifying condition is not met.

4.8.2 Council Leaseholders' Right to Manage

Local authority leaseholders have a collective right to take on the management of the council housing where they live since 1994. Right to Manage Regulations provided for by s27 Housing Act 1985 were introduced in 1994 and revised in 2008 and 2012.

This Right to Manage is exercised by forming a Tenant Management Organisation (TMO) in order to take over housing management services such as repairs, caretaking, and rent collection. Four TMOs manage 880 homes in the borough on behalf of the Council. The Council has a duty to facilitate the exercise of the Right to Manage by their tenants.

4.8.3 THE RIGHT TO MANAGE: ACTIONS

- Provide more targeted advice to leaseholders on the right to manage.

4.9 Institutional Private Sector Landlords

The Council supports the emergence of institutional investment and management into the private rental sector, through converted stock and in particular through the development of purpose-built private-rental stock.

The Council will actively explore new partnerships and delivery models to develop high quality market rent housing, especially where it gives opportunities for renting at below median market rent levels.

4.9.1 INSTITUTIONAL PRIVATE SECTOR LANDLORDS: ACTIONS

- Actively explore new partnerships and delivery models to develop new, high quality market rent housing, especially where it gives opportunities for renting at below median market rent levels.
- Consider instituting a separate use category for "Build to Rent" developments
- Encourage Build to Rent schemes that are accessible and attractive to residents and the wider community.

4.10 Improving Joint Working

The council will improve its joint working with internal and external stakeholders to deliver this private sector housing strategy.

4.10.1 IMPROVING JOINT WORKING: ACTIONS

- Develop a biannual PRS forum, internal joint-working, and information-sharing protocols between Trading Standards, Environmental Health, Home Improvement Team, Housing and Council Tax Benefits (including home visits team), Corporate Anti-Fraud Team, Housing Options and Advice, Planning Compliance, Building Control and Tower Hamlets Homes leasehold services, in particular in relation to:
 - - HMO enforcement
 - “fit and proper person” tests
 - subletting of social housing
 - ASB in council leaseholder lettings
 - Rogue landlords database
 - Short-term lets
 - Sham lettings
- Develop shared rogue landlord database for Trading Standards, Environmental Health, Housing and Council Tax Benefits (including home visits team), Corporate Anti-Fraud Team, Housing Options and Advice, Planning Compliance, Building Control and Tower Hamlets Homes leasehold services.
- Develop joint-working and information-sharing protocols with registered providers in relation to subletting of social housing, leaseholder lettings, short-term lets, and sham lettings.
- Work with universities to prevent sham lettings and social housing fraud.
- Establish annual PRS forum bringing together key internal services and external partners.

August 2016

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Towards a Housing Strategy

First Stage Consultation Report

Executive Summary

The *Towards a Housing Strategy* consultation was launched by Mayor Biggs in an article in *East End Life* on 16th May 2016, with a housing survey available online. As of 1st August 2016, 409 surveys were completed – approximately 65% of these were completed in face to face consultations by officers in the Borough's markets, with the remainder completed on the Council's website.

The data below has been extracted from the survey data recorded. The data received from the survey cannot claim to be statistically accurate in representing the views of the majority of those living in Tower Hamlets; however it does provide a good insight into the key issues concerning people in the Borough which will be valuable for informing the development of the housing strategy.

It should be noted that prior to this consultation being held, the work of the Mayor's Housing Affordability Commission, Somali Task Force and consultation on the Local Plan in late 2015 and early 2016 also provided valuable feedback from across the Borough's communities on a wide range of housing issues.

Methodology

The questions in the survey were primarily developed around the findings and recommendations from the Mayor's Housing Affordability Commission which ran from December 2015 to February 2016 and through wider policy discussions with the Lead Members for Housing.

Before the online survey went live, it was tested by council colleagues in order to ensure it worked and surveys could be submitted without any technical problems arising. The paper survey questions were tested on colleagues who did not work day-to-day in housing, in order to ensure the questions were clear so that residents in Tower Hamlets could understand what they were being asked to comment on. As a result of this, the language used in some of the questions was simplified in order to make it 'less techy'. Survey results were examined in order to ensure they were representative of the demographics of Tower Hamlets.

Events and Consultations

As part of the consultation, Council officers held over a dozen events across the Borough. Officers carried out face to face surveys in markets, idea stores, residents meetings, as well as briefing colleagues, management teams and partners in internal and external meetings. Specific engagement included holding an All Member briefing event, attending the Children and Partnership Board, the Parent and Carer Council, the Interfaith Forum, Housing Options partners, holding three internal staff events, hosting a stall in Mulberry Place, and attending the Tenants and Residents Federation open meeting.

Respondents' profiles

Please note that not all respondents completed the monitoring survey. Therefore, the stats headlines do not add up to 100.

- Gender of those completing the survey: 49% female, 36% male.
- Landlord: 24% LBTH, 25% HA, 16% PRS, 16% owners, 2% homeless.
- Ethnicity: 28% Bengali, 26% British, 4% white, 3% Black, 1.5% Somali.
- Age Group: 16-24 (6%), 25-35 (23%), 36-45 (24%), 46-54 (11%), 55-64 (10%), 65+ (8%)
- 40% of respondents live in the Borough, while 5% work in LBTH. For the remaining 55% the question was not answered.

Top 10 Housing Concerns of Residents in Tower Hamlets

The top 10 housing concerns below were recorded from the comments made to officers by the public during the face to face surveys, and from the online survey which gave the public the opportunity to add specific comments.

1	Overcrowding
2	Waiting List (too long)
3	Expensive / high rents
4	Local people should get housing priority
5	Repairs (Poor quality / Take too long)
6	Lack of parking
7	Lack of affordable housing
8	Lack of key worker housing
9	Low household income
10	Affordable rent is not affordable

Examples of Housing Concerns

The comments below are a cross section of comments received during the face to face surveys and online. They are intended to give Members a feel of the type of comments being made by the public on key housing issues. A full list of comments is available for Members should they wish to look at them.

OVERCROWDING

“Teenagers of the opposite sex sharing the same room. For example a teenage boy 16 sharing with a teen girl of 13.”

“I have four girls that all currently share a room. The council should spend an evening in my home watching how hard it is for my daughters aged 13, 10, 8 and 2 to share one bedroom together with no private space for themselves!”

HOUSING REGISTER

"The waiting list is too long."

"People jump the housing queue."

"I think it is really important for the Tower Hamlets council to strive to house those on the housing waiting list, as it is only fair as some families have waited years. So to try and build more housing which will accommodate for affordable rent will be ideal, so everyone can benefit from it."

HIGH RENTS

"Many of us cannot afford to pay £250 - 300 per week so I would like to see more homes which is less than £200."

"The average working family cannot afford a rent of £250-£300.00 per week."

"The council need to build new homes that we can afford as many of us do not earn more than £15,000 PA and we cannot afford to pay rent of £300 + per week. Priority needs to be given to those that have medical needs and need a ground floor property. There is a shortage of ground floor properties and these are being given to those who do not even need a ground floor. Old estates and buildings can be refurbished to save money than demolishing and building new build homes."

"People on housing benefits should not be in prime area like zone 2!"

"Rent is very high and unaffordable. As someone who earns between 18-20k I struggle to pay the rent every month and have to scrape to get by. I find myself in situations where I am having to lean towards borrowing from the bank in order to make it through the month financially. The flat I live in is small and isn't even worth the money I pay for it."

HOMES FOR LOCAL PEOPLE

"No outer borough placements and homes for local people."

"Properties bought by the wealthy as investments at the expense of residents - it is pushing prices up."

"Only people born and bred in Tower Hamlets should get priority housing."

"Local people don't get housed. People from the EU come here and get housing priority while we have to go private."

REPAIRS

"Standard of homes is not good. Not modern."

"Repairs are a problem - waiting too long and contractors not doing what they say."

"Amount of time it takes THH to carry out repairs - not good enough."

"Quality of housing association repairs and services is poor - they should be required to document and evidence management support."

“Process for repairs is too long - limited options.”

“Make better use of empty properties.”

LACK OF PARKING

“No parking.”

“Public service areas should also be increased including GPs, schools, green spaces etc. - parking should also be considered, it is not enough to say a building is 'car free' - this does not seem to ensure that people cannot gain access to a resident permit, as there seems to be numerous 'work-around' this. The best solution would be to ensure all buildings have parking available at an affordable cost.”

LACK OF AFFORDABLE HOUSING

“Affordable homes allow people to stay in, contribute feel part of their local area. Expensive small private houses and flats create transient, tense cramped areas in this city of ours. That will be the slums of the future.”

LACK OF KEY WORKER HOUSING

“How are local communities being supported with all the new housing such as schools, doctors surgeries and local services? These new apartments create problems with school places and push locals further from their school catchment areas. Why aren't there more key worker builds?”

“How are key workers being supported in the borough? What about key workers who live in overcrowded conditions for example? What incentive is there for them to continue to teach in London? How are those with median incomes able to pay rising rental rates in tower hamlets or afford homes? They are unable to do either.”

“Housing for key worker staff should be a priority.”

LOW HOUSEHOLD INCOME

“Too many homes feels like those on low income pushed out.”

“The majority of Tower Hamlets is full of families on very low income and those living in poverty. the last thing the council could do is encourage more higher earning individuals to come and live in this borough as that will inevitably lead to the social cleansing of the majority of residence that have lived in Tower Hamlets for the entirety of their lives.”

AFFORDABLE RENT IS NOT AFFORDABLE

“Define affordable housing, whom is it affordable too, based on what calculations?”

“These affordable rents are too high for family's to afford. I myself refused a 3 bed flat of £203 a week because we couldn't afford it. Also stop offering family's 9th floors with young babies. It's dangerous and not safe.”

Housing Survey Statistics – Short Survey

The questions below were asked in order to gauge the level of support for the broad proposals of the Housing Strategy document. The survey results reveal that a majority residents support the direction of travel set out in the document.

Survey Question	% of Respondents who think this is 'Very Important'	% of Respondents who think this is ' Important'
Building new council and housing association homes with rents that people can afford to pay.	82.6%	10%
Building new homes on its own estate for median income households (e.g., a single person or two people) who earn between £30,000 and £45,000 per year - before tax.	46.5%	26.7%
The council works with housing associations in LBTH to make them more transparent and responsive, to improve the quality and management of housing association homes and will intervene where possible to improve services.	61.9%	22.7%
Using council land to build new homes as well as modernise council estates.	67%	20.8%
The council to work with private landlords to improve the quality and management of private rented housing and take action against bad landlords.	61.9%	23.7%
The council providing homelessness services to people who are not legally defined as homeless, but who the council think it is important to give advice and support to.	46.7%	31.3%
Continue to give priority to people in most housing need on the housing register.	66%	19.6%

Long Survey Data:

In addition to the data included in the short survey responses above, approximately 140 people went on to complete a longer version of the housing strategy survey on the LBTH website. Support for the proposals was more mixed than in the short survey particularly in relation to developing homes outside the borough and some aspects of the proposed changes to the allocations scheme.

Housing Survey Statistics –Long Survey

Question 1 – The cost of council and housing association affordable rented homes			
	More homes at higher rents	Fewer homes at lower rents	No view
The council may have to make the difficult decision of deciding whether to have more rented homes at higher affordable rents (closer to the government’s affordable rents which are up to 80 per cent of market rents) and in the region of £250 - £300 per week for a two bed flat or have fewer homes at rents closer to current council social rents or (closer to the council’s social rents) and in the region of £110 - £150 per week for a two bed flat.	33%	57%	10%

Question 2 – Should we build new homes in lower value areas			
	Building new homes in lower cost parts of Tower Hamlets	Build new homes at cheaper rents outside Tower Hamlets	No view
The council may have to make the difficult decision of deciding whether to build more rented homes at rents close to current council rents in either lower value areas or perhaps outside of the borough. Which do you think is most important	60%	35%	5%

Question 3 - A new rental product for median income households

	Agree	Disagree	No View
The Mayors Housing Affordability Commission has recommended that the council should consider developing homes at higher rents on its own estates for median income households e.g. a single person or two people who earn between 30000 and 45000 - before tax. These homes would be let on a separate waiting list and be built alongside homes at lower rents for people in greater need. Do you agree with developing new homes on estates with a mix of rents which are affordable to local people on different income levels?	58%	37%	5%

Question 4 - Repairing and improving council stock or building new homes on council estate land

	Repairs and improvements to existing housing stock	Building new affordable homes on council estate	A mix of both improvements and new homes	No View
Due to the government's decision to reduce rents by 1 per cent for the next 4 years, the council will have less money to spend on council housing, which means there are difficult decisions about where to spend the money that is available. In respect of the council's housing managed by Tower Hamlets Homes, which of the three options do you think the council should prioritise?	13%	19%	64%	4%

Question 5 - Improving private rented housing

More tenants than ever before now live in the private rented sector. The council is introducing a private sector licensing scheme to register private landlords in the east of the borough in the autumn, with the aim of improving services and rooting out bad landlords. What kind of changes would you like to see in accommodation provided in the private rented sector?

	Agree	Disagree	No View
Longer tenancies. Currently most private tenancies are usually for between six months and a year and may not be renewed	71%	13%	17%

More action on bad landlords, for example, landlords who do not carry out repairs or who harass tenants	88%	5%	8%
License private landlords of houses in multiple occupation in the borough	71%	13%	16%
Have a standard of service, like the London Rental Standard, promoted by the Mayor of London	76%	8%	16%

Question 6 - Meeting homeless households' needs

Homelessness continues to be a major issue in the borough. The council has a legal duty to meet certain homelessness people's needs – usually the most serious based on the Common Housing Register Allocation Scheme - which may be met using council or housing association accommodation or using private sector housing.

Others may just be entitled to housing advice. While the council delivers many new affordable rented homes a year, we still cannot build enough homes to meet everyone's needs. Private rented housing in the borough is too expensive to house homeless people who are on low incomes. This is likely to mean some homeless people will be placed outside Tower Hamlets on a permanent basis. This means we need to consider radical solutions. The council is also considering other ways to provide temporary accommodation for homeless people. To meet these needs:

	Agree	Disagree	No View
Should the council build and / or buy temporary accommodation in the borough	57%	25%	18%
Should the council build and/or buy temporary accommodation outside the borough	46%	40%	13%
Should the council use suitable private rented housing (and council and housing association temporary accommodation) to end its council's homelessness duty.	50%	34%	16%

Question 7 - Allocating council and housing association homes to households from the Housing Register

The council is also consulting on changes to the Housing Allocation Scheme in as part of the consultation on the draft Housing Strategy. The Scheme sets out the rules that decide whether an applicant can join the Common Housing Register and what priority band they receive. We are looking at a number of changes. These include:

The council currently operates a 10 per cent quota for Band 3 applicants who are not in housing need, given the housing demand from other applicants on the register. Do you think we should consider:

	Agree	Disagree	No View
Remove the quota entirely	34%	41%	26%
Reduce the percentage quota to 5 per cent or less which will increase the lets available to higher priority applicants, including homeless families	39%	42%	19%
Reduce the quota and restrict them to 1 beds only which will increase the lets available to higher priority applicants, including homeless families	33%	47%	20%

	About right	Too long	Too short	No view
On the three year continuous residence rule, do you think the length is	50%	15%	24%	11%

	Agree	Disagree	No View
Should we, retain the residency requirement but create a sub-band in Band 2 for cases in housing need but have not lived in the borough for 3 years continuously.	31%	48%	21%
Should the council only allow room sharing if children of opposite sex are under 10 years of age	51%	34%	15%

The results from the longer survey demonstrated broad support for the proposals in the Towards a Housing Strategy document, however there were mixed responses to the allocations question on Question 7, which have been taken into consideration for the allocations report.

Additional Comments:

Respondents were able to make additional comments on the housing survey, both after each question and at the end of the survey. The word cloud in figure 1 represents some of the most frequent key words used by those commenting on the housing strategy.

Figure 1: Word Cloud generated from additional comments on the survey



Non-Executive Report of the: Housing Scrutiny Sub-Committee 10 th October 2016	
Report of: Aman Dalvi , Corporate Director, Development and Renewal	Classification: Unrestricted
Registered Providers Cumulative End of Year Performance Report for 2015/16 and First Quarter Report for 2016/17	

Originating Officer(s)	Godfrey Heyman, RP Preferred Partnership Officer
Wards affected	All wards

Summary

Registered Providers(RPs) in the borough produce quarterly performance data for key customer facing performance indicators, so tenants and local residents in general can be assured that RPs are delivering effective and customer focused services. The first report provides cumulative data for 2015/16 and the second for the first quarter of 2016/17.

These reports provide statistics for 14 of the RPs with homes in the Borough (and THH) who can provide data for this borough only. The reports cover seven indicators which reflect key areas of service for tenants.

Recommendations:

The Housing Scrutiny Sub-Committee is recommended to:

1. Review progress in the performance outturns achieved by individual RPs and THH and the overall performance trend for both reports;
2. Comment on any variances in the performance of individual RPs over 2015/16 and the first quarter of 2016/2017.

1. REASONS FOR THE DECISIONS

- 1.1 The Housing Scrutiny Sub-Committee has requested that it now has the opportunity to examine and comment on the RP performance data that is reported to the Cabinet Member for Housing Management and Performance.

2. ALTERNATIVE OPTIONS

- 2.1 Member review of RP performance to remain exclusively with the Cabinet Member.

3. DETAILS OF REPORT

- 3.1 The Council has been working with key RPs who provide social homes in the borough through the development of a Performance Management Framework (PMF) to assess RP performance against a basket of key performance indicators (PIs). This data is now produced quarterly and has a direct bearing on the Council's priority to ensure that RPs deliver effective services to their residents, who at the same time are Council residents.

- 3.2 The following PIs are collected and reported on cumulatively on a quarterly basis:

1. % of all repairs completed in target
2. % of all respondents satisfied with last completed repair
3. % of appointments kept as a % of appointments made
4. % of properties with a valid gas safety certificate
5. % of residents satisfied with outcome of ASB case
6. % of complaints responded to in target
7. % of Members Enquiries answered in target

The tables set out in appendix 1 attached outline the cumulative end of 2015/16 performance from 1st April 2015 to 31st March 2016 for the key 14 RPs who operate in the Borough (including THH) who can produce borough specific data (the other 7 main RPs in the borough can only produce regional data, so their performance is not included in these reports).

In terms of the end of year performance for 2015/16, the overall trend is mixed.

In terms of the first quarter performance report the data suggests that overall performance is mixed.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report provides an update to the Housing Scrutiny Sub-Committee on the performance of various Registered Providers of Social Housing (RPs) that operate within the borough. This includes the comparative data for Tower

Hamlets Homes which manages the council's housing stock. There are no direct financial implications arising from this report.

5. LEGAL COMMENTS

- 5.1 This report is recommending that the Housing Scrutiny Sub-Committee review the performance of individual Registered Providers and THH during 2015/16 and the first quarter of 2016/2017.
- 5.2 The Homes and Communities Agency ('HCA') is the national housing and regeneration agency for England. The HCA is also the regulator for social housing providers in England. The focus of their regulatory activity is on governance, financial viability and financial value for money as the basis for robust economic regulation. The objectives of the social housing regulator are set out in the Housing and Regeneration Act 2008.
- 5.3 The regulatory framework for social housing in England from the 1st April 2015 is made up of: Regulatory requirements (i.e. what registered providers need to comply with); Codes of practice; and Regulatory guidance. There are nine (9) categories of regulatory requirements and these are:
1. Regulatory standards – Economic (i.e. Governance and Financial Viability Standard; Value for Money Standard; and Rent Standard)
 2. Regulatory standards – Consumer (i.e. Tenant Involvement and Empowerment Standard; Home Standard; Tenancy Standard; and Neighbourhood and Community Standard)
 3. Registration requirements
 4. De-registration requirements
 5. Information submission requirements
 6. The accounting direction for social housing in England from April 2012
 7. Disposal Proceeds Fund requirements
 8. Requirement to obtain regulator's consent to disposals
 9. Requirement to obtain regulator's consent to changes to constitutions
- 5.4 In addition to the HCA regulation, there is a Performance Management Framework ('PMF') in force under which the Council also assesses the performance of the Registered Providers in key customer facing areas. These are monitored cumulatively every six months against 12 key areas that are considered are important to residents. This has a direct bearing on the Council's priority to ensure that Registered Providers are delivering effective services to their residents who are also, at the same time, Council residents. This provides re-assurance for the Council that the main Registered Providers in the Borough are delivering effective services to their residents.
- 5.5 The council has no power to act against any Registered Provider but one of its Community Plan aspirations is for Tower Hamlets to be a place where people live in a quality affordable housing with a commitment to ensuring that more and better quality homes are provided for the community.

- 5.6 The review of the registered providers though not a legal requirement fits in with the above Community Plan objective and the Homes and Communities Agencies' standards as stated above. The standards require Registered Providers to co-operate with relevant partners to help promote social, environmental and economic wellbeing in the area where they own properties.
- 5.7 The review of housing matters affecting the area or the inhabitants in the borough fall within remit of the Housing Scrutiny Sub-Committee and accordingly authorised by the council's Constitution.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 This report outlines performance issues which contribute to the aims of the Community Plan and desired goals of One Tower Hamlets. They relate to the Community Plan strand 'A Great Place to Live' in terms of the commitment to 'improve the quality of existing homes' particularly around the repairs and gas safety PIs. There are no equalities or diversity implications arising from this report.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 There are no direct Best Value implications arising from these reports, although if performance is further improved in some of these PIs, particularly the first 3 relating to repairs, this may lead to improvements in working practices that will in turn improve efficiency and potentially reduce costs for RPs.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The details in these reports have no implications in this area.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The PI regarding the percentage of properties with a valid gas safety certificate directly relates to health and safety risks to residents. It is important that performance in this area is maximised to 100% at all times in line with statutory requirements.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The PI regarding how satisfied residents are with the outcome of ASB cases has an indirect relation to crime and disorder reduction matters.

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

- HSSC End of Year 2015-16 cumulative performance report performance data

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

NONE

Officer contact details for documents:

- Godfrey Heyman, RP Preferred Partnership Officer

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RP Cumulative End of Year Performance Report For 2015/16

Overview

Registered Providers (RPs) within Tower Hamlets are regulated by the Homes and Community Agency (HCA) who have set up a number of standards that all social landlords should meet. Their performance is also regularly monitored by their Boards.

The Council also assess at regular intervals some of the key customer -facing performance indicators (PIs) so that they can be re-assured that the main RP's who work in the borough are delivering effective services to their residents.

1. What The Council Currently Do To Assess The Performance Of RPs

There are currently over 50 RPs operating in the borough and we assess performance of 21 of these as they own or manage approximately 90% of the housing stock in the borough.

The Performance Management Framework (PMF)

Within the borough we are keen to understand how RPs are performing and we monitor them cumulatively every six months against 7 key performance indicators that we consider are important to residents and 5 other key performance indicators which are monitored on an annual basis. The PMF has been in place since early 2014 and is of benefit for several reasons:

1. To work together with members of THHF (both RPs and the ALMO) to understand housing delivery performance with the aim of supporting continuous improvement.
2. To help drive forward performance improvement by the sharing of good practice – this is a key element of THHF's work and is also disseminated through identified high performance within the PMF data.
3. To support the Council in the development of criteria for the appointment of preferred partners post 2014.

The PMF focuses primarily on housing management standards, but also covers other relevant performance issues. We have also held annual reviews with those RPs who are not engaging well with the Council in terms of attendance at THHF-related meetings and whose performance in the 12 PIs is below average. This has led to performance improvements by several RPs and generally improved engagement with the borough. The PMF is publicized on the Council's website at the following link:

http://www.towerhamlets.gov.uk/ignl/housing/housing_associations/tower_hamlets_housing_forum/performance_and_updates.aspx

2. Quarterly Performance Data For The Key RPs Who Work In The Borough

The following PIs will be collected and reported on cumulatively on a quarterly basis:

1. % all repairs completed in target
2. % respondents satisfied with last completed repair
3. % appointments kept as % of appointments made
4. % properties with a valid gas safety certificate
5. % residents satisfied with outcome of ASB case
6. % complaints responded to in target
7. % Members Enquiries answered in target

Appendix one attached with this report outlines cumulative end of year 2015/16 performance from 1st April 2015 to 31st March 2016 for the 14 key RPs or social landlords who operate in the borough (including Tower Hamlets Homes) who can produce borough-specific data – the other 7 main RPs in the borough can only produce regional data so this is not being reported on. It also includes cumulative end of year 2014/15 performance to compare against and ascertain trends between the two financial years' performance and also quartile data.

The sets of tables below on development, lettings and DFG performance also include other RPs who work in the borough along with the key 14 reported on in the first set of tables.

Where performance is particularly strong in certain areas RPs arrange good practice presentations for RPs in the various relevant sub-groups. The work within the THHF sub-groups has also led to increased and improved partnership working between RPs and the Council.

1. Development performance for Registered Providers and the Council 2015/16 – and compared to 2014/15

	2014/15	2015/16	Comments
Numbers of Social/ Affordable rented units developed	221 Affordable rented and 242 Social rented	485 Affordable rented and 283 Social rented	The development partnership of Tower Hamlets Housing Forum continues to work well and this is evidenced by 1,061 new affordable homes being produced in the borough in 2015/16. Of these 768 were for rent and 293 intermediate.
Numbers of Intermediate units developed	147	293	
Total number of units developed	610	1061	

A more detailed breakdown is as follows (please note that some of these units developed are either the beginning or the final phases of larger phased schemes):

RP	Total
A2	5
Circle	63
East Thames	89
EEH	15
Family Mosaic	14
Gateway	16

Genesis	116
Oak	6
One	172
Peabody	166
Poplar HARCA	115
Spitalfields	2
Springboard	8
Swan	98
THCH	123
THH	53
	1061

2. Numbers of social housing and affordable lets by Registered Providers and the Council for 2015/16 – and compared to 2014/15

	2014/15	2015/16
Numbers of Social Rented Lets	1,546	1,576
Numbers of Affordable Lets	327	631
Total Numbers of Units Let	1,873	2,207

3. Housing Demand and Lettings Performance

Housing demand 1 April 2016 by landlord - tenants of each Registered Provider on the housing register wanting to move for any reason	
CIRCLE 33	111.
EASTENDHOMES	490.
EAST THAMES	233.
FAMILYMOAIC	15.
GALLIONS	40.
GATEWAY HA	460.
GENESIS HA	151.
GUINNESS HA	38.
HOMELESS	1,595.
HOUSINGMOVES	2.
LBTH (Transfers and Waiting list)	12,066.
LONDON AND QUADRANT	18.
METROPOLITAN HT	16.
NETWORK STADIUM	26.
NEWLON	122.
NOTTING HILL HOUSING TRUST	3.
OLDFORD HA	439.
ONE HOUSING GROUP	512.
PEABODY	146.

POPLAR HARCA	1,389.
PROVIDENCE ROW	35.
SOUTHERN HOUSING GROUP	273.
SPITALFIELDS HA	186.
SWAN HA	279.
THCH	479.
Total:	19,124.

Final Lets 2015-16 by Property Landlord

A2DOMINION GROUP	7
AFFINITY SUTTON	6
ARHAG HA	2
ASSET TRUST	1
CIRCLE 33 HOUSING TRUST LTD	34
COUNCIL	533
EAST END HOMES	138
EAST HOMES HA	18
EAST THAMES HOUSING GROUP	39
FAMILY MOSAIC	2
GALLIONS HOUSING ASSOCIATION	7
GATEWAY HOUSING ASSOCIATION	94
GENESIS HOUSING ASSOCIATION	102

GUINNESS SOUTH	5
INDUSTRIAL DWELLINGS SOCIETY	3
LONDON AND QUADRANT HA	1
METROPOLITAN HOUSING TRUST LTD	4
NETWORK STADIUM	2
NEWLON HOUSING TRUST	29
NOTTING HILL HOUSING TRUST	1
OLD FORD HOUSING ASSOCIATION	140
ONE HOUSING	215
PEABODY TRUST	158
PLACES FOR PEOPLE	1
POPLAR HARCA	297
PROVIDENCE ROW HA	2
SHAFTESBURY HOUSING GROUP	1
SOUTHERN HOUSING GROUP	34
SOUTHWARK AND LONDON DIOCESAN HA	1
SPITALFIELDS HOUSING ASSOCIATION	71
SWAN HOUSING ASSOCIATION	135
TOWER HAMLETS COMMUNITY HOUSING	121
Oak Housing	3
Grand Total	2207

4. Disabled Facilities Grant expenditure for 2015/16 – and compared to 2014/15

	2014/15	2015/16	Comments
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<p>DFG Expenditure against budget</p>	<p>£349k (RP contribution)</p> <p>£1,063,400.19 expenditure (by the Council for both privately owned and RP owned properties) against a budget of £994,462.00 (the overspend here was deducted from the 2015/16 budget)</p>	<p>£358k (RP contribution)</p> <p>£982,778.98 expenditure (by the Council for both privately owned and RP owned properties) against a budget of £1,063,000.00</p>	<p>Until 2002, the Housing Corporation directly funded adaptations to Housing Association properties. However, with the ending of this funding stream, housing providers were told by central government that they should either fund adaptation works from their own resources or apply to the local authority for a DFG, which is the route that most Associations have chosen. After extensive negotiation with Housing Associations operating in the borough, a voluntary agreement was introduced from the 1 April 2014, via the Tower Hamlets Housing Forum, whereby all housing providers will now contribute 50% towards the cost of adaptations to their properties, capped at a maximum contribution of £5K per application.</p>
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RP Cumulative Quarterly Performance Report For Quarter 1 2016/17 (April to June 2016)

1. Quarterly Performance Data For The Key RPs Who Work In The Borough

The following PIs are collected and reported on cumulatively on a quarterly basis:

1. % all repairs completed in target
2. % respondents satisfied with last completed repair
3. % appointments kept as % of appointments made
4. % properties with a valid gas safety certificate
5. % residents satisfied with outcome of ASB case
6. % complaints responded to in target
7. % Members Enquiries answered in target

The table below outlines cumulative Quarter 1 2016/17 performance from April 2016 to June 2016 for the 13 key RPs who operate in the borough (and Tower Hamlets Homes) who can produce borough specific data. It is not feasible to try to assess trends on a quarterly basis for each RP as performance for most RPs is mixed overall and varies from quarter to quarter. Trend analysis is of more use when comparing performance over at least a 2 year period for each RP in these areas. Some trend comparisons are thus made in the end of year performance report comparing performance against the previous year.

The quarterly performance report also outlines below any key highlights or achievements that RPs want to bring to our attention during this performance reporting period and any issues or concerns that Council officers have about individual RPs.

Quarterly Performance For Quarter One 2016/17 – cumulative from April to June 2016*

RP	Circle Old Ford	East Thames	Eastend Homes	Gateway	Genesis	One Housing Group	Peabody	Poplar Harca	Providence Row****	Southern Housing Group	Spitalfields HA*****	Swan	THCH	THH
Pls														
% all repairs completed on target	94.80%	88.14%	95.69%	96.47%	87.68%	99.4%	90%	99.30%	95.20%	N/A*****	99.80%	99.10%	86%	98.53%
% respondents satisfied with last completed repair *****	69.80%**	75.29%	95.24%	88.44%	81.66%	91.76%	89%	95.30%	72%*****	79%	97%	93.33%	98%	90.70%
% appointments kept as % of appointments made	N/A	86.75%	98.59%	98.35%	98.51%	99.50%	87%	99%	94.10%	N/A	99.50%	97.18%	98%	99%
% properties with a valid gas safety	99.90%	99.19%	100%	100%	100%	100%	100%	100%	100%	99.93%	100%	99.94%	100%	99.99%

certificate														
% residents satisfied with outcome of ASB case	N/A	N/A	100%	N/A	N/A	N/A	78% ***	79%	100%	66%	100%	100%	N/A	41%
% complaints responded to in target	81.60%	N/A	100%	100%	85.45%	100%	N/A	86%	100%	N/A	100%	100%	78%	75.92%
% Members inquiries answered in target	84.70%	65.74%	95.24%	100%	80.00%	96.66%	N/A	95%	100%	N/A	100%	100%	95%	61.90%

Page 127

Notes:

N/A = data is not available (although it may be at a regional level) - usually because the RP or social landlord does not measure this PI (or did not in previous years).

* Performance results may vary due to different survey methodologies being used (postal, by phone, transactional methods etc.) and by whether they are undertaken internally - or externally by external parties. Results are normally highest where internal surveys are undertaken over the phone. Thus meaningful comparisons below can be limited unless survey methods are closely scrutinized and caveated.

** Based on a sample of 285 - the low number of responses means the confidence rate at this point in the year in the usefulness of

the survey data is low. It will be of more use when a higher number of survey results are received later in the year.

- *** From low sample size of 9. Again the same comments as in ** above apply regarding the usefulness of the survey data at this point in the year.
- **** Providence Row is a small HA relative to the majority of other RPs on the list - their sample sizes for each indicator are also small in comparison, which does have a magnifying effect on the percentages. It can make it easier to achieve 100% for some PIs due to the smaller sample sizes.
- ***** From a low sample size of 25 with 7 tenants not being satisfied with a repair undertaken in the quarter. Again the same comments as in ** and *** above apply regarding the usefulness of the survey data at this point in the year.
- ***** Southern Housing Group use lean systems to measure progress with certain key processes and service delivery areas so do not always use PIs for some of the issues reported on above.
- ***** As with Providence Row – Spitalfields HA is a small HA relative to the majority of other RPs on the list - their sample sizes for each indicator are also small in comparison, which does have a magnifying effect on the percentages and can make it easier to achieve 100% for some PIs due to the smaller sample sizes.
- ***** The methodology used by different RPs (in particular) to measure repairs satisfaction often differs significantly and therefore results are not directly comparable and need to be treated with caution

Any Other Matters Of Note About The RPs

1. Comments From The RPs Themselves

Circle Old Ford:

- Our internal handyperson service for vulnerable customers has a satisfaction rate of 98.8% satisfaction with the service.
- Change of repairs contractor for repairs has helped secure improvements in performance resulting in a regulatory upgrade.
- Developed a film and guide book to assist residents to know how to get the best from living in their Passive-house (these are super energy-efficient new build houses – for details see: <http://www.passivhaus.org.uk/standard.jsp?id=122>)

Eastend Homes:

- Short term void turnaround - performance quarter one 2016/17 is 11.00 days.
- Introduction of KPI to measure performance against recommendations arising from water hygiene inspections - performance quarter one 2016/17 is 100%
- Introduction of KPI to monitor % of complaints resolved at Stage One - performance quarter one 71.28%

East Thames:

- Performance for East Thames in Tower Hamlets in the KPI's has remained fairly static from Q3 2015/16 to Q1 2016/17. We were pleased to note improving performance with regards to the number of repairs being completed on time within Tower Hamlets, which is now up to 88.1% from 82.9%. Satisfaction with repairs has remained above 75% and for the first time we can report that 87% of appointments in Tower Hamlets are being kept.

- We launched our new leading and dynamic front line roles in June within our housing management service. These roles are now actively contributing to East Thames achieving our aim to be a top performing housing association and more than just housing. Part of our commitment to help transform customer service has been the introduction of an MOT visit for every resident during the Housing Managers first year. This is a face to face opportunity to learn more about our customers and how they use our services. An opportunity to also gather critical information to improve customer profile data and shape our services going forward. As part of the induction process we invested in a comprehensive training and development programme, which includes industry-recognised qualifications.
- L & Q and East Thames remain committed to the merger. Together, working within our financial capacity, we will continue to pursue our vision to create 100,000 new homes, a new training academy, a new community foundation, and a care and support subsidiary. We will maintain local accountability through a regionalised structure and we are already working with other likeminded organisations to ensure we can deliver this ambition. Residents who attended the consultation event in June have been invited to join a resident merger steering group. During November, a second resident event will be held, giving a wider group of active residents the opportunity to meet each other and to learn more about how they can get involved

Gateway:

- Tenancy Fraud
- Customer Satisfaction increase including first time fix for the in-house contractor service Homeworks
- Formal Complaints – decrease in

Genesis:

- The first quarter has continued the positive focus on customer experience. We have introduced a digital programme with the launch of the MyGenesis Digital App with currently over 800 downloads from our customers.
- The focus in property services has seen improved satisfaction and quality of the service. We extended inspections on all jobs over £250 and the contract partnership with Kier is working well. Operatives have been trained in customer relations and this has highlighted by customer comments of a high level of respect shown by them.
- The gains we have made on complaints and members enquiries will be further enhanced by introduction of a new CRM system

One Housing Group:

- Strong first quarter income collection performance averaging a collection rate of 104.4%
- At the start of the year to improve income recovery work further we introduced the RentSense system for more effective monitoring of accounts and allowing earlier assistance for residents.
- At the start of the year, BlueBox a new system, went live to improve service charge and rent calculation and billing. This is the first time a system can manage all tenures for this function in the UK.

Peabody:

- Every year Peabody runs its award winning Winter Warmers campaign. Peabody employees volunteers to visit our residents aged 75 and over to give them practical advice to help them keep warm during the winter months. Because we are in our 5th year many of our most vulnerable residents really look forward to their Winter Warmer visits. When we come across a resident in need of help we refer them to our in-house support team. It's a really worthwhile and rewarding experience to meet them and make sure they're safe and secure.
- Tackling domestic abuse programme: Peabody takes this issue seriously and has a dedicated resource specialising in domestic abuse. Peabody aims to raise awareness of domestic abuse in the housing sector and supports employees to identify, manage and refer issues to suitable agencies. We have trained 98 employees in domestic abuse awareness and approach and trained 43 other housing providers. In addition, we have led awareness campaigns around England, Ireland and Wales. We have provided support for 146 residents and employees experiencing domestic abuse. Peabody achieved the Domestic Abuse Housing Alliance accreditation in July 2015 and worked with nine other housing associations on gaining the accreditation.
- Food and Toy Bank: Every year Peabody runs a Food and Toy Bank collection at all of its offices. The collected items / donations are distributed to the communities that are most in need. As well as assisting food banks across London, Peabody is also supplying hampers of goodies directly to residents. We include toys in the family hampers and these are wrapped and delivered by Peabody employees.

Poplar Harca:

- Gas Servicing – automated daily and weekly reports shared between our Technical team, Housing team and contractors to ensure the system picks up on gas servicing 2 months before expiry. The system has capability to trigger workflows to take further action against non-compliance
- % respondents satisfied with repairs – we've launched a new text messaging survey which is sent out to tenants following the completion of a repair
- Service Delivery - this reporting quarter coincides with the implementation of a significant staff and service restructure which is part of Poplar HARCA's response to the Government's 1% rent reduction.

Providence Row:

- We supported the police and the borough to provide a security control centre for the Mela
- Our Grounded Ecotherapy social enterprise (“Recovery for people and places”) provides work and volunteering opportunities for people with histories of homelessness, poor mental health and substance misuse issues. We also contribute to improving the environment for everyone in the borough working in partnership with the friends of Tower Hamlets Cemetery Park, with East End Homes on the British Street Estate and with Linkage on their allotment.

Southern Housing Group:

- They are going through a major business transformation process and are restructuring all their front line services at present so are not in a position to suggest best practice examples at present.

Spitalfields HA:

- Monitoring of first time fix; contractors are now required to ensure jobs are completed on first visit. This puts pressure on contractors to complete repairs first time, this also increases tenants satisfaction levels as repairs are completed quicker. A 65% target has been set - contractors have achieved 93% in first quarter.

- We are using two responsive repairs contractors, this creates competitiveness between contractors to ensure quality of work and value for money
- Post inspections of repairs and tenants satisfaction surveys via text message and telephone calls; this ensures repair works are completed to a good standard and to the satisfaction of SHA and residents.

Swan Housing:

- Submitted planning application for Blackwall Reach Phase 2.
- Awarded Housing Diversity Network Accreditation for Excellence in Equality and Diversity
- Formed a new partnership with E.ON for Swan homes with CHP systems.

THCH:

- We have replaced our poorly performing general build contractors from 1st July 2016 so we expect our performance on completion of repairs in time to improve in the next quarter (Q2).
- Our complaints response in target performance has also been low as many complaints were about repairs and we struggled to obtain information from our contractors about performance.
- A high number of members enquiries were also about outstanding repair issues so our performance was lower than we expected but we expect to meet our targets for Q2.

THH:

- Complaints and Members Enquiries: At the beginning of the year THH had a substantial backlog of complaints and Members Enquiries, in part due to our extensive Decent Homes programme, and just 42% were being responded to in target. A concerted effort by all and a shift of focus so that Heads of Service signed off Stage 1 complaints and Directors the Stage 2s have now cleared that backlog. In

addition a Complaints Learning Panel made up of Board members has been set up to ensure learning from the complaints is shared and embedded.

- ASB: THH and residents identified ASB as a key service area for review. The ASB specialist team now report to our Head of Environmental Services which will strengthen the overall management resource and allow for greater synergies between the team and estate based staff. We are piloting a new ASB senior officer within the team to deal with more complex cases and take a lead role in proactive communication with resident groups and other stakeholders. We have also been piloting the use of additional security patrols in one area of the borough and are going to be resourcing additional patrols on key estates using the Council's THEOs.
- Our Decent Homes programme has now finished: carrying out improvement works over 6 years to more than 13,500 leasehold and tenanted homes, almost 8,400 tenanted homes were made decent and 780 had aids and adaptations installed. In order to deal with any teething problems with the new works THH has set up a specialist After Care team. Throughout 2016-17 the team will be contacting tenants who had Decent Homes work carried out to ensure no issues have developed or been left unresolved.

2. Comments From Council Officers

Circle Old Ford:

- Remaining concerns around repairs service
- Large increases in parking charges April 2016
- Concerns about proposed merger with Affinity Sutton and non-completion of works around stock transfer (Parkside Estate)
- Have not signed the Preferred Partners Agreement

East Thames:

- Concerns about their potential merger with London and Quadrant and The Hyde Group

Genesis:

- Have not signed the Preferred Partners Agreement

One Housing Group:

- Suspended as a Preferred Partner for 6 months – now re-instated
- Have not signed the Preferred Partners Agreement or the Rent and Nominations Agreement
- Regeneration plans for Isle of Dogs

Poplar HARCA:

- Social media campaign about gentrification

Southern Housing Group:

- Have not signed the Preferred Partners Agreement

Spitalfields HA:

- Leaseholders' concerns around service delivery
- Governance issues
- Postcodes issues caused by new development

THCH:

- HCA governance downgrade to G3 from March 2016
- New acting CEO

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End of Year Performance For 2015/16 – cumulative from 1st April 2015 to 31st March 2016*

RP	Circle Old Ford	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	N/A	N/A	-	N/A
% respondents satisfied with last completed repair****	82.6%	N/A	-	
% appointments kept as % of appointments made	N/A	81.8%	↑ (84.7% end of Q2)	-
% properties with a valid gas safety certificate	N/A	N/A	-	-
% residents satisfied with outcome of ASB case	N/A	N/A	-	-
% complaints responded to in target	70.8%	N/A	-	
% Members Enquiries answered in target	62.1%	59.2%	↑	

RP	East Thames	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	N/A	N/A	-	N/A
% respondents satisfied with last completed repair	N/A	N/A	-	-
% appointments kept as % of appointments made	N/A	N/A	-	-
% properties with a valid gas safety certificate	N/A	N/A	-	-
% residents satisfied with outcome of ASB case	40.0%	50.0%	-	
% complaints responded to in target	79.8%	76.47%	↑	
% Members Enquiries answered in target	71.7%	78.0%	↓	

RP	Eastend Homes	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	94.94%	93.43%	↑	N/A
% respondents satisfied with last completed repair	97.24%	97.63%	↓	
% appointments kept as % of appointments made	98.26%	98.08%	↑	
% properties with a valid gas safety certificate	100%	100%	↔	
% residents satisfied with outcome of ASB case	81.18%	77.27%	↑	
% complaints responded to in target	93.40%	92.91%	↑	
% Members Enquiries answered in target	92.89%	91.66%	↑	

RP	Gateway	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	96.03%	96.30%	↓	N/A
% respondents satisfied with last completed repair	95.54%	95.54%	↔	
% appointments kept as % of appointments made	81.83%	81.72%	↑	
% properties with a valid gas safety certificate	100%	100%	↔	
% residents satisfied with outcome of ASB case	57.14%	57%	↑	
% complaints responded to in target	100%	99.20%	↑	
% Members Enquiries answered in target	100%	100%	↔	

RP	Genesis	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	95.20%	89%	↑	N/A
% respondents satisfied with last completed repair	75.20%	N/A	-	
% appointments kept as % of appointments made	98.30%	81.70%	↑	
% properties with a valid gas safety certificate	100%	99.80%	↑	
% residents satisfied with outcome of ASB case	N/A	N/A	-	-
% complaints responded to in target	80%	45.00%	↑	
% Members Enquiries answered in target	88%	44.00%	↑	

RP	One Housing Group	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	97.69%	92.20%	↑	N/A
% respondents satisfied with last completed repair	90.67%	93.70%	↓	
% appointments kept as % of appointments made	98.72%	99.98%	↓	
% properties with a valid gas safety certificate	99.72%	99.63%	↑	
% residents satisfied with outcome of ASB case	N/A	N/A	-	-
% complaints responded to in target	95.09%	95.74%	↓	
% Members Enquiries answered in target	94.39%	96.46%	↓	

RP	Peabody	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	90%	91%	↓	N/A
% respondents satisfied with last completed repair	72%	78%	↓	
% appointments kept as % of appointments made	90%	91%	↓	
% properties with a valid gas safety certificate	N/A	99.97	-	-
% residents satisfied with outcome of ASB case	70%	70%	↔	
% complaints responded to in target	N/A	N/A	-	

RP	Poplar Harca	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	99.58%	98.78%	↑	N/A
% respondents satisfied with last completed repair	92%	90%	↑	
% appointments kept as % of appointments made	96.40%	96.50%	↓	
% properties with a valid gas safety certificate	100%	99.85%	↑	
% residents satisfied with outcome of ASB case	81%	86%	↓	
% complaints responded to in target	94.40%	99.00%	↓	

End of Year Performance For 2015/16 – cumulative from 1st April 2015 to 31st March 2016*

RP	Circle Old Ford	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	N/A	N/A	-	N/A
% respondents satisfied with last completed repair****	182.6%	N/A	-	
% appointments kept as % of appointments made	N/A	181.8%	↑ (84.7% end of Q2)	-
% properties with a valid gas safety certificate	100%	99%	↑	
% residents satisfied with outcome of ASB case	100%	100%	↔	
% complaints responded to in target	100%	100%	↔	
% Members Enquiries answered in target	100%	100%	↔	

RP	East Thames	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	N/A	N/A	-	N/A
% respondents satisfied with last completed repair	N/A	N/A	-	-
% appointments kept as % of appointments made	N/A	N/A	-	-
% properties with a valid gas safety certificate	99.96%	99.89%	↑	
% residents satisfied with outcome of ASB case	52%	N/A	-	
% complaints responded to in target	N/A	N/A	-	-
% Members Enquiries answered in target	N/A	N/A	-	-

RP	Spitalfields HA	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	99.64%	98.93%	↑	N/A
% respondents satisfied with last completed repair	81%	95%	↓	
% appointments kept as % of appointments made	97.30%	83.98%	↑	
% properties with a valid gas safety certificate	100%	100%	↔	
% residents satisfied with outcome of ASB case	N/A	N/A	-	
% complaints responded to in target	100%****	100%	↔	
% Members Enquiries answered in target	100%	100%	↔	

RP	Swan	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	98.61%	N/A	-	N/A
% respondents satisfied with last completed repair	92.17%	80%	↑	
% appointments kept as % of appointments made	96.14%	N/A	-	
% properties with a valid gas safety certificate	100%	100%	↔	
% residents satisfied with outcome of ASB case	60%	77%	↓	
% complaints responded to in target	100%	97.10%	↑	
% Members Enquiries answered in target	100%	100%	↔	

RP	THCH	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	96%	97%	↓	N/A
% respondents satisfied with last completed repair	99%	97%	↑	
% appointments kept as % of appointments made	100%	100%	↔	
% properties with a valid gas safety certificate	100%	100%	↔	
% residents satisfied with outcome of ASB case	80%	80%	↔	
% complaints responded to in target	81%	97%	↓	
% Members Enquiries answered in target	88%	98%	↓	


RP	THH	14/15 year end performance	Trend	Quartile performance
Pls				
% all repairs completed in target	97.34%	98.20%	↓	N/A
% respondents satisfied with last completed repair	90%	90%	↔	
% appointments kept as % of appointments made	98.20%	98.42%	↓	
% properties with a valid gas safety certificate	100%	100%	↔	
% residents satisfied with outcome of ASB case	41%	64%	↓	
% complaints responded to in target	64.40%	85.70%	↓	
% Members Enquiries answered in target	51.40%	93.00%	↓	

Quartile Performance April 2015 to March 2016:

Pls	Top	Medium	Bottom	Comments
% all repairs completed in target	N/A	N/A	N/A	This quartile is not available from Housemark as they produce this for each of the 3 repair categories only not for total repairs performance
% respondents satisfied with last completed repair	97.24	92.3	89.8	
% appointments kept as % of appointments made	98.73	98.23	96.34	
% properties with a valid gas safety certificate	100	100	100	
% residents satisfied with outcome of ASB case	81.05	70	56.81	
% complaints responded to in target	99.2	93.4	80	
% Members Enquiries answered in target	99.34	92.18	87.5	

N/A = data is not available (although may be at regional level) - usually because the RP or social landlord does not measure this PI (or did not in previous years).
 *Performance results may vary due to different survey methodologies being used (postal, by phone, transactional methods etc.) and by whether they are undertaken internally - or externally by external parties. Results are normally highest where internal surveys are undertaken over the phone. Thus meaningful comparisons below can be limited unless survey methods are closely scrutinized and caveated.
 **Providence Row is a small HA relative to the majority of other RPs on the list - their sample sizes for each indicator are also small in comparison, which does have a magnifying effect on the percentages. It can make it easier to achieve 100% for some Pls due to the smaller sample sizes.
 *** Southern Housing Group use lean systems to measure progress with certain key processes and service delivery areas so do not always use Pls for some of the issues reported on above
 **** As with Providence Row - Spitalfields HA is a small HA relative to the majority of other RPs on the list - their sample sizes for each indicator are also small in comparison, which does have a magnifying effect on the percentages and can make it easier to achieve 100% for some Pls due to the smaller sample sizes.
 ***** The methodology used by different RPs (in particular) to measure repairs satisfaction often differs significantly and therefore results are not directly comparable and need to be treated with caution.

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Non-Executive Report of the: Housing Scrutiny Sub-Committee 10th October 2016	 TOWER HAMLETS
Report of: Melanie Clay, Director of Law, Probity and Governance Aman Dalvi, Corporate Director Development and Renewal	Classification: Unrestricted
Challenge session progress update – The Quality of s106 funded Social Housing	

Originating Officer(s)	Owen Whalley, Service Head Planning and Building Control Jackie Odunoye, Service Head Strategy, Regeneration and Sustainability Paul Buckenham, Development Manager, Planning and Building Control Alison Thomas, Head of Housing Strategy, Partnership and Affordable Housing Kevin Kewin, Interim Service Head Corporate Strategy and Equality Louise Fleming, Strategy, Policy and Performance Officer, Corporate Strategy and Equality
Wards affected	All

Summary

This report follows up from the scrutiny challenge session on the Quality of s106 funded Social Housing. The report and recommendations were agreed by the Overview and Scrutiny Committee in April 2015. An action plan was developed to address the recommendations. The report and accompanying action plan was endorsed by Cabinet in November 2015. This report reviews the progress against the original recommendations.

Recommendations:

The Housing Scrutiny Sub-Committee is recommended to:

1. Note the progress in implementing the recommendations from the scrutiny challenge session, based on the evidence in the action plan.

2. Raise any issues in relation to the progress detailed in the action plan

1. DETAILS OF THE REPORT

- 1.1 This report follows up from the scrutiny challenge session, led by Councillor David Chesterton on the Quality of s106 funded Social Housing. The report went to Overview and Scrutiny Committee in April 2015. An action plan was developed to address the recommendations. The report and accompanying action plan was agreed by Cabinet in November 2015. This report reviews the progress, detailed in the action plan, against the original recommendations.
- 1.2 Overview and Scrutiny identified a concern amongst some councillors and residents that the quality of the social housing being built in the Borough through s106 agreements was not robust enough and there were concerns about landlord's ability to maintain these properties over the long-term. There was an issue that the materials being used in construction were not suitable for high density social housing, with a much greater intensity of use than private dwellings.
- 1.3 The focus of the challenge session was therefore to see if there was an issue with the design and build quality of some of the affordable housing in the Borough provided through s106 planning obligations. If there was an issue, what changes to planning policy, practice or procedures could be made to address these concerns, whilst still ensuring the continued provision of affordable housing in the Borough. The session was chaired by Councillor David Chesterton, the then Scrutiny Lead for Development and Renewal.
- 1.4 The report made four recommendations they included:
 - RECOMMENDATION 1: The Council investigate the feasibility of adopting a minimum design standard, developed with the Tower Hamlets Housing Forum, governing materials specification, enforced through the planning process, as part of its refresh of the Local Plan.
 - RECOMMENDATION 2: The Council reinvigorate the LBTH Developers Forum and encourage developers to identify and work with a Registered Provider from the Council's preferred list earlier on in the planning application process.
 - RECOMMENDATION 3: The Council work in partnership with Registered Providers through the Tower Hamlets Housing Forum to develop specific expertise in contracting for and managing high density developments, and to encourage reinvestment of money into existing housing stock.
 - RECOMMENDATION 4: The Council consider options and resources available to monitor and enforce compliance with S106 legal agreements.

- 1.5 Progress against each recommendation is recorded in the accompanying action plan (Appendix One).
- 1.4 Of the four actions developed by services in the scrutiny action plan, all were due to be completed in 2015/16, with one action ongoing. There has been progress in delivering the actions.

2. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 2.1 This report requests the Housing Scrutiny Sub-Committee to note the progress in implementing the recommendations from the scrutiny challenge session, and raise any issues in relation to the aforementioned progress.
- 2.2 Appendix 1 outlines the progress made in implementing the recommendations from the scrutiny challenge session; the work undertaken has been absorbed within existing staffing structures and budgets.

3. LEGAL COMMENTS

- 3.1 This report notes the progress made in implementing the recommendations from the scrutiny challenge session which asked officers to consider options available to the Council to seek to drive up the quality of affordable housing. The importance of building high quality affordable housing cannot be down played, however the planning system is primarily concerned with the broader impacts of development such as *inter alia*, the external appearance, impacts on neighbouring properties, and the internal quality in respect of space and daylight/sunlight for the residents living within the development. Setting minimum standards which governed the quality of internal materials would go beyond the level of detail normally considered to be controlled through the planning system. As such if the Council were to seek to control internal standards in this detail there is a prospect of a legal challenge against any decision to do so. Because the planning regime is normally considered to be plan led, the Council would have a more robust basis for seeking compliance if the requirement flowed from national policy, whereas there is currently nothing in national policy or guidance to suggest that the planning system should extend this far.
- 3.2 A planning application must be determined in accordance with the development plan unless material considerations indicate otherwise. The scope of what has been considered by the Courts to be a material consideration in determining a planning application is broad and case law provides that in principal any consideration which relates to the use

and development of land is capable of being a material planning consideration.

- 3.3 It is therefore open to the Council to adopt guidance on the quality of affordable housing and this could be considered a material consideration in determining planning applications, with applicants and registered providers being steered towards the guidance through the pre-application process, through the Developer Forums and Tower Hamlets Housing Forum Development Sub-Group. There is however a question as to how much weight it would be reasonable to give the design standards given they are likely to extend beyond that normally controlled by the planning system. There is also a further question as to how compliance with them could be secured in light of this.
- 3.4 National policy and the Community Infrastructure Levy Regulations 2010 provide that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is—
- (a) necessary to make the development acceptable in planning terms;
 - (b) directly related to the development; and
 - (c) fairly and reasonably related in scale and kind to the development.
- 3.5 It is questionable whether an obligation securing compliance with internal design standards would meet the first of these tests because it would go beyond what is normally within the remit of the planning system. Any obligation would also need to be capable of being monitored and significant resources could be required to monitor compliance with a detailed design standard. The enforcement of a planning obligation requires injunction proceedings to be filed in the High Court. As such it could be onerous for the Council to enforce through this mechanism and the cost of doing so is unlikely to be proportionate.
- 3.6 An approach which operates alongside the planning system, through partnership working with developers and registered providers and tries to increase standards would not give rise to the same questions and might be preferable for this reason. However, it should be noted that this would not give the Council the power to enforce compliance through the planning system.
- 3.7 When considering whether to adopt any guidance or standards whether formally or otherwise, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). An equality analysis is required

which is proportionate to the functions in question and the potential impacts. To this end it should be noted that the adoption of minimum standards could lead to an increase in the build costs associated with developments, which would affect the viability of schemes. In turn this could impact on the amount of affordable housing which can be delivered.

4. ONE TOWER HAMLETS CONSIDERATIONS

- 4.1 The scrutiny report's recommendations support the Council's One Tower Hamlets aims, including to reduce inequality. The Council has strategic objectives to provide good quality affordable housing and to improve the quality of housing. The scrutiny report identifies an inequality relating to housing tenure. The report sets out concerns that some affordable housing, built by private developers under s106 agreements, may not be fit for purpose. The report's recommendations propose a number of actions to help address this and the action plan sets out the progress made.

5. BEST VALUE (BV) IMPLICATIONS

- 5.1 The recommendations in the report and the resultant action plan, are made as part of the Overview & Scrutiny Committee's role in helping to secure continuous improvement for the Council, as required under its Best Value duty.

6. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 6.1 There are no direct environmental implications arising from the report or recommendations.

7. RISK MANAGEMENT IMPLICATIONS

- 7.1 There are no direct risk management implications arising from the report or recommendations.

8. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 8.1 There are no direct implications of crime and disorder as a result of the recommendations of this review.

9. SAFEGUARDING IMPLICATIONS

- 9.1 There are no direct implications of safeguarding as a result of the recommendations in this review.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

Appendix 1 – Action Plan

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

N/A

Appendix 1 – Quality of s106 Social Housing Challenge Session Action Plan

Comment	Action	Responsibility	Date	Progress Update - September 2016
Recommendation 1: The Council investigate the feasibility of adopting a minimum design standard, developed with the Tower Hamlets Housing Forum, governing materials specification, enforced through the planning process, as part of its refresh of the Local Plan.				
<p>Current government guidance is suggesting less intervention for local planning authorities on internal design arrangement and materials.</p> <p>However, local guidance could be produced and used as a material consideration on determining planning applications.</p> <p>Resource implications: Existing resources</p>	<p>Working Group to be set up to explore feasibility of delivering design guides</p>	<p>Jackie Odunoye/Owen Whalley</p>	<p>October 2015</p>	<p>A Working Group has been established comprising officers from LBTH Legal, DM Planners, Strategic Planners and the Affordable Housing and Partnerships Team</p>
Comment	Action	Responsibility	Date	Progress Update - September 2016
Recommendation 2: The Council reinvigorate the LBTH Developers Forum and encourage developers to identify and work with a Registered Provider from the Council's preferred list earlier on in the planning application process.				
<p>LBTH Developers Forum relaunched. Two meetings held this year. Private House builders – Registered Providers invited and attend</p> <p>Resource implications: Existing resources</p>	<p>To be included as agenda item for discussion at next Forum</p>	<p>Owen Whalley/Paul Buckenham</p>	<p>September 2015</p>	<p>A Developer Forum has been arranged for 10 October. Registered Providers (RPs) will also be invited to attend. This work will be included as an item on the agenda.</p>

Appendix 1 – Continued

Comment	Action	Responsibility	Date	Progress Update - September 2016
Recommendation 3: The Council work in partnership with Registered Providers through the Tower Hamlets Housing Forum to develop specific expertise in contracting for and managing high density developments, and to encourage reinvestment of money into existing housing stock.				
<p>Tower Hamlets Housing Forum Development Sub Group to set up a sub-group to share expertise on managing high density schemes</p> <p>This sub-group will also act as an advisory group for the South Quay Master plan and the affordability commission</p> <p>Resource implications: Existing resources –</p>	<p>Agenda item for the September meeting to set up sub group</p>	<p>Jackie Odunoye/Alison Thomas/Jen Pepper</p>	<p>September 2015</p>	<p>Tower Hamlets Housing Forum Development (THHF) Sub-Group met on the 22 September 2015 and a presentation was given by Swan HA on the outcome of the Overview and Scrutiny Group and the request for THHF Preferred Partners to take this piece of work forward. it was agreed that a sub-group be set up and a follow up email was sent at the beginning of October calling for volunteers from THHF dev-sub to get involved.</p>
	<p>Sub- group to meet and produce details of costs in contracting for and managing high density housing</p>	<p>Jackie Odunoye/Alison Thomas/Jen Pepper</p>	<p>November 2015</p>	<p>Swan HA, on behalf of the sub-group, tendered for the services of a consultant to help draw up a guidance note with a number of internal and external design and construction standards to be used by members of THHF when working with developers to build affordable housing secured as planning obligations. Philip Pank Partnerships were appointed and ran a workshop, which was very well attended, at Swan HA Offices in November 2015.</p> <p>Since then a draft guidance note has been produced which covers core standards, common parts, external walls, roofs, balconies and terraces, windows and external doors, internal partitions, internal doors, wall, floor and ceiling finishes, kitchen units, plumbing and mechanical services, electrical services, centralised energy, vehicular and pedestrian gates, drainage and external services, landscaping, maintenance and scheme management.</p> <p>This draft document is currently being reviewed by THHF and the internal working group.</p>
	<p>Affordability Commission advised of outcomes of research</p>	<p>Jackie Odunoye/Alison Thomas/Jen Pepper</p>	<p>March 2016</p>	<p>A Developer Forum has been arranged for 10 October. Registered Providers (RPs) will also be invited to attend. This work will be included as an item on the agenda.</p>

Appendix 1 – Continued

Comment	Action	Responsibility	Date	Progress Update - September 016
Recommendation 4: The Council consider options and resources available to monitor and enforce compliance with S106 legal agreements.				
<p>The Development Management Service actively monitor compliance with planning permissions and associated agreements</p> <p>Resource implications: Existing resources –</p>	<p>1) Seek legal advice on potential incorporation of minimum standard without affordable housing S106 agreements.</p>	<p>Owen Whalley/Paul Buckenham</p>	<p>September 2015</p>	<p>Initial Legal advice is that detailed minimum standards covering matters such as internal finishes, fixtures and construction standards could not be insisted upon in Legal Agreements made under S106 of the Town and Country Planning Act, unless this was linked back to planning policy.</p> <p>Introducing this formally to the Council's planning policies is not straightforward for a number of reasons. The Government published "Nationally described space standards" for new dwellings in 2015 and noted that local authorities should only adopt different internal standards if there is a clear evidence based need and uses this to underpin policies in the local plan.</p> <p>The standards in the guidance being produced for THHF (see above) would also go beyond the remit of town planning and would be contested if introduced into the Council's emerging Local Plan as a formal policy. However, if these standards are adopted by registered providers who are represented on THHF (the Council's preferred partners), the Local Plan could reference the guidance in the supporting text to the policies and planners would also refer developers to the standards in their negotiations at pre-application stage to encourage developers to approach the preferred partner RP's early on in the development process.</p> <p>Whilst it is not possible to specify which RP a developer works with when granting planning permission, the informal approach outlined above should result in the standards being embedded in a high proportion of S106 affordable housing schemes.</p> <p>Once THHF has adopted the guidance the planning teams will be updated and the approach will be communicated to a range of key developers in Tower Hamlets at the next Developers' Forum, being arranged for October 2016.</p>
	<p>2) More focused approach to compliance through restructure of Development Management Service which includes the creation of a more substantive dedicated compliance team.</p>	<p>Owen Whalley/Paul Buckenham</p>	<p>December 2015</p>	<p>The restructure of Development Management was substantially completed in December 2015, including an expansion of the former Enforcement Team of four officers, to provide a more comprehensive Planning Compliance Team with a total of seven officers including a Team Manager, Compliance Officers, Service Development Officer and Project Officer. New job descriptions have been agreed and grades enhanced to allow for greater career progression.</p>
	<p>3) A regular report to the Development Committees is to be introduced to enable Members to better understand the delivery of S106 agreements. Half yearly newsletters are published on the Council's website providing information on S106 delivery.</p>			<p>Regular reports have been introduced to update the planning committees on the delivery of planning obligations secured through Section 106 agreements. The first of these reports was presented to Strategic Development Committee on 10 March 2016.</p>

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