

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

Special Circumstances and Reasons for Urgency

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

1. **SUMMARY**

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

2. **RECOMMENDATIONS**

Cabinet is recommended to:-

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

3. BACKGROUND

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

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

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

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

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

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

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

4. Draft Housing Strategy Process and Structure

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

4.2 **Chapter 1 Strategic Overview** – Summary of needs evidence base and an overview of the national, regional and local policy and strategy ‘direction of travel’.

4.3 **Chapter 2 Delivering and Managing Decent Homes** – Focuses on decent homes and management issues across the tenures and landlords, with reference to the impending establishment of Tower Hamlets Homes. Key priorities under this heading include:

- More and better tenant involvement in decision making
- Ensuring all social landlords deliver and maintain the decent homes standard
- Ensuring that Tower Hamlets Homes (the council’s arms length management organisation) gains the Two Star Management rating from the Audit Commission to unlock decent homes capital investment

4.4 **Chapter 3 Placemaking and Sustainable Communities** – Sets out the relevance of the housing agenda to the wider placemaking and sustainable communities agendas. The interface with the Local Development Framework and Community Plan and the broader ‘people-focused’ agenda, e.g., economic inclusion, is set out here. Key priorities under this heading include:

- Reducing existing overcrowding in existing housing stock, and putting in preventative measures to reduce future overcrowding
- Sustaining community cohesion
- Reducing carbon emissions from existing and new homes and reducing fuel poverty

4.5 **Chapter 4 Managing Demand, Reducing Overcrowding** - Sets out the Council’s proposed approach to addressing the huge demand for affordable housing and particularly how overcrowding can be reduced and also prevented. Key priorities under this heading include:

- Amending the Council’s letting Policy
- Developing and implementing a new overcrowding reduction strategy
- Developing and implementing a new estate renewal decanting strategy
- Delivering the council’s Homelessness Strategy

4.5 **Chapter 5 New Housing Supply** – Covering the demand for housing (including lettings and homelessness issues) and how it is met through housing supply. Key priorities under this heading include:

- Increasing the provision of new family accommodation in all sectors
- Delivering the London Plan housing target 3,150 homes annually up to 2016/17

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

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

5. Key Issues

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

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

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

5.3 Tower Hamlets Homes and the Housing Estate Renewal Agenda

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

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

5.6 Local Delivery Vehicle

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

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

5.7 Overcrowding Reduction Strategy

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

5.8 Maximising Social Landlords' Community Plan Contribution

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

5.9 Corporate Strategic Housing Projects

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

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

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

5.11 Consultation

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

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

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

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

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

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

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

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

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

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

7.2 There are no immediate legal implications arising from this report

8. ONE TOWER HAMLETS CONSIDERATIONS

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

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

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

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

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

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

10. RISK MANAGEMENT IMPLICATIONS

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

11. EFFICIENCY STATEMENT

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

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

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

13. APPENDICES

Appendix 1 – Tower Hamlets Draft 2009/12 Housing Strategy

Appendix 2 – Evidence Base Annex