

Committee/Meeting: Cabinet	Date: 4 August 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director Originating officer(s) John Coker Strategic Housing Manager		Title: LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh Wards Affected: All	

Lead Member	Cllr Marc Francis
Community Plan Theme	A Great Place to Live
Strategic Priority	Providing affordable housing and strong neighbourhoods Improving the environment and tackling climate change

1. **SUMMARY**

- 1.1 This report seeks to update members on the first year's performance of Tower Hamlets Housing Strategy. The key housing issues for the Housing Strategy include Tower Hamlets Homes Decent Homes programme and the Housing Estate Renewal Agenda, the Leasehold Right to Buy Buyback programme, tackling overcrowding by developing an Overcrowding Reduction Strategy; maximising social landlords' community plan contribution and progressing the corporate strategic housing projects, such as regenerating the Ocean Estate, which are now incorporated into the Borough's emerging Local Investment Plan

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 To approve the contents of the Annual Review (2009/10) (Appendix 1) and the Annual Refresh 2010 (Appendix 2)
- 2.2 To agree the changes to the Tower Hamlets Housing Strategy detailed in Appendix 2

3. **REASONS FOR THE DECISIONS**

- 3.1 The Great Place to Live Community Plan Delivery Group (as delivery body for the Strategy) were satisfied with the review of the Housing Strategy

performance for 2009/10. We now seek Cabinet's approval prior to the publication and distribution to key stakeholders in late August.

4. ALTERNATIVE OPTIONS

4.1 N/A

5. BACKGROUND

5.1 The Housing Strategy was developed and consulted on during 2008/09 and was adopted by Cabinet in May 2009, and officially launched in October 2009. It replaced a Housing Strategy Statement that covered financial years 2005/08.

During 2010 the Great Place to Live Community Plan Delivery Group agreed to become the delivery board of the Housing Strategy.

The associated strands of commitment of the Housing Strategy have been separately reported to Cabinet, such as progress on the Lettings Review; the RSL preferred partnering process, RTB BuyBack progress; the Local Homes Initiative and the Overcrowding Strategy.

Within the first year of the strategy the HCA and TSA were establishing themselves - the TSA developed a regulatory framework of performance standards (which allowed for local indicators) and governance regulation. The HCA developed their single conversation business process, requiring all boroughs to develop Local Investment Plan's setting out the borough's spatial investment priorities and detailing their strategic approach to allocating funding to affordable housing (and possibly infrastructure) for the next funding round. The Mayor's London Housing Strategy has been implemented and Tower Hamlets has agreed Borough targets within the Mayor's London target of 50,000 affordable homes delivered by 2011.

6. BODY OF REPORT

6.1 The Housing Strategy has been reviewed in line with the Cabinet decision, the review is attached at Appendix 1. The key issues were:-

6.2 Tower Hamlets Homes and the Housing Estate Renewal Agenda - Client management of Tower Hamlets Homes (THH) and the importance of gaining the 'Two Stars' for housing management necessary to obtain additional decent homes capital resources required are a core component of the decent homes agenda. An additional issue is securing wider community plan objectives on housing estates owned by the council but managed by THH. This could include 'infill' housing development

- 6.3 *Right to Buy Buybacks* - Cabinet on 11 February 2009 agreed report recommendations on the Council's Capital Programme.
The Council has set aside £19.4m resources to buy over 80 homes i.e., three bedrooms or more, located on Council Estates, managed by Tower Hamlets Homes (the ALMO). The annual expenditure as at 31st March 2010 was £17,585,070. So far the council has bought back a total of 70 homes; let 65 of those homes to overcrowded families. 5 of those homes are empty but advertised (at 31 March). It is anticipated that a further 7 properties will complete early in 2010/11 and this will complete the purchase of the RTB buybacks
- 6.4 *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 implementing range of initiatives designed to reduce overcrowding and will be increasing its effort 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.
- 6.5 *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 and new members will be encouraged to join 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.
- 6.6 *Corporate Strategic Housing Projects* - Ten projects have been identified that are considered to be (a) of key strategic importance to the borough and (b) capable of being substantially influenced by the borough. Two of these, 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; all these projects have received some degree of examination at Cabinet in the past:
- 2012 Olympic Park
 - Blackwall Reach/Robin Hood Gardens – currently looking for a delivery partner. A priority scheme in the LIP under the heading 'Housing renewal'.
 - Bromley-by Bow Masterplan Area.
 - Chrisp St Area (now part of Reshaping Poplar within the LIP)
 - HCA Hospital Sites: St Clements, Mildmay, Queen Elizabeth – all high priority schemes for funding within the LIP
 - Aspen Way - a long term scheme, little activity in 2009/10
 - Ocean Estate - Ocean Estate has now received an HCA allocation of £41 (2008/11 HCA NAHP)

- Reshaping Poplar - now a priority opportunity area in the draft Local Investment Plan (LIP) required by the Homes and communities Agency. It's now a mix of infill/regeneration Poplar HARCA initiatives (short-term schemes currently in the planning process) and new schemes such as Tesco site and New Festival Quarter.
- Tower Hamlets Homes/Housing Estate Renewal Strategy – Now incorporated into the LIP under an investment opportunity area 'Housing Renewal'.

6.7 As a result of the review a small number of changes to the strategy are now recommended. These are attached at appendix 2

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

7.1 This report provides an update for Members on the performance and progress against the three-year Housing Strategy that was approved by Cabinet on 6 May 2009.

7.2 The Housing Strategy sets out a number of priority areas which form the basis of targeted action plans for the Council working with its key partners. These priorities are listed in section 6.

7.3 There are no specific financial implications arising from this report because the individual projects laid out are all schemes in their own right which have been the subject of separate reports to Cabinet. The Housing Strategy document will however continue to 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 implications for capital investment and landlord priorities financed through the Housing Revenue Account, as well as shaping the delivery of housing service activities financed from the Council's General Fund such as the homelessness and lettings functions. Each of these must be seen in the context of very limited resources being available, and where appropriate will be subject to further Cabinet decision along with detailed scheme specific financial implications being considered.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

8.1 Cabinet is asked to approve the contents of the Annual Review 2009/10 and the Annual Refresh 2010 of the Council's housing strategy which was adopted by the Council in May 2009. There are a small number of changes to the Council's housing strategy contained in Appendix 2 to which Cabinet is asked to agree.

8.2. The strategy reflects the various elements of the Council's broad-ranging role in relation to housing and the impact that housing has on the health and well-being of people in Tower Hamlets.

- 8.3 The Appendices show the progress which has been made in implementing that strategy. In particular they focus on the four identified key objectives of: delivering and managing decent homes; place making and sustainable communities; managing demand, reducing overcrowding; and new supply of housing.
- 8.4 The strategy is underpinned by the following –
- Delivery of the Council's obligations as a local housing authority under the Housing Act 1985, the Housing Act 1996 and associated legislation.
 - Achieving the goals set in the Community Plan, in respect of which the Council is empowered by section 2 of the Local Government Act 2000 (the well being power). The Appendices draw the necessary links between the strategy and the Community Plan.
 - The Council's obligation to prepare a local area agreement and to have regard to the local improvement targets contained in the local area agreement in the carrying out of its functions.
 - The Council's obligation as a best value authority under the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".
- 8.5. The report identifies ten specific housing projects each of which have been reported to Cabinet on an individual basis.
- 8.6 With regard to the Right to Buy Buybacks the Council is specifically empowered under section 120 of the Local Government Act 1972 to acquire land for the benefit, improvement or development of Tower Hamlets. It will be the responsibility of officers to ensure that the buy backs are carried out according to law.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The commitments in the Housing Strategy will help deliver real and lasting change on reducing inequalities. The delivery of more affordable homes will help give households, including 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 was undertaken to ensure that it impacts on groups who have historically suffered from particularly poor housing conditions
- 9.2 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 majority of this

housing is unaffordable to local people 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. The delivery of the decent homes programme, within the Council's own stock will also contribute to the cohesion agenda, by providing a safe, comfortable and secure environment for people to live in.

- 9.3 The Borough's Community Plan and the work of the Tower Hamlets Partnership have been reflected in the 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 increasing household recycling; increasing educational attainment; reducing crime; and, increasing skills and training opportunities. Adoption and implementation of the 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.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The 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. Other activities within the housing strategy are starting to be delivered for example the Energy Efficiency Strategy will be completed by December 2010; The LDF Core Strategy is complete and includes climate change into its planning policies and requires all new developments to have appropriate space for waste and recycling storage – currently being developed into a DPD; the Climate change strategy is near completion and the redevelopment of Ocean Estate forms part of a pilot area-based low carbon project.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 Primary risks in the Housing Strategy relate to finance and delivery issues. Last year we highlighted the risk was mainly the impact of the 'credit crunch' which caused a downward pressure on the availability of mortgage finance for both developers and homebuyers. Whilst the housing market is starting to show signs of recovery, a new risk to delivery is the potential reduction in funding available from the HCA National Affordable Housing Program 2011-14.

- 11.2 A key risk that remains the same for the second year of the Housing Strategy is Tower Hamlets Homes (THH) not achieving the Two Star management standard (inspection Nov-10) required to unlock capital resources necessary to deliver the decent homes standard to the council stock managed by THH. In addition there is a further risk that the decent homes funding is not made available due to Government funding constraints even if 2* is achieved.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The Housing Strategy, backed by planning policy seeks Major developments to be 'secure by design'. The implementation of the preferred partnering project ensures that social landlords' management services will uphold tenancy and leasehold terms (in relation to nuisance) communal and environmental improvements discourage nuisance, and where possible - vandal proof.

13. EFFICIENCY STATEMENT

- 13.1 The Housing Strategy still 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.
- 13.2 The Strategy is seeking to make all social landlords raise their standards of service delivery and the quality of their homes. During the year the preferred partnering project has been developed, from autumn 2010 one part of this project will be ensuring consistent service standards and delivery
- 13.3 The 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. Since the launch of the strategy we have developed our 'single conversation' business process with the HCA and have developed a Local Investment Plan whereby the investment priority areas include the use of these sites. Tower Hamlets will be helping to bring forward a significant amount of additional affordable housing in the Borough. Again, the preferred partnering project is about reducing the number of developing housing associations in the borough and the consequent proliferation of housing management organisations that usually accompanies this process.

14. APPENDICES

Appendix 1 – LBTH Housing Strategy Annual review

Appendix 2 - LBTH Housing Strategy Summary Update 2010

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

Brief description of “background papers” Name and telephone number of holder
and address where open to inspection.

To be completed by author

To be completed by author ext. xxx

Report authors should refer to the section of the report writing guide which relates to Background Papers when completing this section. Please note that any documents listed in this section may be disclosed for public inspection. Report authors must check with Legal Services before listing any document as ‘background papers’.