


Cabinet Decision 1 st November 2016	 TOWER HAMLETS
Report of: Corporate Director Development & Renewal	Classification: Unrestricted
Housing Strategy 2016 - 2021	

Lead Member	Councillor Rachel Blake Councillor Siraj Islam
Originating Officers	Martin Ling – Housing Strategy Manager
Wards affected	All
Community Plan Theme	One Tower Hamlets
Key Decision?	No

1. **EXECUTIVE SUMMARY**

- 1.1 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.
- 1.2 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.
- 1.3 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. Officers have met with senior managers at the Housing and Land Delivery Team at the GLA who have provided technical comments on the draft which have been incorporated into Appendix 1. It is anticipated that an exchange of letters will take place confirming the GLA is satisfied that the Strategy is "in general conformity with the Mayor of London's emerging housing policies,

given that the London Housing Strategy was adopted under the previous Mayor.” prior to it being submitted to full Council for adoption in November 2016.

- 1.4 The Housing Strategy will be taken to full Council for approval on November 16th 2016. This report sets out progress to date on producing the Housing Strategy, the outcomes of the consultation, and a suite of documents for approval which will then be presented to full Council for approval..

2. RECOMMENDATIONS

To approve the draft Housing Strategy and attached appendices for consideration by full Council on November 16th 2016.

2.1 REASONS FOR THE DECISIONS

To take forward the development of the Housing Strategy for approval by full Council.

2.2 ALTERNATIVE OPTIONS

The Mayor could decide not to take forward a Housing Strategy for approval by full Council but produce statutory documents and other stand alone housing policies.

3. BACKGROUND

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 will be considered by Cabinet on the 1st November 2016.

The Allocations scheme is also programmed to go to Cabinet on the 1st November 2016 and the proposals are summarised in section 5.1 of the second stage consultation document 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 Other policy areas have been updated following the consultation process and incorporated into the housing strategy with a separate Homelessness Policy and a separate Private Rented Sector Policy produced as appendices. These documents 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 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.

Both stages of the consultation were successful and informative with a total of nearly 20 public engagements, 15 internal and partner meetings including an all Member seminar and over 450 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 higher 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, waste collection 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 link to the online survey and related papers can be viewed here:

www.towerhamlets.gov.uk/housingstrategy2016

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

4.4 Comments from Housing Associations and Developers

A small number of Housing Associations and developers provided written comments on the 2nd stage. In summary the comments generally welcomed the focus on a wider range of housing products; stated that London Plan targets (including those for the Opportunity Areas) for the borough be considered as minimum rather than maximum targets; the council should look more closely at 'build to rent' models of housing (i.e., new build private rented housing). Specific responses regarding whether the council should accept commuted sums in return for not requiring affordable housing provision onsite should be considered on a site by site basis as the approach potentially defeated the objective of achieving mixed and balanced communities. These comments will also be considered through the ongoing consultation on the Local Plan.

4.5 Feedback from the Housing Scrutiny Sub-Committee

The Housing Scrutiny Sub - Committee considered the draft Housing Strategy documents at its meeting on the 10th October 2016. The discussion centred on the following issues:

Ensuring access to affordable home ownership options available through the private sector and models such as the Community Land Trust at St Clements hospital in Mile End is considered as future development opportunities arise.

Developing inclusive models for regeneration across both Council and ex Council estates, building on the lessons learnt from the regeneration of the Ocean Estate and Blackwall Reach

Investigating the use of off-site produced modular housing for use in permanent housing in order to reduce costs

Ensuring the further development of the Homelessness Action plan takes into account the recommendations of the recent Overview and Scrutiny Commission report

Concerns over the Council's role in ensuring Registered Providers can be held to account in terms of their contribution to the Council's Community Plan and housing management performance

Comments regarding the reach of the consultation and whether all groups were able to contribute effectively

These issues have been broadly covered across the Strategy documents and will be taken forward through the development of the action plans and associated projects

- 4.6 In total the consultation period lasted 16 weeks through the two stages. In addition to seeking comments on the consultation documents, a series of meeting with partners and representative groups took place and a successful housing conference attended by around 100 people was held on Saturday 1st October 2016.

The final draft Housing Strategy will be placed on the agenda for full Council for consideration and recommended for adoption on Wednesday 16th November 2016.

5. KEY ISSUES WITHIN THE HOUSING STRATEGY

- 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 that have arisen during the 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.

6. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 6.1 This report provides an update to the Mayor in Cabinet on the consultation that has been undertaken to date on the draft Housing Strategy for 2016 to 2021, and the Mayor in Cabinet is asked to approve the draft Housing Strategy and appendices for consideration by full Council on November 16th 2016.
- 6.2 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 report also identifies a number of related Council strategies that will inform the development of the Housing Strategy. Similarly it is important to recognise the financial implications and effects of the Housing Strategy in both the Council's Capital Strategy – where the affordability and phasing of investment identified through the Housing Strategy will be established and the Medium Term Financial Strategy where the revenue implications will be reflected. Taken together these will allow members to undertake the necessary evaluation and prioritisation of the Housing Strategy alongside the key priorities as set out in its Corporate Plan.
- 6.3 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.

- 6.4 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.

7. LEGAL COMMENTS

- 7.1 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.
- 7.2 The term 'general conformity' is not defined in the 1999 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.
- 7.3 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.
- 7.4 Whilst the Council is not under a duty to have an overarching Housing Strategy, such 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 therefore its final approval is for Full Council. However, pursuant to the Council's Budget and Policy Framework Procedure Rules, the Mayor as the Executive has the responsibility for preparing the draft plan or strategy for submission to the full Council. It is therefore for the Mayor in Cabinet to recommend the draft strategy to Full Council.

7.7 There is no statutory requirement to consult but the Council must consider whether a common law duty arises. This common law duty imposes a general duty of procedural fairness upon public authorities exercising a wide range of functions which affects the interests of individuals. On balance, it was considered advisable to consult and this report sets out details of such consultation.

7.8 The consultation had to 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 In respect of (a) to (c) above, this has been met. With regard to (d) above, before recommending the Housing Strategy to full Council, Cabinet must conscientiously take into account the consultation responses and, in particular, Cabinet must have regard to the Consultation Report at Appendix 4 as well as the evidence base at Appendix 5.

7.13 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

8. ONE TOWER HAMLETS CONSIDERATIONS

8.1 An Equality Assurance Impact Assessment 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 which emerge from the Housing Strategy will be carried out and if any potential negative impacts are identified mitigating actions will be identified accordingly.

9. BEST VALUE (BV) IMPLICATIONS

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

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 The Housing Strategy will have implications for sustainable actions for a greener environment and these will be considered within its development.

11. RISK MANAGEMENT IMPLICATIONS

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

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 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.

13. SAFEGUARDING IMPLICATIONS

13.1 Not applicable.

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: Consultation Report
- Appendix 5: 2016 – 21 Housing Strategy Evidence base
- Appendix 6: Equalities Impact assessment

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

- **Originating Officers and Contact Details**

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