


<p style="text-align: center;">Non-Executive Report of the:  <b>Housing Scrutiny Sub Committee</b>  10<sup>th</sup> October 2016</p>	
<p><b>Report of:</b> Aman Dalvi - Corporate Director Development &amp; Renewal</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Housing Strategy 2016 - 2021</b></p>	

<b>Originating Officer(s)</b>	Martin Ling – Housing Strategy Manager
<b>Wards affected</b>	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 16<sup>th</sup> 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 16<sup>th</sup> May to 31<sup>st</sup> July 2016. A second stage of consultation ran from September 16<sup>th</sup> to October 10<sup>th</sup> 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 1<sup>st</sup> 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 4<sup>th</sup> 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 1<sup>st</sup> 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 16<sup>th</sup> 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 (16<sup>th</sup> May 2016 – 31<sup>st</sup> 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 16<sup>th</sup> September 2016 – 10<sup>th</sup> 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 10<sup>th</sup> 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 1<sup>st</sup> October 2016.

4.8 A further report will then be brought to Cabinet on Tuesday 1<sup>st</sup> November prior to being placed on the agenda for full Council for consideration on Wednesday 16<sup>th</sup> 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 1<sup>st</sup> 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 12<sup>th</sup> May 2016 and is now enacted. The Act was published on 23<sup>rd</sup> 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 2<sup>nd</sup> 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.

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## **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**

<b>Name</b>	<b>Title</b>	<b>Contact for information</b>
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