

# London Borough of Tower Hamlets

## Draft 2016–21 Housing Strategy

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## 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 of 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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## 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%.

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 5<sup>th</sup> 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 10<sup>th</sup> 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 20<sup>th</sup> 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><b>Delivery Theme 1 – More affordable housing, economic growth and regeneration</b></p>
<p><b>Action 1:</b> Maximise affordable housing building from all sources of housing supply, with a focus on the borough’s three opportunity areas</p>
<p><b>Actions 2:</b></p> <ul style="list-style-type: none"> <li>• Use council-owned sites to deliver 100% rented housing combining social target rents and homes at ‘living rent’.</li> <li>• 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.</li> <li>• Reduce government defined Affordable Rents to lower levels including social target rents taking into account the possible reduction in overall affordable homes for rent.</li> <li>• 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.</li> <li>• Review its policy regarding commuted sums for affordable housing, with the aim of:             <ul style="list-style-type: none"> <li>▪ Creating mixed and sustainable communities</li> <li>▪ Considering the overall output of affordable housing</li> <li>▪ Making best use of Council owned land/assets.</li> </ul> </li> <li>• 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.</li> <li>• Explore long term financial investment from institutions for an intermediate rent product for households with average/median incomes.</li> </ul>
<p><b>Action 3:</b> 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><b>Actions 4:</b></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><b>Action 5:</b> 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><b>Action 6:</b> Investigate the use of modular housing to assist in meeting housing need across the Borough.</p>
<p><b>Action 7:</b> 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>

<b>Delivery Theme 2 - Meeting people's housing needs</b>
<b>Action 8:</b> Develop a new employment strategy to help ensure local job opportunities are maximised for local people.
<b>Action 9:</b> 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.
<b>Action 10:</b> Develop and implement an intermediate housing register.
<b>Action 11:</b> Refresh our Homelessness Statement (Strategy) and align it with the 2016-21 Housing Strategy.
<b>Action 12:</b> Reconvene the Homelessness Partnership Board.
<b>Action 13:</b> Refresh the Tenancy Strategy to take account of legislative changes requiring local authorities to issue fixed term tenancies.
<b>Action 14:</b> Keep under review the Overcrowding and Under-occupation Plan.
<b>Action 15:</b> 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.
<b>Action 16:</b> Support the development of the Accommodation Plan for People with Learning Disabilities (PWLD) and autism.
<b>Action 17:</b> Work closely with colleagues and partners to support the most vulnerable people in the borough and continue to meet their housing needs.
<b>Action 18:</b> Assess the existing and future requirements for the gypsy and traveller communities.
<b>Delivery Theme 3 - Raising private rented housing standards</b>
<b>Actions 19:</b> 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.
<b>Action 21:</b> Adopt an updated private sector housing strategy for 2016-21 which includes reference to the Better Care Fund approach and addressing empty homes issues.
<b>Action 21:</b> 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.
<b>Action 22:</b> 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.
<b>Action 23:</b> 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:

- 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.

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