

## NOTICE OF MEETING

# HOUSING AND REGENERATION SCRUTINY PANEL

Thursday, 29th September, 2022, 6.30 pm - Woodside Room -  
George Meehan House, 294 High Road, N22 8JZ (watch the live  
meeting [Here](#), watch the recording [here](#))

**Councillors:** Dawn Barnes, Mark Blake, Harrison-Mullane, Tammy Hymas,  
Khaled Moyeed, Matt White (Chair) and Charles Adje

**Quorum:** 3

### 1. FILMING AT MEETINGS

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The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

### 2. APOLOGIES FOR ABSENCE

### 3. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business (late items will be considered under the agenda item where they appear. New items will be dealt with as noted below).

### 4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

**5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

To consider any requests received in accordance with Part 4, Section B, Paragraph 29 of the Council's Constitution.

**6. MINUTES (PAGES 1 - 10)**

To approve the minutes of the previous meeting.

**7. UPDATE ON THE COUNCIL'S HOUSING DELIVERY PROGRAMME (PAGES 11 - 26)**

**8. USE OF THE PRIVATE RENTED SECTOR TO MEET HOUSING NEED (PAGES 27 - 34)**

**9. WARDS CORNER UPDATE (PAGES 35 - 38)**

**10. WORK PROGRAMME UPDATE**

Verbal Update.

**11. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 3 above.

**12. DATES OF FUTURE MEETINGS**

1st November 2022  
12th December 2022  
27th February 2023

Philip Slawther,  
Principal Scrutiny Officer  
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Fiona Alderman  
Head of Legal & Governance (Monitoring Officer)  
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Wednesday, 21 September 2022

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**MINUTES OF MEETING Housing and Regeneration Scrutiny  
Panel HELD ON Tuesday, 28th June, 2022, 6.30 pm**

**PRESENT:**

**Councillors: Mark Blake, Tammy Hymas, Khaled Moyeed and Matt White  
(Chair)**

**ALSO ATTENDING: Cllr Dana Carlin, Cabinet Member for Housing Services, Private  
Renters and Planning**

**48. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

**49. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Adje and Cllr Harrison Mullane.

Apologies for absence were also received from Cllr Gordon and from David Joyce.

**50. URGENT BUSINESS**

There were no items of urgent business.

**51. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**52. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None

**53. MINUTES**

**RESOLVED**

That the minutes of the previous meeting on 7<sup>th</sup> March 2022 were agreed as a correct record.

**54. PRIVATE SECTOR LANDLORD LICENSING SCHEME UPDATE**

The Panel received a report which provided an update on Haringey's Private Sector Landlord Licensing Scheme. The report was introduced by Lynn Sellar, Housing Improvement Team Leader as set out in the agenda pack at pages 13 to 21 of the agenda pack. The Cabinet Member for Housing Services, Private Renters and Planning was also present for this item. The following arose during the discussion of this report:

- a. The Chair sought clarification on the definition of a House of Multiple Occupancy (HMO). In response, officers confirmed that the Chair's understanding of a property containing three or more people who were not related to each other, was correct. Officers clarified that the mandatory HMO scheme related to five or more persons who shared an amenity but that the additional scheme had reduced the threshold to three or more persons. The additional scheme provided Haringey with additional powers to use at its discretion.
- b. The Chair sought clarification as to why the additional licensing scheme was not being rolled out across the entire borough. In response, officers advised that the legislation required the authority to establish a substantial evidence base for the need to introduce such a scheme and that the evidential base did not support a rollout across the entire borough. It was noted that the Council had spent two years collecting and scrutinising the data and that they had also utilised learning from other boroughs who had successfully introduced similar schemes.
- c. The Panel sought clarification about whether the map in appendix A of the report was showing that all of the wards to the east of the dark red line were included in the additional licensing scheme. Officers confirmed that this was the case.
- d. The Panel sought assurances about what types of enforcement action was available to the Council for landlords who did not demonstrate adherence to the licensing scheme. In response, officers advised that the enforcement action undertaken would be in line with the Council's enforcement policy and that regular inspections of properties would take place to monitor compliance. A typical process of enforcement action would see the landlord given an opportunity to remedy the problem, followed by an enforcement notice being issued if this was not done, and then finally the Council would look to prosecute. The Council had powers to issue fines up to £30k, depending on the offence. There were no powers within the legislation for the Council to revoke the licence, but prosecution would usually prevent that landlord from being deemed a fit and proper person in relation to the initial checks done before issuing a HMO licence.
- e. In relation to a follow-up question, officers advised that the legislation did not permit the Council to take remedial action against landlords, just as a prosecution would also not require the landlord to take remedial action. Officers commented however that they had not come across a case where a landlord had failed to undertake the required works when a notice was issued, as they did not want to incur the financial penalties involved and also did not want the hassle and negative publicity.
- f. The Panel queried the figure of 3454 applications received under the additional licensing scheme and suggested that this seemed quite low, given the high percentage of private rented sector accommodation in Haringey. In response, officers advised that they had to go off the evidence that the Council held on

the private rented sector but acknowledged that it was difficult for the Council to ascertain the location of all of the HMOs in the borough. Officers had conducted an overlay intelligence exercise in relation to HMOs and it was estimated that the figure was around 5k, however it was acknowledged this could well be an under estimation. Officers assured the Panel that this was the same for all boroughs and that the figures were based on the available evidence.

- g. The Panel sought assurances around whether there would be additional resources put into supporting tenants reclaim money from landlords who operated HMOS without a license. In response, officers advised that they were working with Cambridge House and Justice for Tenants to advance rent repayment orders and to use the claims submitted through these organisations as part of their intelligence gathering picture.
- h. The Panel sought assurances that the Council was undertaking proactive checks on unlicensed premises that it was believed were being used as HMOs. In response, officers advised that a large project was undertaken during lockdown to identify possible unlicensed HMOs and that this was followed up with a door-knocking. Officers were currently at the stage of following up on this and undertaking compliance checks. Officers also advised that they also worked with any intelligence that they received in relation to HMOs.
- i. In response to a request to hear from community partners on this issue, the Panel agreed to undertake a scrutiny review on this topic and to hear from other boroughs who were further along with the process of implementing similar schemes as well as expert opinion etc.
- j. The Panel sought clarification about whether the Council, as part of its additional licensing scheme, agreed to the promotion of joint working with other agencies such as immigration enforcement. In response, officers advised that this was not included in the submission to the Secretary of State and that the EQIA developed as part of this scheme reflected strongly that this would jeopardise existing relationships with the private rented sector.
- k. The Panel questioned whether the Council collected benchmarking information about how much people were paying in rent across different areas of the borough and the difference in the east versus the west of the borough, for example. In response, officers advised that this information was not collected as part of the additional licensing scheme. However, the GLA did collect some information on this as part of its evidence base for determining local housing allowances.
- l. The Panel questioned whether the selective licensing scheme was time limited. In response, officers advised that the scheme could only last for up to five years by law. After the five years, the Council would have to apply for the scheme to be renewed and the agreement of the Secretary of State would be required. Officers also set out that Secretary of State approval was required for all schemes that covered either 20% of the geographic area, or 20% of the private rented housing stock.

**RESOLVED**

That the update was noted.

**55. EMPTY HOMES POLICY UPDATE**

The Panel received a report which provided an update on the work being undertaken in-line with the Council's Empty Homes Policy, to bring empty homes back into use. The report was introduced by Lynn Sellar, Private Sector Housing Team Manager as set out in the agenda pack at pages 17 to 20. The Cabinet Member for Housing Services, Private Renters and Planning was also present for this item. The following arose during the discussion of this report:

- a. The Panel sought clarification around whether officers knew the number of second homes in the borough. In response, the Panel was advised that this information used to be collected by Council Tax but that it wasn't collected any more as second homes were exempt under the legislation.
- b. The Panel suggested that the report showed that there were 88 properties empty for five years or more and it was questioned whether there was comparative data from neighbouring boroughs. In response, officers commented that this would be based on Council Tax data and agreed to supply comparative data for empty homes to the Panel. **(Action: Lynn Sellar).**
- c. In relation to substantially furnished properties and whether owners could bypass the legislation by having a few pieces of furniture in the property, officers advised that in order to pursue an empty property, that property had to meet the public interest test and so the Council focused on nuisance properties and those that had been empty the longest. It was likely that there would be a number of properties that were only used occasionally and were semi furnished as result, these were not necessarily the kind of properties that the Council would pursue.
- d. The Cabinet Member reiterated that the revised policy, agreed by Cabinet, set out that the Council would only really enforce against properties that were considered a blight on the local area and that the Council would not be seeking to force a sale or CPO ordinary properties that were empty for a period of time, or were used as second homes. There were a variety of reasons a home could be empty, such as probate or the owner being in care and officers had to establish this before taking a particular case forward.
- e. The Panel sought assurances about whether there was any evidence to suggest that properties were being bought by overseas owners and left empty. In response, officers suggested that they did not have specific data on this but that it was possible that some of the empty properties in the borough, identified through Council Tax, fell into this category. It was commented that the Council received a premium in Council Tax for empty properties and that it may not necessarily be in the Council's interest to pursue those homes.
- f. The Panel sought clarification around how a decision was made to either go down the route of enforced sale or a CPO. In response, officers advised that there was a panel who met; comprised of Legal, Council Tax and other services involved in a particular case, and that the panel would ultimately decide which route to take. Legal colleagues had to take a view as to whether the intended outcome met the public interest test and that a CPO would involve notifying the Secretary of State. The enforced sale of a property was easier to undertake and could be done if the property in question had over £1000 of debt to the Council, either through unpaid Council Tax or through noncompliance with enforcement notices etcetera.
- g. The Panel enquired whether the homes that were sold or subject to a CPO would be used as Council accommodation. In response, officers advised that



- in most cases they would be sold on the open market through a process of sealed bids, with the owner due a certain percentage by way of compensation.
- h. Officers set out that the acquisitions team within the Council had criteria for the types of properties that they would like to acquire and repurpose, but that in most of these cases the costs involved with re-purposing these types of property would be prohibitive.
  - i. The Cabinet Member advised that she would be looking further into this issue to see what more could be done to acquire homes for Council accommodation, as this was already done in terms of acquiring temporary accommodation through the wholly owned development vehicle.
  - j. The Panel suggested that properties being bought up and used as an investment, rather than homes was a political issue for Labour councils and that this should be raised with London Councils. In response, the Cabinet Member commented that this was not historically a big issue in Haringey but that changing demographics were likely to change this. Cllr Carlin noted that Islington had tried to overcome this problem by placing planning covenants on the buildings not being empty into the planning permission process for new developments.

## **RESOLVED**

That the report was noted.

## **56. NEW LOCAL PLAN UPDATE**

The Panel received a report which provided an update in relation to the Council's emerging New Local Plan. The report was introduced by Bryce Tudball, Interim Head of Planning Policy, Transport and Infrastructure as set out in the agenda pack at pages 21 to 26. The Cabinet Member for Housing Services, Private Renters and Planning was also present for this item. The following arose during the discussion of this report:

- a. The Panel queried when more details of the policies within the Local Plan would be available. The Panel also questioned how the Council could ensure that the Local Plan was fit for purpose in light of the long lead-in time needed to develop such a detailed document and in light of changing political priorities. In response, the Cabinet Member advised that there would need to be some updates to the documents before it went out to consultation but that these would likely only cover the last two years, rather than the entire length of the process since it started.
- b. Officers advised that a London Plan member working group had been established for the purpose of engagement and that there were a number of other forums for engagement before the Local Plan went to Cabinet, such as the Strategic Planning Committee. Officers advised that they were happy to bring more details on specific policies with the plan to the Panel in future. Officers also advised that they were working hard ensure that there was a very tight evidence base for its sustainability policy, for example, in order to ensure that it was future proofed and that it met the trajectory for where we may be in a few years' time.
- c. The Panel questioned the extent to which the economic development and regeneration team had been involved in the development of the London Plan.

In response, officers advised that they worked very closely with them and had commissioned the evidence base in conjunction with the regen team.

- d. In response to a question, officers advised that they were working with colleagues to develop an employment & skills policy to provide training needs and to repurpose Section 106 monies towards this area.
- e. The Panel questioned what was being done to support key workers, particularly in terms affordable housing. In response, officers advised that they had commissioned evidence about the types of housing needs in the borough, including for key workers, as part of the Local Plan development process.
- f. The Panel sought clarification about how the Council would develop quality affordable housing and the suitability of intermediate tenures, like shared ownership within this. Officers set out that the housing target for Haringey set out within the London Plan was 1592. A key piece of work within the plan was strategic housing market assessment, which determined the extent of affordable housing required. The Council would be looking to push the boundaries to deliver as much affordable housing as possible and that the Council would be looking for that to be the right type of affordable housing, the priority was for housing at social rents.
- g. In relation to a follow up, officers advised that the London Plan required Haringey to deliver an element of intermediate affordable housing as part of the overall mix, which was currently set at 30%. The Council would publish a policy position on what types of intermediate tenure housing it was looking for, going forwards. It was noted that shared ownership was not the only form of intermediate housing. Whilst the Council had set out its desire to develop new affordable units for social rent, there was an evidence base that pointed to the fact that the borough needed all types of housing, including some intermediate affordable housing.

## **RESOLVED**

That the report was noted.

### **57. COMMUNITY INFRASTRUCTURE LEVY BRIEFING PAPER**

The Panel received a report which provided an update in relation to the Haringey Community Infrastructure Levy (CIL). The update included the Strategic CIL and Neighbourhood CIL. The report was introduced by Bryce Tudball, Interim Head of Planning Policy, Transport and Infrastructure as set out in the agenda pack at pages 21 to 26. The Cabinet Member for Housing Services, Private Renters and Planning was also present for this item. The following arose during the discussion of this report:

- a. The Panel sought assurances around whether the revised CIL charging schedule would result in the Council collecting more CIL money from developers. In response, officers advised that the rate had increased, so that the Council could expect to receive more money provided that the amount of developments remained the same in future. The amount of CIL collected would depend on the number and location of future developments.
- b. The Chair suggested that the Council should produce a detailed update on the status of CIL money from each development and how that money had been

- spent. It was suggested that this was something that residents and councillors would both like to know.
- c. The Panel requested clarification around the total spend on C. £34m in the Wood Green Regen project. Officers clarified that this figure related to the full allocation within the Capital budget for that project (rather than the Strategic CIL contributions due). Officers advised that the total project comprised of more projects than was listed in the appendix and that this accounted for the total being £34m.
  - d. The Panel requested further elaboration on the methodology for how Neighbourhood CIL was allocated. In response, officers advised that the idea was that money raised in a particular area should, as much as possible, be spend in that area. However, up until the CIL charging schedule was recently updated, the levy in the east of the borough was 11 times less than in the centre of the borough and 14 times less than in the west of the borough. As a result, the revised policy included 10% reallocation to Tottenham to reflect the fact that it had more infrastructure requirements.
  - e. In terms of the breakdown, the Panel was advised that the neighbourhood CIL was made up of 15% allocation based on the number of developments in that area, 10% reallocation to Tottenham and the rest of the allocation was based on the number of wards in that area.
  - f. In response, to a follow-up officers confirmed that developments in other parts of the borough would, in theory, have a proportion of the CIL money reallocated to Tottenham, but that this was not the case in Highgate because it had a neighbourhood plan in place and the CIL money from there was ringfenced as a result.
  - g. In response to a question on the process for instigating a neighbourhood plan, officers advised that there was a substantial piece of work involved in this and that of the three neighbourhood plan areas, only one had actually progressed to a plan for this reason. The key point for the Panel to note was that the neighbourhood plan had to be community led, rather than Council led, and that the first step was to establish a neighbourhood forum comprised of 21 or more people on the electoral register.
  - h. In response to a follow-up question, officers advised that a neighbourhood plan would allow 25% of CIL funding to be ringfenced to a particular area and that the Council could then take a decision to reallocate additional funding to that area from elsewhere.

## **RESOLVED**

Noted.

## **58. WORK PROGRAMME UPDATE**

The Panel received a report which set out how the foundations will be laid for targeted, inclusive and timely work by the Panel on issues of local importance, where scrutiny can add value through the development of its work plan. The Panel noted the provisional date of 9<sup>th</sup> September for the proposed Scrutiny Café event.

The Panel advised that they would like to undertake a detailed piece of scrutiny work around the private sector landlord licensing scheme. The Scrutiny Officer agreed to set up a meeting with Panel members to discuss the review further and agree an outline terms of reference. **(Action: Philip)**

The Panel put forward the following list of potential agenda items for upcoming panel meetings:

- An update on the insourcing of Homes for Haringey.
- Update on High Road West.
- Temporary Accommodation – the quality of TA accommodation and the management of the relationship with TA providers. Also, to include a look at our strategy for the acquisition of property used as TA.
- General update on the implementation of the Housing Delivery Programme.
- The impact of changes to housing legislation in 2012 (combined with funding cuts) and the impact of the Council being able to discharge its duty by placing people in private sector housing.
  - What is the impact of this on homelessness as well as the impact on the Council? What is the impact in terms of relocating people out of London?
  - How have these changes impacted the Council's ability to deal with new families? Do we have any data on the costs involved with housing tenants being put into private sector rented accommodation?

**RESOLVED**

- I. That the overall approach, outlined at section 4 of the report, for developing a work programme for Overview and Scrutiny for 2022-24 for approval at its meeting on 13 October 2022 be noted;
- II. That, pending commencement of the finalised work programme, the Panel agree the provisional items for its meetings on 29 September.

**59. NEW ITEMS OF URGENT BUSINESS**

N/A

**60. DATES OF FUTURE MEETINGS**

29<sup>th</sup> September 2022  
1<sup>st</sup> November 2022  
12<sup>th</sup> December 2022  
27<sup>th</sup> February 2023

CHAIR: Councillor Matt White

Signed by Chair .....

Date .....



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Report for: Housing and Regeneration Scrutiny Panel - 29 September 2022

Title: **Update on the Council's Housing Delivery Programme**

Report

Authorised by: David Joyce, Director of Housing, Regeneration and Planning

Lead Officer: Robbie Erbmann, Assistant Director Housing

Ward(s) affected: All

Report for Key/

Non Key Decision: Non-key

**1. Describe the issue under consideration**

1.1. This report gives an update on the progress of the Council's Housing Delivery Programme

**2. Recommendations**

2.1. Housing and Regeneration Scrutiny Panel is recommended to note this report.

**3. Update on the Housing Delivery Programme**

3.1. After a generation in which no new council homes had been built in Haringey, in May 2018 the council began work to establish a housing delivery programme.

3.2. A total of 1,444 council homes have now started on site and 1,503 council homes have been granted planning permission.

3.3. This includes two of our larger schemes on the site of the former Ashley Road Depot and around Wood Green's Chocolate Factory.

3.4. Work started on the site of the former Ashley Road Depot in June 2022 to create a new community of 272 homes. Half of the homes will Council homes – and two thirds of these will be family homes with three or four bedrooms. The highest standards of sustainability run from early design to build stage: all homes will be constructed to Passive Haus standard, and the scheme will provide a large amount of cycle parking and storage, vehicular charging points and a car club. It creates a new relationship to Down Lane Park, opening up routes across the site to encourage pedestrian and bike travel to the park, the marshes, and Tottenham Hale district centre. North- south connections for existing residents are further improve by including a new vehicular route connecting Ashley Road with Park View Road North and a pedestrian only route through the centre of the Site.



Image of Council homes currently being built at Ashley Road development – view from Park View Road (West)

- 3.5. The Chocolate Factory development will provide 80 council homes alongside affordable workspace in the Wood Green Cultural Quarter. These homes have also been designed to the highest standards of energy efficiency, and the development will be net zero-carbon. As well as incorporating solar panels on the roof, they will in time all be connected to the District Energy Network, harnessing energy from otherwise wasted sources to reduce emissions and protect residents against fuel poverty. All homes will have access to a shared podium garden and a public courtyard with new trees, planting, and landscaping.



Image of new Council homes currently being built at the Chocolate Factory



- 3.6. 184 council homes have been completed. These include homes completing recently at Scales Road in West Green, Mount View Court (St Margaret's Avenue) in Harringay and Romney Close in Northumberland Park.
- 3.7. Each of these homes will transform lives.
- 3.8. Mr and Mrs Abdi moved into their new home at Mountview Court in July 2022. Mr Abdi told the council: "We previously lived in a two-bedroom home with five children – it wasn't easy. This new house has changed our lives: the kids have so much more room to play and love their new home."



Mr Abdi outside his new home with Cllr Ruth Gordon and Robbie Erbmann, July 2022

- 3.9. Simone Samuel moved into Rosa Luxemburg Apartments in January 2022. She said:
- The opportunity to give your children the best you can and most importantly, what they deserve is a feeling I cannot describe – as a mother, that's all you want to do.*
- I have three children and we outgrew our previous home, and we needed more space. This new apartment, given to me by Haringey Council, has enabled me to give my eldest child who is now five years old, his own room. It was such a special moment for us all – especially him as he was so happy. Seeing this filled my heart with so much joy.*
- This is the start of a new journey and will provide us with better living conditions and a happier home environment.*

### **Co-production**

- 3.10. Engagement and consultation with residents have been at the heart of designing and delivering our programme, and we are working towards genuine co-production of council homes. A dedicated team of development engagement officers ensures our statutory consultation and engagement work from the earliest design state and throughout the build programme is carried out to a consistently high standard. We have a robust set of engagement procedures and during the pandemic developed on an online engagement strategy, coming out of the pandemic we evolved a hybrid approach to combine both in person and online engagement to endeavour to reach as many different people as possible.
- 3.11. Since May 2022, work has progressed towards defining coproduction in the housing delivery context so that it is delivered in a meaningful way. From co-designing a new homes standard, or coproducing communal and play spaces to choosing fixtures and fittings in new homes, the Council is committed to finding ways to put residents at the heart of delivering new homes. We are also developing a 'Neighbourhood Improvement Approach' to take the programme to our strategic, next level, by coordinating our approach to development with repairs and asset management. This will help ensure we are listening and responding to the needs of Haringey's residents and improving the lives of existing as well as new residents through our development programme.

### **Responding to the Climate Emergency and delivering high quality homes**

- 3.12. Energy efficiency and sustainability are integral to the design and delivery of this new generation of Council homes. The Council has ambitious targets to ensure sustainability standards. This means that:
- We use existing brownfield land in established residential areas with access to public transport facilities
  - To date, we have targeted zero-carbon development on-site and applied Passivhaus principles wherever possible. We have adopted new Employer's Requirements that require Passivhaus as a standard for our developments going forward.
  - We use environmentally sustainable materials
  - Our new Council homes use renewable energy sources such as air source heat pumps, solar panels, photovoltaic panels, green roofs, and energy efficient appliances
  - Our homes are positioned to make maximum use of sunlight and ventilation and are at least dual aspect.
  - We build car-free or where there are disabled tenants 'car-light' schemes and electric charging points and we promote sustainable travel through for example the provision of secure cycle storage for new and existing residents, car-club/car-sharing arrangements.
  - We ensure our new homes enhance biodiversity, for example through high-quality landscaping, planting, SuDs, and green roofs.
  - We will connect homes to the District Energy Network wherever feasible.
  - All our direct-delivery schemes aim to achieve zero-carbon through Passivhaus principles and are achieving reductions significantly beyond those specified in

the London Plan. We have been granted planning permission for the boroughs first zero-carbon schemes to be achieved on site. And Council homes achieving this standard are under construction at Park Road in Bounds Green and Ashley Road in Tottenham Hale.

- 3.13. We actively manage all stages of design and construction to ensure the homes we deliver are the highest quality they can be and have a robust set of employer's requirements that is annually updated to achieve this. Our design standards ensure excellent space standards and storage provision, high-quality landscaping including play facilities and enhanced biodiversity.



*Eight zero-carbon Council homes at Edith Road/Park Road in Bounds Green*

### **Homes for Families**

- 3.14. Half the households in greatest need, those in bands A and B of the housing register, need a home with three, four or more bedrooms – more than 1,700 households.
- 3.15. 30% of the Council's stock of 15,097 rented homes have three or more bedrooms. More than a third only have one bedroom.
- 3.16. Last year just 59 homes with three or more bedrooms were let through the housing register - less than 20% of lettings. More than half the lettings were homes with one bedroom.
- 3.17. It is financially extremely challenging to build new council homes with three or more bedrooms: the differential between the cost of building a larger home and the social rent we can charge for it is too small to support borrowing in the way that it does for one- and two-bedroom social rent homes. Grant levels, although substantially increased by the Mayor of London in the latest bidding round, remain historically low and do not sufficiently bridge this gap. Put very simply, generally rental income from one-bedroom homes let at social rent make a new contribution over their construction costs to the HRA; two-bedroom Council homes break-even; and Council homes with three or more bedrooms tend to have a negative financial impact on the HRA.

- 3.18. The Council recognises the urgent need of homeless families and families living in overcrowded homes and is committed to building the homes these families need. We do this by approaching financial viability at a programme rather than at an individual scheme level, using s106 commuted sums in conjunction with GLA funding, and by building homes for market sale to cross-subsidise the programme. Work is done on every site to try to maximise the number of new three- and four-bed homes.
- 3.19. Our current target is that 35% of the homes we build will have three bedrooms, and 10% will have four bedrooms or more. We will be consulting on a new target for larger family-sized homes in the housing strategy.
- 3.20. 21.5% of the Council homes handed over this year will have three or four bedrooms, rising to around 27% over the next three years.
- 3.21. Our consultation on the housing strategy between September and December will propose a target that 50% of council homes started subsequent to its adoption will have three or more bedrooms.



*46 new sustainable Council under construction at Remington Road, Seven Sisters -14 with three bedrooms, 4 with four bedrooms, and five fully accessible for wheelchair-users.*

### **New homes for local Council tenants**

- 3.22. The Council's Neighbourhood Moves Scheme prioritises newly built Council homes for existing secure Council tenants who live close to these homes, with local tenants in housing need have priority over local tenants that have no housing need.
- 3.23. Of course, when a local tenant moves into a new home, their existing home is made available to let through the housing register. The scheme incentivises tenants to move into smaller homes, creating positive lettings chains: ten of the eleven homes

at Joy Gardner House were let through Neighbourhood Moves, and this freed five larger, family homes for letting to overcrowded households.

### Homes for people with specific needs

- 3.24. Building new homes gives us the opportunity to design some homes specifically around the individual needs of households on the housing register. These are people who because of the nature of their additional support needs, often complex medical needs cannot be adequately housed either through relets of existing social rent homes or in a standard design home.
- 3.25. This in turn presents the Council with an opportunity for cost savings by preventing or reducing some households' need for residential and domiciliary care and the possibility of expensive out of borough placements.
- 3.26. We also have an opportunity to specify wheelchair adaptable homes to meet the individual needs of disabled households in advance of letting.
- 3.27. The Bespoke Homes Programme has been established to realise these opportunities.
- 3.28. 18 households to date have had their lives transformed through the provision of a home designed around their particular needs.
- 3.29. In early 2022, Ms Mohamoud moved into a home designed and built around her needs at Rosa Luxemburg Apartments. She told the Council:

*The new house has completely changed me and my family's life. The old house was very cramped especially as we have a big family, I have three girls and three boys, four of them are teenagers.*

*My youngest daughter who is 8 has Bohring-Opitz syndrome, this is a rare condition with severe development difficulties especially with speech and communication. The condition also impacts her walking, but she's able to grab on to stuff to keep her balance and sit down with support. In addition to this, she doesn't know how to stand on her own which was very difficult for us as we had to always pick her up when she's going up and down the stairs and she barely had space for her equipment and toys.*

*I can finally say the new flat provided by Haringey Council has been adjusted to my youngest daughter's needs, it's located on the ground floor so she's able to get to different rooms without support, she has her own spacious room where she can fit in all her special equipment and toys. Also, she has an accessible toilet in her room, which has been useful and easy for her to use and myself when giving her a shower.*

*The process at the start of this was very nerve racking and I almost refused the accommodation at the start because I thought it may not be suitable for my family, especially as I had concerns about the kitchen and the sitting room being in the same room. When I spoke to the project manager Denise about my concerns, she took everything I said on board and reassured me that the kitchen and sitting room will be separated with a wall (which she did) and promised me that the house will be perfect for me and my family.*

*When I saw the finished look with all the changes being made that I was concerned about I couldn't believe my eyes, it brought me to tears and most definitely left me gobsmacked. My family were also filled with excitement and joy, we finally realized at that point it was going to be our happy home, the children and I couldn't wait to decorate their spacious rooms.*

3.30. Work is underway including through a series of cross-departmental sprints to consolidate the programme and take it forward within a clear structure and governance process and to ensure that its benefits are maximised.

3.31. Key challenges include:

- Developing a better overview of complex housing need on the housing register in order to meet it at a programme level, and agreeing how we identify the households who need individually-designed homes
- Identifying households at the right stage of the development process so that homes can be designed around their needs.
- Ensuring bespoke homes are developed and allocated within legal and policy frameworks.

### **Supported Housing**

3.32. All sites are assessed for supported housing, and we work closely with colleagues in Adults Social Care Commissioning to develop supported housing that meets their clients' needs.

3.33. We have a target for 10% of the programme to be delivered as supported housing. So far, we have delivered 32 supported homes at Olive Morris Court. Another eleven will complete at Hornsey Town Hall in March 2023.

3.34. Designs for new supported homes are currently being developed for:

- care-leavers
- people who have slept rough
- adults with learning difficulties
- adults with enduring mental health needs
- young, single parents

### **Organisational capacity**

3.35. After a generation during which the Council was unable to build the homes our communities need, we had, like councils across the country, lost the institutional expertise and structural capacity needed to deliver council homes. Over the last four years we have built the organisational capacity required to build again, and build homes of a very high quality.

3.36. The housing delivery team now comprises 38 dedicated officers, a blend of skilled development and programme management professionals and council officers with transferrable skills who have developed as housing, project managers on our 'grow your own' training programme. All have a shared passion for building high quality, sustainable, genuinely affordable council housing. The team was shortlisted for the UK Housing Awards council of the year 2021 and Inside Housing's London Development Team of the year two years running, the results of the 2022 awards will be announced later this month. In addition to this a number of individual officers in the team and developments (that have now completed) have been shortlisted and won awards.

3.37. Consultation and engagement are at the heart of designing and delivering our programme, the team includes a dedicated team of engagement officers to ensure this is carried out to a consistently high standard.

3.38. Governance, programme and risk management is also key to managing a programme of this scale that is the recipient of large amounts of government grant funding (£345.3 million pounds to date and most recently the third biggest award of any London borough).

3.39. As part of this announcement Haringey were awarded funding for 647 affordable homes to the tune of £127,487,000. This is the third biggest award of any London Borough (23 boroughs were awarded homes in the programme) and will represent the fourth largest number of social homes which any borough will deliver.



*Community engagement event on Ashley Road scheme held at Living Under One Sun Community Centre*

3.40. The council has established and built a programme management function to ensure this is managed and monitored correctly.

3.41. Staff capacity across the council has also had to endeavour to develop at pace after a generation in which councils lost their expertise in housing development finance, procurement, and legal support.

3.42. The delivery of hundreds of new homes is also a new challenge for other teams including allocations and lettings. We are working closely with Homes for Haringey to improve the lettings and handover process for new properties and after care.

3.43. We have put in place robust financial and programme management systems that allow us to integrate individual scheme costs with programme accounts in real time and we report on these via monthly project review meetings and monthly programme reviews at housing board (formerly Council housing delivery board)

3.44. In July 22 Mazars concluded the 2021/22 audit on the Housing Development programme. It is important to note that this covers the Council Housing Delivery programme only and does not cover regeneration projects). The objective was to evaluate and assess the adequacy and effectiveness of the control environment surrounding the programme. The result was green. This category represents a finding of substantial assurance with no significant weaknesses and confidence that overall risks are being effectively managed. This is notably an improvement from the early audit done on the programme in 2019.

### Financial capacity

- 3.45. The HRA Financial Plan's Ten-Year Financial Model agreed in 2021 provides £1,288m to March 2032 for the delivery of high-quality council homes at social rents. The model underpins the delivery of 3,088 council homes in the period within a delivery programme that is viable in the long term.
- 3.46. In March 2022, the Council adopted a Five Year Capital Programme to March 2027 providing more £900.5 million for the delivery of new Council homes - £704.8m for direct delivery, with spend peaking in 23/24 at £286m; and £195.7m over five years for acquisitions.
- 3.47. We have to date secured allocations of up to £345.3 million capital grant for housing delivery to 2026:
- GLA Building Council Homes for Londoners 2018-22 - £120.2m
  - GLA Affordable Housing Programme 2021-26 - £127.5m
  - GLA High Road West - £91.5m
  - GLA Rough Sleeper Accommodation & Support Grant – £2m
  - Cabinet Office Brownfield Land Release Fund - £3.8m
- 3.48. The revised financial plan was supported for the first time by a 30-Year Financial model which enables the Council to take a longer-term view of the HRA. The 2022 review continued a revenue contribution to capital outlay (RCCO) minimum of £8m, increased the working balance to £20m and introduced interest cover ratio (ICR) of 1.25 to ensure that there is adequate net income for repayment of interest. Over the MTFS period, the plan's ICR ranges from 1.27 to 1.54.
- 3.49. Borrowing across the entire HRA was set at £848.2 million over five years to 2026/27 – with nearly 60% of this - £504m– borrowed in the first two years, 22/3 and 23/4.
- 3.50. Of this £848.2 million, £534.8m was forecast to support the housing delivery programme over the five years to 2026/27.
- 3.51. Even with prudential borrowing and grant income at this level, it is not possible to deliver the number and quality of Council homes our communities need – and particularly the number of family-sized homes we need - without cross-subsidising the programme. Our strategy has been to achieve maximum cross-subsidy through building some homes for market sale.
- 3.52. Initial projections for the programme were that 40% of the homes built would need to be sold. Our Five-Year Capital Programme now supports by far the greater proportion of the new homes being developed for social rents, increasing the proportion of homes for social rent from an initial base of 60% and the Ten-Year Model of 75% to 83%. This was made possible by increased grant in the Affordable Homes Programme (AHP) 2021- 26, Council rent increases reverting to CPI after the removal of the government's 1% cap – and reductions in borrowing costs following the Government's reversal of an October 2019 increase to the Public Work Loans Board interest rates.
- 3.53. We have never marketed and sold homes on a commercial basis, so in the interests of cross subsidising the delivery of as many Council homes at Council rent as possible, we have been working with a consultant strategist to develop our marketing strategy to maximise value for this key part of our overall programme. Cabinet will decide in September whether to appoint a dedicated sales and marketing service.



- 3.54. Our first market-sale homes will be built at Ashley Road Depot – in line with our approach, the homes for social rent are of exactly the same quality as those for market sale and are located in more favourable parts of the development. Where the market sale homes are in a high-rise block, the homes for social rent are in a mix of medium height blocks and mews houses, many overlooking the park.



Work underway clearing site at Ashley Road, Tottenham Hale

### **Developing the Housing Delivery Programme**

- 3.55. The current Housing Delivery Programme comprises 3,463 homes on 87 sites that have either been completed, or started on site, or are under active development. These include 2,919 council homes for council rent
- 3.56. Across departments, the Council is developing a range of measures to ensure a sustainable pipeline of new sites and developments and to integrate these new sites with managing and improving our existing assets. The Council wishes to centre an approach to housing delivery that ensures building new homes always starts with an analysis of how those homes can bring wider improvements to the area in which they'll be built.

## **4. Challenges and risks**

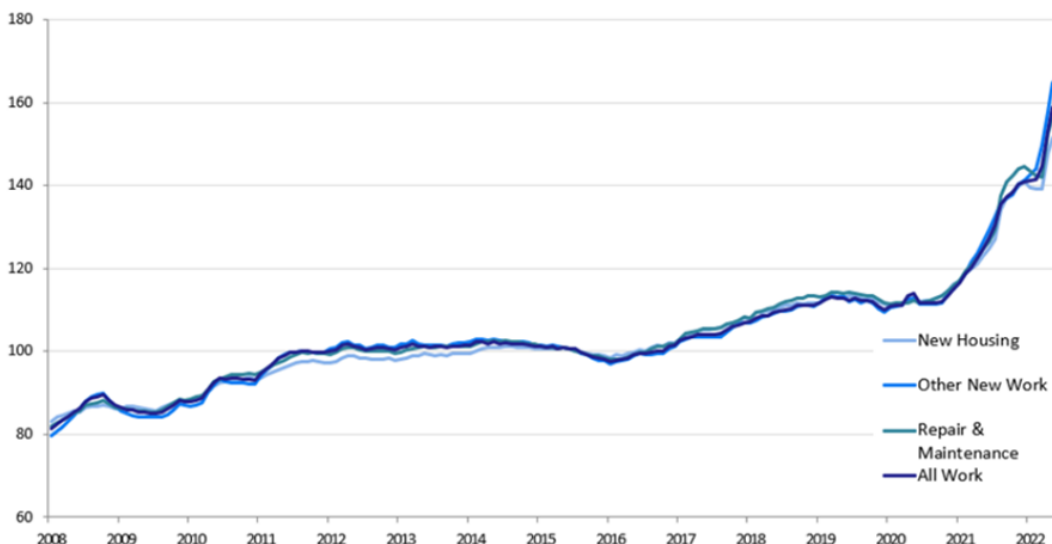
- 4.1. Our key risks and challenges are external factors impacting across the economy, most notably in terms of inflation and interest rate rises.

### **The increasing cost of construction materials and labour**

- 4.2. At the end of 2021, growth in the Building Cost Information Service (BCIS) material cost index reached a 40 year high. Since then, supply chain pressures have persisted, and labour shortages have become even more acute.

- 4.3. The BCIS Materials Cost Index has increased at an unprecedented rate, with annual growth in excess of 20% in both November 2021 and April 2022, up from a low of minus 1% as recently as June 2020. The last time materials inflation was this high, in 1980, it had built up gradually.
- 4.4. There were significant increases across all the groups of materials, with the highest increases in steel and oil products. Steel prices have been extremely volatile since the beginning of the pandemic, and the war has further exacerbated this trend. Annual prices for specialist steel grew by 78.9% - or 15.7% on a monthly basis, the second highest monthly increase since the initiation of the series with the highest increase of 18.9% in March 2022.
- 4.5. Other materials showing annual increases in April above 25% were aluminium products (43.2%), precast concrete structural components (36.2%), lifts and escalator materials (29%), metal structures (26.7%) and timber (25.9%)
- 4.6. The BCIS Materials Cost Index is forecast to grow by 7.4% in December 2022 compared to December 2021, with materials cost rises to remain a concern due to worldwide supply issues, increased raw material input costs, energy inflation and labour shortages.
- 4.7. The Department for Business, Energy and Industrial Strategy's material price index for construction materials for new housing also increased - by 22.8% in June 2022 compared to the same month the previous year.

**Chart 1: Construction Material Price Indices, UK**  
Index, 2015 = 100



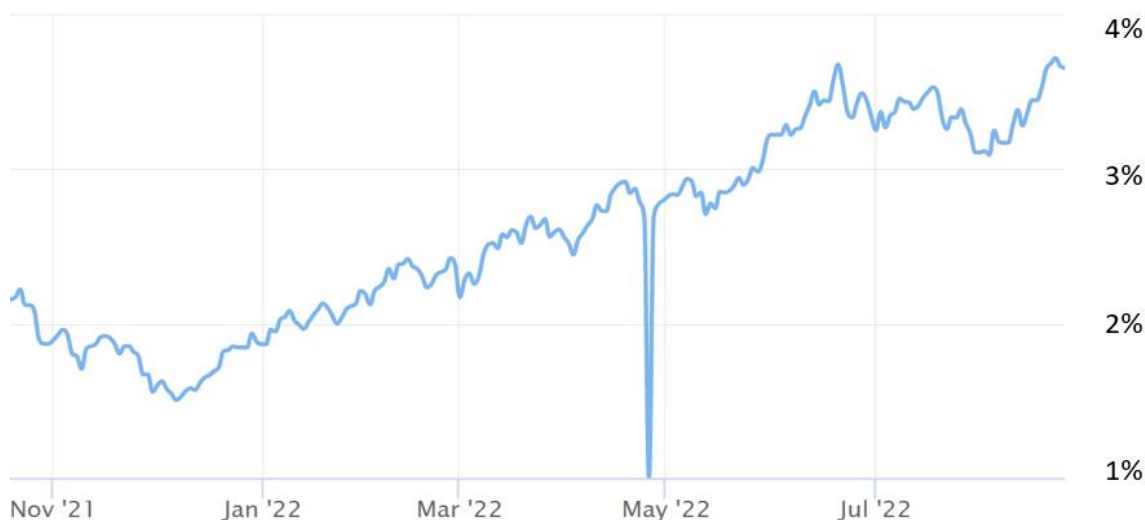
Source: Monthly Statistics of Building Materials and Components, Table 1

- 4.8. The BEIS noted widespread shortages including an 8% decrease in seasonally adjusted brick deliveries and a 10.4% decrease in block deliveries in June 2022 compared to the same month the previous year.
- 4.9. The Bank of England's most recent update to the Agents' Summary of Business Conditions on 16 June 2022 noted that construction output growth weakened modestly as rising materials costs and labour shortages caused projects to be delayed or cancelled and expected the pipeline of construction projects to slow as cost increases result in more projects being put on hold. It noted that many expected

rising costs and squeezed household budgets to weigh on demand for new homes this year and next.

### The increasing cost of borrowing

- 4.10. Local authorities can borrow money from a number of different sources. These include borrowing on the markets; using the Public Works Loan Board; or municipal bonds.
- 4.11. Like most local authority capital borrowing, borrowing to fund the Council's housing delivery programme has been from the PWLB which has offered the lowest rates available.
- 4.12. PWLB interest rates are determined by HM Treasury based on gilt yields, the returns on government bonds. In effect, for the Housing Delivery Programme borrowing from the PWLB costs the Council 1% over the 50-year gilt rate.
- 4.13. Since December 2021, as monetary policy increases interest rates, gilt yields have been rising at their fastest rate since the 1990s. Over the last quarter, they increased by 1%. Correspondingly, 50-year PWLB loans that had been priced as low as 1.26% in December 2021 have risen to a current price of 3.97%.



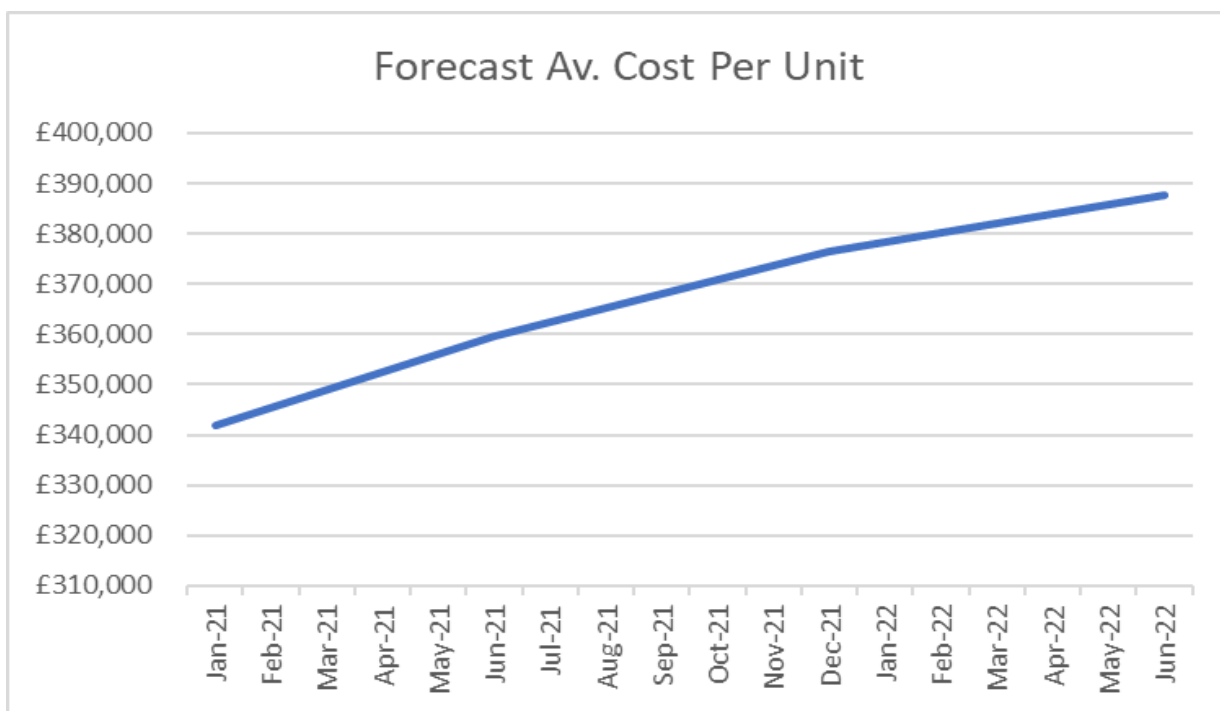
*Increase since December 2021 to PWLB 50-year loan rates*

### The impact of economic conditions on the programme

- 4.14. Since the 2022 MTFS that underpins the current assumptions about the programme, the Council's costs for new loans have increased sharply and steadily from around 1.26% to a current price of 3.97%.
- 4.15. As set out above, £534.8m of borrowing is required to support the programme over five years.
- 4.16. It is not just the sharp price increases that have challenged the programme's viability: the volatility of costs has caused considerable challenges for procurement. Construction contracts in particular have been hard to let and tender prices have come back consistently over the estimated budget. In several cases, winning contractors have sought to renegotiate their bids in order to increase the contract value and seeking inflation clauses to protect them against market fluctuations. Not

only does this cause direct cost pressures for the Council but it also causes significant delays to starting and completing schemes.

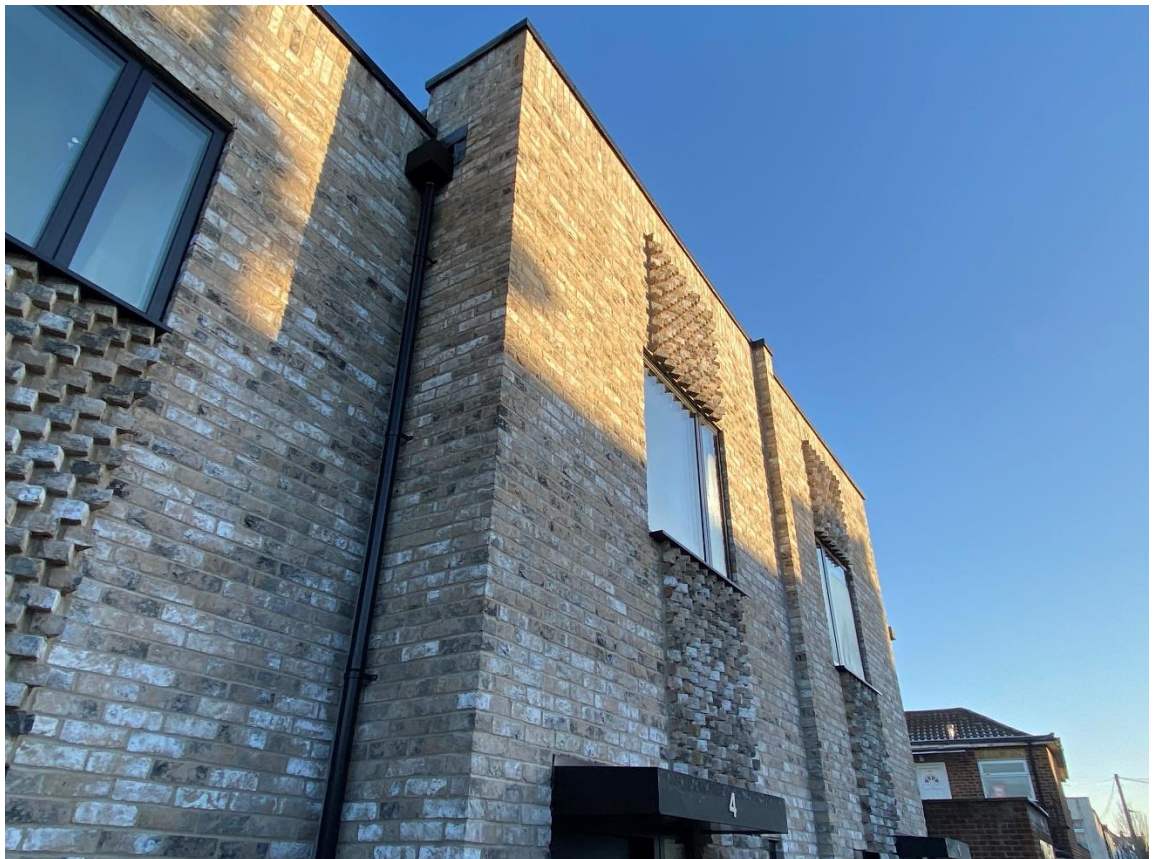
- 4.17. Delays caused by procurement issues in turn put GLA grant at risk as it is tied to defined milestones.
- 4.18. Delays during a period of sharp inflation cause further direct cost increases and indirect losses due to delays to rental income.
- 4.19. Contractors face the same pressures, of course. Two firms on Council developments – at Crawley Road and Hale Wharf - have gone into administration during the last quarter (though both schemes remain on track to complete on time). We are actively monitoring the finances of other contractors which are at risk.
- 4.20. Data obtained from the Insolvency Service shows that 360 house builders went into administration during the past financial year, including a record number of 117 in the first quarter of this year. These are all SME house builders such as those employed on Council schemes – major developers are increasing their profits at unprecedented rates.
- 4.21. Perhaps the clearest high-level indicator of the impact of rising costs to the Delivery Programme is the 13.4% rise over 18 months in the average forecast cost per unit.
- 4.22. Since we started producing structured programme forecasts for HRA business planning , the forecast cost per unit has increased with every iteration: from £341,983 in Jan 2021, £359,759 in June 2021, and £376,440 in December 2021 to June’s forecast of £387,729.
- 4.23. While it is of course worth noting that several factors can influence the average cost per unit– for example the average size or specification of the units- there has been no significant shift in factors other than the external market and inflationary factors that can explain these increases.



Business Plan Forecast – Average cost per unit

- 4.24. We are actively managing these risks including by:

- Maximising grant income, from GLA and elsewhere
- Supporting individual scheme viability through the use of commuted s106 planning contributions and Right to Buy receipts
- Using metrics on price trends to inform our tendering and contract management. We consider change of specification where this is appropriate, for example moving to stud rather than brick/concrete walls.
- Broadening procurement routes to ensure as much competition as possible. We have recently joined new construction procurement frameworks and are confident that early results show an impact on costs.
- Building in additional contingency in forecasting build costs underpinning the HRA Business Plan revisions,
- Remaining in constant dialogue with the GLA and central Government.
- Maintaining robust working relationships with contractors to proactively discuss challenges at scheme level.
- Consolidating tender metrics and holding a monthly review of actual tender prices (compared with estimate prices).
- Sharing information and ideas with our fellow London boroughs via the London Housing Directors Development group and a London benchmarking group.
- Ensuring that our contracts are clear on disruption arrangements with appropriate planning of key milestones, and suitable float/buffer to represent current delivery environment.



*Three-bedroom Council homes at Poynton Road in Tottenham Hale, completed and let January 2022*

4.25. It is clear that exogenous factors will present increasing challenges to the programme as the country enters a period of recession, inflation and interest rate rises. These are all factors that are being worked through as part of the HRA Business Planning process – with the draft budget coming as part of the MTFs to December Cabinet.

**5. Contribution to strategic outcomes**

5.1. This report allows members to scrutinise the Council’s progress towards delivering the Housing Priority in the new Borough plan: “We will work together to deliver the new homes Haringey needs, especially new affordable homes”. Within this, the Borough Plan sets the aim to “Ensure that new developments provide affordable homes with the right mix of tenures to meet the wide range of needs across the borough, prioritising new social rented homes”. In particular, this report enables scrutiny of the strategic commitment to deliver a new era of Council home building in Haringey.

6. **Use of appendices:** None

7. **Local Government (Access to Information) Act 1985 :** Not applicable

**Report for:** Housing and Regeneration Scrutiny Panel – 29<sup>th</sup> September 2022

**Title:** Use of the private rented sector to meet housing need.

**Report authorised by:** **Beverley Tarka – Director of Adults, Health and Communities**

**Lead Officer:** **Denise Gandy – Assistant Director of Housing Demand**

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** For information

## 1. Describe the issue under consideration

- 1.1 The Housing and Regeneration Scrutiny Panel requested a briefing paper on the changes to housing legislation which support our use of the private rented sector as a housing option for households who are facing homelessness or living in temporary accommodation.
- 1.2 This briefing paper will seek to describe the legislative context and provide details on our approaches to sourcing private sector lets to meet housing need.

## 2. Cabinet Member Introduction

Haringey, as I am sure you are aware, has a critical shortage of council housing. We are committed to building 3,000 council homes over the next ten years, an average of 300 a year. Unfortunately, we lose about 350 a year to 'right to buy' and until that changes, we are building to stand still. We are purchasing homes with the RTB receipts and trying to acquire as many properties as possible.

However, this means that many of our homeless households, especially those without additional needs, will remain in temporary accommodation for very many years. We have homeless households who have been in temporary accommodation for over 20 years.

The cost of our temporary accommodation, the amount of money that we as a borough has to spend to cover the rental difference between temporary accommodation subsidy rates and the actual rent we pay to landlords, runs to millions of pounds. This is reduced by using our Homelessness Prevention Grant, but that is a grant and not secure.

Not every household in the private sector that becomes homeless needs social housing. Many just need a helping hand to move and indeed, we are not able to provide a council home within an acceptable timeframe for all homeless

households. The decision to use private sector accommodation was made once the Localism Act was enacted and reflected in policies in 2016. and we subsequently joined Capital Letters, who provide us with private tenancies mostly in borough at LHA rates. Last year over 400 households were able to move successfully into further private affordable tenancies without needing temporary accommodation (part of our homelessness prevention work).

Officers are keeping our policies under review to ensure that they remain 'fit for purpose' given current market pressures, recent caselaw and amendments to the Code of Guidance.

### **3. Recommendations**

The Scrutiny Panel is asked to note the contents of this paper

### **4. Reasons for decision**

N/A

### **4. Background**

#### **4.1. Housing duties to homeless households**

**4.1.1.** The Housing Act 1996 (HAct) Part 7 is the primary homelessness legislation, which sets out the range of duties owed to homeless households. The Localism Act 2011 and the Homelessness Reduction Act 2017 (HRAAct) amended the HAct, changing how local authorities can use private rented sector to meet their housing responsibilities.

**4.1.2.** The main effect of the Localism Act, 2011 was that when applicants sought help with housing after 9 November 2012 and had a main housing duty accepted under homelessness legislation, then this duty could be brought to an end with a suitable private rented sector offer. For anyone who made an application before 9 November 2012 and had a main housing duty accepted the duty could only be ended with an offer of social housing, unless they specifically wanted to move to the private rented sector.

**4.1.3.** The Homelessness Reduction Act, 2017 placed new duties on housing authorities to intervene earlier to prevent and relieve homelessness. Local authorities have a duty to take all reasonable steps to prevent or relieve homelessness, which can include either intervening so that the applicant does not lose their existing home or securing alternative settled accommodation.

**4.1.4** These successive changes to the Housing Act have effectively encouraged and supported the use of private rented sector to prevent and relieve homelessness and fulfil main housing duties. One of the key performance measures that we report to Government is the number of homeless households who have been supported to move to the private rented sector and this performance measure will be used as one factor in future allocations of Homelessness Prevention Grant.



## 4.2 Preventing and relieving homelessness

4.2.1 The Council focuses on early intervention in order to maximise prevention opportunities. There are a wide range of ways to prevent and relieve homelessness. Some examples include.

- helping people access the specialist support they need,
- advocacy,
- interventions and negotiations to resolve landlord/tenant issues,
- resolving arrears via discretionary housing payments,
- negotiated repayments plans
- Homelessness Prevention fund (one off) payment,
- access to social housing mobility schemes (e.g. HomefinderUK)
- access to a new private sector tenancy or supported housing.

4.2.2 In 2021/22 the Housing Needs Service prevented or relieved homelessness for 1223 households. 75% were helped into alternative accommodation. 67%<sup>1</sup> of those supported to access alternative accommodation move to private rented sector accommodation with the assistance of one of the private sector let schemes.

4.2.3 Accessing private rented sector accommodation has been a fundamental approach in homelessness prevention for several years and has proven to be effective in diverting households away from long stays in temporary accommodation. The average wait for social housing for a household living in temporary accommodation is 9 years for a 2 bedroom property and 12 years for a 3 bed.

4.2.4 A study conducted by the Corporate Delivery Unit in 2017 found that “our prevention work is highly effective - only 10% of our prevention cases go on to ‘fail’ with the household returning to apply for TA”.

4.2.5 An average incentive payment through our sourcing schemes is £3853 per let.<sup>2</sup> The average cost to the Council when a family accesses or remains in temporary accommodation (TA) is £4425 per year and given an of average stay for a household in TA of 9 years this would equate to just under £40,000 per household.

4.2.6 In 20/21 424 ASTs were secured. Without these ASTs, the associated TA costs to the Council would have been up to £1,876m for one year.

4.2.7 With almost 4000 households approaching Haringey annually for help with housing, new demand brings continuous pressure on the number of households in temporary accommodation. The overall effect of prevention and relief interventions meant that only 16% of households approaching entered temporary accommodation in 2021/22 and less than 10% in the first 2 months of 2022/23.

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<sup>1</sup> Based on Q2-Q2 DLHC returns

<sup>2</sup> Based on projected lets and incentives and subsidy for 21/22

### 4.3 Suitability of private rented accommodation

- 4.3.1 The criteria surrounding the provision of suitable accommodation are covered by a range of Acts and Orders and apply to both the provision of temporary accommodation and any suitable settled accommodation used to prevent homelessness or discharge the main housing duty.
- 4.3.2 Properties must be complaint with all gas, electricity, space, energy performance, fire and planning standards and regulations, and must be licensed in accordance with the local area licensing schemes. For private sector properties local authorities must also be satisfied that the landlord is a fit and proper person.
- 4.3.3 In determining whether a property is suitable for a particular household an assessment of the needs of a household must also be undertaken. This takes into account a wide range of aspects including medical, welfare and support needs, as well as education and employment, caring commitments and income. These are considered in light of the characteristics of the property (floor level, size, layout, access), the location of the property and whether it is affordable.
- 4.3.4 We seek to provide accommodation in borough as far as is reasonably practical (s208 Part VII Housing Act 1996). However, given the lack of affordable supply, we will also source in other boroughs, prioritising neighbouring boroughs where possible. ASTs outside of London are not actively sourced unless specifically requested by the customer due to their particular circumstances.
- 4.3.5 A property is affordable if the applicant can afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport and other essentials specific to their circumstances. Caselaw further states that a property is not affordable if any of the funds meant for these essentials are needed to meet any shortfall in housing costs. The cost-of-living crisis, including increasing fuel costs, will have a significant impact on household outgoings and is likely to reduce the number of properties that are affordable as a result.
- 4.3.6 Officers utilise the Policy in Practice affordability tool to assess whether a property would be affordable. Based on the income and expenditure information provided by the applicant, the tool also identifies any unclaimed entitlements, whether the households would be benefit capped (resulting in a shortfall in housing costs) and the specific position if they were to enter into a tenancy at the asking rent.
- 4.3.7 Increasing numbers of households are not entitled to receive the full Local Housing Allowance due to being benefit capped. The benefit cap limits the overall amount a family can receive in benefits. This was initially set at £500 per week for families and larger families were more commonly affected. The cap was reduced in 2015 to £442 per week for families and £296 (down from £350) for single people in London. The rising LHA rates and a reducing benefit cap has resulted in most households in London being affected unless they are exempt from the cap.

#### 4.4 Sourcing private rented sector lets

- 4.4.1 A general consent under section 25 of the Local Government Act 1988 allows housing authorities to provide financial assistance to private landlords in order to secure accommodation for people who are homeless or at risk of homelessness. This could involve, for example, making small one-off grants ('finders' fees') to landlords to encourage them to let dwellings to households owed a homelessness duty; paying rent deposits or indemnities to ensure accommodation is secured for such households; and making one-off grant payments which would prevent an eviction.
- 4.4.2 We have 4 main ways that we seek to secure private sector lets that are used to either prevent homelessness or to end our housing duty. We secure lets through our membership of Capital Letters, through the Haringey Community Benefit Society, by supporting residents to find their own private sector accommodation or by accessing affordable lets on new developments in the borough.

#### Capital Letters

- 4.4.3 Following extensive work supported by London Councils, Capital Letters was created on 17 December 2018 with the aim of removing competition and duplication between individual London boroughs when securing private sector lets in London. Capital Letters received support from Government who provided funding for core costs and to support the payment of incentives to landlords. 21 boroughs are now members of Capital Letters.
- 4.4.4 Following a Cabinet decision, the Council formally joined Capital Letters on 14 October 2019 and 3 existing members of staff were seconded across. While they continued to source accommodation for Haringey, we also benefited from the sourcing activities of the wider team of negotiators. The allocations algorithm also supported a local offer for boroughs, resulting in boroughs receiving most of the properties that become available in their locality.
- 4.4.5 Membership also provides additional government subsidy in the form of a per unit grant for each 2-year assured shorthold tenancy entered into. The subsidy arrangements have reduced year on year. In 2019/20 this was £1,400 per property, in 20/21 this reduced to £1050 (£350 for one beds) and in 2021/22 subsidy reduced again to £750 per let.
- 4.4.6 In return for a landlord incentive payment, a 2-year fixed term assured shorthold tenancy is secured. There is no cost to the tenant. Tenancies do not have a break clause, ensuring they continue unless there is a serious breach of tenancy.
- 4.4.7 Service Level Agreement targets are 300 ASTs in 2022/23. However, performance is currently significantly below agreed levels due to market challenges. Capital letters are looking at different ways in which to engage landlords, this includes a 'rent protection and collection' pilot, which is due to start shortly. In this pilot, rent is collected by Capital Letters and landlords'

income is protected for 6 months through a insurance scheme secured by Capital Letters. The pilot aims to secure 50 properties for Haringey

4.4.8 Since we joined Capital Letters 614 properties have been secured to help avoid the use of temporary accommodation. Of the 256 properties secured in 2021/22, 208 were used for clients who were owed a prevention or relief duty and so avoided the need for temporary accommodation, 52% of the properties were in Haringey, 24% in Enfield, 9% in Islington and 6% in Barnet.

### Haringey Community Benefit Society

4.4.9 In July 2018, Cabinet agreed that the borough should establish a Community Benefit Society. The creation of the Haringey Community Benefit Society (HCBS) allows the Council to purchase properties using right to buy receipts, which are then leased to the HCBS for a period of 7 years for use as assured shorthold tenancies at Local Housing Allowance (LHA) or below to meet the housing needs of households who are living in temporary accommodation.

4.4.10 To date the Council has leased 246 properties to the HCBS, which have allowed households to move on from temporary accommodation into good quality settled homes.

### ‘Find your own’ scheme

4.4.11 The Council’s Find your Own (FYO) scheme allows applicants who are owed a duty to look for their own accommodation in the private rented sector. If they identify a suitable property, we then complete checks and pay an incentive to the landlord. We also pay a resettlement grant to the tenant to help support them with the costs involved in moving.

4.4.12 In 2021/22 85 ASTs were secured through the FYO scheme

### Accessing private sector lets on new developments

4.4.13 Private sectors lets are also secured on new developments in the borough. Most recently we secured 34 lets on the Apex Gardens site through joint work with Graingers.

### Sourcing summary

4.4.14 Overall last year 424 ASTs were secured across all sourcing schemes, 60% of which were located in the Haringey.

Scheme/Supplier	No.	Main duty discharge	Prevention/ Relief
Capital Letters	256	48	208
Haringey Community Benefit Society	49	91	77
Find your Own/private landlord	85		
Graingers – Apex Gardens	34		

<b>Total</b>	424	139	285
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#### 4.5 Challenges accessing private sector lets

- 4.5.1 The private sector market is currently very challenging. Following the moratorium on evictions during Covid, and resulting loss in rental income, some landlords have exited the private sector market, shrinking the number of properties available.
- 4.5.2 The Renters Reform Bill and the recently published White paper, outline the government's commitment to create a 'Fairer Private Rented Sector'. Changes including the abolition of 'no fault' evictions, introduction of decent homes standards and a new Ombudsman service may also see more landlords exiting the market.
- 4.5.3 Home Office proposals to source private sector accommodation for the dispersal schemes is resulting in more competition in accessing this scarce supply.
- 4.5.4 A series of changes made since 2011 to how Local Housing Allowance is calculated has severely restricted the pool of properties that are affordable to households reliant upon support to pay their rent. As rents have continued to increase there is a growing disparity between LHA rates and market rent levels in London. All 70 London LHA rates are now well below the 30th percentile (the cheapest 30% of the market). Analysis of Valuation Office Agency data by London Councils shows that the proportion of properties affordable on LHA is now well below 20 per cent for all 70 of London's LHA rates and on average only 8 per cent of the market is affordable across all of London.
- 4.5.5 A recent study conducted by Saville's found that:
- Private sector rents are now higher across all boroughs in London than they were in February 2020.
  - The number of properties listed to rent across London in Q1 2022 was -35% lower than the pre-Covid quarterly average. The falls have been higher for larger (4 bed) properties. As a result, there is a lower number of properties that have been available to rent at, or below, LHA rates.

#### 5 Conclusion

- 5.1 Haringey faces high levels of homelessness demand with 4,000 households approaching us for assistance for the first time in 2021/22 and almost 2,600 households living in temporary accommodation. Given the limited number of social housing lets that become available each year to meet this need (168 lets were made to households living in temporary accommodation in 2021/22) private sector lets play an important role in meeting housing need.
- 5.2 In 2021/22 a total of 424 private sector lets were secured, which either avoided the need for households to enter temporary accommodation or allowed them to move on. This allowed families to move to settled accommodation and avoid

the uncertainty and disruption of a long stay in temporary accommodation. Given the average annual financial loss of £4,425 per unit per year and an average temporary accommodation stay of 9 years this also represents a significant comparative saving to a highly pressured temporary accommodation budget.

**5.3** The current pressures in the housing market mean that we are seeing our access to private sector lets reduce and this poses a real threat to our ability to meet housing demand and as a result we risk seeing increasing numbers of households living in temporary accommodation, which is a poor outcome for families, and significant budget pressures.

6 Use of Appendices

None

7 Local Government (Access to Information) Act 1985

N/A

**Report for:** Housing & Regeneration Scrutiny Panel, 29 September 2022

**Title:** **Wards Corner Update**

**Report authorised by:** David Joyce Director of Placemaking and Housing

**Lead Officer:** Peter O'Brien, AD Regeneration and Economic Development

**Ward(s) affected:** All

**Report for Key/**

**Non Key Decision:** For information

**1. Describe the issue under consideration**

- 1.1 The purpose of this paper is to provide a response to the following question raised by the Housing and Regeneration Scrutiny Panel following the 5<sup>th</sup> of July 2022 cabinet decision to approve the Wards Corner Acquisition Programme:
- 1.2. *Outline what the council's approach is to ensure that the right scheme will be in place going forwards and what the viability position is. The Panel would like assurances that the scheme will contribute towards a vibrant town centre in Seven Sisters.*

**2. Recommendations**

The Scrutiny Panel is asked to note this briefing paper.

**3. Reasons for decision**

Not applicable.

**4. Alternative options considered**

N/A

**5. Wards Corner**

**Current position**

- 5.1 In August 2021, the council's development partner Grainger, made a public statement confirming that due to viability challenges they will withdraw from the Wards Corner development.
- 5.2 On 5<sup>th</sup> July 2022, [cabinet](#) approved the Wards Corner Acquisition Programme which involves the acquisition of 43 third-party property and land interests within the Wards Corner site; these include 36 owned by Grainger and 6 held by

private third-part property owners/occupational leaseholders, and 1 parcel of land owned by Transport for London (TfL). Cabinet also approved the termination of the council's [Development Agreement](#) (DA) with Grainger.

- 5.3 The DA gives the council the option to acquire all the property interests within the Wards Corner site which have been purchased by Grainger. The target is to complete the acquisitions by early October 2022.
- 5.4 The council strategy is to conclude the acquisitions of the 6 remaining private third-party properties by agreement. If agreements cannot be reached with property owners/occupational leaseholders by the end of October 2022, then the council will use its existing Compulsory Purchase Order powers to obtain ownership and vacant possession of the relevant properties.

## **6. New council led delivery approach**

- 6.1 Securing the acquisition of the properties within the Wards Corner site is a onetime opportunity for the council to pursue a new council-led delivery approach for the Wards Corner site that aligns with the Haringey Deal and strategic priorities for housing, economy and place. It also provides an opportunity to complement TfL's plans to refurbish Seven Sisters Market building with a significant potential to reinforce the local high street economy.
- 6.2 Following the completion of the acquisition of the Grainger properties, the council is looking to listen and engage with members on the approach for the council-led scheme which reflects the following four key development objectives approved by July cabinet.

### **Objective 1 – A Placemaking Approach to Seven Sisters Gateway**

- Involve the current occupants and landowners of the site in the project from the outset and as it develops, seek to closely engage with and look to accommodate businesses that wish to remain on site.
- Work with and empower local communities to participate in the design process to ensure that key objectives for the masterplan align with local aspirations/needs.
- Work with local communities, particularly young people and underrepresented groups, to shape the future of commercial, community and public spaces proposed on this scheme.
- Greater focus on promoting Seven Sisters strengths, such as its unique international food and beverage offer.
- Help to foster strong, vibrant, diverse and culturally rich town centre by celebrating its uniqueness, diversity of communities and their heritage and culture.
- Enhance the reputation and safety of the area, such that it might be competitive with other Victoria Line destinations.



- Improve visitor experience, including through smart technologies and public realm improvements.

### **Objective 2 – Delivering a Good Economy**

- Deliver on the council's Community Wealth Building Agenda through commissioning
- Drive wider local benefits relating to place making and social value
- Enable greater town centre activity with activation of retail on High Road frontage, Seven Sisters and West Green Road to support local employment opportunities.
- Improve linkage between creative clusters on West Green Road and Seven Sisters Road.
- Encourage the development of a suitable day and evening economy.

### **Objective 3 – Delivering council homes**

- Provide secure, high quality and affordable housing which residents are proud to call home.
- Aim to maximise the quantum of council rented homes, consistent with a viable scheme.
- Deliver inclusive, mixed and sustainable communities. Mixed tenures should be 'tenure blind' with no distinction in terms of design or space standards.

### **Objective 4 – Climate change and sustainability at its heart**

- Target net zero for new development, prioritising renewable energy sources
- Retain buildings where possible to enhance local character and deliver on Circular Economy principles
- Delivering on the Council's 'Health in All Policies' agenda, by responding to air and noise pollution, minimising parking and promoting use of sustainable transport (walking and cycling).

6.3 It is important to note that the council will not be acquiring the Seven Sisters Market (SSM) buildings and TfL have indicated their intention to work with SSM traders and the community to secure the buildings as a community asset into the future. The council will need to work with TfL and the community to ensure that the plans for this key part of the Wards Corner site are realised.

## **7 Viability position**

- 7.1 The comprehensive development of the Wards Corner site is a long-standing strategic objective of council. However, it is clear from an independent viability review that a comprehensive redevelopment has a substantial viability gap. The cabinet decision to acquire the Grainger and other third-party property interests recognised these viability challenges.
- 7.2 The approach for the council-led scheme for the site will involve the development of a more detailed delivery strategy for the site that could include a range of options that would need to keep in mind the protection of the council's financial interests during this process.

- 7.3 A slower, more nuanced delivery approach gives the council the time to develop a placemaking approach to implementing a viable development strategy working closely with the local community. It also gives the council the opportunity to explore further external funding opportunities to help bridge the gap between the council's strategic objectives and the current viability of the scheme.