

Report for: Overview and Scrutiny Committee, 26th March 2018

Item number: 11

Title: Social Housing Scrutiny Report

Report authorised by: Cllr Emine Ibrahim: Chair, Housing and Regeneration Scrutiny Panel

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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

- 1.1 The Housing and Regeneration Scrutiny Panel have produced two reports on the Haringey Development Vehicle (HDV), a joint venture between the Council and a private partner, to support local housing and regeneration ambitions. The interim report on the governance arrangements was approved by Overview and Scrutiny Committee (OSC) on 17th January 2017 and the recommendations were considered by Cabinet on 14th February 2017. Following this interim report, the panel undertook further work on the HDV, in the lead up to final Cabinet approval of the HDV on 3rd July 2017. The final HDV report was approved by OSC on 13th June 2017 and Cabinet considered the recommendations on 3rd July 2017.
- 1.2 Following Cabinet's decision to establish the HDV on the 3rd July, the Panel agreed to set up a scrutiny review project into the wider remit of social housing. Although the two areas of work are separate, the previous reports on the HDV have been instructive in determining the scope and background to this report. In its review of the proposals for the HDV, the Panel raised significant concerns about the efficacy of the HDV and the extent to which the homes built would be genuinely affordable for residents. In response to those concerns, the Panel sought to examine other models of regeneration and estate renewal from across the country, to see what other options were available to local authorities and the lessons that could be learnt.
- 1.3 The provision of social housing is a significant issue facing both local and national government and there is widespread recognition of the need to address the issue. For the purposes of this report, social housing is defined as housing at social rent levels. In carrying out a scrutiny review on social housing, the panel felt that delivering more social housing was a crucial factor in addressing the current housing crisis. With this in mind, the panel undertook

a high-level review of social housing, focusing on national, regional and local issues.

- 1.4 By examining social housing at the national, regional and local level, it was anticipated that there would be clear parallels to be drawn with other local authorities who were suffering from similar pressures on housing services and operating within the same challenging financial constraints. However, it is also recognised that there is no one-size-fits-all solution to meet the housing crisis. Particularly when accounting for the high cost of building new homes in London, the acute shortage of affordable housing, and the pressures on temporary accommodation in Haringey.
- 1.5 Further development of the rationale and the background context in undertaking the report is set out in a number of publications and articles listed below.

“Our broken housing market is one of the greatest barriers to progress in Britain today.” ([White Paper - “Fixing our broken housing market”: February 2017](#))

“For years, residents on many council and housing association estates across the UK have seen their areas neglected by councils and treated as no-go zones by locals. In the media, the people living on these estates have been described as spongers and trouble makers.” ([Dispossession: The Great Social Housing Swindle](#))

“All too often social housing residents tell us that they feel like second-class citizens and that politicians simply don’t care about them.” ([New Statesmen: August 2017](#))

“The scale of the housing crisis is now so grave that only a paradigm shift can begin to address it.” ([New Statesman: June 2017](#))

“The challenge is clear enough: the long-term undersupply of new homes, particularly genuinely affordable homes, is leaving millions of working people facing soaring private rents, while high house prices bar more and more first time buyers from getting on the housing ladder. Meanwhile short term tenancies prevent families from putting down roots in their community, and inadequate funding means the housing safety is not always there to help people when they need it.” ([Shelter: June 2017](#))

“London’s housing market is not currently meeting Londoners’ needs.... more and more families are forced to live in poor conditions, lack long term security and face a higher risk of homelessness. Tens of thousands of Londoners are stuck in temporary accommodation because of the acute shortage of social housing.” ([Shelter: February 2017](#))

“More than a million households living in private rented accommodation are at risk of becoming homeless by 2020 because of rising rents, benefit freezes and a lack of social housing, according to a devastating new report (by Shelter) into the UK’s escalating housing crisis. ([The Guardian: June 2017](#))

“(Many households will) “be victims both of high private rents and of government restrictions on benefit, both of which stem from the failures of housing policies for more than 30 years....(These) findings will place greater pressure on the government over housing policy following the Grenfell Tower fire disaster... ” ([The Guardian: June 2017](#))

“Rents are high because housing is scarce and property values high, and because millions excluded from both owning homes and living in social housing have nowhere to go but the private rental sector. Benefit is being restricted not only because of generalised austerity but also because the total housing benefit bill has been pushed up by the reduction of publicly-owned housing, thanks to the right-to-buy policy introduced under Margaret Thatcher and by restrictions on local authorities’ ability to replenish their stock.” ([The Guardian: June 2017](#))

“The result is that they have to pay market rates to private landlords, when they might have housed them in their own properties. The victims of this failure of policy are those least able to afford it.” ([The Guardian: June 2017](#))

“The role of government in housing is partly planning, to encourage new homes to be built in the places where they are needed, to use land well and create neighbourhoods rather than assemblages of units, to make garden cities rather than sprawl, and tall buildings that are landmarks rather than eyesores. It is also to build when private companies won’t. This is not a radical socialist agenda but established policy of different administrations, both in Britain and elsewhere, for more than a century.” ([The Guardian: June 2017](#))

“If something good is to come of the Grenfell Tower disaster, it will be the attention it brings to the current state of housing in Britain, in particular for people on low incomes.” ([The Guardian: June 2017](#))

“Social housing is a vital, much needed housing tenure and more must be done to ensure it is safely managed and resourced. The residents’ voice is a critical part of that.” ([John Gliesen, Chair of tenant engagement experts Tpas, Evening Standard, September 2017](#))

“Involving residents in service design and the governance of the organisation has not only helped improve customer satisfaction, it’s also helped reduce costs. Residents are experts at identifying areas where landlords are over or under serving.” ([Paul Hackett, Chief Executive of Housing Association Optivo, Evening Standard, September 2017](#))

2. Recommendations

- I. That the Overview and Scrutiny Committee considers the findings of the Housing and Regeneration Scrutiny Panel and agrees the recommendations attached at **Table 1**.
- II. That, subject to any comments or amendments the Committee wish to make, that this report be submitted to Cabinet, on 19 June 2018 for a response.

3. Table 1 – Recommendations of the Panel

Number	Recommendation
1	That the Council should positively promote images of living in social housing through our communications activities. The Council should be proud of its investment in social housing. It should promote its tenants as a being from all walks of life and representative of what it means to live in Haringey. Haringey should not only be promoted as a place for people to move their businesses to and buy homes, we should also present images of a borough that listens to our tenants.
2	That the Council actively seek to change legislation on service charges meaning that all residents of a development irrelevant of their service charge can use the same entrance. Explore the possible use of concessions for social tenants.
3a	That the Council establish a wholly council owned development company to start building housing.
3b	A target of 1000 council homes to be built by the council by 2022 through a combination of direct build and a wholly owned development vehicle. This should be in addition to properties built at affordable rent levels by external developers.
3c	The affordability target for developments to be enforced at 50% and the setting of a maximum threshold within that target which is allowed at 80% market rent meaning that when a development comes forward only a limited proportion is at the top end of 80%.
4	The Council should in addition look at a variety of approaches, each one relevant to the individual site. This should include encouraging Community Land Trusts and Housing Cooperatives.
5	That the Council set in place a local policy that student housing does not contribute to the affordability mix.
6	Haringey needs a robust mix of different sized properties, especially more family homes. That the Council set and

	enforce clear targets on numbers of bedrooms in new developments
7	That a feasibility report be produced on the development of an in-house project team of architects, urban planners, and other professionals, to help improve quality and supply.
8	That there be no sale of council land to companies for developments that fall below minimum size standards. That homes developed to the GLA minimum liveability standards should not be accepted in the affordability mix.
9	That all social housing in the borough should be built to the highest design and liveability standards. This should include resident involvement so we can find out what people actually want, rather than telling them what they want.
10	That all new social housing units built, with more than one bedroom, have separate kitchens.
11	To use the capital budget to help bring the Council's housing stock up to the decent homes standard as soon as possible.
12	That the council strongly considers whether high-rise is suitable social accommodation for young families. Similar densities can be achieved through good humanly scaled design like in Islington and Pimlico. If a family on our waiting list is offered a property above the 5 th floor, they should have the choice of refusing and waiting for an alternative offer. This should not count as their single offer.
13	That all high-rise council blocks in Haringey have sprinklers even if it means retrofitting them, as the safety and peace of mind of our residents is paramount.
14	As an alternative to demolition of estates, the council should consider increasing density on existing estates through adding floors to low-rise and using land space better to build further low-rise blocks.
15	That an exemption should be sought from the DCLG from the 1% rent reduction, as well as further reductions, to Council and HfH properties within the HRA.
16	The Panel recommend that additional investment is made to ensure the cleanliness and upkeep of existing estates:

16a	<p>That HFH instigate a regular cyclical decoration programme for all its estate, for the communal and external decorations required.</p> <p>That HFH instigate a regular window-cleaning programme for all external windows on all its estates.</p> <p>That HFH increase the resources available for 'deep cleaning' as-and-when it is needed, on estates and internal communal areas.</p>
16b	
16c	
17	When the council considers selling off land to a housing association or developer, that it undertakes tendering on a "Fixed Price" basis, in order to prioritise quality standards and affordability levels of new homes.
18	That a feasibility assessment be undertaken around applying to the DCLG for a local debt cap exemption for Haringey, following Treasury's announcement that authorities will be allowed to bid for increased HRA debt caps from 2019/20.
19	<p>The Panel endorse the following recommendations for lobbying central government put forward by the Royal Town Planning Institute:</p> <ul style="list-style-type: none"> • Remove the debt cap on the Housing Revenue Account. • Councils to retain all right-to-buy receipts and use them to build replacement housing. • To review the relevant weightings in the distribution of the £44bn housing subsidy (from Homes England via the GLA) to give more priority to social and affordable housing and less to market housing for sale. • To clearly state that local authorities can build and provide housing under housing companies created under the Localism Act
20	That the Council make a commitment that affordable housing should be set at social rent levels or equivalent. Only truly affordable homes for rent or shared-ownership should be classified as such.
21	That the Council be proactive in amending local policies, such as the Planning Policy and Housing Strategy to ensure that the delivery of housing in Haringey better meets the needs of all of its residents, such as affordable homes set at social rent levels. Having a clear policy setting out local criteria on affordability levels will help create a tougher planning regime and provide clear grounds to refuse unsuitable developments.

22	That positive social impact should be at the heart of the Council's approach to regeneration. In particular, the Panel emphasised the need to ensure that any regeneration programme put the physical and mental wellbeing of residents at the forefront of its aims. The Panel recommends that a robust matrix be developed which measures the social impact through the entirety of the regeneration process and accurately measures community benefit.
23	The Panel commended the work done by Social Life to use a social sustainability framework to measure the impact of social regeneration. The Panel recommended that the work being done by Social Life and the GLA continue to be monitored and that Haringey adopt the use of the regional framework and accompanying performance indicators developed. The framework should underpin a systematic approach to measuring social impact and commissioning external projects across all regeneration areas in Haringey.
24	That the Council explore ways of promoting greater cooperation between the Council-led scrutiny process and the HfH scrutiny process in order to improve political oversight of HfH. It is recommended that the Councillors that sit on the HfH Board feed into scrutiny and submit reports to the HRSP.
25a	That the Council explore ways of having a broad representation of residents, leaseholders and resident's associations. It is also recommend that the Council set up an independent advocacy body for residents. Residents need to be engaged with throughout the regeneration process and that there should be funding provided for this.
25b	
25c	
26	That a full consultation should be undertaken with residents of estates prior to any decision being taken in respect of estate regeneration. The consultation should also include a ballot of all residents and leaseholders on any affected estate.

4. Reasons for decision

- 4.1. Overview and Scrutiny can review or scrutinise decisions made or actions taken in connection with the discharge of any of the Cabinet's functions and make reports and recommendations to Cabinet in connection with the discharge of any functions, as well make reports or recommendations on matters affecting the area or its inhabitants.
- 4.2 Under Part 4, Section G of the Council's Constitution, Scrutiny Review Panels are appointed to examine designated Council services. Scrutiny Review Panels will refer their findings/recommendations in the form of a written report, with the approval of the Overview and Scrutiny Committee, to the Cabinet as appropriate.
- 4.3 The Overview and Scrutiny Committee agreed the draft scope and terms of reference for the social housing scrutiny project on 16th October 2017.
- 4.4. The **Terms of Reference** for this scrutiny project are outlined below:
- To consider attitudes towards social housing, both in Haringey and further afield.
 - To review the supply and quality of social housing in Haringey with consideration given to both new and older housing across the borough.
 - To identify barriers in current regional and national housing policy to enable consideration of what Haringey's lobbying should be around social housing.
 - To identify key indicators that enable social interventions of estate regeneration to be measured, ensuring existing communities get the greatest possible benefit from changes to their neighbourhoods.
 - To identify opportunities for residents so they can contribute fully to the delivery of objectives outlined in the [Council's Housing Strategy \(2017-22\)](#), including monitoring of progress.
- 4.5. The recommendations contained in this report derive from, and are grouped under the five terms of reference points, set out above in paragraph 4.4.

5. Alternative options considered

- 5.1 The main body of the report sets out the evidence gathering undertaken and the Panel's consideration of various options available to the Council in respect of social housing.
- 5.2 Overview and Scrutiny Committee could decide not to approve the Panel's report and recommendations. In this scenario, the report would not be referred to Cabinet for a response.

6. Methodology

- 6.1 The Panel held nine evidence-gathering sessions over a period of 5 months, meeting a variety of contributors with a wide range of knowledge and experience. Contributors included local witnesses, such as Council officers; Homes for Haringey; professional experts; academics; external partners; local residents, the voluntary sector; local community groups; representatives from the GLA's Housing Committee. A list of the evidence submitted to the Panel is attached at **Appendix 1**.
- 6.2 Evidence was gathered through a series of half-day sessions during September 2017 to January 2018. Witnesses were invited to give evidence during either a morning or afternoon session. Evidence sources included; written submissions, presentations, desktop research, site visits and independent research articles/papers. By adopting this method, the Panel were able to adopt a structured approach with evidence gathering sessions shaped around the five themes set out in the terms of reference. Evidence from each session was summarised and the evidence was compiled into an evidence pack, which members used to inform their conclusions and the recommendation setting sessions held in December 2017 and January 2018.
- 6.3 In addition to the evidence gathered during this review, the recommendations set out in this report reflect findings from earlier scrutiny investigations. This additional work includes; the two Scrutiny Review Panel reports on the HDV, the Call-in of the Cabinet's decision to proceed to the Preferred Bidder phase of the procurement process and the Call-in of the Cabinet's decision to agree the financial close and establishment of the HDV. The additional work was undertaken during 2016/17 as part of the overall work programme for Haringey's Overview and Scrutiny Committee. The hyperlinks to these reports are set out below.

[Interim HRSP Report on HDV Governance \(OSC, January 2017\)](#)

[Cabinet Response to Interim HRSP Report \(Cabinet, February 2017\)](#)

[Call-In: Recommendation of a Preferred Bidder for the HDV \(OSC, March 2017\)](#)

[Outcome of Call-in to Overview and Scrutiny Committee \(Cabinet, March 2017\)](#)

[Second HRSP Report on the HDV \(June 2017\)](#)

[Cabinet Response to Second HRSP Report \(July 2017\).](#)

[Call-In of Financial Close and Establishment of HDV \(July 2017\).](#)

Outcome of Call-In: Financial Close and Establishment of HDV

- 6.4 The findings of this report have been used to develop recommendations which are based around the terms of reference. In doing so the recommendations highlight important principles such improving the quality and supply of social housing in the borough, learning lessons from elsewhere, the need for ongoing democratic control, and ensuring accountability and transparency.

7. Social Housing – Challenges and Context

- 7.1 Before discussing the findings of the Panel, it is worth setting out some of the broad challenges facing social housing. Some of these issues will be discussed in more detail later in the report. However, an early outline of some of these issues may be illustrative in understanding the wider context of the report.
- 7.2 Local authorities have been required by law to provide council housing since 1919 and Lloyd George's 'Homes fit for Heroes' campaign. Large scale building of social housing was undertaken following the Labour's election victory in 1945 with more than one million homes built during the Atlee administration with around 80% of those built being council houses¹. The numbers of new council homes built peaked under the Conservative government of 1951-1955, and provision of considerable numbers of new council homes continued, albeit fluctuatlingly, until around 1975. The Housing Act 1980 allowed council tenants who had lived in their accommodation for three years (changed to 5 years in 2005) to buy their home from the local authority at a significant reduction, the level of which was determined by length of tenure.
- 7.3 Some analysis puts the proportion of all British housing in state hands in 1980 at around one in three households². Figures from the Ministry of Housing, Communities and Local Government show that 1.858m Right to Buy sales were made in England from 1980-2012³. In 2012, the Coalition Government increased the discounts available under Right to Buy, more than doubling them. Research undertaken by the GLA sets out that the number of homes sold increased by 409%, from 2,638 in 2011-2012 to 13,416 in 2016-2017⁴.
- 7.4 Local authorities are prohibited by law from spending more than 30% of the receipts from right-to-buy sales on building new housing stock. In addition, these receipts must be utilized within 3.25 years of completion otherwise they are forfeited to the Government. In the Autumn Statement in 2016, the

¹ <http://www.bbc.co.uk/news/uk-14380936>

² Jones and Murie: *The Right to Buy: Analysis and Evaluation of a Housing Policy* (2006).

³Table 678: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

⁴ <https://www.propertywire.com/news/uk/councils-cannot-afford-replace-homes-sold-right-buy-england-wales/>

Government announced a one-year pilot scheme to extend Right to Buy to housing association tenants from July 2018.

- 7.5 Since the introduction of Right to Buy, councils have had to sell off large portions of their housing stock, with demand reignited by increased levels of discount available from 2012 onwards. The number of homes built to replace those sold under Right-to-Buy has been completely inadequate as funding has been reduced and legislation introduced which has limited the ability of local authorities to instigate large-scale house building programmes. At the same time, the control mechanisms available to local authorities through the planning regime have been watered down. The preferred solution to the shortage of housing by successive governments has been to facilitate market driven solutions, allowing the private sector to take the lead; as the assumption is that they alone can provide housing at the pace and scale required. A number of issues have limited the effectiveness of a market-driven approach. These include a tendency for companies to sit on land with appreciating asset values and the Government's decision to set the affordability criteria at 80% of market rent.
- 7.6 The rollout of the Government's Universal Credit scheme is expected to exacerbate an already difficult situation within social housing. Experiences from some of the pilot areas has seen significant delays in the payment of housing benefit and the accrual of significant rents arrears as a result (both to private and public sector landlords).⁵ There are concerns that private landlords will no longer take Universal Credit recipients, placing further strain on social housing, and increasing evictions and homelessness levels. The environment for social housing tenants in recent years has also been significantly impacted by the introduction of the bedroom tax, the introduction of the benefit cap and a subsequent reduction to the benefit cap.
8. To consider attitudes to social housing, both in Haringey and further afield.

"Social Housing is highly targeted on people with low incomes and has been shown to be the most 'pro-poor' and redistributive major aspect of the entire welfare state."⁶

The Value of Social Housing

- 8.1 Evidence from the Joseph Rowntree Foundation showed that there was widespread acceptance of the role of the UK government as a provider of decent housing for those that cannot afford it.⁷ The Panel heard from the Joseph Rowntree Foundation about the need for more social housing to help tackle the housing crisis and alleviate poverty. It was suggested that social housing with secure tenancies provides a stable platform for work and that frequent moves in childhood could increase behavioural problems and lowered educational attainment. Frequent moves also had a financial impact; data from

⁵ <https://www.theguardian.com/society/2017/oct/17/we-went-days-without-eating-properly-universal-credit-misery-inverness>

⁶ Rebecca Tunstall et al, *The Links Between Housing and Poverty*, JRF 2013.

⁷ British Social Attitudes Survey, 2016.

the DCLG suggested that the average length at current address was 11.6 years for social renters as opposed to 4.3 years for private renters⁸.

- 8.2. Evidence from the Joseph Rowntree Foundation showed that the largest cause of homelessness in 2015/16 was an end to an Assured Short-term Tenancy, and that instances had more than doubled over the period 2008/9 to 2015/16⁹. Security of tenure would seem to have a direct correlation to rising levels of homelessness. A reduction in housing insecurity also facilitates the development of stable communities, increased social capital and improved health and wellbeing outcomes. Peabody Housing Association submitted evidence to the Panel that emphasised the role of social housing in community cohesion. The Panel feel that this is a telling factor in outlining social attitudes to social housing and the need to ensure that the wider community is brought along with any regeneration programme.
- 8.3 In response to the evidence submitted by the Joseph Rowntree Foundation, the Panel concluded that social housing is an important anti-poverty tool. The Panel noted that it offered better quality, stability and affordability than the equivalent in the private rented sector. The Committee noted with concern that research undertaken by Joseph Rowntree suggested that setting social rents closer to market rents could put an extra 1.3 million people in poverty by 2040.
- 8.4 The Panel notes that home ownership is not accessible to the majority of Peabody tenants in Haringey and that high property values priced a number of people out of home ownership. Meanwhile, access to social housing is determined on a needs-based assessment. These two factors create an upward and a downward pressure on the middle, increasing rent values in the private sector and creating greater instability in the housing market. This is further exacerbated by the churn rate of social housing being at an all-time low. The Panel heard that a shortage of homes being built at social rent levels was a direct cause of the housing shortage, and had a disproportionate impact upon those at the lower end of the socio-economic scale.
- 8.5 The Panel received evidence from Anna Minton, journalist academic and author of *Big Capital: Who is London for*. As part of this evidence, the Panel heard that there had been an unprecedented level of capital flow into the London housing market following the 2008 financial crisis. The policy of quantitative easing has increased the supply of money and kept interest rates very low. Combined with favourable property taxes and a stable economy in the UK, this has made London's property market an attractive investment. The Panel heard that the economic benefits did not necessarily trickle down; rather than benefitting existing residents it often displaced them. Gentrification in London has spread to traditionally working class areas of the city and this has led to rising rent levels and poorer residents being pushed into outer London and beyond.
- 8.6 The Panel received evidence from Peabody housing association who provided a total of 1317 homes in Haringey; 1050 of which were available for rent

⁸ English Housing Survey, 2015/16, DCLG 2017.

⁹ DCLG Homelessness statistics.

including supported housing, 230 for shared ownership and 37 for outright sale. Most of the rents received by Peabody in Haringey were social housing rents and 43% of households received Housing Benefit. Of the Peabody residents in Haringey 42% were working, 9% were unemployed and 49% were retired or unable to work. It is instructive to compare this to the commonly presented myths about who lives in social housing. Social housing tenants are ordinary people labelled, and in some cases stigmatised, by their housing tenure. Evidence from Peabody was that the contribution of social housing tenants to the economy was a significant benefit and far outweighed the cost of benefits spent in supporting them.

- 8.7 The demand for social housing has not changed since the 1980s, however the number of homes built for social housing has dropped to very low levels and it is telling that many local authorities have not built any new homes since the 1980s. Social housing is isolated in policy terms and more work needs to be done to highlight the links to health and social care, education and economic policies. Serious consideration needs to be given to the role of social housing and to address the negative image of social housing. Social housing should be seen as a hand up rather than a hand out. It is an essential mechanism for ensuring redistributive policies at a local level.

Attitudes to Social Housing compared to the Private Sector

- 8.8 The Panel received evidence on attitudes to social housing from Stephen Finlay, Research Director for Ipsos MORI. As part of the evidence submitted, it was clear that ownership remains the tenure of choice across generations. Analysis by Ipsos MORI set out that 86% of people in a poll stated that they would choose to buy, rather than rent if they had free choice. This position was maintained across different age ranges. The highest percentage of respondents wishing to buy rather than rent was in the 35-44 age range with scores of 89% and 8% respectively. The lowest percentage was in the 16-24 age range with 75% choosing to buy and 13% choosing to rent. 19% of respondents in the 65-plus age range chose renting as their ideal housing tenure.¹⁰
- 8.9 This showed an overwhelming aspiration towards home ownership and largely reinforced the Panel's existing assumptions. The lower response toward ownership from the 16-24 age group could suggest a recognition that younger people felt that ownership was beyond their means. Perhaps the most statistically suggestive result was that 19% of the over 65s questioned, would choose renting. This could suggest opportunities to increase the numbers of homes for sale via alternative housing provision for older homeowners. In particular, the development of innovative shared housing tenures may be worthy of further exploration.
- 8.10 In a 2010 poll carried out by Ipsos MORI, 6% of respondents advised that in an ideal world their next move would be into social housing, while 12% *expected*

¹⁰ <https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Publications/Housing-Day-Report-FINAL.pdf>

that their next move would be into social housing.¹¹ The scores for owner occupied in the same poll were 32% and 15%, and 10% and 28% for private rented. This suggests that for the overwhelming majority of respondents that social housing was seen as a less attractive option than other tenures. This is suggestive of a largely negative view of social housing.

- 8.11 Whether this relates to the quality of provision or a stigma around social housing is largely speculative. The overall number of respondents choosing social housing is low and half of respondents who expected to move into social housing wanted an alternative source of housing provision. This suggests that many social housing tenants see it as a temporary solution rather than long-term. The results also showed a relatively low level of people desiring private rented accommodation and the difference between expectation levels (28%) and what they would like in an ideal world (10%) suggests a clear market for intermediate housing solutions. Moreover, the Mayor of London's draft Housing Strategy identified that the number of Londoners registered on the GLA online portal to access intermediate affordable housing has increased from 70,000 in 2013 to almost 200,000 in 2016.¹²
- 8.12 Further survey work undertaken by Ipsos MORI¹³ showed that adults at the 45-54 age bracket and above believed that social renting was better than private renting, while the 16-24, 25-34, & 35-44 age ranges all expressed a preference for private renting. This poll clearly suggests that attitudes towards social housing vary according to age and that in general, older people have a more favourable view of social housing. Amongst the youngest age bracket of 16-24 year olds, the response was 45% who thought that private housing was the best form of renting, compared to only 23% for social housing. This evidence suggests that there is a generational attitude toward social housing with older people having a considerably less negative attitude.

Perceptions of Social Housing Tenants and the Scale of Social Housing.

- 8.13 There is a perception of social housing tenants being over represented by younger people; this is evidenced by a survey undertaken by the Joseph Rowntree Foundation.¹⁴ The survey results showed that the perception of the percentage of social housing tenants in England aged 24 and under was 30% (mean average) whilst the actual figure was 12%. Similarly, the perception of social housing tenants with a disability was significantly underestimated with a perception of 30% and an actual figure of 47%. Contrary to what may have been assumed there was no significant overestimation of unemployment levels, as perception levels for social housing tenants in some form of work were 47% compared to 44% in actuality.

¹¹ HCA: *Consumer demand and attitudes in the intermediate market* (Ipsos MORI 2010).

¹² https://www.london.gov.uk/sites/default/files/2017_london_draft_housing_strategy.pdf (pp.97)

¹³ <https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Publications/Housing-Day-Report-FINAL.pdf>

¹⁴ *Households Below Average Income (HBAI) and Family Resources Survey, 2012-13.*
<https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Polls/housing-day-charts-2014.pdf>

- 8.14 Overall, knowledge of social housing and who lives there is not widespread. A poll of adults who were not socially renting showed that 44% thought they knew either a great deal or a fair amount about the types of people living in social housing, compared to 46% who responded not very much or nothing at all.¹⁵ The same poll showed that 30% of respondents knew a great deal/fair amount about how social housing was allocated compared to 61% who know not very much or nothing at all. Illustratively, the percentage of those who were social renting who knew a great deal/fair amount on how social housing was allocated, was only 32% compared to 58%. One way to improve negative attitudes to social housing is to engage with the public and increase public awareness of what it is and how it works.
- 8.15 In the evidence submitted to the Panel, Ipsos MORI showed that the public overestimate the scale of social housing. In a poll of the perception of what percentage of people live in social housing, the mean response was 39% when the correct figure was 15%.¹⁶ Conversely, the scale of home-ownership was under-estimated with only 28% of respondents correctly identifying that the answer was around two-thirds. 63% of respondents believed that the figure was between one-quarter and one-half.¹⁷
- 8.16 The overestimation of the scale of social housing could also be a factor in some of the negative attitudes towards it, as people overestimate the perceived cost. There has been a failure at a local, regional and national level in promoting the positive role social housing plays in providing a safety net. More should be done to put the cost in context, and to contrast it against health and social care costs as well as the costs of providing temporary accommodation and homelessness services. This is reinforced by a poll of 1,029 UK adults, where 74% agreed that more should be done to encourage a more positive view of social housing amongst the public.¹⁸

¹⁵ <https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Polls/housing-day-charts-2014.pdf>

¹⁶ <https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Polls/housing-day-charts-2014.pdf>

¹⁷ <https://www.ipsos.com/ipsos-mori/en-uk/three-quarters-sense-housing-crisis-britain>

¹⁸ Ipsos MORI Omnibus (for inside Housing 2008)

Recommendation 1

That the Council should positively promote images of living in social housing through our communications activities. The Council should be proud of its investment in social housing. It should promote its tenants as a being from all walks of life and representative of what it means to live in Haringey. Haringey should not only be promoted as a place for people to move their businesses to and buy homes, we should also present images of a borough that listens to our tenants.

- 8.17 Evidence received by the panel showed a strong positivity in general towards the value of social housing. For an awareness raising campaign in 2014, Ipsos MORI polled private and social renters and sought their views on what aspects of social renting were better than private renting.¹⁹ The top four responses were most affordable housing (69%); most suitable for vulnerable people e.g. older people or those with disabilities; prompt repairs when needed; and an area with a sense of community. In respect of attitudes to social housing, it was considered better than private-rented housing for affordability, suitability for vulnerable residents and repairs.
- 8.18 Evidence from Ipsos MORI is that 75% of those asked agreed that there was a housing crisis in Britain.²⁰ In response to a poll asking respondents to prioritise which issues associated with housing should be the biggest priority for the government, the largest response was building more affordable homes; with 35% of the public and 68% of MPs. This is a good time for local authorities and other people in the sector to make the case for a large-scale increase in the numbers of social housing. There is growing recognition amongst the public, politicians and the media of the need for action.

Tenure Blind Developments.

- 8.19 As part of its concerns around attitudes to social housing, the Panel felt strongly that there should not be a separate entrance for social housing tenants on any mixed tenure development in Haringey. The Panel received evidence from Anna Milton that the Aylesbury Area Action Plan committed to a 'tenure blind' distribution of tenures across the development however, this was not reflected in the final development. The Panel is concerned that the industry is ignoring calls for tenure blind approaches, focusing on profit maximisation at the expense of community cohesion.

¹⁹ <https://www.ipsos.com/sites/default/files/migrations/en-uk/files/Assets/Docs/Publications/Housing-Day-Report-FINAL.pdf>

²⁰ http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/New_survey_reveals_public_concern_about_government_response_to_housing_crisis

- 8.20 The Panel are cognisant that one of the stated reasons for separate entrances is the need to levy expensive services charges for concierge services. However, the Panel still felt that this was unacceptable and that alternative solutions should be found for any future estate renewal programme in Haringey. It should not be possible to distinguish between affordable homes and private homes in a mixed tenure block from their external experience. This is in keeping with the mixed communities approach promoted by DCLG.

Recommendation 2

That the Council actively seek to change legislation on service charges meaning that all residents of a development irrelevant of their service charge can use the same entrance. Explore the possible use of concessions for social tenants.

9. To review the supply and quality of social housing in Haringey with consideration given to both new and older housing across the borough.
- 9.1 Evidence from the Joseph Rowntree Foundation showed that the estimated number of new homes needed to meet demand in England is 78,000 per year and the actual number of new homes delivered in 2016/17 was 32,381²¹.
- 9.2 The Panel considered the link between the supply of social housing and relative poverty levels. Data from the Department for Work and Pensions shows that the number of people in poverty in London who lived in housing at social rents was just over 800,000 in 2015/16. This had declined from around 900,000 ten years earlier. In contrast, those in poverty in London living in privately rented accommodation more than doubled over the same time period from around 430,000 to 960,000. The number Londoners in poverty who were owner-occupiers had also reduced in the same period from over 600,000 to around 500,000.²² The data showed that for those classed as living in poverty, there had been a reduction in the number of socially rented properties and owner-occupiers. This suggests that the shortfall in capacity has been met by the private sector.
- 9.3 Over the period of 2006 to 2015 the number of socially rented homes in England that did not meet decent homes standard reduced from around 29% to 13% and for privately rented homes, the figure reduced from 47% down to 29%²³. The Panel noted that social housing provided a significantly higher number of homes that met the decent homes standard and the number of sub-standard homes is lower in social housing. The assumption that private sector housing equalled better quality provision is not necessarily the case.

Housing Delivery Models

²¹ *New estimates of housing demand and need in England 2011-2031*, Alan Holmans for TCPA

How many homes did housing associations build in England in 2016-17? Jenny Charlton for NHF

²² Data source - Households below Average Income (HBAI), Department for Work and Pensions, UK, 2016. Presented as part of the *London's Poverty Profile*, NPI Trust for London, 2017.

²³ English Housing Survey, 2015/16, DCLG 2017.

- 9.4 The Panel received evidence from Future of London who worked with commercial property consultant GVA to develop a briefing on housing delivery models in London. As part of the evidence, the Panel were advised on a number of models that were currently in use across London including; development agreement models, joint ventures, wholly owned public vehicles and direct public sector delivery.
- 9.5 A **Development Partnership** involves the Council transferring land to a developer, the developer builds and sells the homes and the levels of affordable housing are set out in the development agreement. With a **Wholly Owned Company** the Council transfers the land but owns 100% of the company and receives all of the profits. Homes for Lambeth have offered an Assured Lifetime Tenancy under this model. A **Corporate Joint Venture** entails a 50/50 partnership, where the Council contributes the land and the partner contributes capital and expertise. In this model, profits are shared between the Council and the delivery partner. Affordable housing can be either retained by the Council, such as in Wandsworth or sold to a registered provider. When set up and run well, each of the delivery models can contribute to the delivery of local objectives. The delivery model used should be influenced by the objectives sought and determined by factors such as total housing unit numbers, revenue income levels, affordable housing units or other wider regeneration goals.
- 9.6 In the evidence submitted by Future of London, the Development Agreement model is currently the most widely used in London with 61% of schemes using a direct development partner, such as High Road West, and a further 2% though a strategic development partner. This model is due to deliver 105,000 homes and comprises of 91 schemes.²⁴ Corporate Joint Ventures are the next most prevalent model with 22% of schemes and plans for 47,000 homes with an average of 1475 homes per scheme.²⁵ Eight London boroughs are also investing directly in housing developments which are scheduled to develop 9700 new homes across the eight boroughs at around 1200 per programme. Under Future of London's analysis, wholly owned public vehicles make up 8% of schemes with an average of 983 homes per programme.²⁶
- 9.7 The Panel felt that the key driver for a large-scale development model in Haringey should be the number of social rented housing units delivered. The Panel recognise the complex financial balance required to make a scheme viable and the need for cross subsidy to ensure this. However, additional social rented units could be delivered by selecting a model that prioritises land remaining under public sector ownership over the total number of units built overall. The Panel recommends that the development of a wholly owned company be developed with a remit of building new Council homes at social rents.

²⁴ *Making Housing Delivery Models Work for London*: Future of London (2017).

²⁵ *Making Housing Delivery Models Work for London*: Future of London (2017).

²⁶ *Making Housing Delivery Models Work for London*: Future of London (2017).

Recommendation 3

That the Council establish a wholly council owned development company to start building housing.

A target of 1000 council homes to be built by the council by 2022 through a combination of direct build and a wholly owned development vehicle. This should be in addition to properties built at affordable rent levels by external developers.

The affordability target for developments to be enforced at 50% and the setting of a maximum threshold within that target which is allowed at 80% market rent meaning that when a development comes forward only a limited proportion is at the top end of 80%.

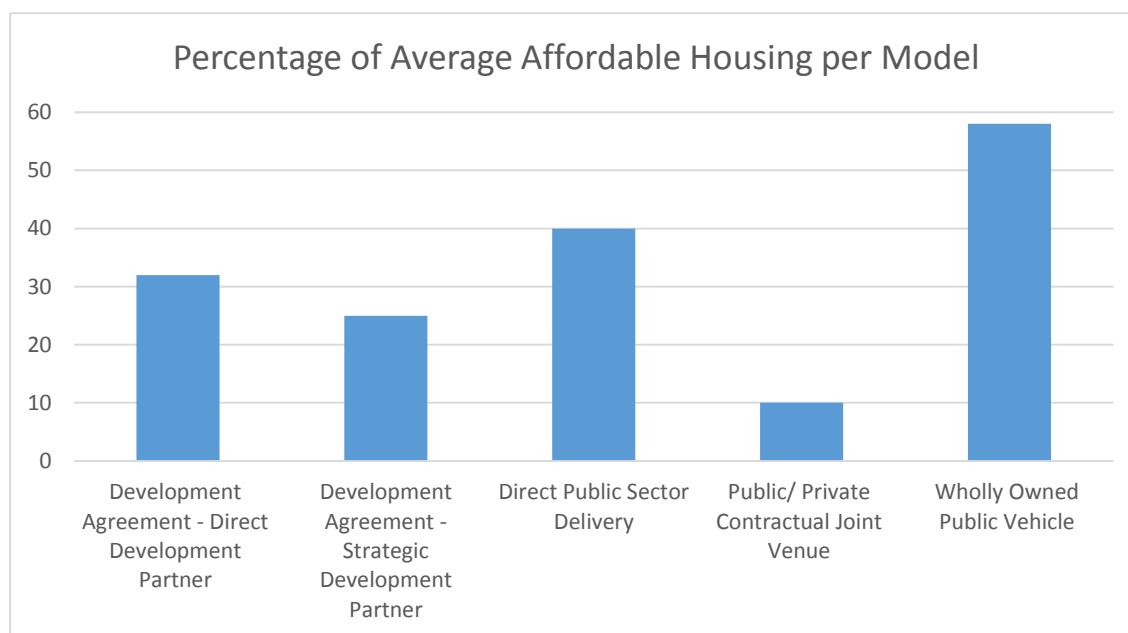
Recommendation 4

That the Council should in addition look at a variety of approaches, each one relevant to the individual site. This should include encouraging Community Land Trusts and Housing Cooperatives.

- 9.8 Table 2 sets out the number of affordable housing per model planned for delivery, as set out in the evidence submitted by Future of London.²⁷ As shown, the percentage of affordable housing delivered is significantly higher for the wholly owned public vehicles over the other housing models analysed within London.

²⁷ *Making Housing Delivery Models Work for London: Future of London (2017).*

Table 2 – Average Affordable Housing per Model



Delivering the Type of Homes and Numbers Needed

- 9.10 As part of the evidence gathering process, Paul Dossett Head of Local Government for Grant Thornton submitted evidence to the Panel on housing delivery in London. The Panel received evidence that set out an analysis of the number of housing completions in London over the period 2010 – 2017. The Panel notes that in that period there were a total of 125,225 units delivered, with 87,843 for market sale and 37,382 affordable units - which represented 30% of the total units delivered in this period.²⁸ The Panel were advised that this represented a significant annual shortfall compared to the estimated requirements of up to 66,000 units per year. The Panel were also concerned that student housing counted towards the affordability mix.

Recommendation 5

That the Council set in place a local policy that student housing does not contribute to the affordability mix.

- 9.11 Analysis undertaken by Grant Thornton and submitted to the Panel was that for the period January 2010 – June 2014, 40% of units with planning permission were not started within 3 years of those permissions being granted. Schemes of 100-149 units were the most likely to be built, with 88% either under construction or completed within the three year period. More should be done to improve delivery of smaller schemes whilst also tackling the obstacles to

²⁸ Evidence submitted to Panel by Grant Thornton on 13 December 2017

major housing schemes that can deliver large numbers of new housing. The Panel were concerned that industry-led housing development had led to a disproportionate number of one or two bedroom homes being built in London as this allowed a greater number of units to be built and maximised revenues. In order to meet the needs of all of our residents the Panel recommend that the Council support the building of more family homes, in order to achieve this the Council should set and enforce clear targets on numbers of bedrooms in new developments. The adoption of a wholly owned development vehicle would give the Council control over the types of homes built, allowing the Council to build more family homes and have control over where they were built.

Recommendation 6

Haringey needs a robust mix of different sized properties, especially more family homes. The Council should set and enforce clear targets on numbers of bedrooms in new developments

- 9.12 In order to support the Council in bringing forward a mix of schemes, more family homes and to help improve the overall quality and supply, the Panel believes that a strong in-house project team should be developed consisting of architects, urban planners and other industry professionals. A specialised housing delivery project team would have a multiplier effect on our institutional knowledge and ensure high levels of urban design. There is also significant opportunity to develop housing through housing infill schemes on Council land; these can be built relatively quickly as they are small scale. It is anticipated that having an in-house team would increase the pace of delivering housing infill schemes.

Recommendation 7

That a feasibility report be produced on the development of an in-house project team of architects, urban planners, and other professionals, to help improve quality and supply.

- 9.13 The Panel were sceptical of the development of Pocket Homes and were concerned that GLA's minimum footprint standard of 37m squared was too small, encouraging developers to build to those minimum standards and prioritise numbers over liveability standards. The Panel were particularly concerned that units conforming to the minimum liveability standards were being used to contribute towards affordable homes targets. The Panel recommends that these dwellings should not be defined as affordable and they should not be counted as part of any affordable homes allocation in Haringey.

Recommendation 8

That there be no sale of council land to companies for developments that fall below minimum size standards. That homes developed to the GLA minimum liveability standards should not be accepted in the affordability mix.

- 9.14 The Panel recommends that all social housing should be built to the highest design and liveability standards. As part of the evidence submitted by Ipsos MORI, the Panel noted that respondents to online interviews of 500 London residents expressed a clear preference for building fewer homes with higher design standards over building more homes with lower design standards. A number of Council owned properties do not have separate kitchens and the Panel were concerned that the combined kitchen/dining rooms were very small. The Panel recommends that all new social housing units built, above one bedroom, have separate kitchens.

Recommendation 9

That all social housing in the borough should be built to the highest design and liveability standards. This should include resident involvement so we can find out what people actually want, rather than telling them what they want.

Recommendation 10

That all new social housing units built, with more than one bedroom, have separate kitchens.

- 9.15 The Panel notes that around only 80% of the Decent Homes work has been carried out. According to the Quarter 2 Budget Monitoring report submitted to Cabinet in December 2017, the underspend in the P5 (HRA) Capital budget was £19.46M. The Panel believes that consideration should be given to using the unspent capital budget to bring as many homes up to Decent Homes Standard as possible.

Recommendation 11

To use the capital budget to help bring the Council's housing stock up to the decent homes standard as soon as possible.

- 9.16 Following Grenfell and the serious fire safety risks identified in the investigation, the Panel recommends that strong consideration should be given to whether high-rise buildings are suitable accommodation for social tenants, particularly those with young children. The Panel recognises the need to build housing at scale in order to provide the large numbers of social housing but advocates alternative means of delivering high-density housing. In evidence submitted to the London Assembly Housing Committee on 8 November 2017 and considered by the Panel, Paul Hackett Chief Executive of Optivo Housing association argued that the key to successfully building housing in density was through design. According to the evidence given to the GLA Housing Committee, density was not always about tall buildings instead high density could be achieved by smart, humanely scaled design with an emphasis on amenity and public space. The provision of wider infrastructure, including transport links and local facilities were also highlighted as being necessary to ensure successful delivery of high-density schemes.²⁹

Recommendation 12

That the council strongly considers whether high-rise is suitable social accommodation for young families. Similar densities can be achieved through good humanly scaled design like in Islington and Pimlico. If a family on our waiting list is offered a property above the 5th floor, they should have the choice of refusing and waiting for an alternative offer. This should not count as their single offer.

- 9.17 The Panel recommends that sprinklers should be fitted in all residential social housing blocks, including retrofitting them to existing blocks built before regulations came in place in 2007.

Recommendation 13

That all high-rise council blocks in Haringey have sprinklers even if it means retrofitting them, as the safety and peace of mind of our residents is paramount.

²⁹ <https://www.london.gov.uk/moderngov/documents/b16222/Appendix%201%20-%20Draft%20London%20Housing%20Strategy%20Wednesday%2008-Nov-2017%2014.00%20Housing%20Committee.pdf?T=9>

- 9.18 The Panel were also interested in the research carried out by Architects for Social Housing who advocate increasing the housing capacity on existing council estates, rather than redeveloping them. The research undertaken, and submitted to the Panel as evidence, argues that renovating existing estates is more sustainable solution to London's housing needs, rather than large scale demolition of social housing during a housing shortage as it enables the continued existence of the communities that live there.³⁰ The Panel believe that the Council should consider increasing density on existing estates through adding floors to low rise buildings and better utilisation of its land portfolio, as an alternative means of delivering housing rather than demolishing exiting estates.

Recommendation 14

As an alternative to demolition of estates, the council should consider increasing density on existing estates through adding floors to low-rise and using land space better to build further low-rise blocks.

- 9.19 In order to assist with the development of new social housing the Panel reiterated its interest in pursuing an appeal to the 1% rent reduction and further rounds of compulsory rent reduction, due as part of the government's four year rent reduction agenda. The Panel noted that in its response to the HDV scrutiny report from June 2017, Cabinet set out that Councils were required to show that this was a last resort once other measures had been taken to improve the HRA. However, the Panel felt that applying for the reduction would help raise awareness about the issue, particularly given the current public interest in the housing crisis and social housing provision.

The Panel recommended that an exemption should be sought from the DCLG from the 1% rent reduction, as well as further reductions, to Council and HfH properties within the HRA and that Cabinet reconsider its position that the work involved in seeking an exemption was not justified given other priorities and the very slim chances of success.

³⁰ <https://architectsforsocialhousing.wordpress.com/>

Recommendation 15

That an exemption should be sought from the DCLG from the 1% rent reduction, as well as further reductions, to Council and HfH properties within the HRA.

- 9.20 As part of a holistic approach to improve the number and quality of social housing, the Panel recognise the need to ensure that our existing social housing provision is fit for purpose. The Panel would like to see additional investment made in the cleanliness and upkeep of existing estates.

The Panel recommend that additional investment is made to ensure the cleanliness and upkeep of existing estates:

Recommendation 16a

That HfH instigate a regular cyclical decoration programme for all its estate, for the communal and external decorations required.

Recommendation 16b

That HfH instigate a regular window-cleaning programme for all external windows on all its estates.

Recommendation 16c

That HfH increase the resources available for 'deep cleaning' as-and-when it is needed, on estates and internal communal areas.

- 9.21 The Panel received evidence from Dave Smith from the National Housing Federation about the benefits of undertaking land disposal to a developer or housing association on a 'fixed price' basis. This involves undertaking an open market appraisal of the site before it is put out to tender, the Council would then fix the price for the sale, so that 100% of the tender is based upon a design competition about quality of the development and affordability of new homes.

Recommendation 17

That when the council considers selling off land to a housing association or developer, that it undertakes tendering on a "Fixed Price" basis, in order to prioritise quality standards and affordability levels of new homes.

- 9.22 The Panel received evidence from the National Housing Federation on the issue of developers ‘land banking’ and the financial disincentives that lead to developers not building on land that they owned. Land markets operate different to other markets as demand has risen continuously, as have prices, whilst supply has not. The Panel were advised that in order to buy land in a highly competitive market, developers tended to squeeze affordable homes numbers in order to outbid rivals and pay landowners the maximum, and that this resulted in many developments being at the margins of affordability.³¹
- 9.23 In a falling or stagnant market, the best strategy for developers was often to hold onto the sites and wait for values to rise, in effect or prioritising margin over volume as there is essentially no holding cost for land. Even if there is a downturn, the value of the land will increase in the long-term. As a result, developers tended to hold onto land banks, and often made more out of trading them than they would from building homes on them.³²
10. To identify barriers in current regional and national housing policy to enable consideration of what Haringey’s lobbying priorities should be around social housing.
- 10.1 The Housing Revenue Account (HRA) is the account in which the Council’s housing revenue (rent received from tenants) and housing costs are kept. By law, the HRA has to be kept separate from the ‘General Fund’ that councils use for other fiscal purposes. Reform of the HRA resulted in housing debt being transferred away from the Treasury to stock-owning local authorities, who were granted access to additional powers over their housing stock and allowed to retain all of their rental income from tenants in exchange. Limits were imposed on the amount councils could borrow against their housing assets, with this debt cap calculated separately to the rules around existing local authority prudential borrowing. An analysis by PwC, 12 months after its introduction in 2012, estimated that under the debt cap councils could, collectively, borrow around £3bn to build 15,000 new homes over a five-year period. However, it estimated that anywhere up to as many as 60,000 homes could be built without the debt cap.³³ The Panel believes that the debt cap should be abolished, with borrowing subject to the same prudential rules as for the General Fund. The debt cap is artificially low, and inhibits the ability of local authorities to build homes.
- 10.2 In the Autumn Budget on 2017, the Treasury agreed to lift HRA debt cap for local authorities with ‘high affordability pressures.’ Under proposals, local authorities will be invited to bid for increases in their caps from 2019/20 up to a total of £1bn by the end of 2021/22. The Panel recommends that a feasibility assessment be undertaken around applying to the DCLG for a local debt cap exemption for Haringey.

³¹ <http://blogs.lse.ac.uk/politicsandpolicy/why-arent-we-building-enough-homes/>

³² <http://blogs.lse.ac.uk/politicsandpolicy/why-arent-we-building-enough-homes/>

³³ <https://www.pwc.co.uk/industries/government-public-sector/local-government/insights/housing-revenue-account-hra-reform-one-year-on.html>

Recommendation 18

That a feasibility assessment be undertaken around applying to the DCLG for a local debt cap exemption for Haringey, following Treasury's announcement that authorities will be allowed to bid for increased HRA debt caps from 2019/20.

- 10.3 The Panel received evidence from the Bartlett School of Planning at UCL who emphasised the impact that the gap between Right-to-Buy sales and the building of replacement homes had on local authority housing provision. Renewed government focus on offering social housing tenants the Right to Buy their homes at discounted rates, as well as a trial to extend this to housing association tenants has seen significant take up. Instead of using receipts from sales to invest in new housing stock, local authorities are hamstrung by government regulations that allow only 30% of receipts to be used and a requirement that this must be spent within 3.25 years of the sale. As a result, many local authorities have to return the money to the Treasury unspent.
- 10.4 The Panel were concerned that there remained uncertainty about the legal and financial basis for using powers to establish housing companies under Localism Act 2011. Given the restriction on the HRA debt cap a number of local authorities have established housing companies, however these homes do not provide the same security of tenure as those provided through the HRA. The Panel received evidence from the Bartlett School of Planning that ambiguity in government advice and a lack of proper testing, had resulted in many local authorities operating housing companies within in the same legal framework as the HRA; resulting in limited capacity to build homes at scale. Concerns were also raised around a lack of clarity about whether local authorities were able to use wholly owned companies to develop housing at social rent levels.

Recommendation 19

The Panel endorse the following recommendations for lobbying central government put forward by the Royal Town Planning Institute:

- Remove the debt cap on the Housing Revenue Account.
- Councils to retain all right-to-buy receipts and use them to build replacement housing.
- To review the relevant weightings in the distribution of the £44bn housing subsidy (from Homes England via the GLA) to give more priority to social and affordable housing and less to market housing for sale.
- To clearly state that local authorities can build and provide housing under housing companies created under the Localism Act.

- 10.5 It is evident that the number of new affordable homes built in London is insufficient. The Mayor's draft housing strategy identifies that in 2015/16, the number of affordable homes funded by the GLA was just 4,880 - the lowest since records began.³⁴ Affordable homes play a crucial role in supporting residents on low and middle incomes who are unable to access private sector housing. One factor contributing to the inability of the local authorities to build genuinely affordable housing is fact that the affordable housing grant had been significantly reduced since the 2010 election. The Panel felt that the government's decision to set the affordability standard at 80% of market rates did not reflect what was genuinely affordable, especially in London. It is suggested that a more accurate affordability criteria would be based on a percentage of average income in a particular area.
- 10.6 The Mayor's draft Housing Strategy identifies that the proportion of homes approved that are affordable halved from 26% in 2008/09 to just 13% in 2014/15. The decline in availability of social housing has left more than a quarter of a million of London's residents on housing registers with waiting times of up to 25 years.³⁵ Demand for shared ownership and other forms of intermediate affordable homes also continues to outstrip supply. More needs to be done to increase the supply of affordable homes in Haringey and the Panel feel that the Council should be proactive in developing local policies to support this. The Panel acknowledged that the Council's Planning Policy requires at least 40% affordable housing for any developments in the borough. However, it remains concerned that these homes are not genuinely affordable at 80% of market rent, and proposes that affordable homes in Haringey should be set at social rent levels (or equivalent) to ensure a supply homes that meets the needs of all residents.
- 10.7 The Panel notes that in the draft Housing Strategy, the Mayor is setting London Affordable Rent levels based on benchmark rents set in accordance with social rent levels. The strategy also identifies that the Mayor will support and invest in councils that choose to deliver new council homes for rent.

³⁴ Local authority lettings plus local authority nominations to housing association lettings. The figure in 2006/07 was 38,022 (source: DCLG, Housing Strategy Statistical Appendix, 2007), dropping to 31,040 in 2015/16 (source: DCLG, Local Authority Housing Statistics, 2015/16).

³⁵ https://www.london.gov.uk/sites/default/files/2017_london_draft_housing_strategy.pdf (pp.96)

Recommendation 20

That the Council make a commitment that affordable housing should be set at social rent levels or equivalent. There is an opportunity to align affordability levels with the Mayor's Housing Strategy when it is released. Only truly affordable homes for rent or shared-ownership should be classified as such.

Recommendation 21

That the Council be proactive in amending local policies, such as the Planning Policy and Housing Strategy to ensure that the delivery of housing in Haringey better meets the needs of all of its residents, such as affordable homes set at social rent levels. Having a clear policy setting out local criteria on affordability levels will help create a tougher planning regime and provide clear grounds to refuse unsuitable developments.

- 11. To identify key indicators that enable social interventions of estate regeneration to be measured, ensuring existing communities get the greatest possible benefit from changes to their neighbourhoods.**
 - 11.1 The Panel received evidence from officers in Haringey's Regeneration and Policy teams on evaluating the social impact of regeneration. As part of the evidence submitted, the Panel were advised that Haringey had 3,092 households in Temporary Accommodation in September 2017 and 30% of children living on Tottenham's Housing estates live in poverty and in poor quality housing. Haringey has committed to deliver 19,000 new homes to help increase supply, with 5,275 new homes built since 2011, including 1,599 affordable homes. However, it is not clear what proportion of these homes would be available for social rent. The Panel emphasise that positive social impact should continue to be at the heart of regeneration in Haringey.
 - 11.2 The Panel also received evidence from Regeneris on evaluating the impact of regeneration and were advised that an increasing focus on social value and inclusive growth had resulted in renewed focus within the sector on how evidence was collected and impact was measured. One of the key reflections that the Panel took away from this evidence was the need to take a long-term approach; including the need to design targeted interventions, define day-to-day measurables and instigate a robust process of tracking change.
 - 11.3 Evidence was also received from Social Life, who are a social enterprise set up to undertake research and community projects that explore how people are affected by changes in the built environment. The Panel was advised that the concept of social sustainability is used as a key element of the work undertaken by the organisation. Social sustainability is defined as "A process for creating sustainable, successful places that promote wellbeing, by

understanding what people need from the places they live and work.”³⁶ In practice, this involved ensuring that designs were connected to the local/regional economy, whilst also ensuring that it was set within the wider infrastructure that supports social and cultural life, social amenities, systems for citizen engagement and spaces for people and places to grow.³⁷

11.4. Social Life set out two case studies on South Acton Estate and at Hale Village in which a variety of benchmarking data was collected to measure the impact of regeneration. A large number of interviews were carried out with residents and other stakeholders to categorise a range of social sustainability parameters and benchmark them against comparable areas and the national average. In undertaking a number of similar projects, Social Life have proposed a number of key issues in the monitoring of estate regeneration, which the Panel found instructive.

- Focus on the ‘intangible, as well as more easily measurable aspects of everyday life.
- Consider what aspects of community life are strong and work well that could be lost.
- Involve everyone, including young people and groups who tend not to be involved in consultation and engagement exercises.
- Proactively engage with the community and seek out views, do not expect people to come to you.
- Work through activists and organisations but also identify the hidden networks and populations.
- Consider the impact on all the people living on the estate – temporary residents, private sector tenants- not just those that a local authority has a legal responsibility over.
- Track what is happening to people who move away and what their experience is.

11.5 As part of the evidence gathering process, officers from Haringey’s regeneration team gave a presentation to the Panel on the Tottenham Strategic Regeneration Framework (SRF). As part of the SRF, there is a firm commitment from the Council towards providing education and training, improved access to business and job opportunities and promoting safe and healthy communities. The Panel was advised that the SRF has an array of indicators that are used to measure its progress, including those set out in Priority 4 of the Corporate Plan. Other measurements include; tenant satisfaction levels; information on jobs, employment support and training; apprenticeships created; workspace created; resident engagement outcomes and baseline data for growth areas.

11.6 The Panel noted that the SRF was scheduled to be re-evaluated and the performance framework updated as part of a delivery update. The Panel were interested in the work that Social Life are doing with the GLA to produce a framework and suite of indicators to measure social impact in local

³⁶ Source: Social Life. *Design for social sustainability: a framework for creating thriving communities* (2012).

³⁷ Source: Social Life. *Design for social sustainability: a framework for creating thriving communities* (2012).

regeneration programmes. The Panel welcomed the commitment from Haringey officers to monitor the development of the framework and potentially adopt it into Haringey's programme level reporting.

Recommendation 22

That positive social impact should be at the heart of the Council's approach to regeneration. In particular, the Panel emphasised the need to ensure that any regeneration programme put the physical and mental wellbeing of residents at the forefront of its aims. The Panel recommends that a robust matrix be developed which measures the social impact through the entirety of the regeneration process and accurately measures community benefit.

Recommendation 23

The Panel commended the work done by Social Life to use a social sustainability framework to measure the impact of social regeneration. The Panel recommended that the work being done by Social Life and the GLA continue to be monitored and that Haringey adopt the use of the regional framework and accompanying performance indicators developed. The framework should underpin a systematic approach to measuring social impact and commissioning external projects across all regeneration areas in Haringey.

12. To identify opportunities for residents so they can contribute fully to the delivery of objectives outlined in the Council's Housing Strategy (2017-22), including monitoring of progress.
 - 12.1 As part of the evidence gathering process, the Panel met with the HfH Residents Scrutiny Panel to hear from tenants and get their reflections on the Council as a landlord. Attitudes were mixed in relation to whether they would like to see housing services brought back in-house. Overall, the Panel were advised that many of those in attendance had developed a good working relationship with HfH. In particular, the Chair of the HfH Panel advised that the Residents Scrutiny Panel had undertaken reviews of both Council services and Homes for Haringey. Whilst there had been service failures on both sides, Homes for Haringey had worked to remedy issues and provide positive feedback. However, the same level of accountability to residents was felt to be lacking from the Council.
 - 12.2 There was a perception amongst the Residents Scrutiny Panel that the Council was not listening to residents. Whilst, it was felt that their concerns were listened to at the top level, there was failure to resolve individual issues and complaints at an operational level. In particular, residents felt that they did not receive feedback from the Council when they reported issues. The Residents Scrutiny Panel felt that the Council, as well as the HfH Board, failed to listen to the concerns of residents around Decent Homes funding and that many of the

issues encountered were avoidable. There was a perception that had residents been better engaged with, all Council properties would have received Decent Homes works and the process would have been completed by now.

- 12.3 One area of concern raised in relation to Homes for Haringey was failure to monitor contracts adequately; particularly around sub-contractors and that this had led to a poor standard of repairs. The Residents Scrutiny Panel suggested that both Homes for Haringey and the Council consistently failed to hold contractors to account and failed to get value for money.
- 12.4 The Residents Panel raised concerns that Councillors were unaware of reports produced by the Residents Scrutiny Panel, many of which related to Council services. Furthermore, following the production of these reports the Residents Panel were unaware of how and where those reports fed into the Council (if at all), and that there was a failure by the Council to provide any feedback on those reports. The Panel were concerned that the scrutiny processes of the Council and HfH worked in separate silos, with little knowledge and interaction of each other's work programmes. The Panel proposes that there should be better integration, given the clear overlap between the Housing and Regeneration Scrutiny Panel and Homes for Haringey's internal scrutiny process.
- 12.5 The Resident's Scrutiny Panel advised that they did not feel that they would be better served by the scrutiny process being held in public. Neither did they feel that the scrutiny process would be improved by their reports being made public, as it was felt that this could limit their effectiveness and moderate their views. It was their view that confidentiality and the adoption of a critical friend approach towards Homes for Haringey, has resulted in tangible improvements and fostered a good working relationship.

Recommendation 24

That the Council explore ways of promoting greater cooperation between the Council-led scrutiny process and the HfH scrutiny process in order to improve political oversight of HfH.

It is recommended that the Councillors that sit on the HfH Board feed into scrutiny and give reports to the HRSP.

- 12.6 In the evidence submitted to the Panel a key area of concern was around the process of resident consultation. In general, it was felt that the right questions were asked but that there was a fundamental disconnect between the process of engagement and then implementing the improvements that were identified. There was a perceived failure to act on this consultation and a perception that HfH did not do anything with the information. The Panel also heard that leaseholders felt like they received a bad deal from the Council. In particular, it was suggested that there was a lack of clarity on the expenses for leaseholders and their rights.

- 12.7 The Panel were concerned that there is a lack of adequate representation and a lack of residents associations for social housing tenants compared to private sector tenants. This issue is exacerbated by the dispersed nature of social housing provision involving multiple housing providers. The Panel were concerned about the consistency of how residents were engaged with across different housing providers and whether those in a housing association property received the same engagement as Council tenants. The Panel believes that a lack of representation puts tenants at a disadvantage when it comes to engaging with the Council and that their views are crucial. The Panel also felt that funding should be provided to ensure that there is greater representation for tenants and leaseholders.

Recommendation 25

That the Council explore ways of having a broad representation of residents, leaseholders and resident's associations.

As part of this, the Panel would like to see the Council set up an independent advocacy body for residents.

It is vital that Residents are engaged with throughout the regeneration process. Funding should be provided to ensure that representative groups, such as residents groups exist and are consulted.

Recommendation 26

That a full consultation should be undertaken with residents of estates prior to any decision being taken in respect of estate regeneration. The consultation should also include a ballot of all residents and leaseholders on any affected estate.

13. Contribution to strategic outcomes

- 13.1 Improving and increasing social housing levels falls under Priority 5 of the Councils Corporate Objectives:

“Create homes and communities where people choose to live and are able to thrive”

- 13.2 Work in this area also contributes to various crosscutting themes, including “A Fair and Equal Borough” and “Working Together with our Communities”. The delivery of more social housing is vital in relieving the pressure on temporary accommodation services and social housing waiting lists.

14. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

The report requests Overview and Committee consider the findings of the Housing and Regeneration Scrutiny panel and agree a number of recommendations.

The full impact of the implications can only be assessed, if and when these recommendations are implemented. If implemented, an evaluation of their financial impact would be undertaken on a case-by-case basis. Recommendations such as, but not limited to, those listed below would all result in financial implications for the HRA:

- Establishment of a wholly owned council development company to start building housing.
- Setting rents at affordable or social rents levels will have financial implications for the Council.
- Requesting an exemption of the 1% rent reduction.
- Setting a capital budget to help bring homes up to decent homes standard.
- Additional investment to ensure cleanliness and upkeep of existing estates.

A number of specific recommendations relate to raising the profile of social housing, governance or other matters, which have no direct financial impact at this stage.

Procurement

Strategic Procurement notes the contents of this report; however there is no procurement input required at this stage.

Legal

The Assistant Director of Corporate governance has been consulted in the preparation of this report and comments as follows:

Under Section 9F Local Government Act 2000 ("The Act"), Overview and Scrutiny Committee have the powers to review or scrutinise decisions made or other action taken in connection with the discharge of any executive and non executive functions and to make reports or recommendations to the executive or to the authority, with respect to the discharge of those functions. Overview and Scrutiny Committee also have the power to make reports or recommendations to the executive or to the authority on matters which affect the authority's area or the inhabitants of its area.

Under Section 9FA of the Act, Overview and Scrutiny Committee have the power to appoint a sub-committee to assist with the discharge of its scrutiny functions. Such sub-committee may not discharge any functions other than those conferred on it.

Pursuant to the above provisions, Overview and Scrutiny Committee has established Scrutiny Review Panels which include the Housing and Regeneration Scrutiny Panel, to discharge on its behalf defined scrutiny functions.

The Housing and Regeneration Scrutiny Panel has undertaken a review of social housing and, in accordance with the Council's Constitution, the Panel must refer the outcome of its review to Overview and Scrutiny Committee for consideration and approval.

The remit of the Scrutiny Panel's review is defined in the terms of reference set out in Paragraph 4.4 of the review report. The Scrutiny Panel should keep to the terms of reference and ensure that its findings and recommendations are based on good evidence, accord with good practice and are reasonable and rational.

In so far as there are legal implications arising from any of the recommendations, these will be addressed before the recommendation can be implemented.

Equality

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to: (1) Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act; (2) Advance equality of opportunity between people who share those protected characteristics and people who do not; (3) Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.

The Panel should ensure that it addresses these duties by considering them during final scoping, evidence gathering and final reporting. This should include considering and clearly stating: How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics; Whether the impact on particular groups is fair and proportionate; Whether there is equality of access to service and fair representation of all groups within Haringey; Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

The Panel should ensure that equalities comments are based on evidence, when possible. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

The Scrutiny Report recommendations aim to improve the quality of life for social housing tenants in Haringey. Women, BAME communities, and

individuals with disabilities and/or long-term health conditions are over-represented among social housing tenants in Haringey. Although no data is available on single parents in Haringey social housing, single female parent households are overrepresented among those in temporary accommodation and are therefore likely to be overrepresented among social tenants. As such, it is reasonable to conclude that the recommendations would have a positive impact on these groups.

The Scrutiny Report recommendations also seek to increase the quantity of social housing in Haringey. This would be likely to have a positive impact on individuals in temporary accommodation. Data held by the Council suggests that women, young people, and BAME communities are over-represented among those living in temporary accommodation. As such, it is reasonable to conclude that the recommendations would have a positive impact on these groups.

15. Use of Appendices

- Appendix A – List of Review Contributors.

16. Local Government (Access to Information) Act 1985

16.1 A list of background documents and articles is listed at Paragraph 1.5 of this report.

16.2 There is no exempt information contained in this report.

Appendix 1

Review Contributors

The Panel received evidence from the following witnesses as part of their evidence gathering – in the order that the evidence was considered.

Film Screening <https://www.dispossessionfilm.com/> and Q&A with Paul Sng, Director/Producer of Velvet Joy Productions

London Scrutiny Network – Social Housing Safety

- Jacqui McKinlay, Centre for Public Scrutiny
- Kevin Hughes, Deputy Assistant Commissioner, London Fire Brigade
- Katie Smith, Head of Scrutiny and Investigations, Greater London Authority
- Jonathan Schifferes, RSA Associate Director, Public Services and Communities

Michael Westbrook, Housing Strategy and Commissioning Manager; and Chris Liffen, Interim Managing Director, Homes for Haringey.

Lynsey Hanley, author of *Estates: an Intimate History*, visiting fellow at Liverpool John Moores University.

Ellen Storrar, Senior Policy Officer, Housing and Land, Greater London Authority.

GLA Housing Committee Meeting – scrutiny of the Mayor's (draft) London Housing Strategy.

Eamon McGoldrick, MD, National Federation of ALMOs.

Stephen Finlay, Research Director, Social Research Institute, Ipsos MORI.

Kathleen Scanlon, Assistant Professorial Research Fellow at LSE London.

Sue Sargeant, Director of Housing and Neil Coils, Regional Head of Housing, Notting Hill Housing.

Wendy Metcalfe, Housing Services Manager, and Chris Bull, Head of Housing Services, Metropolitan.

Helen McDonough, Head of Socio Economic Regeneration; Becky Hatch, Head of Policy and Cabinet Support.

Barney Cringle, Associate Director, Regeneris, and Nicola Bacon, Founding Director, Social Life.

Victoria Moffett, External Affairs Manager (London and South East), National Housing Federation.

Paul McEvoy, Group Head of Affordable Housing Development, Places for People.

Dr Lisa Mckenzie a British sociologist and research fellow at the London School of Economics whose work relates to class inequality, social justice, and British working class culture.

Brian Robson, Acting Head of Policy and Research, Joseph Rowntree Foundation

Geraldine Denning from ASH - <https://architectsforsocialhousing.wordpress.com/>

Brendan Sarsfield, Chief Executive, Peabody.

Dr Paul Watt, Reader in Urban Studies, Birkbeck University.

David Longbottom, Associate Director, and Paul Dossett, Public Sector Audit Practice, Grant Thornton UK LLP.

Jo Wilson, Head of Policy, Future of London.

Anna Minton, the author of Ground Control. Her latest book is Capital: Who is London for? She is also a journalist and Reader in architecture at the UEL.

Professor Flora Samuel, Professor of Architecture in the Built Environment, University of Reading and Co-Investigator UK Collaborative Centre for Housing.