

Report for: Cabinet 12 February 2019

Item number:

Title: Amendments to Appendix C and Deletion of Appendix D of Haringey's Housing Strategy 2017-2022

Report authorised by: Helen Fisher, interim Director of Housing, Regeneration and Planning

Lead Officer: Dan Hawthorn, Director of Housing and Growth

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. Haringey's Housing Strategy sets the direction of travel for housing in the borough, identifying overall objectives, targets and the means to achieving these.
- 1.2. Haringey's current Housing Strategy 2017-2022 was adopted in November 2016. Since then there have been significant changes to national and regional housing policy as well as the housing ambitions of the Council.
- 1.3. At its meeting on 13 November 2018, Cabinet agreed to consult on amending Appendix C, and to deleting Appendix D, of Haringey's Housing Strategy 2017-2022 (the 'Housing Strategy'), in order to better meet the housing aims of the current administration and in advance of a new housing strategy for the borough being developed.
- 1.4. A consultation on these two changes has now been undertaken.
- 1.5. Following consideration of the outcome of the consultation, it is recommended that Appendix C is amended and Appendix D deleted.

2. Cabinet Member Introduction

- 2.1 Haringey's Labour councillors were elected in May on a bold manifesto, which recognised the importance of housing, and the work the Council could do in this area. We set five pledges for housing:
 - To deliver a thousand new council homes by 2022
 - To review the planning targets and ensure new 'affordable' is genuinely affordable

- To expand our landlord licensing scheme to cover all wards
- To ensure that new housing for sale is made available to Haringey residents first, and
- To aim to end street homelessness in Haringey by 2022.

2.2 Haringey's Housing Strategy sets the strategic direction for housing in the borough. The Council last published a Housing Strategy in 2016. Since then, as well as a new administration with these new priorities and ways of working, there have been important changes at the national and regional level, with which our existing strategy is increasingly out of touch.

2.3 The Government has abandoned a number of its most contested proposed housing policies and there has been a renewed focus on social housing – prompted at least in part by the Grenfell tragedy. At the same time, the lifting of the HRA borrowing cap and the significant funding for new Council housing from the GLA transform the potential to develop new Council housing. Haringey's successful bid for this funding means that we will be receiving £62.8m grant to deliver the Council homes the borough needs.

2.4 Work on a new housing strategy is already underway, but to ensure our aims are consistent it needs to follow the adoption of the Borough Plan, reflecting and expanding on the housing aims in that document. In the interim, we are proposing that Appendix C of the current Housing Strategy be amended, to define more clearly what we mean by affordable housing. The new Appendix is clear that our first priority is Council Rented homes and that we will ensure other affordable homes delivered in this borough will be affordable to our existing residents.

2.5 Developing a new housing strategy to address all our housing commitments will be a priority for us in 2019. I will establish a Member group to help guide this important work and I look forward to working with colleagues on this.

3. Recommendations

It is recommended that Cabinet:

- 3.1. Note the outcome of the consultation process on Appendix C of the Housing Strategy and the deletion of Appendix D of the Housing Strategy.
- 3.2. Recommend that Full Council approve the adoption of Appendix C of the Housing Strategy, as amended as set out in paras 6.21 – 6.23, and the deletion of Appendix D of the Housing Strategy.

4. Reasons for decision

- 4.1. The Council's current Housing Strategy was set in 2016. Since then, the policy context has changed and a new administration has been elected with different priorities to the previous administration particularly with regard to housing.
- 4.2. In addition, decisions taken since May 2018 have fundamentally altered the Council's approach to housing, notably:
 - The decision not to proceed with the Haringey Development Vehicle
 - The decision to set up a wholly owned company to help deliver 1,000 Council homes at Council rents
- 4.3. This means that the existing strategy, adopted in November 2016, is no longer a good fit with the ambitions of the new administration and there is a need to produce a new strategy to better reflect these.
- 4.4. One particular issue is a renewed emphasis on housing for social rent as affordable housing.
- 4.5. In advance of the development, consultation, and publication of this new housing strategy, it is proposed that Appendix C of the existing strategy is amended and Appendix D deleted to ensure the Council's housing policy framework reflects this changed environment, and the Council's new priorities. This requires no revision of the Borough Plan.

5. Alternative options considered

- 5.1. The alternative option would be not to amend Appendix C and not to delete Appendix D of the current Housing Strategy. Given Cabinet's agreement to consult on the amendment and deletion in November 2018, and the consultation with stakeholders, this would not be an acceptable course of action.

6. Background information

Haringey's Housing Strategy 2017-2022

- 6.1. Full Council agreed the Housing Strategy on 21 November 2016, following agreement by Cabinet, and a full public consultation process. The Housing Strategy forms part of the Council's key policy framework, and sits underneath the Corporate Plan 2014-2018.
- 6.2. The Housing Strategy is built around 4 strategic objectives:
 - Strategic Objective 1: achieve a step change in the number of new homes being built
 - Strategic Objective 2: improve support and help to prevent homelessness
 - Strategic Objective 3: drive up the quality of housing for all residents
 - Strategic Objective 4: ensure that housing delivers wider community benefits

6.3. The Housing Strategy is supported by five appendices:

- Appendix A – Summary of Recent Legislation
- Appendix B – The Housing Strategy and the Local Plan
- Appendix C – Affordable, Intermediate and Specialist/Supported Housing
- Appendix D – Affordability
- Appendix E – Supporting Information

The Housing Strategy deliberately provides for Appendices C and D to be amended over the life of the strategy. Appendix C has already been amended once, in March 2018, to take account of the Intermediate Housing Policy Statement.

A new housing strategy for Haringey

- 6.4. The report to Cabinet in November 2018 identified a number of changes to the national and regional policy context since the current Housing Strategy was adopted. It also identified that a new administration has been in place in Haringey since May 2018, following the local elections, with a strong commitment to affordable housing, in particular to new Council homes at Council rents. These two factors mean that the current Housing Strategy is no longer up to date, nor able to fully meet the current administration's housing aspirations.
- 6.5. Cabinet decided in November that a new housing strategy for the borough will therefore be developed over the course of 2019. This will follow on from the new Borough Plan, on which a consultation recently concluded.

The Appendices of the Housing Strategy

- 6.6. In advance of a new housing strategy being developed, consulted upon, and adopted into the Council's policy framework, it is proposed that the two appendices of the current Housing Strategy which deal with affordable housing be reconsidered.
- 6.7. Appendix C of the current Housing Strategy deals with Affordable, Intermediate and Specialist/Supported Housing Guidance. The proposed amendments are as follows:
- The incorporation of the proposed key lines on the delivery of new housing from the draft Borough Plan, in particular the commitment to new Council homes at Council rents, which does not appear at all in the current Housing Strategy.
 - Setting out the intention to establish a wholly owned housing company and that the Council – either itself or via the company - will develop new affordable housing in the borough.
 - Clearer definitions of types of affordable housing and guidance on affordability and bed size mix.
 - That the Council's preference for low cost rented housing for general needs is for social rent at target rent levels – rather than Affordable Rent or London Affordable Rent.

- That the Council's preference for intermediate housing is usually intermediate rent at London Living Rent levels.
 - An acceptance and welcoming of other providers of affordable housing, who are likely to continue to be the main providers of new affordable housing in the borough; and a recognition that they may deliver a different affordable housing tenure mix.
- 6.8. This builds on changes already made to Appendix C of the current Housing Strategy agreed by Full Council in March 2018, including:
- Clarifying that the Council is keen to promote a range of intermediate housing, and that shared ownership is not the preferred product in all cases.
 - Noting how the affordable housing mix should be flexed in different areas to ensure that the overall borough-wide strategic mix is delivered.
 - Clarifying that, to be considered affordable, housing costs should represent no more than 40% of a household's net income.
 - Reflecting the Mayor's new London Housing Strategy.
- 6.9. Intermediate housing is set at a price lower than open market housing but higher than social rented housing. Eligibility criteria are used to ensure that intermediate housing is accessed by residents who will most benefit from it. This is individuals and households who are unable to afford market housing in the borough but are not usually a priority for social housing.
- 6.10. Haringey's Intermediate Housing Policy Statement sets a priority matrix for accessing intermediate housing, prioritising existing social housing tenants and their children and households on the housing register. It also sets a marketing cascade, so that this housing is first marketed to lower income households.
- 6.11. The priority matrix and the marketing bands have been put in place to ensure that in future a much higher percentage of homes are accessed by households with a Haringey connection. A shift in the mix of types of homes from the current concentration on shared ownership to more intermediate rented units should also ensure that more of these are affordable to local residents.
- 6.12. It is acknowledged that by applying policies to maximise homes at social rents as the affordable offer in future schemes, it is likely that the overall quantity of more broadly defined affordable homes provided on these schemes may be lower. This is because there is only a given amount of subsidy for affordable housing available on any particular scheme – e.g. grant, s106 and cross subsidy from sales. The overall amount of affordable housing on any scheme could be increased if a higher proportion of that affordable housing is less reliant on subsidy, such as shared ownership. Nevertheless, it is recommended that the Housing Strategy is amended to prioritise homes at social rents, recognising the pressing need for more homes at social rents to meet the most acute forms of housing need in the borough.
- 6.13. To deliver on these aims, the proposed new Appendix C of the current Housing Strategy is attached at Appendix 1.

- 6.14. It is also proposed to delete Appendix D of the current Housing Strategy. The existing Appendix is primarily a discussion of the need for different types of affordable housing. Most of the substantive content of this appendix is already contained in the Housing Strategy and the remainder has now been updated and incorporated into the revised Appendix C, rendering Appendix D redundant.
- 6.15. This will also simplify any potential future updates of the current Housing Strategy, which can focus on a single updateable Appendix.

Consultation and changes to Appendix C

- 6.16. A consultation on the amended Appendix C and deleted Appendix D was undertaken with those to whom the policy applied – ie housing associations and housing developers working in the borough.
- 6.17. The consultation ran from 10 December 2018 to 10 January 2019. All housing associations working in the borough were contacted by email, as were all developers who had submitted an application for housing development in the borough since 2015.
- 6.18. In total, two submissions were received, both from private sector housing providers. Detailed responses to the points raised in these submissions will be sent to those who provided them, but the key issues are summarised below.
- 6.19. In brief, the first response raised the issue of housing mix, asking for some technical clarifications and arguing that the Council should seek to deliver some affordable housing as bedsits and HMOs. This is not Council nor GLA policy and there is no intention to change this at this time as these types of housing are not appropriate affordable housing. Apart from that point, it was neither supportive nor unsupportive of the proposed amendments to Appendix C.
- 6.20. The second response argued that the non-inclusion of starter homes, discounted market sale and rent to buy in the list of types of intermediate housing could be seen as excluding them from the definition of acceptable affordable housing. It went on to argue that this is in contradiction to the London Plan and National Planning Policy Framework. If so, this would be an unintended consequence of the amendment of the Appendix. That is, while it seeks to be clear that Council has preferred options, it does not seek to exclude other types of intermediate housing.
- 6.21. To clarify that this is not the intention, section two of Appendix C has been amended to identify these products as acceptable forms of intermediate housing, albeit that they are not the Council's preferred options.
- 6.22. Alongside this amendment to the Appendix, it is also proposed to amend the wording at the end of section two that refers to the Housing Company being set up by the Council. At the time of writing in November it was intended that this would be the main vehicle for the delivery of new Council homes. Following the announcement of the abolition of the HRA borrowing cap, this has been reviewed and the language around the Company has been made broader to encompass a

wider range of options. A small number of very minor stylistic changes to the Appendix have also been made, which do not impact on its meaning.

- 6.23. Having considered the consultation responses and made amendments accordingly, it is recommended that this reviewed draft of Appendix C proceed for agreement by Full Council, as well as the agreement of the deletion of Appendix D.

7. Contribution to strategic outcomes

- 7.1. The changes to Appendix C and deletion of Appendix D of the Housing Strategy follow directly on from the proposed new approach to housing in Priority 1 of the emerging 2019-2023 Borough Plan.

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

Finance

- 8.1. Cabinet agreed in November 2018 to consult on amending Appendix C and to deleting Appendix D of Haringey's Housing Strategy 2017-2022.
- 8.2. This report notes the outcome of the consultation process on Appendix C of the Housing Strategy and the deletion of Appendix D of the Housing Strategy.
- 8.3. This report recommends that Full Council approve the adoption of Appendix C of the Housing Strategy and the deletion of Appendix D of the Housing Strategy.
- 8.4. There are likely to be significant financial implications for the Council for both the Housing Revenue Account and the General Fund in the implementation of the projects towards the new Housing Strategy for Haringey.
- 8.5. The underlying projects will be reported in future cabinet reports, on a case- by-case basis, and each financial implication will be assessed accordingly, when details become available.
- 8.6. At this stage there are no direct financial implications regarding recommendations 3.1 to 3.2.

Legal

- 8.7. The Assistant Director of Corporate Governance has been consulted in the preparation of this report, and makes the following comments.
- 8.8. There is no statutory requirement for a local authority to have a Housing Strategy; it is however considered best practice to do so. The Strategy forms part of the Policy Framework and so this amendment requires the approval of Full Council.

- 8.9. The fact that the case for the proposed amendment to the Housing Strategy is born out of the ambitions of the new Administration, coupled with the changing landscape at both regional and national level since the Strategy was adopted, means that there are no direct legal implications arising out of this report.
- 8.10. Members will be aware that in carrying out its consultations, the Council must comply with its own consultation policy, and adhere to the so called 'Sedley principles'. These are :
- (1) That consultation must be at a time when proposals are still at a formative stage;
 - (2) That the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response;
 - (3) That adequate time must be given for consideration and response; and
 - (4) That the product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 8.11. The Assistant Director sees no legal reason why the recommendations in this report should not be adopted.

Procurement

- 8.12. Strategic Procurement notes the contents of this report. Property and land transactions are excluded under the Contract Procurement Regulations; however where works, services and goods are required to support the delivery of this strategy, Strategic Procurement will provide the necessary support in delivering these requirements.

Equalities

- 8.13. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.14. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.15. There are existing housing inequalities in Haringey, in particular in that:
- Women, young people and black people are over-represented among those living in temporary accommodation.
 - Individuals with these protected characteristics as well as those who identify as LGBT+ and individuals with disabilities are known to be vulnerable to

homelessness, as detailed in the Equalities Impact Assessment of the Council's Draft Homelessness Strategy.

- Residents on lower incomes are more likely to struggle to find suitable housing. We know that women are more likely to have lower incomes than men, disabled people are more likely to struggle to find employment, which in turn impacts upon their income, and Haringey's BAME residents are likely to have lower incomes than non-BAME residents.

8.16. The proposed amendments to Appendix C of the 2017-2022 Housing Strategy will seek to continue to address these inequalities by:

- Confirming that the Council's preference for low cost rented housing for general needs is for social rent at target rent levels – rather than Affordable Rent and London Affordable Rent.
- Confirming that the Council's preference for intermediate housing is usually intermediate rent at London Living rent levels.

8.17. The new draft Housing Strategy will be accompanied by an Equalities Impact Assessment when it comes to Cabinet for approval to go out to consultation in 2019.

Use of Appendices

Appendix 1: Revised Appendix C of Haringey Housing Strategy 2017-2022

Local Government (Access to Information) Act 1985

Haringey Housing Strategy 2017-2022

http://www.haringey.gov.uk/sites/haringeygovuk/files/housing_strategy_2017-2022.pdf

Haringey's Draft Borough Plan for Consultation

<http://www.minutes.haringey.gov.uk/documents/s103960/Appendix%20A%20-%20Borough%20Plan%20document.pdf>