

MINUTES OF MEETING Housing, Planning and Development Scrutiny Panel HELD ON Thursday, 29th September, 2022, 18:30

PRESENT:

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

ALSO ATTENDING:

61. FILMING AT MEETINGS

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

62. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Harrison-Mullane.

Apologies for lateness were received from Cllr Moyeed.

63. URGENT BUSINESS

There were no items of Urgent Business.

64. DECLARATIONS OF INTEREST

There were no declarations of interest.

65. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

66. MINUTES

RESOLVED

That the minutes of the meeting on 28 June were agreed as a correct record.

67. UPDATE ON THE COUNCIL'S HOUSING DELIVERY PROGRAMME

The Panel received a report which provided an update on the Council's Housing Delivery Programme. The report was introduced by Robbie Erbmman, AD for Housing,

as set out in the agenda pack at pages 11-26. Cllr Ruth Gordon, the Cabinet Member for Council House-building, Placemaking and Development was also present for this agenda item. The following arose during the discussion of this item:

- a. The Panel noted that to date, 1503 homes had received planning permission, with 1444 homes started on site. In response to a clarification, the Panel was advised that these two figures did not necessarily directly correlate. Some of the homes that had started on site, had not received planning permission yet and vice-versa. It was not the case that 2947 homes had either received planning permission or started on site.
- b. The Cabinet Member set out that Haringey was doing well in comparison to other boroughs, lots of councils were building homes but not at the scale that Haringey was and not with the focus on homes at social rent that Haringey was. The Cabinet Member suggested that she was also proud of the quality of the housing that was being built, with the use of Passive Haus design techniques were possible and accompanying public realm improvements to compliment new developments. This would improve areas for existing residents as well as those in the new developments.
- c. The Cabinet Member highlighted the impact of the current financial situation on borrowing costs and that this would inevitably increase the financial risk associated to the programme. The Cabinet Member advised that she would update the Panel with further information once the situation and possible impact was made clearer.
- d. The Panel sought clarification about whether the Ashley Road development was included in both of the figures referenced above in paragraph a. In response, officers advised that the site had recently received planning permission as so would be included in both. Officers agreed to come back with further information about the relationship between the figures of homes started on site and those with planning permission and the degree of overlap in these figures. **(Action: Robbie Erbmann).**
- e. In relation to a clarification, officers confirmed that 35% of new homes would be 3 beds and 10% would be four bed or more and that these figures were independent of each other, so that 45% would be 3 bed or more.
- f. In response to a question, the officers advised that the BCIS index was a measure of indices used to determine inflation within the building industry.
- g. The Panel raised concerns about financial risk associated with the homes for private sale and the fact that mortgage rates were going up.
- h. The Panel sought assurances about what was being done about re-provisioning businesses in Wood Green, where the site was being developed for new homes. In response the Cabinet Member advised that the Council was exploring how best to support these businesses stay within their local areas and that Cumberland Road was being developed as a site that could be used by small businesses. Officers acknowledged the need to balance housing needs with demand for businesses in the area. Officers agreed to provide a written response on what was being done to support businesses on the site of the chocolate factory. **(Action: Robbie Erbmann).**
- i. The Panel commented that the target for building homes with 3 beds or more was 50% and sought clarification on whether there was consideration of a target for four and five bedroom homes. In response, the Cabinet Member advised that it was the case for most Council's that the biggest demand was for three or four bedroom homes. The key point was around viability on bigger

homes and the fact that the Council was not able to charge higher rents, commensurate with the higher building costs incurred for three or four bedroom homes. Therefore, these generated a loss. The HRA needed to have a balanced budget, so there was a limit to the number of loss generating homes that could be subsidised by rental income and other means such as private sales. In general, it was advised that 1 bedroom homes made a profit, two bed homes broke even and the anything at 3 bedrooms or above generated a loss. The number of three or four bedroom homes that were feasible needed to be considered at a programme level.

- j. The Panel were advised that part of the solution was to release existing stock with three or four bedrooms that may no longer be needed and that the Council was making downsizing possible for residents through the Neighbourhood Moves scheme. Cllr Carlin advised the Panel, that the Council was also looking at converting street properties as well as adding additional bedrooms to empty (void) properties.
- k. In light of two developers in the borough having gone into administration, the Panel sought reassurances about the economic risk of further developers going into administration and the impact this would have on the Housing Delivery Plan. In response, officers advised that the only development agreements in the borough were held with Lendlease and Argent, both of which were historical. Other developments were done through contracts and an open tender process, part of which involved conducting thorough due diligence on those organisations. Officers advised that the two firms that had gone into administration were sub-contractors and that no major contractors had gone into administration yet. Officers would continue to monitor this situation closely.
- l. Officers acknowledged that it was a very challenging market but that the Housing team were monitoring this closely and were doing all they could to mitigate the financial risk involved, such as using fixed price contracts where possible. Officers advised that the costs of steel had risen by 80% and that this had had a significant effect on construction costs.
- m. The Panel sought clarification about street properties, in response, the panel was advised that they would be leasehold, and the Council would retain the freehold.
- n. In relation to developing properties for sale as part of cross-subsidy, the Panel sought clarification about what calculations were being done that this was better than building council homes that were not at social rent. In response, the Cabinet Member advised that she was pushing for as many houses at social rent as possible and that the number of properties for sale would be kept down to a minimum. It was suggested that this had been the policy of the Council for a number of years. The Cabinet Member elaborated that the current policy was for cross-subsidy through sales rather than other options, but that she was not opposed to looking at this again. The Cabinet Member highlighted concerns about the possible impact of future funding cuts from central government. Officers advised that private sales still offered the best cross-subsidy return at the present time.
- o. In response to an alleged comment from the Cabinet Member for Finance around seeking new business models for schemes, The Panel was advised that Cllr Williams was referring specifically to capital projects in the General Fund rather than HRA. In terms of the HRA, rental incomes had to cover the

entirety of the cost of repairs to housing stock and could not be subsidised by the General Fund.

- p. In response to a question, the Cabinet Member advised that there was no political appetite for joint ventures with private companies in future and that she did not envisage that this would happen.
- q. In relation to concerns about a private company being used to sell homes for private sale, the Cabinet Member confirmed that the sale pipeline tended to come in blocks and that it was financially better for the Council to use an agency rather than employ its own staff at present. It was clarified that the budgetary provision for this service was a budget envelope and that the Council only paid out based on a commissioned rate for every property sold. In relation to a follow-up question, the Cabinet Member did not rule out insourcing this service in future but had no timescales for when this might be.
- r. In relation to the Community Benefits Society, officers advised that Temporary Accommodation properties were being purchased through this organisation and that they would revert back to the Council's HRA after seven years. Officers advised that the HCBS was on track to purchase 60 homes this year, which would be around 300 homes in total, which was considered a good return given that it was from a standing start.

RESOLVED

That the report on the Housing Delivery Programme was noted.

68. USE OF THE PRIVATE RENTED SECTOR TO MEET HOUSING NEED

The Panel received a report which informed members about the changes to housing legislation which support the Council's use of the private rented sector as a housing option for households who were facing homelessness or living in temporary accommodation. The paper set out the legislative context and provided details on the Council's approach to sourcing private sector lets to meet housing need. The report was introduced by Denise Gandy, Assistant Director of Housing Demand as set out in the agenda pack at pages 27 to 35. Cllr Carlin, the Cabinet Member for Housing Services, Private Renters and Planning was also present. The following arose during the discussion of this item:

- a. The Chair raised concerns that what was called temporary accommodation was often much longer term than a placement in the private rented sector and that if that person/s were then made homeless then the fact that they were placed in the private sector may prevent them from getting help from the Council in the future. General concern was also raised about putting vulnerable people into a poorly regulated marketplace. The Panel queried whether length of tenancy was considered when making an offer to place someone in the private sector, particularly given that the average stay in temporary accommodation was nine years and no private sector tenancy lasted that long. In response, the Cabinet Member advised that in an ideal world, the Council would not place anyone in the private rented sector, but the problem was a shortage of housing stock and there was 2600 families living in temporary accommodation. Because Haringey

- had less housing stock than some other boroughs, it just did not have the social housing stock to offer to those in Temporary Accommodation. The Right to Buy scheme exacerbated this problem further.
- b. The Cabinet Member also cautioned that the Council's housing grant was not secure and the government could theoretically take this away. The Council could not afford to keep everyone in temporary accommodation indefinitely. Without using the private rented sector, the Council would have to make very difficult decisions at the front end of the process, which would likely be to turn away every TA application from people without children, regardless of their circumstances. The Panel noted that the average cost to the Council when a family accessed or remained in temporary accommodation was £4425 per year, whereas the incentive payment through sourcing schemes was £3853.
 - c. The Panel questioned what incentives there were to prevent landlords evicting those placed by the Council and whether there was a minimum term for such a tenancy. In response, the Cabinet Member advised that the minimum in legislation was two years. The Cabinet Member set out that the person or family in question would have a needs assessment carried out which would last for two years, if the tenancy broke down within two years the Council had a responsibility to pick up and use the existing needs assessment. After two years, a new needs assessment would be carried out, and this could conceivably be adversely affected by their being housed in the private rented sector.
 - d. The Panel raised concerns about the cost of private sector rented accommodation, market conditions effecting the supply of properties in the private sector, and the fact that a private sector tenancy was unaffordable to most people in temporary accommodation. In response, the Cabinet Member, reiterated that there were 2600 families in temporary accommodation, and advised that around 500 of those had been on the list before the Localism Act, which meant that they were entitled to social housing. Those who applied for temporary accommodation after the Localism Act came into force, would likely be placed in the private rented sector. The Cabinet Member advised that an assessment was carried out on a family by family basis, which included an assessment around affordability. The Cabinet Member acknowledged that families who were affected by the benefit cap would not be able to afford the private rented sector.
 - e. The Panel queried whether any discussions had taken place with the relevant Shadow Cabinet Minister to set out the issues in this area and to develop a national policy position for a future Labour government. The Cabinet Member advised that she had spoken to other lead members across London and the position that Haringey was in was not unique, however it was also the case that Haringey had always been a borough with more difficult circumstances vis-a-vis housing and homelessness, due to a relative shortage of social housing stock. The Cabinet Member also set out that, going forwards, getting rid of no fault evictions and the introduction of some form of rent controls would improve the situation significantly.
 - f. In relation to a question about Local Housing Allowance (LHA), the Panel was advised that this was a way of working out Housing Benefit for those in private sector accommodation the rate was based on the cost of private rents in that

local area and that it was not necessarily the case that residents in inner London boroughs received more. The Cabinet Member acknowledged concerns that HLA effectively subsidised private landlords, but also emphasised the fact that Haringey need private sector landlords to help it meet its duties to house people. The Cabinet Member noted that the Council needed good private sector landlords for the local housing market to work. Especially as 40% of Haringey residents rented in the private sector.

- g. In response to a question, the Cabinet Member advised that LBH had traditionally had a strong relationship with housing associations and it was clarified that the Council had 100% nomination rights for new build housing association stock and 75% nomination rights for reallocated stock.

RESOLVED

That the report was noted.

69. WARDS CORNER UPDATE

The Panel received a report which provided an update on Wards Corner, in response to a request from the Panel for assurances on the Council's approach to ensuring the right scheme and assurances about the viability position. The report was introduced by Cllr Ruth Gordon, Cabinet Member for Council Housebuilding, Placemaking and Development as set out in the agenda pack at pages 35 to 38. Peter O'Brien, the AD Regeneration and Economic Development was also present for this item. The following arose during the discussion of this item:

- a. The Panel noted that the Wards Corner acquisitions was agreed by Cabinet in July 2022, which involved the acquisition of 43 third party properties and land interests within the Wards Corner site. This included 36 owned by Grainger and six held by private third party owners, as well as one parcel of land owned by TfL.
- b. The Cabinet Member set out that TfL had advised that health and safety works were progressing and that she was looking forward to TfL announcing the Chair of the new joint partnership board. As far as the Council was concerned, the next steps were carrying through with the acquisitions that had been announced and then developing the site on the back of this. The Cabinet Member advised that the key task was to get the temporary market up and running and to get traders back on site. The Council was seeking to work closely with the local community in order to achieve this.
- c. The Panel sought clarification about how the Council would be able to deliver on the aspirations of the Community Plan if the Community Plan bid to operate the market was not successful. In response, the Cabinet Member advised that the Council had made it clear that it supported the aspirations of the Community Plan and that it was hopeful that they would submit a strong bid. The Cabinet Member set out that the ideal solution was that that all parties came together and submitted a joint bid. The Cabinet Member welcomed the commitment from TfL that the site would be leased on the basis of it being a community asset, rather than a commercial lease.
- d. In response to a question about a council representative on the partnership board, the Cabinet Member advised that she had asked for this but that no final

- decisions had been made. It was cautioned that the Council would have to recuse itself from the award of the lease. In response to whether it would be an officer or a Member on the partnership board, the Cabinet Member advised that she had not had this discussion with TfL yet and that she would need to see the terms of reference for the board.
- e. The Panel welcomed the report setting out that the Health and Safety works were the responsibility of TfL, as it was their site and promulgated the need for continued emphasis of this to the wider community. The Cabinet Member set out that the Council would be seeking to engage with local business owners in Seven Sisters and would work to ensure that they were involved in the process going forwards.
 - f. The Panel sought clarification around whether the Council portion of the site would be Council owned or whether it was envisaged that there would be a partnership with developers, for example. In response, the Cabinet Member advised that she had no plans to work with developers and that she expected the site to be developed as had been done with other similar sites in the borough. The Panel noted that each site had its own viability to meet. The Council was currently at the stage of purchasing leases and the Cabinet Member had not got to the stage of working out the granular detail yet. It was envisaged that the site would be a mixed site of residential and commercial units, possibly with some workspaces included as well.

RESOLVED

Noted

70. WORK PROGRAMME UPDATE

The Panel noted that the feedback from the Scrutiny Café Event would be presented to Overview and Scrutiny Committee on 13th October, along with an outline work plan and that the work plan would be circulated to them for approval before the next meeting of the Panel.

71. NEW ITEMS OF URGENT BUSINESS

None

72. DATES OF FUTURE MEETINGS

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

CHAIR: Councillor Matt White

Signed by Chair

Date

