Appendix 1

HOUSING SUPPLY PLAN

1 Introduction

1.1 The purpose of the Housing Supply Plan is to identify demand for housing from all sources over a 10 year period, and to identify the available supply, both from current sources and planned new homes, by drawing on and setting out a range of existing policies, programmes and delivery plans. This enables the Council to assess the total demand for housing supply and to plan its activities accordingly, in particular in the following areas:

(a) Ensuring the best possible use is made of its own and housing association stock;
(b) Increasing the supply of housing, whether existing or new affordable homes; and,
(c) The procurement and use of temporary accommodation.

The Supply Plan therefore essentially consists of a 10 year projection of housing need and supply delivery, with supporting narrative as necessary. This brings together a wide range of housing initiatives that the Council is engaged in to provide a single view of demand and supply but does not replicate detailed narrative available in the Housing Strategy and elsewhere.

2 Housing Need and Temporary Accommodation

2.1 Haringey's growing population means that 20,361 new households could be formed by 2026. The borough has an annual requirement for an additional 1,357 household spaces in Haringey between 2011 and 2026 and a net requirement for 497 new affordable homes per annum.

2.2 The main form of expressed demand is the council's Housing Register and there are currently nearly 8,500 applicants registered for housing. In addition, other need arises from management transfers, mutual exchanges, mobility schemes and the council itself fulfilling its obligation to meet a range of particular needs in the form of quotas. Rehousing need also arises if the Council decides to redevelop an existing housing estate, and there is also significant demand for emergency and temporary accommodation, for people in acute housing need.

2.3 Temporary, or emergency, accommodation is required for people who approach the council as homeless. This "first stage" temporary accommodation must be provided by law while a homelessness case is assessed and determined. If the Council accepts a statutory homelessness duty, more settled, or "second stage" temporary accommodation is provided while the applicant waits for permanent rehousing.

2.4 The supply of housing whether as permanent homes, or for use as first or second stage temporary accommodation, is insufficient and the current and future supply landscape is challenging. As part of the London market, Haringey faces rising house prices and private rent levels while the supply of affordable housing is reducing as national new build targets are not being met. The existing stock of social housing is diminishing and the council is facing demand that far outstrips supply.

2.5 Haringey's Housing Strategy 2017-22, due to be adopted in November 2016, sets out the direction for housing in the borough and defines the role of the Council and its partners. Alternative forms and sources of supply will be required, with a greater mix of tenures, supporting the development of mixed communities and the aspiration of those who are able to move towards home ownership. At this point the Supply Plan focuses on rented housing, as the precise tenure mix of new supply in the borough is impossible to forecast, and although low cost home ownership and intermediate rented homes are very important, relatively little of our current demand for affordable housing will be met by these tenures. As this impact becomes more certain, it will be reflected in future.

2.6 The Supply Plan does not forecast future supported housing supply. A strategic review of all supported housing in the borough is currently in progress and the needs identified by that review will be incorporated into future iterations of the plan.

2.7 The Supply Plan reflects the difficult position set out above. Housing need, and the supply available or planned to meet it, is quantified in the projections at the end of this plan. The sections that follow describe the detailed tables and the steps being taken or planned to be taken by the council and its partners.

3 Management of housing demand (Table A)

Housing Advice and Homelessness Prevention

3.1 Over 3,000 households a year approach the Council for housing advice, and the number is projected to increase as a result of rising housing costs, the impact of welfare reform and as the population grows. Households seeking advice may be homeless or have an imminent threat of homelessness, but may also include those who have difficulties with their current landlord or accommodation which may not lead to homelessness in the near future.

3.2 The council and its partners are focusing on sustaining current housing where practical and preventing housing problems escalating to crisis point.
Early intervention seeks to prevent homelessness by either supporting the household to remain in their current home or by helping them to find alternative accommodation. Current and planned initiatives include;

(a) The provision of outreach services and support in settings where households who are threatened with homelessness are likely to seek early assistance, including Children's Centres;

(b) A targeted response to welfare reform and the benefits cap across the Council including work with statutory and voluntary agencies to enable early identification of those in housing need

(c) The use of Discretionary Housing Payments to prevent homelessness where tenants are threatened with rent increases

(d) Use of mediation services, for households at risk of eviction or to enable those currently living with their families to remain at home

(e) Financial incentives to encourage private landlords to maintain their current tenancy or offer households a new tenancy, with an increased budget seeking to fund incentives for 300 private sector Assured Shorthold Tenancies (ASTs)

(f) New “find your own” initiatives to enable households find their own rented home and benefit from landlord incentives.

(g) A dedicated Housing Benefit officer, to provide welfare support to residents and service providers and speed up payments where delays are likely to cause homelessness.

3.4 Prevention of homelessness is a priority for vulnerable individuals or households who have become homeless or are threatened with homelessness. In general, mainstream temporary accommodation provided to homeless households is not suitable in these cases. Housing Related Support is designed to support vulnerable households maintain independence, without the need to enter temporary accommodation or high-need support schemes or institutions, such as residential care. This programme provides supported accommodation for a range of housing needs, such as elderly people, people with learning disabilities, and people with mental health, drug or alcohol issues.

Acceptances of Homelessness Duty

3.5 By improving early intervention and prevention, the Council is aiming to minimise the number of statutorily homeless households in the borough. Temporary accommodation often has to be provided to those who approach as homeless while their case is assessed and if accepted as statutorily homeless, they are entitled to accommodation until a settled home is found for them, in the private sector or in social housing. This causes pressures on temporary accommodation supply, and the housing advice and prevention measures set out above are designed to minimise acceptances and demand for temporary accommodation.

4. <u>Current Demand & Supply of Permanent Rented Housing (Table B)</u>

4.1 Over 3,000 are currently in temporary accommodation awaiting rehousing. In addition there is demand for rehousing arising from estate renewal schemes and from those already housed who may require a transfer. The Housing

Register, which brings together all this demand, currently holds over 8,000 applicants.

4.2 The level of re-lets of the council's own stock of 16,000 properties has been declining as a result of the Right To Buy. In recent years, the reduction has been around 13% a year, but a number of uncertain factors will affect the future rate, including the introduction of fixed term tenancies, Pay to Stay and disposals needed to pay the government's Higher Value Void Levy described below.

The council is seeking to maximise the number of existing social homes made available each year in a range of ways including:

(a) Ensuring that homes that become empty are re-let as quickly as possible.

(b) Assisting households that are under-occupying their current home to move to smaller accommodation.

(c) Carrying out checks to ensure that any fraudulent activity is eliminated and that tenancy terms and conditions are enforced.

(d) Assisting households who are able to access alternative tenures to move on from social housing.

(e) Ensuring that the Council's nomination rights to re-lets of the 12,000 Housing Association homes within the borough are fully exercised.

(f) Promoting self help initiatives such as mobility schemes and mutual exchanges.

4.3 The Housing and Planning Act 2016 set out a requirement to pay a levy based on the value of higher value properties that are anticipated to become void each year. The size of this levy will be based on regulations to be set out later in 2016 but it is expected that the levy will be based on a third of council homes being above the threshold for higher value. This means a significant number of properties will need to be sold. Current mid-range estimates are that around 100 properties a year will need to be sold from 2018/19 and if this estimate is correct and continues, then this will represent around 40% of the council's re-lets in 2018/19 and over 50% after 2020/21.

4.4 The Council will seek to minimise the impact of the levy by taking up the option to negotiate a "2 for 1" replacement programme. Full details are not yet known but the new supply initiatives set out in section 5 below will be used to mitigate the levy as far as possible.

4.5 The current demand exceeds the known supply of permanent rented housing. To address this shortfall, the Council is seeking to improve the supply of rented properties, described in the section and table that follows.

5 Supply of New Permanent Rented Housing (Table C)

5.1 The measures that the council is taking to increase housing supply are set out in Haringey's Housing Strategy. The strategy identifies six supply priorities as follows:

- Maximise the number of new homes in Haringey and achieve our planned targets
- Increase the supply of affordable homes for rent and for home ownership
- Ensure the right mix of housing tenures across key development sites in Haringey
- Promote estate renewal, and the development of smaller available sites, where appropriate
- Encourage investment in private rented sector homes
- Make the best use of existing homes

Over thirty specific initiatives and commitments are set out to achieve these priorities and the impact of these is reflected in the Supply Plan projections in the following ways.

Estate Renewal Programmes

5.2 One of the biggest sources of new homes in the future will be the Estate Renewal programme, which is being taken forward in three ways:

- Large scale regeneration schemes in Tottenham and Wood Green
- Schemes that are and will be identified for delivery by the Haringey Development Vehicle
- Schemes other than the above that the council may take forward

Although in part about replacing lower quality housing stock, estate renewal also aims to increase the number of units that can be provided on the site and, where available, adjacent land. These are long term programmes and will have the effect, in the shorter term, of increasing pressures on supply as affected households are decanted and rehoused.

Council New Build Homes

5.3 The Council is building the first new Council housing in Haringey for over 25 years, providing 31 high-quality affordable homes on seven sites. A further twenty sites have been appraised and will form a second phase programme, to be delivered with our partners. An ongoing programme of identifying and appraising potential development sites in council ownership is in place, with a view to enabling further new build programmes.

Housing Association New Rented Homes

5.4 Housing Associations provide a significant number of new homes for rent and low cost home ownership. The new Local Plan aims to achieve 40% affordable housing on sites of 10 units or more. The Council has secured 100% nomination rights for new affordable rented homes and 75% for re-lets with all housing associations that operate in the borough. The Council has also developed a Preferred Partnership Agreement to work more closely with key housing association developers to maximise the supply of affordable housing.

Acquisitions Programme

5.5 The Council has committed a significant capital sum to fund property acquisitions, where such acquisitions are viable and represent good value for money. A small number of acquisitions have been completed to date and this is projected to accelerate, providing much needed affordable housing supply. These acquisitions will be both General Fund and HRA and for the latter, Right to Buy receipts are being used.

Private Sector Rented Homes

5.6 The Council is introducing new initiatives to increase the supply of rented sector homes available to it, both to prevent homelessness and to provide stable accommodation for those in temporary accommodation. This includes increased incentives for landlords to provide up to 400 private sector tenancies, new “find your own” initiatives and the use of Homes for Haringey’s lettings agency to provide increased access to private tenancies.

Shortfall of rented properties after new supply

5.7 The above programmes will significantly increase affordable supply but there remains a projected shortfall. This means that where possible, demand will need to be met in other ways – for example, households resolving their re-housing for themselves. However it is evident that as supply of social housing reduces, households in temporary accommodation, many of whom cannot afford to find alternative solutions, will wait longer to be re-housed.

6 Temporary Accommodation Supply/Procurement Plan (Table D)

First Stage Temporary Accommodation

6.1 First Stage temporary accommodation is emergency accommodation used for households while their homelessness applications are being assessed. This accommodation is typically a hostel or bed and breakfast hotel, often with shared facilities. However, the shortage of these units has led to longer term accommodation, normally self contained second stage temporary accommodation, being used during the assessment period.

6.2 The council currently does not have any shared facility hostel units (apart from two units at Princes Avenue which have a shared bathroom) and is seeking to increase the supply of its own hostel accommodation. This is being done by identifying council assets for conversion or potential conversion and developing a programme to increase this stock. Reducing the use of private hostels, bed & breakfast units and second stage temporary accommodation will also have the benefit of reducing the council’s expenditure.

Second Stage Temporary Accommodation (in borough)

6.3 Second stage temporary accommodation is interim accommodation provided to households where a homeless duty has been accepted and who are awaiting permanent housing. This is typically self-contained flats or houses which are owned by the Council, or leased from the private sector or housing associations. However, due to the shortage of this accommodation, currently around half of these units are nightly paid “annexes” (self contained flats) rented from private landlords.

Empty Estate Renewal Homes

6.4 Homes on estates being regenerated will become empty as part of the rehousing process and are being used for second stage temporary accommodation until the properties are demolished. Use of this stock is dependent on the timescales for the regeneration programme but estimates for available vacant stock has been included in the table.

Council Stock

6.5 The Council’s stock of temporary accommodation consists of blocks/estates with self-contained homes and a small number of units previously used as permanent accommodation. A modest increase in numbers is projected with an additional 20 units a year purchased though the Acquisitions Programme described above.

New Build Temporary Accommodation

6.6 A programme of new TA build of 125 units is planned, with 20-25 units completed each year between 2017/18 and 2021/22. This new build will be based on Modern Methods of Construction (MMC), where components are manufactured separately and then assembled on site. This will include ‘Demountables’, MMC homes which can be moved. Delivering this will require the identification of suitable sites.

These units can be used to provide temporary accommodation on interim sites and can provide a relatively quick source of additional temporary accommodation. This option is particularly useful given Haringey’s programme for estate regeneration, as demountable housing will enable meantime use of land awaiting redevelopment.

Housing Association Leased Homes

6.6 The Council has contractual agreements with housing associations to provide and manage temporary accommodation, currently around 250 units (of which 4 are out of borough) leased mainly from Genesis and Omega Housing Associations. Housing associations are reluctant to enter into new leases without significant increases in management fees and this source of temporary accommodation is expected to slowly decline.

Private Sector Leased Homes

6.7 The main form of second stage temporarily accommodation is the use of rented properties leased from private landlords (PSLs), which represents around a third of all current temporary accommodation. There were 689 units as at 31 March 2016, with another 363 located outside the borough. The PSL stock has become more difficult to sustain as landlords seek to take advantage of rising market prices through early termination of their lease and/or unwillingness to renew upon expiry. A new offer to landlords has steadied the decline, and the supply in borough is expected to continue at the same levels.

Second Stage Temporary Accommodation (Neighbouring Boroughs)

6.8 As at 31 March 2016, there were 363 PSL properties located outside the borough. As noted above, this supply is becoming more difficult to obtain as landlords can achieve more rents for their properties in the private rented sector or convert to other more lucrative schemes. The PSL supply out of borough is also projected to be maintained at current levels with a d new increased offer to landlords.

7 Shortfall in Temporary Accommodation (Table E)

7.1 This table repeats data from previous tables in order to calculate the shortfall in temporary accommodation. This quantifies the shortfall in both first and second stage temporary accommodation. In practice, this shortfall has to be met with whatever accommodation is available, which usually means nightly rated annexes, or private hostels and in rare cases, bed and breakfast units. This is not sustainable financially and does not provide an appropriate settled solution for homeless households, as families in unaffordable accommodation are likely to have to move more often.

7.2 There are some 1,500 nightly rated units currently in use with around 60% located outside the borough. With rents significantly above LHA rates, these units are also unaffordable for the tenants and have an average net cost to the Council of around £2,600 per unit before management costs, and with the most expensive 240 units requiring a subsidy of £1.6 million. Although the use of annexes has to continue to fulfil statutory obligations, the Council must seek to reduce dependence on this form of temporary accommodation.

Out of Borough Procurement

7.3 While it is preferable to place homeless households in accommodation as near to their last home as possible (except where this may place them at risk), this has become increasingly difficult to achieve. Market rents in Haringey are well above LHA levels which in any case are set at the 30th percentile of market rents (i.e. designed to cover only the lowest cost 30% of market rented homes). The Council has taken a range of initiatives, set out above, but it clear that more rented homes within LHA levels are needed and these are increasingly difficult to secure in Haringey and in London generally.

7.4 This plan recognises the need to re-shape the current temporary accommodation portfolio so that it is more cost effective and provides more settled and affordable homes for homeless households. This will mean procuring homes that are more affordable, both for the Council and for the household, in locations out of borough and out of London, but as close to Haringey as possible.

Supply and Demand Projections for Affordable Rented Housing

Annex A

Table A: Management of housing demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
All Households seeking housing advice	3,226	3,393	3,558	3,624	3,690	3,756	3,821	3,885	3,947	4,008	4,069
Homelessness Preventions	756	801	853	874	888	895	895	870	870	870	870
Homelessness Duty Acceptances	603	490	477	489	501	512	524	560	571	582	592

Table B: Current demand & supply of permanent rented housing	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Homeless Households in temporary accommodation at end of financial year	3,164	3,195	3,222	3,309	3,250	3,514	3,778	3,970	4,103	4,265	4,431
Households awaiting rehousing from Estate Renewal schemes in the following year	72	47	12	55	106	89	-	-	-	-	-
Households with other housing needs (e.g. Overcrowded, management transfers, under-occupiers etc)	4,859	4,957	5,051	5,142	5,235	5,329	5,420	5,507	5,596	5,681	5,767
All Households on Housing Register at end of financial year	**8,095**	**8,199**	**8,285**	**8,506**	**8,591**	**8,932**	**9,198**	**9,477**	**9,699**	**9,946**	**10,198**
Existing supply of permanent rented housing (Council and Housing Association re-lets less disposals)	495	453	409	291	269	251	236	224	215	208	203
Shortfall of existing supply of rented housing	**7,600**	**7,746**	**7,876**	**8,215**	**8,322**	**8,681**	**8,962**	**9,253**	**9,484**	**9,738**	**9,995**

Table C: New Supply of permanent rented housing	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total new Council and Housing Association rented properties from estate renewal & other new builds, and acquisitions	4	128	116	149	367	127	121	155	223	203	203
Private sector rented homes	89	100	120	120	120	120	120	100	100	100	100
Total new supply of rented properties	**93**	**228**	**236**	**269**	**487**	**247**	**241**	**255**	**323**	**303**	**303**
Shortfall of rented properties after new supply	**7,507**	**7,518**	**7,640**	**7,946**	**7,835**	**8,434**	**8,722**	**8,998**	**9,161**	**9,435**	**9,692**

14/09/2016

Supply and Demand Projections for Affordable Rented Housing

Table D: Temporary Accommodation Supply/Procurement Plan	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
First Stage emergency accommodation	2	58	78	78	78	78	78	78	78	78	78
Second Stage accommodation in borough	1,215	1,244	1,253	1,262	1,274	1,325	1,414	1,509	1,559	1,564	1,493
Second stage accommodation in neighbouring boroughs	363	320	320	320	320	320	320	320	320	320	320
Total supply of temporary accommodation	**1,580**	**1,622**	**1,651**	**1,660**	**1,672**	**1,723**	**1,812**	**1,907**	**1,957**	**1,962**	**1,891**

Table E: Shortfall in temporary accommodation	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Supply of First Stage, shared facility emergency accommodation in borough	2	58	78	78	78	78	78	78	78	78	78
Households requiring first stage, emergency accommodation	220	188	185	188	192	195	198	208	211	214	217
Shortfall in first stage emergency accommodation	**218**	**130**	**107**	**110**	**114**	**117**	**120**	**130**	**133**	**136**	**139**
Supply of second stage interim accommodation in borough	1,215	1,244	1,253	1,262	1,274	1,325	1,414	1,509	1,559	1,564	1,493
Households requiring second stage interim accommodation	2,944	3,007	3,037	3,121	3,058	3,319	3,580	3,762	3,892	4,051	4,214
Second stage households to be placed out of borough or in emergency accommodation	**1,729**	**1,763**	**1,784**	**1,859**	**1,784**	**1,994**	**2,166**	**2,253**	**2,333**	**2,487**	**2,721**
Total shortfall in temporary accommodation in borough (Total shortfall of first and second stage accommodation)	1,947	1,893	1,891	1,969	1,898	2,111	2,286	2,383	2,466	2,623	2,860
Second stage interim accommodation in neighbouring boroughs	363	320	320	320	320	320	320	320	320	320	320
Total shortfall in supply of temporary accommodation	**1,584**	**1,573**	**1,571**	**1,649**	**1,578**	**1,791**	**1,966**	**2,063**	**2,146**	**2,303**	**2,540**
Second stage interim accommodation out of London	-	50	200	300	400	400	400	400	400	400	400
Total shortfall in supply of temporary accommodation	**1,584**	**1,523**	**1,371**	**1,349**	**1,178**	**1,391**	**1,566**	**1,663**	**1,746**	**1,903**	**2,140**

These tables show homeless households in temporary accommodation at the end of the financial year. This does not include households who are placed in temporary accommodation for reasons other than homelessness (e.g. temporary decants, fleeing violence and care leavers). As at 31 March 2016, this was 24 households.

14/09/2016