

Report for: Cabinet 16th January 2018

Title: Intermediate Housing Policy Statement

Report authorised by: Lyn Garner – Strategic Director of Planning, Regeneration and Development

Lead Officer: Alan Benson, Head of Housing Strategy and Commissioning

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. Haringey's Housing Strategy 2017-2022 sets the direction of travel for housing provision in Haringey. It is centred around four priorities, the first of which is to 'achieve a step change in the number of homes built.' This includes provision for an increase in intermediate housing products, as set out in the adopted Local Plan.
- 1.2. The Council consulted on a draft Intermediate Housing Policy from November 2016 to January 2017. The policy and consultation focused mainly on eligibility and priority for the allocation of intermediate housing.
- 1.3. This report sets out a new Intermediate Housing Policy Statement. This expands on the policy for consultation, taking into account the results of the consultation. It also reflects changes in the policy environment, in particular the new Mayor's Draft Housing Strategy.
- 1.4. The policy statement sets clarifications on a range of issues, including:
 - the definition of intermediate housing and levels of affordability,
 - Haringey's eligibility criteria and priority order for intermediate housing, with a greater stress on Haringey residents having priority for these homes,
 - how the affordable housing mix should be flexed in different areas to ensure the overall delivery of borough-wide aims,
 - the range of intermediate housing products the Council encourages in the borough,
 - greater weight on the more affordable intermediate rented housing, such as London Living Rent, and
 - amending Appendix C of the Housing Strategy 2017-2022 in line with this policy statement.

2. Cabinet Member Introduction

- 2.1. London's housing market has long been very polarised, with a dwindling stock of social homes available to those in the highest need and a lot of private housing only accessible to those on higher salaries. For many Londoners, including Haringey residents, there is a need for more housing accessible to those on low and middle incomes. Many residents on low and middle incomes do not qualify for social housing, but struggle financially to rent or buy privately.
- 2.2. Where intermediate homes are built in our borough, we want to make sure that Haringey residents are first in line to benefit from them. We also want to ensure that intermediate homes are offered first to those on lower incomes, so that intermediate housing goes to those residents who will benefit from it most.
- 2.3. This policy statement builds on the existing Local Plan policies to ensure that new intermediate housing in Haringey is affordable to and accessible by local residents on low to middle incomes. It will therefore ensure that a greater number of these local residents benefit from new intermediate homes being delivered in the borough.

3. Recommendations

It is recommended that Cabinet:

- 3.1. Approve the Intermediate Housing Policy Statement set out at appendix 1.
- 3.2. Agree the changes to Appendix C of the Housing Strategy set out at appendix 2, and minor amendments to other appendices as set out at paragraph 6.16 of this report, and recommend that they be adopted by Full Council.

It is recommended that Council:

- 3.3. Agree and adopt the changes to Appendix C of the Housing Strategy set out in appendix 2, and the minor amendments to other appendices as set out at paragraph 6.16 of this report.

4. Reasons for decision

- 4.1. Intermediate housing is becoming an increasingly important part of the housing offer, as provided for in Haringey's Housing Strategy. However, at present, the Council has no formal policy for prioritising who gets these intermediate homes, either for sale or for rent, neither does it have clearly articulated expectations on the types of products and affordability of these products that it would like to see.
- 4.2. This policy statement allows the Council to set out clear guidance on all these issues, in particular on local eligibility criteria, priority matrix, marketing requirements, tenure mix and products.

5. Alternative options considered

- 5.1. An alternative option would be not to set a priority matrix or marketing arrangements for intermediate housing. This option was rejected to ensure that intermediate housing is offered in the first place to those who will benefit from this most, and for whom market housing is most difficult to access. It also

provides for Haringey residents to have greater priority access for intermediate housing products.

- 5.2. A separate alternative option would be not to amend Appendix C of the Housing Strategy. This was rejected partly since much of the content has been superseded by the Mayor's Housing Strategy and partly because it is not fully aligned with the outcomes of the consultation on this policy.

6. Background information

- 6.1. Haringey's Housing Strategy was agreed at Full Council on 21 November 2016. It provides a comprehensive picture of the housing challenges in Haringey, and the Council's over-arching plans to meet those challenges. Its first strategic objective is to achieve a step change in the number of new homes built. This includes an increase in intermediate housing products, as provided for in Haringey's Local Plan.

Eligibility criteria

- 6.2. Intermediate housing is defined as products that are more expensive than social rented products, but less expensive than open market housing. Eligibility criteria are used to ensure that intermediate housing is accessed by residents who will most benefit from it. This is generally individuals and households who are not a priority for social housing but who are unable to afford market housing in the borough. In London, they are intended to meet the needs of households on a range of incomes, up to £90,000 a year for ownership products and £60,000 a year for rented products.
- 6.3. There are existing eligibility criteria for intermediate housing set by the Government and the Greater London Authority. The proposed policy statement specifies that within the Mayor's eligibility criteria Haringey wishes to see all intermediate products targeted at households with a maximum income of £40,000 for 1 and 2 bed properties and £60,000 for larger properties.

Priority matrix

- 6.4. Haringey, like most other local authorities, has decided to specify its own local priority matrix. This is in line with the results of the consultation on the Intermediate Housing Policy.
- 6.5. The consultation on the draft Intermediate Housing Policy showed that
- a. 80% agreed with the proposed criteria for intermediate housing
 - b. 84% agreed with the order of priority for intermediate housing as set out in the draft policy, which was as follows:
 1. Haringey social housing tenant (including tenants in temporary accommodation who have been accepted by Haringey) and military personnel who have served within the last five years
 2. Haringey resident affected by regeneration scheme either tenant or leaseholder
 3. Haringey resident
 4. Any other Haringey worker

5. Resident in any other London borough

- 6.6. The proposed Intermediate Housing Policy Statement has taken on board these consultation results, but has simplified the priority matrix to three levels. It has also introduced additional criteria to reflect new policies in the Estate Renewal Rehousing and Payments Policy, and out of a desire to improve the mechanisms to prioritise existing Haringey residents for intermediate housing.
- 6.7. The proposed priority matrix is as follows for those who meet the eligibility criteria:
1. Priority 1
 - a. Haringey social housing tenants, including Housing Association tenants where Haringey has nominations rights to that property
 - b. Households on Haringey's housing register
 - c. Households who are required to move because of estate renewal schemes, including leaseholders and freeholders who are unable to purchase properties on the open market
 - d. Children of Haringey social housing tenants who are currently living with their parents
 2. Priority 2
 - a. Applicants who live or work in the borough
 - b. Members of the armed forces
 3. Priority 3
Any other applicants living or working in another London borough.
- 6.8. The new priority criterion of those 'who are required to move because of estate renewal, including leaseholders and freeholders who are unable to purchase properties on the open market' has been introduced following the adoption of the Estate Renewal Rehousing and Payments Policy by Cabinet in October 2017.
- 6.9. The new priority criteria of 'Households on the housing register', 'and Children of Haringey social housing tenants who are currently living with their parents' have been introduced to ensure that Haringey residents are prioritised for intermediate housing. Allowing children of Haringey social housing tenants who live with their parents to access intermediate housing as a priority may enable them to remain as residents of the borough and assist in either addressing overcrowding in their parents' house, or allow their parents to move to a smaller property, if this will better suit their needs.

Marketing requirements

- 6.10. As well as eligibility criteria and a priority matrix, the Intermediate Housing Policy Statement also sets out an order for the marketing of these products. This further allows for those who will most benefit from intermediate housing in Haringey to have the option to access it first. The marketing bands are as follows:

1. Band 1: Those living or working in Haringey with a maximum annual income of £40,000 for 1 and 2 bed properties and £60,000 for larger properties.
 2. Band 2: Those living or working in London with a maximum annual income of £60,000.
 3. Band 3: Those living or working in London with a maximum annual income of £90,000.
- 6.11. Analysis of shared ownership schemes sold in Haringey in the last two years is set out in the table below that shows the percentage sold to households with a Haringey connection. This indicates that there is scope to improve the proportion of shared ownership properties sold to residents with a Haringey connection.

Scheme	Housing Association	Units	%
Isobel Place	Newlon	68	46
Artizan Place	Sanctuary	21	71
West Green Road	NHHT	43	58
Watsons Road	NHHT	45	48
Rivers Apartments	Newlon	48	43
Skylark Apartments	Viridian	21	33
Chalkley House	Sanctuary	5	80
Birdsmouth Court	Sanctuary	30	97
John Cameron Court	Newlon	9	33

- 6.12. The priority matrix and the marketing bands are in place to ensure that a much higher percentage of homes are sold to households with a Haringey connection. A shift in the product mix from the current concentration on shared ownership to more intermediate rented units should also ensure that more of these are affordable to local residents.
- 6.13. This percentage will be regularly monitored to ensure that these mechanisms are delivering the desired outcomes.

Tenure mix and products

- 6.14. Objective 1 of the Housing Strategy also identifies that encouraging mixed tenures across all areas of the borough will provide more diverse and balanced communities. It sets out, in Appendix C, the tenure mix within the overall affordable housing offer as being 60% Social Rent / Affordable Rent and 40% intermediate housing products across the borough, except in Tottenham where these are reversed. The Intermediate Housing Policy Statement clarifies that, to achieve this overall borough-wide mix, this means that a higher percentage of Social Rent / Affordable Rent as part of the overall affordable housing offer should usually be sought in the rest of the borough.
- 6.15. The statement also clarifies that the Council does not have a preferred intermediate housing product, but that intermediate housing needs to be affordable to local residents. Therefore intermediate rent, with affordability based on local incomes, may be more suitable in some cases than intermediate home ownership options.

- 6.16. On affordability overall, Appendix C is amended, in line with the Policy Statement, to clarify that intermediate housing costs should be less than 40% of net household income. This minor change is also incorporated into the other appendices to the Strategy. Appendix C is also amended to make clear the Council's preferred affordable housing products.

7. Contribution to strategic outcomes

- 7.1. Priority 5 of Haringey's Corporate Plan states: "We will build more council owned homes while working with partners to provide greater numbers of affordable housing, while increasing the overall supply, including more shared ownership housing to help low and middle income earners get on the property ladder."
- 7.2. Haringey's Housing Strategy 2017-2022 seeks to deliver the housing priorities defined in Haringey's Corporate Plan, with four strategic objectives as follows:
- a) Objective 1 Achieve a step change in the number of new homes built
 - b) Objective 2 Improve support and help to prevent homelessness
 - c) Objective 3 Drive up the quality of housing for all residents
 - d) Objective 4 Ensure that housing delivers wider community benefits
- 7.3. The Housing Strategy provides a broad strategic direction for housing in the borough, but delivery of its objectives will be achieved through a range of housing related sub-strategies and policies. The Intermediate Housing Policy Statement is one of these documents and provides the detail to support the achievement of Objective 1.

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

9. Finance and Procurement

- 9.1. This report requests that Cabinet approves the Intermediate Housing Policy Statement.
- 9.2. The Intermediate Housing Policy Statement sets out the priority and eligibility criteria.
- 9.3. As and when new projects are proposed as a result of the Intermediate Housing Policy Statement, a business case will be developed and brought forward through the Cabinet process. Financial implications will be considered as part of the assessment and formal adoption for each proposal.

10. Legal

- 10.1. The Assistant Director Corporate Governance has been consulted in the preparation of this report and makes the following comments.
- 10.2. The Council's obligation to have and allocate housing according to an Allocation Scheme complying with Part VI of the Housing Act 1996 does not apply to allocations of its own stock other than on introductory or secure tenancies; the

Council is therefore free to adopt a Policy for allocation of Intermediate Accommodation without reference to the obligations in that Act.

- 10.3. The broader policy setting for the Policy Statement is set out in the body of the report.
- 10.4. The Policy Statement should nevertheless be consistent with and advance the Council's overarching Housing Strategy. Linkages with that Strategy are set out in the body of the report.
- 10.5. While there is no statutory requirement for consultation on this policy, Haringey's own consultation policies require this. Consultation was carried out as set out in the body of this report at 1.2 and 6.5.
- 10.6. A full report on this and other housing policy consultations was brought to Overview and Scrutiny Committee on 9 February 2017.
- 10.7. The Policy Statement reflects the outcome of the consultation. While not bound by the outcome of the consultation, Cabinet in considering the Policy Statement should conscientiously take account of that outcome and also of the views of the Overview and Scrutiny Committee expressed on 9 February 2017.
- 10.8. Cabinet should also have regard to the Equalities Impact Assessment also annexed.

11. Equality

- 11.1. The Council has a Public Sector Equality Duty under the Equality Act 2010 (as amended) to have due regard to the need to:
 - a. Eliminate discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.
 - b. Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - c. Foster good relations between people who share those characteristics and people who do not.
- 11.2. An Equalities Impact Assessment of the Intermediate Housing Policy Statement has been undertaken and is attached as Appendix 3.

12. Use of Appendices

Appendix 1: Intermediate Housing Policy Statement

Appendix 2: Appendix C of Haringey Housing Strategy 2017-2022

13. 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

Consultation on Four Policies to Meet Housing Need

<http://www.minutes.haringey.gov.uk/documents/s90981/6.%20Report%20on%20Consultation%20on%20Four%20Housing%20Policies.pdf>