



Newham London

# Housing Newham 2011-2016

## The Mayor of Newham's approach

December 2010

## 1. Executive summary

Building mixed communities is critical to the council's vision for Newham, and the housing strategy plays a key role in this overall objective. We are concerned at the level of turnover or churn in our population, running at 20 per cent a year in some sectors of our housing market. This in turn has effects on community cohesion, a sense of neighbourliness and the pride residents take in the area they live in.

The large private rented sector has the largest churn and we will use the levers at our disposal to address this. There will be a greater emphasis on area-based enforcement of standards in private sector housing and on environmental standards more widely. An alternative equity based financial model to encourage further owner occupation is high on our list of priorities. We recognise that central government investment will be limited over the next period, though we anticipate that large scale regeneration will continue in the east London area as a spin off from the Olympics and other major schemes such as CrossRail.

Convergence is a key theme of our Sustainable Communities Strategy that also runs through this housing strategy. The objective is to achieve socio-economic convergence between the host boroughs and the London average in seven key areas within a 20 year timeframe. Tackling low levels of employment is integrated into our strategic housing approach. Current reductions in housing benefit are likely to have an adverse effect in the Borough.

Housing policy and strategy in the past has been driven too much by the provision of social housing. In the future we want to support residents to take greater responsibility for their own housing options. We cannot build ourselves out of the shortage of affordable housing and therefore we need to look at other creative solutions with our residents. Newham needs to stabilise its approach to new housing developments with a greater emphasis on family homes, rather than one and two bedroom apartments in high density flatted schemes.

In particular, we will be helping those families who are working, struggling on low incomes; opening up possibilities for them to share increases in capital that home ownership offers; and incentivising people to work by making work pay.

Linkages to the wider Economic Development Strategy (EDS), the Local Development Framework (LDF), the forthcoming Borough Investment Plan (housing) and our plans for a safer, cleaner and greener Newham are drawn out. We are determined to use our housing policies and strategies to achieve our wider objectives of mixed and sustainable communities as housing is one of our most powerful levers. Our new allocations scheme will contain a mechanism to assist people who are working or actively seeking work. Our new housing service will be configured to look at standards across our stock regardless of tenure, and there will be links to general environmental standards which will have a positive impact on both the physical and mental health of our population. We will work constructively with the housing association sector to seek to drive up standards of housing development and wider neighbourhood management – to make Newham a place where people choose to live, work and stay.

## 2. Newham's vision for housing by Sir Robin Wales, Mayor of Newham



Housing is key to our vision for Newham – making it a place where people choose to live, work and stay.

Housing should provide choices, opportunities and aspiration. Newham residents should have access to high quality, affordable housing, including family homes, whether they are renting in the social or private sector, or want to own their own home.

Our housing strategy sets out our vision and plans for mixed communities, quality neighbourhoods, providing fairness, opportunity and increasing supply.

### Mixed communities

Newham has a long history of welcoming new communities and we're proud of the vibrancy of our community. But the high level of inward migration and the relatively cheap rents of East London mean that lots of people pass through rather than set down roots. We want to stabilise our community so that we can ensure people stay and bring up their families here.

Residents tell us that the diversity of the area is one of the best things about Newham. Our residents enjoy mixing with people from different backgrounds and I want to help that to happen. Communities should be mixed by class, tenure and ethnicity; people from different backgrounds should meet and share experiences.

At the moment the way that social housing is laid out means people are bunched together on the basis of their income into specific areas in the Borough. To create a better balance, I'm trying to find ways to shape the market, for example buying properties for use as social homes in areas that have mostly privately-owned homes and creating private homes in areas where social housing dominates. There is no reason why social housing should be concentrated in estates rather than being mixed in with private housing in residential streets. Communities aren't about buildings, but people, so I'm also trying to ensure social housing is made available to those looking for work or already working, not just the most needy, and that a wider group of residents are helped to get a foot on the housing ladder.

### Building quality neighbourhoods

The people of Newham are committed to our community and we will support that by building quality neighbourhoods, where people choose to live, work and stay. That means access to high quality amenities, good transport links and a thriving local economy with jobs for local people.

Our homes are central to our family life, so all housing in Newham should be high quality, no matter what tenure a person is living in. We will continue to improve the quality of our housing even once the national Decent Homes programme comes to an end, but I'm particularly concerned about the quality of housing in the private rented sector. Whilst it's a good thing that there are a range of housing options in Newham, including very cheap housing for those that

want it, I want to make sure we're protecting tenants and the local neighbourhood from rogue landlords.

My Neighbourhood Improvement Zone in Little Ilford has made a real difference to the feel of the place by using our powers over planning and standards to crack down on rogue landlords, like those who illegally divide family homes into bed-sits. This approach of targeting resources on an area, improving the quality and management of the private rented sector and making these new standards 'business as usual' is working. I'll build on this approach by extending it to other parts of the Borough to continue to drive out rogue landlords who exploit tenants, and damage local neighbourhoods. By focusing resources on one area after another, and by actively working to ensure no going back to bad practices, we can permanently change areas for the better.

We will also improve energy efficiency in new and existing homes so that we tackle fuel poverty and energy waste. And we will make sure that elderly and vulnerable residents have a warm place to go during the winter.

### **Housing for opportunity**

Housing is about more than meeting housing needs. I want to concentrate on how housing is connected to our residents' opportunities and ambitions.

More and more unemployed people are living in social housing. We have learnt the lessons from the past and now realise that housing can support people's ambitions but it can also destroy them. Our housing policy will be about supporting people's aspirations. I want to explore ways of giving priority to people who actively seek, find and keep work. Residents in low paid employment deserve our support. We must find ways to end the race to the bottom where improving your situation and finding work are punished by getting pushed down the waiting list for a quality home. It is vital that our residents' increasing aspirations lead them to live, work and stay in the Borough rather than "moving out to move up".

### **Creating a fair and transparent system**

Social housing isn't the only secure, high quality housing option available and that's why I want to increase the size and quality of the private rented sector and support residents who decide to rent privately. But we will also make sure that the way we allocate the social housing available is transparent and fair. In the past we have based our allocations policy on time spent on the waiting list in order to be fair to all residents but we also feel it's important encourage and reward those who try to do the right thing. So we will look at how we can recognise the efforts of those who contribute to the community particularly through seeking paid employment or fostering children in need.

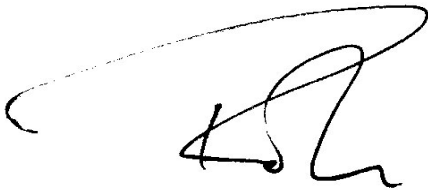
### **Increasing supply in the community**

I want to purchase more private street properties and provide opportunities for people to buy their own home with us through shared equity. Unlike the Right to Buy scheme – which failed to reinvest in housing for future generations – we will be working under the principle that any profits will be pumped back into providing more quality homes. This will help us to deliver high quality,

mixed housing depending on our residents' needs and is underpinned by fairness. Making the most of our resources means creating more three bedroom properties to allow as many families as possible access to high quality homes. It isn't fair to allocate scarce resources to people who choose to have large families at the expense of those with smaller families. Making sure as many families as possible are housed and helping them into work will make a big difference to tackling child poverty.

When we build new housing we try our best to reserve it for our residents. But we cannot build ourselves out of our housing problems. We must get the best out of our current stock for example by opening up three bedroom homes with only one or two people living in them to larger families.

Residents tell me that they like Newham. They enjoy the diversity of the place and its people. Too often though the shortage of homes and the way social housing has worked in the past mean that when people are successful they move on and the poor are left behind. We must give people the choices and quality homes that will drive aspiration and opportunity and make people choose to work and raise their families here in Newham.



**Sir Robin Wales**  
**Mayor of Newham**

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### 3. Where we are now

Newham has strongly emerging economic centres such as Metropolitan Stratford and the green enterprise zone in the Royal Docks where Siemens announced an investment of £30m in 2010. There is generally an increasing supply of jobs within these areas, but we also have very low employment rates and high benefit dependency and poverty levels, including child poverty.

The external perceptions of the area outside Metropolitan Stratford may be a significant barrier to promoting its economic and social potential and encouraging economically mobile people to stay or migrate into the area. The council is aware that basic environmental standards such as the cleanliness of the streets and public/green spaces have an impact of residents' perceptions, and an adverse effect on decisions about whether to stay in the Borough. When people are ready to settle more permanently in an area and start a family, often these factors and house prices for owner-occupation or private rentals contribute to decisions to move into the outer London boroughs or beyond. We want to reduce this turnover or churn.

Conversely, people living in social housing have much less opportunity or choice as there is a large level of need in our Borough for social housing provision. This also results in relatively long housing waiting lists, overcrowding and households being put in temporary accommodation.

National evidence shows a close link between social housing and worklessness, which currently perpetuates a cycle of unemployment, poverty and housing needs. This has a negative impact on physical and mental health. The 2010 Newham EDS emphasises the importance of inward investment to raise resident aspiration and open up opportunities.

Within the Borough, there is severe overcrowding in homes, substantial levels of housing need and limited housing choice. Amongst our residents living in private properties, we also have relatively high levels of low income owner occupation in poorly insulated, poorly maintained and ageing (often late Victorian) housing. There are also a significant number of homes which have been converted into small houses in multiple occupation (HMOs), with absentee, non professional landlords and poor living standards.

This results in areas of highly transient population and rapid turn-over in private rental properties, and static populations in social housing with no real choice or mobility. We also believe that the private rented sector should offer a broad range of tenancy terms and rent levels, be better managed to the required standards with growing professionalism, and thus better meet the need of local communities. Newham is determined to enforce rigorous standards in the private rented sector using an area based approach.

Our main interventions are designed to stimulate new housing supply through different financial investment approaches; ensure that developments are well designed, high quality and with the appropriate social infrastructure and services; reach an understanding with other boroughs who place their residents into our housing supply; work with private landlords on better rentals and stimulate private sector renewal of housing and mixed use/commercial frontages; and improve the linkages between housing and employment services, including the possibility of appropriate flexibilities to housing benefits. We will continue to work with government to remove the

disincentives for people on benefit to seek and keep work, and reduce the high marginal rates of tax for this group which leads to a poverty trap.

#### **4. Using council influence to manage the market**

We will work with the newly evolving architecture of managing housing supply and demand in London through the Communities and Local Government (CLG), the Mayor of London /Homes and Communities Agency (HCA), and ourselves (through LDF and housing requirements). This is to ensure that the agreed social and economic objectives determined by all agencies at a sub-regional level feed into regional and national policy.

We want to devise with partner agencies, particularly housing associations, a new model for housing finance, one which meets residents' priorities, especially around affordability. The model must meet the aspiration and need for social mobility, allowing those in work to move up and out of social housing, freeing the scarce resource for the benefit of others.

We are interested in adopting more of an investment style approach, pooling relevant funding from different sources with flexibility over grant regulations and programme eligibility criteria so we can take a much more locally tailored approach, handling individual sites and areas differently and extending our portfolio of tenure and letting types in order to maximise outcomes. This fits with central government's localism agenda and the so-called 'double-devolution' of housing planning being developed through the Mayor of London/Greater London Authority (GLA). We have formally expressed interest to the GLA in being a devolved delivery authority.

The flexible approach around funding would be used for three housing elements – new housing supply; estate renewal; and private sector housing renewal – and wider investment on the necessary related infrastructure. We welcomed the approach of the Mayor of London /HCA for the single conversation and the Borough Investment Plan (forthcoming autumn 2010) and are working within that framework to ensure that a comprehensive and integrated approach to funding can deal with:

- new routes to low cost home ownership through for example shared equity
- new Council and housing association house building
- using HCA investment to purchase family homes on the open market

The downturn in the housing market and reduction in government grants has led us to look at new ways to complete projects and the Council is now looking at how individual sites could come forward for redevelopment in a number of key phases. The key objective is to take advantage of funding in the short term from a number of different sources and consider options for a number of delivery vehicles.

We are open to consider the possibilities offered by Tax Increment Financing Model (TIF), currently being advocated by the government. TIF will enable Newham to borrow against future additional uplift within their business rates base. This would particularly suit Newham given the

very large scale of development we anticipate in Metropolitan Stratford and the Royal Docks over the plan period. However it does require primary legislation before it can be implemented.

## 5. Newham evidence base

In 2010 we completed our Strategic Housing Market Assessment (SHMA). This study was commissioned as part of the LDF evidence base and also supports other strategies being developed by Newham Council, including this housing strategy. The final report of the study and supporting analysis was issued in November 2010 and will be available on the council's website.

### Some key points

**Churn** – Overall one in five households has moved in the last 12 months – but it is two in five in the private rented sector. Survey responses suggest this is a continuing trend.

**Tenure** - Private rent now accounts for 35 per cent of households now being the largest form of tenure. Owner occupation has declined to 32 per cent.

**Property size** - One and two bed units make up nearly 60 per cent of the borough's stock. Just under half of homes are flats. 17.5 per cent of households in Newham are overcrowded with private renting the worst at 23 per cent.

**Family homes** - Our evidence shows a need for improvement in the rate of provision of family units. The latest research suggests such needs equate to 39 per cent. Therefore we propose that 39 per cent of all new housing is for families. Our preference is for family housing to be three bedrooms, particularly where it is affordable.

## 6. Our priorities in detail

### 6.1 Increasing affordable housing in mixed communities

We are fully committed to social housing delivered through housing associations, and to ensuring residents can access low cost home ownership and quality private rented housing. One of the stated aims of the GLA strategy is to create mixed communities. This aligns with Newham's approach, and we support it. However, delivery will be impossible unless there is an eye to how social and affordable housing is created across London as a whole, with the current housing situation in individual London boroughs taken into account. Newham Council has agreed a figure of 2,300 new affordable homes with the GLA for 2008-11. This was agreed to reflect the stalled nature of the housing market at the time following the international banking crisis. It included an element of new build homes and a substantial programme of street property acquisitions by local housing associations branded Newham Quality Homes. The latter programme has only confirmed funding for 133 homes agreed with the HCA. During 2008-10 1,275 affordable homes have been delivered in Newham. Our emphasis now is building sustainable communities rather than focussing on a particular numerical target.

We are also keen that pan-London mobility does not obscure our aims by compounding problems of deprivation in the Borough. We support the principle of residents being able to move around London, in particular to seek work and maintain family connections and informal support. At the same time it is important for us to manage our communities. It must be a two way street and there should be a preference for people moving for work rather than sending the workless to east London as this would prevent this subregion from developing to its full potential and contributing its fair share to the regional and national economy. The only way to tackle poverty and worklessness in the long term is by building sustainable communities with a mix of different tenures. We do not want neighbourhoods comprising of solely mono-tenure social housing or privately owned luxury flats. We believe every area must include a mix of socially rented, privately rented and privately owned. That is why we will continue to require developers to include a mix of housing tenures in all new sites, and this is enshrined in the LDF Core Strategy.

As discussed above, we also want greater influence over the way that other development comes forward in the Borough. This includes influence over the allocation of HCA grants to our partners, and flexibility in the way it is spent; and influence with other housing bodies such as the proposed Mayoral Development Corporation to ensure that plans are in line with our vision for the future of Newham. We wish to be a devolved delivery authority from 2011.

Our approach is encapsulated in the Strategic Regeneration Framework (SRF) developed by the five Olympic Host Boroughs. This document is likely to become the most important vision statement setting out how to deliver the legacy benefits from the Olympics. It covers housing but also improving educational attainment, skills and raising aspirations; and reducing worklessness, benefit dependency and child poverty. A key aim is the convergence of the main socio-economic indicators across London, which is supported by the Mayor of London.

## **6.2 Extending the housing ladder to create mixed communities**

Intermediate tenures need to become more affordable and more mainstream to fill the expanding gap in the middle of the market between those that buy and those that have to rent. Newham is seeking to develop an affordable shared equity scheme called NEWSHARE that will help mix communities, embrace individual circumstances and give people the chance to own their own homes.

We hope to launch NEWSHARE during this mayoralty starting with a pilot phase. Our scheme will help people to buy a home on the open market. The scheme will ensure that the properties which are bought are affordable. People can then choose to increase their stake and buy out the council. We would like to see increased flexibility (such as with planning obligations and affordable housing percentages) assist us in achieving our goals of delivering mixed communities in the current economic climate.

NEWSHARE will be available to purchase open market freehold or leasehold property, and the council will dispose of vacant council property in walk up blocks (with low service charges) to diversify the economic profile of our estates. Newham will provide an equity loan. We envisage investing many millions over several years, possibly through a joint venture with a financial institution. Receipts from sales will be ploughed back into housing investment.

To attract and retain owner occupiers we need to look at the Borough's offer to them in the round which includes local entertainment, physical activity, green spaces, environmental quality, schools, basic services like cleansing and the more intangible – a feeling of safer streets. Fear of crime and clean streets (together with fear over job losses) remain the biggest concerns for our residents. Enforcing standards against those who do not conform is a key part of our approach. We need to work with all partners including housing associations to achieve our aims.

In this way we will tackle churn, creating opportunities for residents to improve their circumstances without leaving the Borough.

### **6.3 Better matching supply to demand with more family homes in mixed communities**

Many new developments over the last few years has comprised of apartment blocks which consist of smaller units. The housing market assessment shows that 58.5 per cent of all homes in Newham are now one or two bedroom units. This combined with dwelling conversions (including undetected illegal conversions) inevitably result in a constricted supply of family homes which, over time, has meant the need for affordable family units has consistently risen.

In Newham we have programmes for de-conversion and acquisition of existing family units to provide for these needs. We want to be able to buy more homes from the private sector and to move homes out of the social sector where appropriate.

These homes in our proposed model would be made available to rent to families in work and on low incomes, or those who agree to be supported by the council into work. Newham would like to explore the freedoms and flexibilities expressed in the CSR 2010 announcements to work up a model suitable to local needs. People in these properties would have an affordable rent, but a limited tenure, perhaps until their children have grown up and left home or financial circumstances improve. The key issue is to produce units at affordable rents without large-scale public subsidy, which will not be available. Newham is planning for a fall off in central government investment from the end of the current CSR round in 2011, and is pressing the government to permit alternative approaches. A housing association scheme may be an option but Newham would also like to explore pursuing this model ourselves with government support.

We will also aim to produce more affordable three bedroom properties, but are not in favour of commissioning much larger properties except to meet very limited and defined social care needs, for example for families with disabled children, or people willing to foster for the authority. We will devise a model for these cases involving an assured shorthold tenancy from a housing association or a leasing model. Except in these limited circumstances it would not normally be fair for the council to commission very large homes, since this option is not available to the majority of our residents.

We recognise that many larger family homes have been lost through conversions, and that many new developments provide few houses with three bedrooms or more. This, combined with families having to compete with investment buyers in the private sector, has resulted in families leaving the Borough to find suitably sized affordable houses. This has played a role in increasing the churn of residents in the Borough. The latest research shows a need for improvement in the

rate of provision of family homes. Therefore we propose that 39 per cent of all new housing is for families. Our preference is for family housing to be three bedrooms particularly where it is affordable. This is to ensure that a satisfactory balance of housing is provided, to respect the existing urban character of the area and reflect the economics of provision. Ultimately, the mix of tenures and sizes on individual schemes will be assessed on a case by case basis, taking into account factors including the location of the site and the existing housing mix in the area. Normally, family homes should have entrances at ground floor level, and be to lifetime homes standards.

## **6.4 Working with the government's agenda – Housing for Opportunity**

**6.4.1 Creating incentives to work:** too many of our residents have been left out of work for too long, with little opportunity, support, or incentive to find employment. We seek to reverse this trend by providing the intensive and long-term support people need to find work and keep it. Housing plays a key role in this, intrinsically linked with the benefit system and economic mobility. Our offer will be underpinned by our Workplace project which has helped over 3,500 residents into work since May 2007, through its sites in Canning Town and Stratford, and the Newham Mayor's Employment Project which joins up housing/debt advice, with job brokerage, skills and training support. Our Housing Options Centre is working with a third sector employment provider to target households not in work. In this way our housing policy will become a tool to lift children out of poverty as parents are supported and encouraged to work.

We want to work more closely with housing associations to ensure that as they engage with tenants to discuss issues of worklessness, and that landlords ensure wider issues of employment, poverty and opportunity are tackled.

In 2010 we will publish a revised statutory Allocations Scheme which gives greater priority to those who are seeking work. The House of Lords in the Ahmad case has recently confirmed that we have discretion with up to 5 per cent of our annual lettings to target them in a way that meets our wider strategic priorities.

Newham will continue to meet its obligations to house those with a reasonable preference under the law, whilst looking to use social housing at affordable rents to improve people's employment chances. We will consult on the options open to us in 2010-11.

We are also working with partners to implement a local lettings plan for the Olympic Village which will deliver the legacy of 2,818 new homes for east London after the Games. Triathlon Homes have purchased 1,379 of these new homes to become affordable housing. (The Olympic Delivery Authority (ODA) will market the remaining 1,439 homes). When the affordable element is first let in 2013-14 we want to ensure there are a significant proportion of working households in this high density, family development. There will also be high ineligible service charges on the Village which may not be affordable for non working families. The GLA, ODA and Olympic Park Legacy Company (OPLC) want to see a higher proportion of working households than is normal in affordable housing, and the Mayor of Newham supports this aim.

**6.4.2 Stabilising the private rented sector:** the overwhelming issue that makes this sector unattractive to prospective tenants is the lack of security of tenure, and to a lesser extent the

high cost. Nevertheless, it has become a key part of government strategy to meet housing need. Newham will continue to work with the private sector to meet our objective of reducing homelessness, and to enforce housing standards. It is also important that we get more value for money from public funds. There are 36,000 households on housing benefit across all tenures (DWP 2010) and Newham pays out over £100 million in benefits to the private sector every year. We want to link housing benefit levels to the condition of properties, incentivising landlords to improve maintenance, management and lengthen their tenancy agreements.

We would twin this with an enhanced service to good landlords that could include assistance with tenancy problems. We have recently rationalised our approach to landlord accreditation adopting the London wide scheme. Because of the predominance of Victorian and early 20<sup>th</sup> century terraced housing in the Borough, we would also like to extend mandatory HMO licensing to all HMOs if feasible, not just those of three storeys and over, and we welcomed the 2010 planning change that all new HMOs with more than three households will require planning permission. We are concerned the coalition government has reversed this reform and we are looking at alternative approaches, possible using Article 4 Directions under planning law. Our aim is to stop the loss of family homes in an area and their conversion to HMOs.

Improving the private rented sector will help create quality neighbourhoods offering an attractive housing option to prospective tenants. A good quality neighbourhood must have clean streets and environment, including tidy front gardens and sides of buildings without graffiti or dumping. Shop fronts and shopping parades must be welcoming and well-maintained. Homes need to be well linked to high quality amenities and a local economy that engages the local community.

Since March 2010 we have been piloting a Neighbourhood Improvement Zone (NIZ) in the north east of the Borough, to improve neighbourhood management in areas where there are high concentrations of private rented properties, environmental crime like fly tipping, significant run down shop frontages, conflicting land-uses and unregulated development. The council is delivering co-ordinated interventions by different council teams, and the NIZ is already demonstrating results e.g. changing local residents' perceptions of their area; improving environmental conditions on parades of shops; cleaning up front gardens. We also want to find better ways of returning dwellings to single family occupation after they have been broken up into rooms to let. In the NIZ we have secured selective licensing powers for all private landlords.

The lessons we have learned from the NIZ and the techniques employed are to be rolled out to a number of other areas across the Borough. Area based action will become our main thrust some housing led, others possibly by the planning service, with basic housing enforcement elsewhere.

Enforcement Delivery Plan: our private sector housing approach forms part of our recently updated enforcement plan which demonstrates the linkages between the community safety agenda; police action against criminality; public protection such as licensing; tackling trade waste breaches; and enforcing basic standards in the private sector housing stock.

**6.4.3 Local Housing Allowance (LHA):** the council has dramatically reduced the use of temporary accommodation, and the changes in subsidy arrangements from April 2010 provided a further motivation to reduce the use of private sector leased properties. The proposed extension of the LHA arrangements to Housing Association Leasing Schemes (HALS) from 1

April 2011 provides further major financial risk and incentive for the council to use other sources of accommodation such as Bond Scheme accommodation.

Newham is concerned at the impact of the cuts in housing benefit announced in the 2010 Budget. The introduction of a cap on LHA means that there will be a displacement of benefit dependent households from expensive boroughs in central London to outer London boroughs with Newham and Waltham Forest being particularly vulnerable. The private rented sector in Tower Hamlets and Hackney will not be affordable under this regime, and households are likely to look further east. This is likely to have an adverse impact on our drive for convergence.

**6.4.4 Changes to Housing Revenue Account (HRA) subsidy:** The Government has announced it intends to progress the self-financing regime for the HRA. The legislative changes required to implement this are part of the Localism Bill. This is timetabled to become legislation between July and November 2011. The proposals are broadly as before, and will not provide significant additional funding for housing nationally, rather to redistribute existing debt between authorities based on their ability to repay. The detail on which the self-financing regime will be based has yet to be published. There are concerns that in times of restrictions on public expenditure, the proposals may be implemented in a form that does not provide the level of resources initially intended to maintain the stock at or above Decent Homes standard. This may put pressure on the level of HRA balances, and this could lead to higher rents for tenants to service the debt that remains, and/ or a reduction in the maintenance standards of properties to reflect reduced resources.

We would like to see increased freedom to borrow as a corollary to self-financing. With a clear democratic mandate and given our place shaping responsibilities we feel it is fair to have the same powers to borrow as housing associations against future income streams. Newham would like the opportunity to provide a range of housing options, including the development of a variety of forms of tenure (that is to provide accommodation at market and intermediate levels - say 60-80% of the LHA - as well as social rents). This would enable the council to take a lead in place shaping so that new schemes within the Borough which would attract a mix of people and be sustainable in the longer term.

## **6.5 Creating a fair and transparent system by further changing the Allocations Scheme and Choice Based Lettings (CBL)**

In 2009 Newham Council's statutory Allocations Scheme, delivered through Choice Based Lettings (CBL) since 2002, was vindicated by the House of Lords in a major test case Ahmad. This victory is a significant step forward, as Newham has sought to balance demand from households expressing very severe housing need with those aspiring households we wish to retain in the Borough. We welcomed the publication of the government's 'Fair and flexible' – statutory guidance on social housing allocations for local authorities in England (August 2009) - which we see as a further endorsement of the Newham approach to housing allocations.

Our lettings policy will continue to take into account the length of time on the waiting list, an important victory for local autonomy and flexibility in the allocation of scarce social housing.

We hope to push the barriers further, and to ensure that both CBL, and any sub-regional or regional lettings policy, take account of our local needs and ambitions. We will also use CBL to

support our overall approach to community cohesion and encourage a dynamic mix of people from different cultural and socio economic backgrounds.

The GLA intends publishing a consultation document on pan-London mobility in late November with a predicted close of consultation in January 2011 so that the arrangement will come into force for the next spend period of 2011-15. Signing up to pan-London nominations will be a condition of becoming a Devolved Delivery Authority and of schemes receiving social housing grant. The introduction of sub-regional nominations was achieved through making it a condition of grant. In addition, the GLA will be consulting on extending pan-London arrangements to LA stock from April 2012 and including an element of relets of existing housing association homes as well.

It is believed that the scheme will promote mobility for social tenants either for work reasons or to care for others. The Council would support in principle housing working households from outside the borough, as this reflects its ambitions for east London and its convergence with the London average on key socio-economic indicators, and supporting the ambitions of Building Britain's Future which demanded support for tenants to move in order to take up work. In addition, the Council recognises people may also need to move to Newham to provide care and support to relatives, and would support this aspect of the GLA's pan-London mobility proposal. It is believed that access to the pan-London scheme will be conditional on good behaviour records and prompt payment of rent by tenants and this would be welcomed by the Council.

However, the scale of nominations from people outside of the borough needs to be fair and any pan-London nomination must have regard to local lettings plans that the Council may have in place.

Accessible Housing Register: as part of our changes to the Allocations Scheme, we are creating an Accessible Housing Register to ensure the better matching of property we let to the needs of disabled people who are seeking housing. This will ensure we can make more effective use of scarce resources.

## **6.6 Building quality neighbourhoods by achieving the Decent Homes standard in Newham Council stock**

Newham is assuming that on 31<sup>st</sup> March 2011 about 18% of the ALMO's stock will be below the Decent Homes standard (17% overall for the whole council stock). Newham has applied for direct Decent Homes funding from the HCA, and seeking to wind up its ALMO Newham Homes. We will continue to invest in Decent Homes using any means available under the new arrangements announced by the government in November 2010. The bidding round provides the only external source of funding, and Newham will have to fund any balance from its own resources from the point where HRA self financing becomes operational. The Government intend that this should commence in April 2012, although this is dependant on legislation achieving Royal assent, timetabled for between July to November 2011.

We also have two housing PFI contracts managing over 2,500 rented and leased council homes. Canning Town PFI has already completed its Decent Homes programme. Forest Gate PFI has funding in place to complete its programme by February 2012, having improved 259 homes in its first year of operation.

Not only do we want to drive up standards in our own stock but also across all the housing stock. We will make at least 500 private sector homes decent each year through various forms of

active intervention. These include hazard removal and taking enforcement action against private landlords. Newham monitors progress on decency in the housing association stock.

Consistent with our Cleaner, Greener Newham agenda we have ensured that Decent Homes work has resulted in improvements in our energy ratings.

### **6.7 Building quality neighbourhoods by promoting Decent Homes, greener homes**

We are improving the effectiveness in using the housing, health and safety rating systems (HHRS) in addressing not only health hazards but also health impacts of poor housing by targeted interventions using health information and intelligence provided by the Joint Director of Public Health and informed by local GPs and clinicians. This work links into the Newham Good Health Strategy (due early 2011).

The domestic sector is a major emitter of greenhouse gases and hence domestic carbon reduction is a key government objective. Newham works to improve the thermal efficiency of stock in all tenures, in the social sector through the Decent Homes programme and in the private sector through insulation and heating grant schemes such as the sub-regional East London Renewal Partnership and the national Warm Front programme. This work has been driven by the national indicators NI186 for reductions in per capita carbon footprint, and NI187 for reductions in fuel poverty. Newham already has the highest levels of fuel poverty in London and this may worsen with the current recession. We are working to address this problem by closer identification of vulnerable residents, and targeting low energy rated properties for investigation and treatment. Newham also seeks to influence the carbon performance of new-build properties through its planning powers.

There are parts of the private rented sector that have inadequate facilities for the disposal of domestic refuse and recyclables and we are seeking ways to tackle this problem, which can lead to dirty streets, especially around flats over shops. We are also seeking from early 2011 to extend our doorstep recycling to upper story flats on council estates.

### **6.8 Building quality neighbourhoods by improving the design of all housing schemes in the Borough**

We insist on the highest quality in design, management, maintenance, and environmental sustainability, and we are working with partners, housing associations, landlords and other agencies to ensure they all contribute to this objective. New development must be based on high quality sustainable design which meets differing needs. It must complement community cohesion and be supported by local public services and a good transport infrastructure. This approach will be supported by the council's LDF Core Strategy and Development Control Policy Manual.

Newham strongly supports the GLA's London wide commitment to high quality design, Secure By Design, accessible homes (Homes for Life), and notes the recent launch of the Mayor of London's Design Guide. We are participating in CABI workshops with other Olympic boroughs over the design aspects of the Core Strategy and we also have a Design Review Panel of distinguished architectural practices. Design is a key element of Newham's LDF work and we will continue to seek to drive up standards. Good and appropriate design also allows people with

disabilities to access housing; meeting wider objectives around health and wellbeing, and promoting independent living for vulnerable adults (see 6.10).

## 6.9 Building quality neighbourhoods by promoting housing options

Our overriding priority is the prevention of people losing their current home. We do this by screening all households approaching the council in our Local Service Centres, and then offering advice to them on a wide range of options from our specialist staff. These include the bond scheme, and qualifying offers (where Newham has one of the largest schemes in the country directing 3,320 households to the private rental sector since 2007) - both of which make use of the large private housing sector in the Borough to meet housing need. It is clear demand for social housing outstrips supply many times over.

Over the next two years the council will be rolling out its Customer Access Programme (CAP). The aim is to increase the proportion of customer transactions that take place through the website, call centre and generic customer access points. Housing Options have struggled to keep up with the growing demand for the telephone service as temporary accommodation is radically reduced and the other options like the Bond Scheme have grown. Therefore some simple transactions will be transferred as part of the CAP. It is also hoped to relocate the Housing Options building to a more integrated site in East Ham where the council's Workplace team will have a new office in 2011. We will be able to promote employment and training options when people come in to talk about their housing options.

The numbers of formal homeless applications accepted has fallen to exceptionally low levels over the last few years, mainly due to the effectiveness of our prevention strategies, and the creative use of the private rented sector. This is shown below:

**Figure 01: Housing Options data 2006 – 2010**

Description	2006-7	2007-8	2008-9	2009-10
Households on the housing register	24,159	28,579	35,380	36,146
Housing register annual percentage increase	-18%	18%	24%	2%
Homeless applications	1,244	1,122	708	605
Total homelessness decisions	1,263	1,209	813	650
acceptances	446	409	238	97
Percentage of acceptances	35.3%	33.8%	29%	15%
Households in temporary accommodation	6,036	5,595	4,482	3,526
<b>Total lettings</b>	<b>1,335</b>	<b>1,050</b>	<b>1,259</b>	<b>1,134</b>

Source: Performance data 2009-10

In our 2009 Audit Commission inspection of housing needs the inspectors praised our approach to using the private rented sector through the Newham Bond Scheme, citing it as an example of good practice.

Temporary accommodation numbers: the government's 2010 target has been achieved nationally but Newham has a local target for 2010-11 of reducing leased properties by 72 per month, 864 properties for the year. This is on track.

We have seen dramatic falls in the use of Private Sector Leasing (PSL) in 2009-10. According to the CLG in the last quarter of that year, Newham had the largest absolute decline of any local authority in England. The recent acceleration continues.

**Figure 02: Newham leasing statistics 2008-2010**

	Private sector leasing	Local Space accommodation*	Total
September 2008	3,253	1,450	4,703
14 September 2009	2,371	1,450	3,821
21 December 2009	1,989	1,450	3,439
31 January 2010	1,908	1,450	3,358
28 February 2010	1,858	1,450	3,308
29 March 2010	1,781	1,450	3,231
26 April 2010	1,464	1,450	2,914
14 June 2010	1,419	1,450	2,869
20 September 2010	1,125	1,450	2,575

\*Local Space is a housing association owning and managing temporary accommodation where the long term aim is to convert it to affordable rents.

Rough sleeping: there are concerns that the presence of the Olympics in the Borough may encourage rough sleeping in the run up to 2012. The government has in place a target of no rough sleepers on the streets by 2012. Newham is working closely with CLG officials, the police and Thames Reach Bondway's third sector street rescue teams to ensure this is delivered. There are currently a small number of individuals of concern in Newham, often Eastern Europeans with alcohol issues. CLG are funding voluntary repatriation in some cases.

In late 2009 Newham and its partners opened the new, innovative 308 (formerly Turnaround) Centre. This combines emergency bed spaces for single homeless, some move on and an employment training centre. It involved a housing association investment of several millions, and a funding partnership with the NHS, a third sector provider and Supporting People.

## **6.10 Building quality neighbourhoods – by promoting independence, social inclusion and keeping people safe**

Adult Social Care, Community and Leisure services (ACL) are being transformed in conjunction with the NHS in Newham. This is to provide universal and targeted services with the aim of supporting independence, health and wellbeing, and social inclusion; preventing people having to use acute services in hospital or in residential care settings; and where they do, promoting safe and speedy discharge back home.

It is a model of enablement and short targeted interventions, together with preventive services and access to the 'universal offer'. It is about people having choice and control over the way they live their lives; and keeping people safe. The Housing and Public Protection service, in conjunction with funding from Supporting People, contributes to this agenda in a number of different ways:

- by providing floating support for about 400 households
- by promoting telecare and telehealth across tenures
- by carrying out over 1,200 handyperson minor repair jobs each year
- by adapting the homes of disabled people to their needs through Disabled Facilities Grants (DFGs)
- by creating an Accessible Housing Register – as above
- by developing extra care sheltered housing schemes – there are three in the pipeline, two of which are subject to funding decisions.
- by a programme of thermal comfort works to assist vulnerable residents in fuel poverty
- by support for equity release schemes via the provision of independent financial advice - funded by the East London Renewal Partnership (ELRP)
- by a programme to remove life threatening hazards in private sector homes (also funded by the ELRP)
- by a Direct Offers scheme 2006-09 where the investment of General Fund Capital in refurbishing council voids for mental health service users in expensive accommodation packages had a payback period of just two years.
- By provision through the third sector of hostel bedspaces for vulnerable people over 16.

Both housing and housing related support are crucial to the restructuring of social care and the delivery of 'Putting People First'; and make a significant contribution to supporting people to live in their own homes; reducing the level of residential care and hospital admission. Newham is also a 'Right to Control' government trailblazer - this involves DFGs and Supporting People as two of a number of the funding streams. Our approach includes providing a framework for people with disabilities, including learning disabilities (LD) who are willing to work to enable this to happen. We have assisted a small number of people with LD into shared ownership through housing association partners. In 2010-11 a detailed study with Oxford Brookes University will determine our needs and commissioning plans for supported housing.

A Joint Strategic Needs Assessment (JSNA) between NHS Newham and ACL has been refreshed. This provides an assessment of needs for the whole population, including gaps and health inequalities. The purpose of this is to ensure that those responsible for commissioning services to meet those needs can do so with accurate, up to date, focused intelligence to inform their commissioning activities. Housing issues figure significantly in the JSNA as it is a key underlying driver. There are growing links to the health and wellbeing strand of the LSP for the same reason, and to Newham's 'Active Communities and People Strategy'. We see leisure and sporting opportunities as fundamental to wellbeing and maintaining independence of socially excluded groups.

## **6.11 Building quality neighbourhoods by driving up standards in the management of the council stock**

There are currently five housing management providers involved with the council stock: the ALMO Newham Homes; two PFI's in Canning Town and Forest Gate and two TMOs at Carpenters and CTR Triangle. This mixed economy of providers gives us the opportunity to drive up housing management standards as the client unit in Housing and Public Protection is now able to make very direct comparisons between the agents on service performance.

The client unit also monitors the providers' performance in key areas like health and safety, emergency planning, and audit/risk management, as many of the statutory duties continue to fall on the local authority e.g. safety of gas appliances.

Direct cost comparisons allow a greater focus on value for money housing management services. We also benchmark on customer satisfaction. In 2011/12 the council will be ending the management agreement with the ALMO. There is likely to be a much greater integration with other changes the council is making around customer access, universal preventative services, a greater degree of generic working and an emphasis on value for money.

We are seeking to agree common standards for housing and wider neighbourhood management with the housing association sector, based on the standard of the former Tenants Standards Authority (TSA). We published our first Annual Report to tenants in October 2010.

## **6.12 Building quality neighbourhoods by achieving excellent services which are customer focused**

The customer's experience of our services is also very important to us. We have been systematically surveying their views for some years and have recently completed, amongst others:

- homeless temporary accommodation satisfaction survey
- council tenant satisfaction (known as STATUS) survey
- council leaseholder satisfaction survey
- Housing Options centre (HOC) exit survey –
- Home Improvement Agency (HIA) satisfaction survey.

STATUS surveys have now been carried out over several years, allowing us to examine longer term trends in satisfaction. Others are relatively new. Each survey is accompanied by an action plan which is carefully monitored and drives continuous improvement in services. For example, the Housing Options Centre reception process was completely changed in 2009 to manage demand through a computer-based queuing system in response to adverse feedback from customers, resulting in improved satisfaction in subsequent surveys.

The STATUS survey is of fundamental importance to us in deciding how our housing services are developing. Even though the government has said it is no longer statutory, Newham will continue with the survey annually. Overall satisfaction amongst council tenants has not

increased as Newham would have wished. We are also concerned about the trends amongst sub groups where for example BME tenants appear to be less satisfied with the condition of their homes than tenants generally in the 2009 STATUS survey. However overall satisfaction with Newham as landlord does not show any marked variation between BME and non BME groups.

## **7. How we will manage delivery**

In Newham the elected mayor and his cabinet have the prime responsibility to drive through the council's strategies to delivery of the outcomes for local people. In addition the Chief Executive holds monthly service boards to monitor performance of key projects, programmes, and risks.

In November 2010 we held a one day housing strategy conference including key partners, stakeholders, customer and third sector representatives to go through and comment on the key themes of this strategy.

In July 2010 we held a number of focus groups to rehearse the key themes with groups of residents - older people; young people; disabled service users; families with children; homeless people. We have incorporated their views in the final drafting. Prior to that a draft of this strategy was widely consulted on in 2009, and there were focus groups on the 2008 homeless strategy.

There are also regular forum meeting with housing association partners on development issues and housing management. We also have a private sector landlord forum; a homelessness strategy group; comprehensive apparatus to consult council tenants and leaseholders; and liaison with third sector Supporting People providers. Through these mechanisms we will steer the delivery of the key themes of this strategy.

An action plan setting out SMART objectives from this strategy is attached at Appendix 1 together with the performance indicators that are used to measure the outcomes. A simplified version of the action plan for residents was also available online during the consultation period.

## **8. Conclusion**

Our housing strategy is a key contributor to Newham achieving its Sustainable Communities Strategy. Core priorities for our housing strategy are set within a national and regional context. These include reducing the number of people in temporary accommodation and meeting the Decent Homes Standard 2012. Supporting people into work and the provision of quality affordable housing is a key to our approach.

Here in Newham a third of our housing stock is within the social housing sector. However, the level of demand for social housing continues to outstrip supply, making it increasingly important that we find new ways of addressing this imbalance. With the majority of our population living within our private sector it is here where we must have an impact if we are to significantly improve housing conditions in Newham. Thus we are increasingly placing our focus and resources in seeking imaginative ways of utilising all available housing assets to maximise housing options for local people. That is why we are seeking to promote a major shared equity scheme in the Borough. It is also why there is an emphasis on using the private rented sector to meet housing need. There has been too great a priority on building new social rented housing.

A key theme of this strategy is that housing is about more than simply the bricks and mortar. A host of linked strategies across the council provide the 'golden thread' of activity that leads us towards the establishment of mixed and sustainable communities. Good housing is a cornerstone of our council wide vision as it is essential to the physical health and mental wellbeing of our community and provides residents with an anchor to the Borough. However, we are also well aware of the major contribution housing plays in promoting and maintaining the independence of vulnerable adults, equality of opportunity, educational attainment, access to work and generally improving the opportunities for local people. It can also help to promote the reduction of crime by creating safer communities.

In line with central and regional government priorities we have been committed to a major house building programme. In order to adequately cater for the size of development, our housing strategy must respond to the suppressed market and the risk to further instability, and find imaginative ways to respond. Housing plays a pivotal role in our commitment to make Newham safer, cleaner and greener, and to secure a better quality of life for all who live and work in the Borough. Our overriding aim is to reduce population churn and to deliver a coherent framework for delivering mixed, balanced, sustainable communities for the future. We will make Newham a place where people chose to live, work and stay.

#### Endnote

This cannot be a fully formed strategy and our approach may be subject to change. This is because market conditions remain uncertain and this for example affects the NEWSHARE shared equity product. Also the government is going through a major process to reshape the public sector with key announcements on policy coming out regularly. Housing faces a number of major changes, with the end of the Housing Revenue Account and the introduction of self financing from 2012. The government may end long term security of tenure for new council tenants and there are very major reforms of benefit, especially Housing benefit, which may well have a very large impact in Newham. Finally the Olympic effect may have an impact on the housing market in Newham the closer we get to 2012. For all these reasons this document may be subject to frequent review.

December 2010

## Appendices

### Appendix 1

Housing strategy action plan

### Appendix 2

Performance indicators – relating to housing

NI 156 - Numbers of households in temporary accommodation:

NI 158 - Non-Decent Homes:

NI 155 - Affordable Homes:

BV212 – Average re-let times:

LPI34 – Homeless applications accepted:

PSH01 – Empty property returned to use:

LPS27 – Private sector homes made decent:

A wider set of local PIs in housing and Public Protection are available from the editor

### Appendix 3

Equality Impact Assessment EQIA

Evidence base and further technical appendices are available from the editor

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