

Housing Select Committee		
Title	Key housing issues	
Contributor	Executive Director for Customer Services	Item 7
Class	Part 1 (open)	09 March 2016

1 Summary

- 1.1 As part of the work programme, Housing Select Committee agreed to review the main housing policy implications arising as a result of the Government's legislative agenda, following the General Election in May. Committee also resolved to review the implications of any welfare reforms that would also be pertinent to housing.

2 Update on legislation timetable

- 2.1 The Welfare Reform and Work Bill has now had its final reading in the House of Lords and is expected to receive Royal Assent very soon. This bill contains the one per cent rent cut and the reduction of the benefit cap from £23,000 to £20,000 in London. More detail of the measures will be set out in subsequent regulation.
- 2.2 The Housing and Planning Bill is now in the Committee stage in the House of Lords and is expected to be passed in the Spring. This bill contains measures such as Pay to Stay, Starter Homes, High Value Asset Sales and Rogue Landlords. Again, the detail of these policies will be set out in regulation once the Bill has received Royal Assent.
- 2.3 Officers will ensure that members are briefed on the implications of the legislation and regulations once more detail becomes available over the coming months.

3 Lewisham response to the consultation on proposed changes to national planning policy

- 3.1 The Department for Communities and Local Government consulted councils on the proposed planning changes contained in the Housing and Planning Bill.
- 3.2 Lewisham's response made clear the concerns relating to the proposed changes to the definition of affordable housing towards home ownership and starter homes. The response emphasised that as the average household income is insufficient to access market housing the proposed changes to the definition will make it extremely difficult for the Council to deliver the need for social rented affordable housing. This is because there will be a duty to provide starter homes which will be given a priority over other more traditional forms of affordable housing.

- 3.3 Lewisham Council currently has over 9,000 households on its waiting list for social housing, and over 1,700 homeless families currently in temporary accommodation. In order to meet this housing need, the Council needs a supply of affordable rented housing. Therefore the response raised concerns that the proposed changes will significantly reduce this supply as starter homes will not be affordable to the vast majority of this group.
- 3.4 The response also noted that Lewisham Council has a track record of supporting low-cost home ownership within its wide range of policy responses to housing need in the borough. The first self-build Community Land Trust was approved by the Mayor in 2015 and will be going to planning later this year. In addition, there is an affordable home ownership scheme currently under construction led by Pocket Living. The response emphasises that in these schemes the subsidy must be protected to ensure that these homes are affordable in perpetuity.

4 Local Government Association/Savills research on Starter Homes

- 4.1 On 17 February 2016 the Local Government Association released analysis, commissioned from Savills, which states that discounted starter homes will be out of reach for all people in need of affordable housing in 220 council areas (67 per cent) and are out of reach for more than 90 per cent of people in need of affordable housing in a further 80 (25 per cent) council areas. People in need of affordable housing are defined as those who would have to spend more than 30 per cent of their household income to rent or buy a home.

5 Submission to the LGA Housing Commission

- 5.1 The Council submitted a response to the LGA Housing Commission which called for evidence of how Councils can respond to the need to build more homes.
- 5.2 Our submission highlighted our key initiatives including:
- Directly delivering 650 homes itself, the first for a generation
 - Working with our Housing Association partners to deliver a further 1,500 homes by 2018
 - Working with our ALMO Lewisham Homes on a property acquisition programme – the Council has provided a loan of £20m for the purchase of 80-100 units of accommodation for temporary accommodation in order to reduce the reliance on costly and unsuitable nightly paid accommodation for homeless households.
 - Using Modern Methods of Construction to quickly provide a new supply of temporary accommodation
 - Using public land in a new way through a Built To Rent project which will provide 250 new homes, a third of which will be affordable
 - Encouraging community-led housing by creating the first self-build Community Land Trust

6 Research on Temporary Accommodation

- 6.1 London Councils commissioned a report by Julie Rugg from the University of York's Centre for Housing Policy which examines the temporary accommodation market in London and highlights evidence from the boroughs that explains why finding sufficient properties for homeless households has become harder. Lewisham provided data and evidence to inform the report.
- 6.2 The report found that there has been an overall increase in demand for TA across London. The sixteen boroughs which provided data between them purchased the equivalent of 983,716 weeks of temporary accommodation in 2014-15 compared with 766,471 in 2012-13. This represents an increase of 28 per cent.
- 6.3 The report concluded that central Government needs to acknowledge the substantial shortfall that now exists between support for Temporary Accommodation available through the housing benefit system and the actual cost of service delivery. It found that a reduction in the level of LHA has not led to a reduction in rental costs in this part of the market. More sophisticated interventions are required at central Government level in order to reduce cost pressures on London boroughs.
- 6.4 The report analysed the likely cost of temporary accommodation across London in 2014/15 and found that it was close to £663m. The level of expenditure met by London boroughs specifically from their own General Funds can be estimated at just over one quarter of that cost, or £170m.
- 6.5 In a section on 'Innovation in meeting TA need' the report noted the factory-manufactured 'pop-up' housing currently being assembled at PLACE/Ladywell which will provide 24 high quality properties for temporary accommodation much more quickly and more cost effectively than traditional methods of construction would allow.

7 Location Priority Policy update

- 7.1 Housing Select Committee will be aware that a Location Priority Policy was developed over the past year. The following is intended to provide an update to Committee on the operation of this policy.
- 7.2 Members will be aware that the housing supply shortage across London and the changes in the housing market have made it more and more difficult to procure affordable accommodation in the borough boundaries. The figures below provide a snapshot of households placed in temporary accommodation as of 24 February 2016. The figures show that the majority of households in temporary accommodation are in Lewisham. Where households are placed out of the borough, the vast majority are placed in boroughs close to Lewisham, including in the south east London sub-region.

Temporary accommodation in the borough

The table below contains a breakdown of the number of households in nightly paid temporary accommodation in Lewisham and the number of PSL units which are leased that are in the borough. A PSL unit is a private sector leased property which has been procured by the authority for the purposes of providing cheaper, more sustainable temporary accommodation.

Borough	Households in Nightly Paid	PSL Units	Total
Lewisham	146	626	772

Temporary accommodation out of the borough

The below table contains a breakdown of the number of households in nightly paid temporary accommodation outside of the borough and the number of PSL units which are leased that are outside of the borough. A PSL unit is a private sector leased property which has been procured by the authority for the purposes of providing cheaper, more sustainable temporary accommodation.

Borough	Households in Nightly Paid	PSL Units	Total
Aylesbury	1	0	1
Barnet	8	0	8
Bedfordshire	1	0	1
Bexley	35	3	38
Brent	5	0	5
Bromley	25	1	26
Camden	6	0	6
Croydon	91	1	92
Enfield	1	0	1
Greenwich	51	4	55
Hackney	1	0	1
Hammersmith & Fulham	1	0	1
Haringey	4	0	4
Harrow	7	0	7
Havering	1	0	1
Hounslow	3	0	3
Kent CC	1	12	13
Kingston Upon Thames	1	0	1
Lambeth	34	0	34
Merton	3	0	3
Newham	9	0	9

Redbridge	33	0	33
Romford	5	0	5
Southwark	38	0	38
Sutton	3	0	3
Uxbridge	8	0	8
Waltham Forest	4	0	4
Westminster	3	0	3
Total	383	21	404

Totals				
Borough	Households in Nightly Paid	PSL Units	Other TA units	Total
Out of borough	383	21	0	404
Lewisham	146	626	588	1360
Total	529	647	588	1764*
*The total includes properties currently being prepared to be re-let				

8 Houses in Multiple Occupation and Article 4 Directions

- 8.1 The Council's Planning Policy Team is currently undertaking research into the feasibility and implementation of Article 4 Directions regarding small Houses in Multiple Occupation (HMO) in the Borough. In planning terms a small HMO is defined as not more than 6 residents living together as a single household.
- 8.2 Article 4 Directions are one of the tools available to the Council to protect its family housing and residential character from change. An Article 4 Direction allows the Council to withdraw the "permitted development" rights that would otherwise apply by virtue of the Town and Country Planning (General Permitted Development) Order 2015. For example, in areas which may be experiencing a high number or concentration of small HMOs, the Council can make an Article 4 Direction that removes the "permitted right" and requires that planning permission is first obtained for the change of use. This means that a planning application must be made and granted, thereby ensuring that proper scrutiny takes place.
- 8.3 Article 4 Directions can be used where there is a concern about the creation of small HMOs in residential areas, primarily in converted former family dwellings. This particular type of HMO is reported to be having negative impacts on the built environment and Borough character as well as creating problems such as:
- crime and anti-social behaviour;
 - noise and nuisance;
 - accumulation of litter and household waste (due to inadequate waste and recycling facilities); and
 - poor standards of accommodation (re. space standards, ventilation, utilities provision and management).

- 8.4 The Council currently operates a mandatory licensing scheme for certain types of HMOs where the building is three or more storeys high and occupied by five or more people. There are currently nearly 200 HMOs in Lewisham with a mandatory license. Housing Select Committee will be aware that the Council is planning to introduce an Additional Licensing Scheme for HMOs above commercial premises. It is anticipated that up to 1,800 properties in the borough may have HMOs of this type. It is anticipated that this scheme will be approved by Mayor and Cabinet in March and licensing will commence in the autumn following a statutory notice period of three months.
- 8.5 The Planning Policy Team is currently carrying out work to identify the current number and spatial distribution of small HMO to ascertain the scale of the issue. The implementation of an Article 4 Direction would take up to 18 months in order to satisfy statutory requirements.
- 8.6 Housing Select Committee will be kept updated on the progress of the work on Article 4 Directions and consulted before any firm proposals are put forward.

9 Additional funding for Rogue Landlords and Temporary Accommodation

- 9.1 The Council has successfully bid for funding from the Department for Communities and Local Government to fund Rogue Landlords work and to help ease the funding pressures on temporary accommodation.
- 9.2 The Rogue Landlord funding of £150,000 will be used to target the worst known rogue landlords in the borough and support greater joint working with other boroughs where these landlords are known to operate.
- 9.3 The temporary accommodation funding of £200,000 will help to ease budget pressures in this area and support the on-going work to prevent homelessness.

10 Legal Implications

- 10.1 There are no additional legal implications to insert.

11 Financial implications

- 11.1 The purpose of this report is to update members on current housing issues. As such, there are no specific financial implications arising from this reporting itself.
- 11.2 As firmer details become available, in particular regarding the new legislation, officers will report back to members with the implications of each issue.

12 Crime and disorder implications

- 12.1 There are no crime and disorder implications arising from this report.

13 Equalities implications

- 13.1 There are no equalities implications arising from this report.

14 Environmental implications

14.1 There are no environmental implications arising from this report.

15 Background Documents and Report Originator

15.1 There are no background documents to this report.

15.2 If you have any queries relating to this report please contact Jeff Endean on 020 8314 6213.