

<b>Housing Select Committee</b>			
<b>Title</b>	Key Housing issues		
<b>Key decision</b>	No	<b>Item no</b>	9
<b>Wards</b>	All		
<b>Contributors</b>	Executive Director for Customer Services		
<b>Class</b>	Part 1	7 March 2017	

## 1 Summary

1.1 Key Housing Issues is a general report that aims to update the Housing Select Committee on current and new issues important to housing.

## 2 The Housing White Paper

2.1 The government published its Housing White Paper on 7 February, saying it “will change its focus from starter homes to a wider range of affordable housing.” The proposals in the white paper include:

- Proposals to standardise the way local authorities assess future housing needs and cutting the time limit for starting development from three to two years after planning permission
- Existing funding streams will be used to encourage innovative construction techniques and off-site production as part of a push to attract more builders into the sector
- Longer-term tenancies of three or more years will be encouraged in the private rented sector, particularly in new rented schemes.

2.2 There was no mention in the White Paper of the proposals to introduce Fixed Term Tenancies nor was there more detail on the High Value Voids policy. The contents of the white paper are subject to consultation which runs until 2 May 2017.

2.3 In his role as London Councils' executive member for housing, the Mayor said in response to the White Paper:

“The UK has not been building enough homes to properly house its population for many years. This negatively impacts the quality of life for everyone, on the aspirations of young people in particular and on businesses.

“In London alone we now have 50,000 households in temporary accommodation and have seen consistent increases- laying bare the full impact of welfare reform coupled with a housing supply crisis.

“In recent years, London boroughs have had to make difficult and often unpopular decisions to increase the amount of housing supply within the constraints of the existing housing and planning system. While the housing crisis is particularly keenly felt in the capital, London’s housing shortage cannot be solved within London alone, no matter how high or densely we build. Therefore, we welcome the White Paper’s boldness in opening up a national debate about how and where we can build more houses in the UK.

“We also welcome Government’s commitment to supporting build to rent. London Councils has maintained a one-size-fits-all approach will not work – and that we must see a variety of homes, of a range of tenures built to offer housing solutions for all Londoners.

“We also would encourage government to build on the positive direction in the paper and devolve more powers to councils to allow them to develop. Simply putting pressure on councils to build more is not acceptable, particularly as many have clear ambitions to build. Authorities must be given the powers, support and resources to realise these ambitions - which means cutting red tape around planning regulations and providing adequate funding to support major housing projects.”

2.4 Responding to the publication of the Government's Housing White Paper, Cllr Martin Tett, Housing spokesman at the Local Government Association, said:

"This White Paper includes some encouraging signs that government is listening to councils on how to boost housing supply and increase affordability. We are pleased it has taken on board a number of recommendations made in our recent Housing Commission final report.

"Communities must have faith that the planning system responds to their aspirations for their local area, rather than simply being driven by national targets. To achieve this, councils must have powers to ensure that new homes are affordable and meet their assessments of local need, are attractive and well-designed, and are supported by the schools, hospitals, roads and other services vital for places to succeed.

“All types of homes - including those for affordable and social rent – have to be built to solve our housing crisis and flexibility around starter homes is much-needed recognition of this. It is important that councils have powers to ensure a mix of homes are built, alongside the infrastructure to support strong communities.

"Our cities, towns and villages are already saying 'yes' to development as nine in 10 planning applications are approved, but increasingly the homes are not being built. Giving councils the power to force developers to build homes more quickly and to properly fund their planning services are vital for our communities

to prosper.

"Local government believes even more needs to be done to rapidly build more genuinely affordable homes to help families struggling to meet housing costs, provide homes to rent, reduce homelessness and tackle the housing waiting lists many councils have.

"For this to happen, councils desperately need the powers and access to funding to resume their historic role as a major builder of affordable homes. This means being able to borrow to invest in housing and to keep 100 per cent of the receipts from properties sold through Right to Buy to replace homes and reinvest in building more of the genuine affordable homes our communities desperately need."

2.5 Terrie Alafat CBE, chief executive of the Chartered Institute of Housing, said:

"The package of measures announced today represents an important shift in housing policy which demonstrates a commitment to tackle our housing crisis.

"It's particularly pleasing to see the government recognise the need for a broader range of organisations to build new homes, especially the crucial role of local authorities in delivering the housing we need – something we've consistently called for.

"However our concern is that much housing remains out of reach for a significant number of people and we would like to see the government back up the package of measures announced today with additional funding and resource in the budget.

"We also think the government should revisit welfare policies we think undermine its commitment to make housing more accessible."

### **3 Response to government consultation on changes to how Supported Housing is funded**

- 3.1 The government is planning to change the way Supported Housing is funded. This will mean that rent and service charges in supported housing schemes will only be funded through Housing Benefit (or Universal Credit) up to the level of the applicable Local Housing Allowance rate, as the LHA cap will then apply.
- 3.2 Under the new model, the government will then devolve funding to local authorities to provide a 'top-up' where necessary to providers, reflecting the often higher costs of offering supported housing. The changes are due to come into force in April 2019, with some transitional arrangements starting from April 2018.
- 3.3 The government ran a consultation on how the new model will operate. Lewisham's response raised concerns about the appropriateness of this model for funding Supported Housing. The response made the point that the proposed changes could make the system more complex for the most vulnerable in society, rather than simplifying the system as is the stated aim of Universal Credit.

- 3.4 The response said that it is critical that when additional responsibilities are devolved to local authorities that they come with adequate resources so that the responsibilities are fully-funded long term. In particular, previous experience of ring-fenced government funding is that the ring-fence can be removed and the funding pot reduced, resulting in services which were once funded by central government becoming the responsibility of the local government to fund with ever-diminishing resources.
- 3.5 The response also raised concerns around how the new model would adequately assess or meet future need for supported housing, as this has not been adequately set out by government. Many proposed new supported housing schemes in Lewisham would not be viable if they were funded by rents at or below LHA alone, and therefore would require top-up funding. It is therefore vital that the new model is able to adequately meet future needs, as well as take into account existing unmet demand.
- 3.6 The consultation response states that if government does proceed with this change, that the top-up funding should be devolved directly to local authorities and that each individual local authority is best placed to decide how to administer the funding in its area, and that Lewisham will continue to allocate funding to services on the basis of local need within statutory and non-statutory frameworks.
- 3.7 The Council's response argues that the government should provide administrative funding equivalent to 10% of the overall money received, and that this should be provided at least a year before April 2019 to allow a review of all services in receipt of current Housing Benefit top-up in order to assess their quality and strategic relevance.
- 3.8 The government has said that it recognises that a different approach may be needed for short term accommodation, and the consultation asks for views on how emergency and temporary accommodation should be funded. Lewisham's response argues that all short term supported accommodation housing payments, including the rental element, should be exempted from Universal Credit as Universal Credit is not compatible with short-term accommodation. The funding should instead be devolved to local authorities to administer either through existing housing benefit functions or as part of the commissioning of the devolved top up funding.
- 3.9 Once government has considered the responses to the consultation it is anticipated that a green paper will be published in the Spring.

#### **4 New Homes Programme Update**

- 4.1 In March the Council will let the next batch of new Council homes which have been developed by Lewisham Homes in Blackheath. These properties are part of the scheme formerly known as Dacre South. This handover is comprised of 3 x 1-bed flats, 3 x 2-bed flats and 1 x 2 bed wheelchair adapted property. These properties are now being advertised through Homesearch.

- 4.2 At Housing Select Committee in January 2017, councillors considered a comprehensive scheme by scheme update on New Homes Programme to deliver 500 new homes for affordable rent by 2018. A further report on the programme will be considered at Mayor and Cabinet on the 22<sup>nd</sup> of March. This report will include an overview of progress and make recommendations to further the delivery of new homes. An updated Programme Summary Sheet is available at Appendix 1.
- 4.3 Housing Select Committee received an update on the 2<sup>nd</sup> March 2016 on the progress made by the Council's Housing and Autism Group in identifying an alternative housing solution for autistic adults in Lewisham. This group was founded as a response to a group called CLASH (Campaign in Lewisham for Autistic Spectrum Housing) who had identified unmet housing need in the borough. The Mayor and Cabinet report on 22<sup>nd</sup> March will set out a possible delivery route for a scheme of four flats for people with autism on Stanstead Road, Forest Hill.
- 4.4 At Mayor and Cabinet on the 22<sup>nd</sup> March there is also expected to be a separate report on Brasted Close, Sydenham, which forms part of the new homes programme. Brasted Close is a community-led development project which is underway to deliver affordable sale housing using a community land trust model, whereby sales values are linked to local incomes rather than the market. The Council has been working with Lewisham Citizens and London Community Land Trust to deliver affordable homes for purchase on a garage site at the Brasted Close estate, Sydenham. Current proposals show that 14 new affordable sale properties set at local median income could be provided at the site. The projected purchase price of these properties is approximately fifty per cent of the local market value for a similar property. Detailed design work and consultation is ongoing and a planning submission is anticipated in the next few months.
- 4.5 Planning permission has been granted for a revised application for the Campshill Road Extra Care Scheme. The scheme has been designed to meet all modern requirements for high quality living for older residents, and the revisions to the scheme will see the mix amended to reflect the new delivery route for the scheme which was agreed by Mayor and Cabinet in July 2016. The Council will shortly be entering into a lease with One Housing Group who will build and manage the scheme in partnership with the Council. Works are expected to start on site in late spring, and take approximately two years. When complete the scheme will deliver 53 new homes for older people, including 34 for rent which will be nominated to by the Council, and 19 for shared ownership for downsizing older homeowners.

## **5 PLACE/Ladywell awards**

- 5.1 PLACE/Ladywell has been shortlisted for two further awards in the UK Housing Awards:

- Outstanding innovation of the year (for providers who own fewer than 20,000 homes)
- An outstanding approach to tackling homelessness

5.2 This is an addition to the two awards it won at the New London Architecture Awards in 2016, and the two pending awards listed below:

- London Planning Awards: “Best New Homes to Live In”
- Local Government Chronicle Awards – “Best Housing Initiative”

5.3 The winners of the London Planning Awards will be revealed on 27 February 2017; the Local Government Chronicle winners will be named on 8 March 2017; and UK Housing Awards will be announced on 26 April 2017.

## 6 Right to Buy sales

6.1 At its last meeting, Committee asked for information regarding the number of Council properties which have been sold under the Right to Buy. The table below shows the number of Right to Buy sales since 2011/12.

	2011-12	2012-13	2013-14	2014-15	2015-16	Apr – Dec 2016
Lewisham	18	17	102	122	116	91

6.2 The significant increase in 2013/14 is because the government increased the maximum level of discount from £16,000 to £75,000. This has subsequently been further increased to £103,900 in London.

## 7 Legal Implications

7.1 There are no specific legal implications arising from this report.

## 8 Financial implications

8.1 The purpose of this report is to update Members on current housing issues. As such, there are no specific financial implications arising from the report itself.

## 9 Crime and disorder implications

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

## 10 Equalities implications

10.1 There are no equalities implications arising from this report.

## 11 Environmental implications

11.1 There are no environmental implications arising from this report.

## 12 Background Documents and Report Originator

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