1. **SUMMARY**

1.1 This report sets out the findings and recommendations of a Housing Scrutiny Committee report on the affordability and availability of housing in Waltham Forest.

1.2 Cabinet is asked to note the findings of the Housing Scrutiny Committee report, which can be found in full in Appendix 1, and the response of officers to the recommendations, which can be found in Appendix 2.

2. **RECOMMENDATIONS**

2.1 That Cabinet note the content of this report.

2.2 That Cabinet Members note the response from officers, which advise that Cabinet adopt recommendations 1 - 13, and amend recommendations 14 and 15.
3. PROPOSAL

3.1 In July 2016, the Housing Scrutiny Committee agreed to carry out a themed review into the affordability and availability of housing in Waltham Forest. The primary concern of the review was the growing gulf between average incomes of local residents and the spiralling cost of buying or renting homes in the borough, which is making it increasingly difficult for local people to get on the housing ladder. The review examined what action the Council and its partners were taking to directly or indirectly build more homes and improve the affordability of housing, irrespective of tenure.

3.2 The Committee looked at this issue at three of its meetings:

- At the 20 October meeting the Committee heard from Dr Bill Davies, Head of Policy, Central London Forward (formally research fellow at IPPR) presented the findings of IPPR'S London Housing Commission at the meeting. This presentation gave the Committee a broad strategic overview of the housing market in London in general and Waltham Forest in particular;
- At the 20 December meeting the Committee heard from officers about the Council’s response to the local housing challenge, including the impact of recent changes in legislation and the new homes building programme based on using HRA funding and the role of Waltham Forest Developments Ltd.
- At the 9 February meeting the Committee received a briefing from Fiona Duncan, Head of the North East Area of the Greater London Council (GLA) on the Mayor of London’s new Affordable Housing SPG and the Affordable Homes Programme.

3.3 The report (Appendix1) was considered and adopted at the final meeting of the Committee on 9th May 2017. The report details the key issues arising from the evidence gathering sessions and incorporating additional information gathered before and after the meeting.

3.4 The report puts forward recommendations to support and develop the local housing market and make it more affordable and accessible for local people in the borough. It is not anticipated that the recommendations will not result in any additional expenditure.

3.5 The recommendations made by the Report were:

**Recommendation 1:** The Council should review its standard design guide to permit greater density, where other design criteria have been met, in new developments in future.

**Recommendation 2:** The Council should identify sites in the Borough suitable for new development, which are not protected by the Local Plan and have not already been proposed by developers.

**Recommendation 3:** In the context of promoting the greater affordability and availability of housing in the borough, the Council should review its
current planning policies in relation to HMOs. This would maintain the restrictions on converting residential houses into self-contained flats and HMOs. However, the policy could be amended to permit a more liberal approach to allow HMOs in a converted flat, particularly over shops, which could be used to house tenants on a shared basis.

**Recommendation 4:** The Committee urges the Cabinet Member for Housing to express his support for the new SPG and the GLA’s new housing strategy, and to use the additional powers in the SPG to accelerate house building in Waltham Forest.

**Recommendation 5:** That officers report back to the Committee in the summer on the outcome of the bids that have been submitted as part of the Affordable Housing Programme and that the Committee considers ways of increasing the allocation of funding to Waltham Forest in the light of this report.

**Recommendation 6:** The Council should identify key registered providers in the borough who will be potentially interested in bidding into the GLA Affordable Homes Programme, so their bids benefit from Council support.

**Recommendation 7:** The Council should consider potential joint ventures with interested local registered provider partners to bid for the maximum (40% or more social housing) Affordable Homes Programme funding.

**Recommendation 8:** The Council should ensure that proposals for new housing are always assessed in advance for their impacts on local infrastructure (especially health and education services).

**Recommendation 9:** The Council should consider best practice in community engagement when conducting estate regeneration.

**Recommendation 10:** The Council should work with other London boroughs through the GLA, to establish a London-wide approach to commissioning the purchase of more modular homes.

**Recommendation 11:** The Council should consider how to make the best use of modular homes and should approach existing suppliers to test what is currently available on the market.

**Recommendation 12:** The Council should lobby to retain Right to Buy receipts for five years rather than surrender them after three years, as at present.

**Recommendation 13:** The Council should work with London and national representative bodies (London Councils and the Local Government Association) to lobby government to change the percentage of council house sales receipts that can be used to build new homes, from 30% to a higher percentage, with the intention of moving to 100% over time.

**Recommendation 14:** The Council should make viability assessments documents for all proposed housing developments public, as part of supplementary planning guidance.

**Recommendation 15:** The Council should continue to support landlords through the existing licensing scheme, Waltham Forest Lettings, to maximise the supply of good quality private sector rented homes in the
3.6 Officers have commented on the recommendations, and are recommending that the Cabinet endorse recommendations 1 – 13, and agree to amended wording for recommendations 14 and 15:

**Recommendation 14:** The Council should be consistent with the requirements of the Freedom of Information Act 2000 and Environmental Regulations 2004 and make viability more transparent to the public. More guidance will be provided, in the Affordable Housing and Viability SPD, on how the Council will endeavour to do this.

**Recommendation 15:** The Council should continue to support landlords through the existing licensing scheme, Private Rented Property Licensing Scheme, to maximise the supply of good quality private sector rented homes in the borough. The Council should identify relevant performance indicators in areas such as average rent levels, length of tenancies, enforcement activity, etc. to track trends and regularly report their findings to Members.

4. **OPTIONS & ALTERNATIVES CONSIDERED**

4.1 It is established practice for the Cabinet to consider each individual scrutiny committee themed review and to make comments on issues contained within the report. Officers are recommending that all recommendations in this report are adopted by the Council.

5. **SUSTAINABLE COMMUNITY STRATEGY PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)**

5.1 The recommendations contained in this themed review report take into account the Council’s priorities and aims to implement those where relevant to the themed review’s topic.

6. **CONSULTATION**

6.1 Valuable evidence was provided for the Committee by two expert witnesses (Dr Bill Davies, Head of Policy, Central London Forward and Fiona Duncan, Head of the North East Area of the Greater London Council) that helped shape Member perceptions and the conclusions they reached. The Committee also received evidence from officers that included public feedback on those issues that fell within the remit of the themed review.
7. IMPLICATIONS

7.1 Finance, Value for Money and Risk

The recommendations have been developed so that they can be implemented within the existing budgets available to relevant services.

However, if in preparing to implement the recommendations contained within the themed review report, they are not sustainable within existing resources and officers find that additional expenditure is required, a report should be brought back to Cabinet to explain either: a) why the recommendations cannot be implemented; or b) proposals to finance their implementation.

7.2 Legal

Part of the Council’s constitution sets out the Overview and Scrutiny procedure rules including, in paragraph 6, the procedure for policy review and development. This report has been prepared as part of the annual work programme agreed by Council following consultation with the relevant directors and portfolio lead member (part 6 para.5.1). The procedure rules provide that in carrying out any such policy review or development, Overview and Scrutiny must have regard to available budgets and resources (para.6.2) and make recommendations to Cabinet (6.1.1).

7.3 Equalities and Diversity

The Council must further take into account its wider Public Sector Equality Duty (PSED) under s.149 of the Equality Act 2010 when making a decision. The Council will consider the impact of changes that might arise as a result of implementing the recommendations on those with protected equality characteristics, in particular where there is likely to be an impact on residents or service users from any changes to, or decommissioning of existing services.

7.4 Sustainability (including climate change, health, crime and disorder)

As outlined above, the report and its recommendations are expected to have a positive impact on all residents. Sustainability issues will be carefully monitored to identify any adverse effects from the implementation of any of the recommendations. Where a negative impact arises, mitigating action will be taken. The sustainability implications of the recommendations that are adopted should be actively monitored.

7.5 Council Infrastructure

The recommendations that Cabinet is asked to agree are intended to be cost neutral, with a process for referral back to Cabinet if this is not
the case. As such the recommendations in the themed review report do not impact on the Council’s transformation programme.

These recommendations will be implemented within existing staffing requirements. If any of the recommendations lead to a need for additional HR resource, further Cabinet approval will be sought.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)