

Item No. 12.	Classification: Open	Date: 28 January 2014	Meeting Name: Cabinet
Report title:		Vision for a New Housing Strategy for Southwark	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY

Improving housing in our borough is at the heart of improving quality of life in Southwark. Regardless of whether you are a social housing tenant, leaseholder, private renter or home owner, appropriate, affordable, good quality housing is fundamental to your health and wellbeing.

This vision has emerged from the strong foundations we have built through the Housing Commission, community conversations and the new housing policies we have already adopted. Our commitment to improving housing is unquestionable. Our achievements include:

- The creation of a new professional housing department.
- Investing £326m to make every council home Warm, Dry and Safe
- Launching a programme to build 11,000 new council homes
- Since April 2010 giving planning consent to build over 11,000 new homes - we are the fifth highest London borough in terms of house building and also the fifth highest in building affordable housing
- Adopted a Southwark Standard for the private rented properties and landlords and introduced an accreditation scheme
- Introducing a new council lettings policy, which gives increased priority to those making a community contribution, through voluntary work or employment and enables only those with established roots in the community to join the housing register
- Cracking down on illegal subletting of social rented properties – taking back possession of 775 homes to relet to people on our waiting list
- Identifying Cator Street as a site for the provision of extra care sheltered housing for older people, enabling them to live independently in the community

As we move forward to develop our new housing strategy, with cabinet's approval we will base our work on the four principles that seek to meet the needs of our residents - improve the availability, affordability and quality of homes in the borough as well as empowering residents to live independently and build stronger communities where residents can work together to improve their streets and estates.

We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.

We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in

private, housing association or council ownership.

We will support and encourage all residents to take pride and responsibility in their homes and local area.

We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

I would like to use this opportunity to highlight two parts of the housing market in Southwark in which there is a growing need for our intervention – the private rented sector and affordable home ownership.

The 2011 census found that 26% of residents in Southwark are renting in the private sector. Whilst some are enjoying reasonable rents and good quality homes, far too many face unreasonable and unpredictable fees and rent rises, in homes that are sub-standard and have little or no security from eviction. We have already adopted a Southwark Private Rental Standard and are ensuring that all properties we place residents in (for instance temporary accommodation) meet this standard. Our next steps will be to build the evidence base we need to introduce a licensing scheme which will make these standards compulsory for all private landlords.

Through the development of the housing strategy and the new Southwark Plan we will also consider whether we should be doing more to encourage the development of new build professionally managed private rented homes and whether or not there is a need for private sector rented homes to be treated differently from private homes for sale in planning policies.

A recent report by The Smith Institute found that since November 2007 house prices in London have risen by 12%, despite a nationwide fall of 9%. Price rises in Southwark are the ninth highest in the country at 19.8% and the average house price now standing at £441,377. Whilst this is seen as good news by people who already own their own home, it is a nightmare for residents trying to get on the housing ladder or in need of a larger home. The reality is that even if only a 5% deposit is needed it is next to impossible, even for residents who are on very good salaries, to get onto the housing ladder. This is an issue we must take as seriously as the provision of social homes for rent, or we risk Southwark becoming an increasingly polarised borough where people on middle incomes cannot afford to live.

Long term the solution must be to build far more homes in London to meet demand and to bring average prices back within reach of Londoners. This will take time and require all boroughs to show the level of commitment to house building that we continue to demonstrate in Southwark. Alongside this we will consider how we can increase the supply of affordable home ownership options such as shared ownership and shared equity as well as considering ideas for new housing products that would help meet this need. We will also look to develop policies that ensure that Southwark residents are given greater priority to buy these homes.

Our next steps will be to further research and analyse housing needs in the borough and to engage with residents and community groups as well as key stakeholders such as housing associations, private sector landlords and developers. We aim to adopt the new housing strategy in the summer of 2015.

RECOMMENDATIONS

1. That the cabinet agrees the vision for a new thirty year housing strategy for Southwark for the period 2015-2045 as set out in paragraph 29.
2. That the cabinet notes the next steps for the development of the new housing strategy, including stakeholder engagement, as set out in paragraphs 30 to 35 of this report.

BACKGROUND INFORMATION

3. Making Southwark's council homes fit to live in and improving the borough's housing service is one of the council's greatest challenges and a top priority but council housing, and all housing in the borough, is about more than just bricks and mortar. It's also about the people who live in the borough's homes, and those who don't have a place to live.
4. Housing is also about the infra-structure which supports it- schools, transport, jobs, healthcare, leisure facilities etc. It is also about housing's role in contributing towards shaping strong and cohesive communities and creating environments where people want to live and feel safe. Most of all it is about building better lives for the future.
5. For these reasons the council, in 2011, began a process of looking at the future of council housing in the borough. This resulted in the cabinet agreeing to set up a commission, independent of council influence, to explore options for the future financing, ownership and operation of Southwark's housing stock beyond 2015/16. That work was completed in October 2012.
6. The independent commission's work was followed by one of the most extensive engagement exercises undertaken by the council with residents on the future of housing in the borough. The engagement exercise concluded in the summer and at its meeting on 16 July 2013, when considering the report 'Independent housing commission, conclusions and next steps following community engagement', cabinet made the following decision:
 - Recognising the important role that other social housing providers and the private sector have in meeting the totality of housing needs in the borough, instructs the director of corporate strategy to review the council's housing strategy across all tenures and sectors, having regard to the detailed assessment of the council's own stock.
7. Southwark's current housing strategy is for the period 2009-2016. The overarching vision for this strategy is 'to improve residents' lives by providing high quality homes and housing services that promote successful and inclusive communities'. There are four strategic objectives which underpin the vision which are to:
 - Improve the quality of existing housing and use it more efficiently
 - Increase the supply of good quality housing
 - Enable choice while meeting housing needs
 - Prevent homelessness and reduce the use of temporary accommodation.
8. There have been a number of significant changes in local and national housing

and related policy since it was written. Recent national developments have included the introduction of the affordable rent product with registered providers able to offer rents at up to 80% of local market rents in order to fund their development programmes, greater freedoms for social landlords around length of tenancies, and the Government's welfare reforms, which have significant implications for housing services. There are also current government consultations on changes to local authority rent setting, and leaseholder charging, and the Mayor of London is also consulting on his draft London Housing Strategy.

9. A clear strategic direction for the council's own housing stock was established in the July cabinet report 'Independent Housing Commission- conclusions and next steps following community and stakeholder engagement'. This report restated the council's commitment to council housing as a long term community asset to the benefit of Southwark residents, and ruled out any wholesale or large-scale transfer of its stock to another provider. It also recommended that the council should provide as many homes that are as genuinely affordable as possible and look creatively at different options for financing these homes.
10. At the same cabinet meeting, the Leader of the council also made a commitment to build ten thousand more new homes in the next twenty five years. This was in addition to the commitment already given to build one thousand new council homes.
11. A strategic direction around improving housing conditions for private rented sector homes in the borough is also emerging, with consultation on plans to introduce a private sector housing standard having been undertaken recently by the council.
12. These developments raise fundamental questions around the long term vision for housing across all tenures, and it is therefore timely to commence planning for a new housing strategy.
13. In response to the recommendation of July cabinet this report sets out plans for developing a new borough-wide housing strategy for Southwark, that goes beyond what the council is delivering and sets the challenge for the council, and others, with residents to shape the future of housing and communities over the longer term.
14. The report sets out a vision for the new strategy which will shape its development. Linked to this, elsewhere on this cabinet agenda is a report setting out the council's plans for resourcing its commitment to build 10,000 new council homes in response to the decision of cabinet on 16 July 2013 that an assessment of the council's housing assets be undertaken, and long term plans be developed for delivering more council homes.

KEY ISSUES FOR CONSIDERATION

15. For the reasons set out above, the development of a borough-wide housing strategy cannot be seen in isolation from the council's wider plans for all new development, and improving its services to its residents. There are a number of key strategies and plans which will help to shape the development of the new housing strategy, some of which are already in place, and some which are in the process of being developed. The main council plans and strategies which will

impact on the development of the new housing strategy are set out below.

Fairer future for all vision

16. The council plan is the council's overarching business plan and was agreed by council assembly in July 2011. This established a number of principles and promises which collectively make up the fairer future for all vision. These include the fairer future principle which specifically celebrates the diversity of Southwark's community and which aims to create opportunities for all Southwark's residents, businesses and organisations. 'Making Southwark a place to be proud of' recognised the need to make regeneration work for local people and to develop a thirty year housing investment programme. In addition to the principles were a number of specific promises, including the promise to make every council home warm, dry and safe and also to bring the benefits of regeneration to Southwark's communities.
17. These principles and promises have shaped the development of a number of key council strategies and plans over the duration of the current administration. They will also help to inform the development of the new housing strategy. Some of the key strategies which will assist in the development of the new housing strategy are listed in the following paragraphs.

Economic wellbeing strategy 2012-2020

18. This is the council's strategy for delivering jobs and growth. Building new homes creates jobs in construction, and also in other sectors, such as logistics and retail. The fourth strand of the strategy- promoting financial wellbeing and independence- has particularly strong links with housing, in terms of helping to develop a strategic response to welfare reform, and contributing to developing long term solutions for those living in insecure housing conditions who are at risk of homelessness, exacerbated by reliance on benefits/low paid work.

Health and wellbeing strategy

19. Poor housing conditions have a proven link to a number of health problems including respiratory diseases, and can contribute to poor mental health. The first Southwark Health and Wellbeing Strategy 2013-14 was developed between the council and its partners in health, police, community and voluntary sectors, and its three priorities are:
 - Giving every child and young person the best start in life
 - Building healthier and more resilient communities and tackling the root causes of ill health
 - Improving the experience and outcomes for our most vulnerable residents and enabling them to live more independent lives.

Children and Young People's Plan

20. Another key partnership document which has strong links to the housing strategy is the Children and Young People's Plan 2013-16, the vision for which is 'Every child, young person and family in Southwark thrives and is empowered to lead a safe and healthy life. We will work together to deliver high quality services that make a measurable difference in helping to overcome inequality and disadvantage, and strengthen families' abilities to raise their children successfully

and independently'. One example of the impact that a family's housing circumstances can have on a child's life chances is if they live in an overcrowded home. Overcrowding can have a negative impact on a child's educational attainment, if they have nowhere quiet to do their homework. Southwark has very high levels of overcrowding- our 2008 housing requirements study showed that around 12% of the borough's households were overcrowded. Tackling this type of issue through a cross-service approach is fundamental to securing the changes necessary to improve a child's life outcomes.

New Southwark Plan

21. Southwark's Core Strategy was adopted in April 2011. It is the overarching planning document which sets out the council's long term vision, spacial strategies and strategic policies, with an implementation plan up to 2026. It sets out what kind of place the council wants Southwark to be in the future, including:
 - What different places in the borough, such as Elephant and Castle, Bankside, London Bridge, Peckham, Canada Water and Aylesbury will be like in the future.
 - How much affordable and private housing we require in different areas.
 - How much family housing we require in different areas.
 - Where we should build new shops, schools, health centres, community centres and leisure facilities.
 - Where we protect employment areas and create new jobs, etc.
22. The saved Southwark Plan (2007) is the council's unitary development plan and provides more detailed borough-wide policies. It includes policies on the required tenure of affordable housing and requirements for wheelchair housing.
23. The council is currently reviewing both the saved Southwark Plan and Core Strategy to prepare a Local Plan called the New Southwark Plan. This will set out a development strategy for the next 15 years. It will set out both strategic and detailed planning policies. This will be subject to an extensive statutory consultation exercise. The timetable for completion of the New Southwark Plan is late 2017.
24. The results of the consultation exercise on the housing aspects of the New Southwark Plan, which will commence shortly, will be used to inform the development of the new housing strategy.
25. The New Southwark Plan will set out a strategic vision for new developments in the whole of the borough, including new housing development. The housing strategy vision as set out in this report will help to shape the vision for new housing development as the New Southwark Plan develops. Likewise, the housing strategy will support the delivery of the new housing targets to be set out in the New Southwark Plan.

Housing strategy vision 2015-2045

26. This report sets out the overarching vision for a new housing strategy for the borough which embodies the council's objective of providing a fairer future for all. Housing is of key strategic importance in Southwark. It impacts not only on the physical landscape of the borough, but also on individual and wider social, health

and economic wellbeing.

27. The housing vision for the future, as set out below, reflects housing's strategic role in Southwark, to build stronger communities and make the borough a place where people want to live and work. It recognises housing's integral role in shaping a vibrant local economy through providing homes for people on a range of incomes. It also helps to deliver improved health outcomes for Southwark residents by providing good quality warm, safe and dry homes.
28. The anticipated duration of the new strategy is thirty years. It was felt that it was important to take a much longer term view of the type of homes and housing services which Southwark and its partners should be providing to its residents both now and in the future. However, to ensure that the strategy is delivering on its objectives and targets, it will be subject to a process of five year reviews and updating to ensure its continued relevance. This will include appropriate monitoring of delivery through the council plan and the council's normal performance management framework.
29. The vision for a new thirty year housing strategy consists of four key principles. Each principle is underpinned by key objectives which summarise the key steps required to deliver on the principles over the duration of the strategy.

Principle 1

We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.

- Building 11,000 new council homes for rent, and hundreds more to be made available on a shared ownership basis.
- Creating a new Southwark Plan and getting the most from regeneration opportunities to encourage and support housing growth across all tenures.
- Delivering a mix of homes, of different types and sizes, which are accessible and respond to people's changing needs over time, through direct provision and in partnership with housing associations.
- Ensuring a supply of new homes which are affordable to people on a range of incomes, through our major regeneration schemes in the Elephant & Castle, Aylesbury Estate, Canada Water and beyond.
- Seeking opportunities to work in partnership with the private sector to develop good quality, well managed privately owned and rented homes.

Principle 2

We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.

- Delivering the successor to our “warm, dry and safe” housing investment programme to make all our council homes fully fit for the twenty first century.
- Using our powers as the local planning authority to ensure that all new homes, regardless of ownership, are built to high standards of quality and design.
- Implementing a licensing and accreditation scheme for private landlords to drive up standards and reward good practice in the sector.
- Encouraging private landlords to offer greater security, certainty and stability for their tenants, especially families with children.
- Taking tough enforcement action against rogue landlords and letting agencies.

Principle 3

We will support and encourage all residents to take pride and responsibility in their homes and local area.

- Enabling council tenants and homeowners to take greater control over their local housing services, and supporting the development of tenant management organisations.
- Working with local housing associations to promote resident involvement and a more consistent Southwark wide service standard.
- Providing advice and assistance to private landlords and tenants on their respective rights and responsibilities.
- Working in partnership with local residents to tackle antisocial behaviour where it blights neighbourhoods and people's lives.
- Providing advice to private leaseholders on their options including the right to manage their blocks or estates.

Principle 4

We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

- Building lifetime homes, delivering extra care housing, exploring other specialist housing options for older people, and adapting properties to enable older and disabled residents to live independently as long as possible in their communities
- Providing incentives and opportunities for under-occupiers in social housing to downsize, releasing larger homes to help reduce overcrowding.
- Being ‘more than a landlord’ by connecting residents to the services and support they need across health, education, training, and employment, especially those facing particular barriers and less able to help themselves.
- Preventing homelessness wherever possible through self-reliant individuals and resilient communities.
- Working in partnership locally and across London to bring an end to rough sleeping in Southwark.

Next steps including stakeholder engagement

30. It is anticipated that the new housing strategy will be completed by summer 2015. A number of pieces of work will be undertaken during the intervening period to inform the development of the new strategy, including carrying out a strategic housing market assessment with other South East London Housing Partnership boroughs, and researching private sector housing conditions and the scope for this sector to meet local housing needs. The ongoing releases of census data and the forthcoming London strategic housing market assessment analysis will also be used to inform the new housing strategy. Southwark's new housing targets will be set out in the Mayor of London's new London Plan, which is expected to be published in 2015. The new London Housing Strategy and London Plan when developed will also be taken into account in the development of the new strategy.
31. The council has recently been through the most comprehensive community engagement exercise it has ever undertaken, on the future of council housing, as part of its response to the independent housing commission. This asked the following questions:
- Who should council housing be for and for how long?
 - How much council housing should there be and to what quality?
 - How should council housing be managed?
 - Any other comments?

The review of the housing lettings policy was also consulted on as part of the same exercise.

32. As well as engaging with residents through the council's formal engagement structures (community councils, area housing forums, Tenant and Home Owner Councils), there were also opportunities to participate through more informal events through the community conversations programme. This included having conversations in busy shopping streets across the borough or in parks where people were enjoying leisure activities, social media, engagement with young people through local radio and an online questionnaire. In total there were 80 different key events, activities or ways of engaging that gathered several thousand views, ideas and suggestions. In addition to gathering views about the future of the council's own housing stock, many residents expressed views about other forms of housing in Southwark, including raising concerns about the high cost of renting privately, and about levels of homelessness.
33. The council also engaged the Smith Institute to seek the views of key external stakeholders on the commission's report and issues such as opportunities to work in partnership. These included housing association chief executives, senior officers and cabinet members in other London boroughs, and decision-makers such as DCLG, London Councils and the GLA.
34. As indicated in paragraph 24 the council is also due to begin consulting on the housing aspects of the New Southwark Plan shortly.
35. It is proposed to use the results from the engagement exercises as set out above to inform the development of the new housing strategy. However there will also be further engagement with key stakeholders such as Southwark housing association group (SOUHAG), developers, private sector landlords, with the

voluntary and community sector, with Tenant Council and Home Owners Council and other consultative bodies such as Southwark Travellers' Action Group (STAG).

Policy implications

36. It is a council plan target to develop a vision for a new long term housing strategy in 2013/14.
37. The proposed housing strategy vision is consistent with the council's overarching vision to create a fairer future for all. The four principles which comprise the housing strategy vision as set out in this report have particularly strong links to the following fairer future principles of:
 - Treating residents as we would wish members of our own families to be treated,
 - Making Southwark a place to be proud of.

Community impact statement

38. Southwark is a borough which has historically experienced high levels of housing need and this is likely to continue, with projected increases in the borough's population.
39. The Southwark Housing Requirements Study which was conducted using the government's methodology for objectively assessing the housing requirements of a locality was last carried out in 2008, prior to the economic downturn. This found that the borough had a high level of need for affordable housing, and in particular for larger social rented homes. There were around 11,300 existing households who were in housing need, that is, they were living in unsuitable housing, needed to move, but were unable to afford to pay for a housing solution themselves.
40. At 1 April 2013 there were 21,144 households on the Southwark housing register. 70% of these were new applicants (14,713) and 30% were existing tenants wishing to transfer (6431). The greatest demand was for a one bedroom property (11,159). However, social housing tenants wishing to transfer are most likely to need a 2 bedroom or larger property. Applicants wishing to move to a 3 bedroom or larger property have to wait much longer for a property to become available. While the council has policies to encourage greater supply of new larger properties these are still in very short supply.
41. The Southwark Housing Requirements Study 2008 identified significant shortfalls in the supply of larger affordable family homes (i.e. with 3 or more bedrooms). This study also identified very high levels of overcrowding in the borough. Around 12% of the borough's households live in overcrowded conditions, with the highest levels of overcrowding being experienced in the council's own housing stock at 15%.
42. Southwark accepted nearly 600 households as homeless in 12/13. Homelessness is projected to increase as a result of the continued shortage of genuinely affordable housing for those on low incomes. Welfare reforms are also likely to impact on levels of homelessness. Many landlords are unwilling to accept households on benefits due to concerns about rent arrears, that may

result from direct payments of housing benefit to the tenant, and the introduction of the cap on the maximum amount in all out of work benefits which households can receive (£350 per week for single people and £500 per week for couples and families). Additionally nearly 4000 Southwark social housing tenants are affected by the under-occupation reforms, although they have been targeted by the council for assistance with downsizing and discretionary housing payments.

43. The commitments as set out in the vision in paragraph 29 of this report will benefit all communities in Southwark, as their objective is to improve the housing conditions of the borough, irrespective of housing tenure.
44. The development of the strategy itself will also be informed by a detailed equalities assessment. Additionally the information from the equalities assessment conducted as part of the engagement on the response to the independent housing commission will be used in the strategy's development.

Resource implications

45. There are no resource implications at this time.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

46. The report recommends a vision for a new housing strategy. There are no specific legal implications arising from the recommendation. The director of legal services and her team will provide legal advice if required during the development of a new strategy.

Strategic Director of Finance and Corporate Services (FC13/084)

47. The strategic director of finance and corporate services notes that this report contains no new financial implications and that any additional costs arising from specific schemes will be submitted in separate report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet paper- Independent Housing Commission – Conclusions And Next Steps Following Community And Stakeholder Engagement	Southwark website	Claire Linnane, Corporate Strategy 020 7525 0732
Link http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=3882		
Cabinet paper – Establishment of a housing commission – 13 December 2011	Southwark website	Stephen Gaskell, Corporate Strategy 020 7525 7293
Link http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=2588		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Claire Linnane, Housing Strategy & Partnerships Manager	
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
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