

For General Release

REPORT TO:	CABINET 16 March 2015
AGENDA ITEM:	9
SUBJECT:	Homes – our 10 priorities
LEAD OFFICER:	Jo Negrini, Executive Director - Place Paul Greenhalgh, Executive Director - People
CABINET MEMBER:	Alison Butler, Deputy Leader (Statutory) and Cabinet Member for Homes & Regeneration Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT:</p> <p>The commitments contained in this report support the delivery of the Croydon Promise, the Local Plan and achievement of the current Housing Strategy objectives. The key commitments to residents are as follows:</p> <p>We will:</p> <ul style="list-style-type: none"> • build more homes for local people • use planning powers to get the best out of our housing market • regenerate our council housing estates • drive up standards for tenants living in private rented homes • improve safety for vulnerable people living in private housing • support older and disabled people to live independently for as long as possible and engage homeless people sleeping rough to offer a “hand-up” off the streets • improve conditions for homeless families placed in temporary accommodation • ensure people feel safe in the place they live • develop strong thriving communities by working with our residents and partners • set up a holistic service for families facing homelessness – our People Gateway 	
<p>AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS:</p> <p>This report sets out how housing will contribute to the strategic priority in Ambitious for Croydon to deliver growth. Specifically it contributes to the outcome “To provide a decent, safe and affordable home for every local resident who needs one”, however, it also contributes to a number of other outcomes included in the Independence and Liveability priorities.</p>	
<p>FINANCIAL IMPACT:</p> <p>The financial impact of the various sources of funding and investment have been considered in previous reports to Cabinet, including:</p>	

- Growth for the Prosperity of All: Growth Plan & District Centre Investment and Place Plans – Cabinet, 29 September 2014¹
- Wholly owned housing company – an option for tackling the shortage of homes in Croydon – Cabinet, 29 September 2014²
- Monitoring Report – Increasing Affordable Housing outside the Croydon Opportunity Area – Cabinet, 15 September 2014³

KEY DECISION REFERENCE NO.: 6/15/CAB. This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

The Cabinet is recommended to:

- 1.1. Note the actions set out in the report to tackle housing issues.
- 1.2. Approve that the Executive Director - Place, in consultation with the Cabinet Member for Homes and Regeneration, the Director of Finance and the Council Solicitor and Monitoring Officer, be given executive delegated authority to undertake relevant steps to establish and operate a Development Company in line with the proposed structure set out in this report.

Abbreviations and acronyms

ASB	Anti-social Behaviour
BRE	Building Research Establishment
CCG	Clinical Commissioning Group
CEE	Central and Eastern European
DHP	Discretionary Housing Payment
DWP	Department for Work and Pensions
GLA	Greater London Authority
HIA	Home Improvement Agency
HRA	Housing Revenue Account

1 <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabatt.pl?cmt=CAB&meet=29&href=/akscroydon/images/att4273.doc>

2 <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabatt.pl?cmt=CAB&meet=29&href=/akscroydon/images/att4292.pdf>

3 <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabatt.pl?cmt=CAB&meet=36&href=/akscroydon/images/att4178.docx>

JSNA	Joint Strategic Needs Assessment
LHA	Local Housing Allowance
OBR	Office for Budget Responsibility
RIF	Revolving Investment Fund
RP	Registered Provider (of housing)
S106	Section 106 of the Town and Country Planning Act 1990 (as amended) which related to contributions made by housing developers towards local authority affordable housing requirements
SAP	Standard assessment procedure (a measure of energy efficiency)
SCP	Safer Croydon Partnership
TA	Temporary Accommodation (provided for homeless households)

2. EXECUTIVE SUMMARY

- 2.1. The purpose of this report is to set out the Council's ten housing priorities. Croydon is on edge of a major change. Signs of growth and investment are clear across the metropolitan centre. An anticipated £9bn will be invested in Croydon over the next five years, producing over 16,000 new jobs and 9,500 new homes. This regeneration brings with it the opportunity to benefit local people including new affordable housing, new schools, better health and community facilities, and improved, sustainable transport system and infrastructure. This report shows how the Council will use its resources, influence and statutory powers to deliver these benefits to residents of Croydon. How it will build new homes, drive up housing standards for private housing tenants, support vulnerable individuals and families. It explains how we will introduce a new holistic approach to homelessness that tackles the underlying causes, and helps people get to grips with the demands of the digital world, gives them the tools to make their household income go further, to access bank accounts, to deal with debt and access affordable credit through our Credit Union, and to improve their skills and employability, to take up training, and to get into employment.
- 2.2. We are committed to building more homes for local people. The Council is going play an active part in this by setting up a Development Company to build new homes and a Revolving Investment Fund to fund them. These two new arrangements will be in place by the end of the summer 2015. Overall the Council has set itself an ambitious target to ensure 1,900 new homes per year are started in Croydon over the next five years.
- 2.3. We are also committed to using our planning powers to get the best out of the housing market. We have already increased the affordable housing requirement outside the opportunity area in Croydon from 15% to 30% of new homes built, and this will increase to 50% from 1 April 2015. Recent changes to planning rules have allowed offices to be converted to new homes without needing planning permission. The vast majority of these conversions have been of a substandard size, and the Council is not prepared for this to continue. We have notified the Communities and Local Government Secretary of our plans to restrict this type of development from September 2015.
- 2.4. We will regenerate our council estates benefiting local residents and communities. The Council has a substantial maintenance and improvement programme to keep council homes decent and improve energy efficiency which invests in excess of £30m per year. From 2019 an additional £6m per year will be available to fund an estate regeneration

programme which will provide new homes for families in need, and provide new community infrastructure and an improved environment for our existing tenants.

- 2.5. We are committed to driving up standards for private tenants in Croydon. Also on the agenda of this Cabinet meeting is a report explaining the outcome of recent consultation on introducing selective licencing in Croydon. Selective licencing, if approved, will require private landlords to meet certain standards concerning the safety and condition of their properties, the management of tenancies and dealing with complaints of anti-social behaviour (ASB). We believe selective licencing will provide the additional tools required to tackle ASB and environmental nuisance in Croydon and improve conditions for private tenants. The Council is also targeting empty properties and, through support and encouragement, as well as enforcement action will bring 300 empty homes back into use in 2015/16.
- 2.6. We will improve the safety and energy efficiency of private sector housing for vulnerable people. Our existing housing is a valuable asset and the Council plays an important role in assisting elderly and vulnerable people on low incomes and with limited savings to carry out repairs, improvements and adaptations to their homes. This assistance not only improves homes but reduces accidents and admissions to hospital. We propose to develop a healthy homes programme targeting private sector housing hazards, particularly very cold homes, and improve referrals between health and housing to tackle the worst problems quickly.
- 2.7. We are committed to supporting older and disabled people to live independently for as long as possible. This includes increasing the number of new homes built to wheelchair accessible standards, as well as through carrying out adaptations to council (60 homes per year) and private homes (100 homes per year) using disabled facilities grant and direct investment. The Council will also increase the level of extra care homes provided and are looking to develop a modern, mixed-tenure, retirement housing "village". Our supported housing stock will also be improved and increased with investment in housing for people with mental health problems, learning disabilities and young people.
- 2.8. The Council has been working closely with and to support the voluntary and faith sectors that engage with people that have been sleeping rough in Croydon (including the Croydon Churches Floating Shelter, Nightwatch and the Salvation Army). The aim of this engagement is to offer a "hand up" off the street, and support to move into accommodation, to take up training and access employment. An innovative engagement project targeting destitute Central and Eastern European nationals has engaged with over 90 individuals and helped 23 into accommodation and 15 into employment. The Council is also working with Crisis to set up a Skylight Centre in Croydon providing a range of services to homeless people, including skills training, education, counselling, housing and employment.
- 2.9. We also commit to tackling homelessness and improving services to homeless households placed in temporary accommodation. We have seen a sustained increase in homelessness since 2010 and the current housing market, welfare reform, and government policy on housing benefit and the funding for temporary accommodation have made it extremely difficult to provide accommodation for homeless families. The Council has been proactive and has made substantial investments in increasing supply,

including committing £30m in the Real Lettings Property Fund. The Council, alongside colleagues in health, Job Centre Plus and others will implement the recommendations of the Joint Strategic Needs Assessment (JSNA) chapter which examines the impact on health and wellbeing of homeless households placed in emergency accommodation.

- 2.10. We are committed to ensuring our residents feel safer in the places they live. Tackling crime and ASB is a priority for our residents, and the Council and its partners in the Safer Croydon partnership will be working hard to maintain recent reductions in offences and ASB, and to put victims at the heart of our approach. A key focus will also be on environmental nuisance through the “eyes and ears” project which will provide a coordinated response to this problem. Tackling domestic violence is also a priority and Croydon has joined the international White Ribbon campaign to demonstrate its commitment to changing attitudes, increasing awareness of the issue and reducing its prevalence.
- 2.11. We will work in partnership with our residents and other stakeholders to develop strong thriving communities. The Fairness Commission will play a major part in highlighting the issues that we will focus on in the coming years. The council will also continue to support existing social housing tenants to develop skills and qualifications to move into employment; housing associations are also working with their residents in this area and we will look to share best practice and learning. The Council will also refresh its resident involvement strategy, particularly in the use of digital technology and opportunities to participate online, as well as continuing to support residents in the scrutiny of the quality of housing services and value for money.
- 2.12. We will develop a new People Gateway – an innovative holistic approach to tackle the underlying causes of homelessness, building resilience, digital and financial inclusion, and supporting people to achieve their housing and employment aspirations. The first phase of the People Gateway is scheduled to start in July 2015.

3. DETAIL

3.1. Housing is our top priority. Nationally we need to build more homes and this is especially true in London and in Croydon. Housing is least affordable and in greatest demand in our most successful and thriving places. Failing to build sufficient housing constrains further growth and denies future opportunities. This matters because, in turn, it affects our local and national economies. Successful areas are productive and create jobs, and if people cannot afford to live in them, and cannot take up new jobs, demand for goods and services suffer and so does the economy. By the same token ambitious plans that link housing, to improved infrastructure, to new jobs and services act to drive growth and regeneration. When delivered effectively and with sensitivity to local character this ambition creates places that people want to live and work in, places that thrive and attract further investment. Delivering excellent places where people want to live and work is the focus of this report, and in particular how housing will contribute to this activity.

3.2. In common with many places Croydon has been through periods of prosperity and periods of decline. However, people who understand Croydon have long

recognised and championed its potential, its proximity to the region's economic centres, its connectedness and its assets, not to mention its talented, tenacious and exceptionally nice people⁴. It was identified in the 2010 London Plan as an opportunity area for office and for residential growth. Recent economic growth and a thriving housing market have highlighted Croydon as a serious investment destination. The signs of this investment are plain to see from the demolition of Taberner House to the new residential tower rising out of Saffron Square. The public sector has plans to locate here, with a mini Whitehall likely to establish itself in the centre of Croydon⁵. Westfield/Hammerson have also taken the decision to create one of Europe's largest shopping and leisure malls on the site of the Whitgift Shopping Centre which will provide 5,000 new jobs and up to 600 new homes.

3.3. Croydon, therefore, stands on the edge of a major change. The regeneration of the centre of Croydon brings with it the scope to deliver real benefits to local people, to provide our developing communities with new schools, better health and community facilities, improved and sustainable transport systems and infrastructure. It also provides much needed employment opportunities for local working families and individuals. It will also drive further regeneration in our local and district centres, which, while retaining their distinctive character, will further contribute to the vibrant mix of new homes, jobs and community facilities.

3.4. Croydon's new Growth Plan spells out how these benefits will be delivered by the Council and its partners. It also recognises not only the need for new homes but the role played by housing in leading and driving regeneration. The purpose of this report is to set out how the Council will use its resources, influence and statutory powers to maximise the benefits to residents of Croydon from new housing as well as from driving up housing standards for social and private housing tenants, providing support for vulnerable people and families, and introducing a new approach to homelessness that will tackle its underlying causes in partnership with homeless households, including improving skills, taking up training and getting into employment.

3.5. So how are we going to make this happen in practice? A fundamental step is getting the right structure for the Council itself and ensuring that how we are organised is directly aligned with our key objectives. Our new structure incorporates two frontline departments - *people* and *place* – supported by a resources department. The *place department* will be dedicated to making Croydon a great place in which to live. Its focus will be on developing and improving the metropolitan and district centres, the residential neighbourhoods, the employment and business sector, and the infrastructure - transport, schools, green spaces, leisure and cultural amenities, retail facilities - which together provide the recipe for a vibrant and successful town catering to a diverse population with modern-day aspirations. The right housing to meet the needs of local people will be central to this focus, and the place department will have the lead responsibility for

4 A BBC survey found that people living in Croydon are the most sympathetic and nice
<http://www.mirror.co.uk/news/ampp3d/what-your-london-postcode-say-4971868>

5 Plans for the civil service to relocate more of the Home Office to Croydon see
<http://www.civilserviceworld.com/articles/news/civil-service-jobs-leave-whitehall-suburbs>

developing new homes, making best use of existing homes, managing and maintaining council-owned homes, and supporting the communities living on our estates.

- 3.6. The *people department* will focus on people and families at an individual and personal level, providing a customer-centred approach. Firstly, this recognises that people can have a range of different and often inter-related issues (debt, benefit problems, difficulties finding work, care and support needs, and relationship breakdown and so on as well as housing needs) which are better dealt with holistically. Secondly, this approach reduces duplication and streamlines ways of giving advice and help. This will mean better and more comprehensive outcomes for residents, and a more efficient way of working resulting in cost and resource savings. Helping people with their housing needs will be part of the service offered by the people department, which will be responsible for preventing homelessness, assessing households who are homeless or living in unsuitable accommodation, and offering different interventions to enable vulnerable people to manage independently and safely in their homes.
- 3.7. With this organisational foundation in place, and with realigned services which ensure that the provision of homes and housing services are fully integrated with other council services, we will be in an excellent position to carry out a thorough review of our housing strategies and policies to ensure that they are fit for purpose and appropriate to the changing context within which we are working. This will require some difficult decisions, in particular as a series of incremental public sector spending cuts bite over the next few years.
- 3.8. This report sets out the top ten commitments for the Council, essentially a set of principles which will guide our decisions, policies and services. The next step will be to give definition to these commitments and to translate them into a radical new programme of measures designed to provide solutions to the issues arising from a tough combination of demographic, economic and housing market pressures.

More homes

We will build more homes for local people – we will start building at least 9,500 homes over the next five years.

- 3.9. House-building in London is not keeping pace with a growing population⁶. Excess demand is driving up house prices and leaving many working households unable to buy a home without substantial help from their families. Market pressures are also pushing up the cost of renting privately, and local landlords are reluctant to let their homes to people on benefits⁷. Social housing is also in short supply with having to wait long, often indefinite periods of time, on the housing waiting list for a Council or housing association home.

⁶ In 2014 118,770 homes were completed in England compared to the estimated 240,000 new homes per year required to meet to meet newly arising demand and need in England (Town and Country Planning Association, 2013).

⁷ In 2014 Croydon CAB contacted 86 Estate Agents and asked if they accepted tenants who receive Housing Benefit (HB). 54% of those estate agents stated that they would not be able to take a tenant who receives HB, and only 23% responding positively.

- 3.10. A decent home provides more than just our basic need for shelter and warmth. It allows young people to grow and develop in healthy surroundings; it provides a safe, secure place for people to rest and recharge; and with sufficient space it allows people of all ages to study, think and learn. At the right price or rent it is a platform for economic self-sufficiency and provides an opportunity to plan and provide for the future.
- 3.11. At the same time, the Coalition Government's Affordable Homes Programme 2011/15 reduced direct investment in affordable housing by 60% nationally compared to the 2008/11 programme. In Croydon, this translated to an 80% reduction in grant funding, due to the relatively high grant levels previously secured to deliver affordable homes in Croydon. Housing associations⁸ were expected to compensate for this loss of public subsidy by bringing in greater levels of private investment, charging higher "affordable rents" and using receipts from homes for sale to cross-subsidise rented housing. However, low sales values in Croydon, together with low rental levels, have meant that the capacity to raise income through these other streams has been severely hampered with affordable housing schemes struggling to become financially viable. The Council has played its own part in delivering new homes through a small new-build programme funded through the housing revenue account, with 200 new homes either completed or being progressed. Financial constraints on the Council's Housing Revenue Account (HRA) in the form of a borrowing cap have however limited the capacity for anything more ambitious.
- 3.12. With land values falling, a shortage of finance during the credit crunch, and increasing unemployment serving to dampen demand, private developers were unable or reluctant to bring forward sites for development, instead waiting for an upturn in the economy when they could get a higher return on their land investments. However, over the last five years Croydon managed to deliver an average of 1,157 new homes a year, only slightly below the London Plan average requirement (1,238 homes a year). At the start of 2015 Croydon finds itself in the position of having exceeded the London Plan's housing target in 2013/14 and having enough sites with planning permission to meet the target for the next five years, providing a solid base for working towards starting construction of 9,500 new homes by 2019.
- 3.13. It is vital that we achieve a step-change in the delivery of new homes, and we have set ourselves a very ambitious target. Recent improvements in the local housing market will certainly help to get stalled private sector developments moving with developers now able to realise decent returns on their land holdings. Nevertheless, we have not achieved our target of new supply even during the most advantageous of economic times. And, although private developers will do well in a more buoyant market, affordable housing providers will struggle to compete with them so the economic context is not entirely positive.
- 3.14. The step-change will therefore require a very radical range of measures. Firstly, we need to make the most of available land capacity; our Strategic Sites Review has identified a schedule of sites which can be developed over the next five years and we

⁸ Registered Providers eligible to bid for affordable homes funding also include local authorities and private companies, however, the vast majority of Registered Providers (RPs) are housing associations. Housing associations has therefore been used in this report in place of the overly technical RPs.

will take an active role in assembling sites ready for construction. Secondly, we need to find new funding sources and develop the power to tap into these as well as the traditional sources, reinvesting the proceeds and profits into new and stalled housing developments. Our proposed Revolving Investment Fund (RIF) would utilise various assets and income streams - S106 receipts, the new homes bonus, prudential borrowing through the council's general fund and potential funding from investment companies and financial partners - and provide flexible access to capital to enable development. Thirdly, we need the right vehicle to do the business and, accordingly, the Council is proposing setting up a new development company. This development company could, as well as being able to make use of the money in the RIF (which the Council could not itself do), directly develop new homes together with the community and commercial facilities necessary. Moreover, this company could also develop housing of different tenures, enabling cross-subsidy and making affordable housing, even at social rent levels, financially viable. In this way, there is potential to significantly expand the council's new-build programme to between 2,000 to 3,000 homes over the next five years. More detail of the proposed development company can be found in section four of this report.

- 3.15. This new approach will complement the ongoing work of registered providers (RP), our key partners in the delivery of new affordable homes, and we will continue to use our planning, enabling and site assembly powers to assist with stalled developments and to bring forward sites for joint council/RP development or for handover for sole RP development.

Our commitments on new homes:

- We will increase the rate of house-building with a minimum target of at least 1,200 new home completions a year over the period 2014/15 to 2017/18, with the aspiration of front loading delivery so we can increase starts up to 1,900 mixed tenure new homes per year.
- Within this programme, we will cater to the diverse needs of the local population by ensuring a wide range of tenures - from high quality home ownership, through starter homes and shared ownership, to homes for rent at a range of rental values including traditional social rents. In particular, the council is keen to introduce its own unique "rent to buy" model which will help people into home ownership without the need for a deposit or mortgage.
- We will establish a Revolving Investment Fund (RIF) by Summer 2015
- We will establish a new development company by Summer 2015
- To guarantee a decent level of housing for local people on lower incomes, we will require housing developers to build more affordable housing as a condition of getting planning permission for their proposed development. We have already increased the affordable housing requirement on sites with more than 10 homes outside the opportunity area from 15% to 30% of new dwellings, and from April 2015 it will increase to 50%.

Planning powers

We will use planning powers and other powers to get the best out of our housing market

- 3.16. The Croydon local plan provides a strategic approach to meeting the boroughs housing need. Croydon council has been very deliberate in its approach to planning policy by formulating a local plan that has a strong vision for the future development and growth of the borough over the next twenty years to 2036. This vision is based around meeting the boroughs housing need as defined by local demographics – homes for future generations – which is strongly framed around a place based approach.
- 3.17. The spatial planning policy developed through the local plan sets the framework within which to optimise housing delivery through the identification of broad locations and specific sites. A framework which responds to the varied local character and distinctiveness of the borough and which contains specific place based policies providing a firm context in which development may take place. Considerable further definition and detail is provided at a local level, informed through the borough character and residential character evidence base which underpins the ‘16 Places of Croydon’. Greater detail for the metropolitan centre is contained within the Opportunity Area Planning Framework and the masterplans.
- 3.18. The local plan will develop through the partial review of strategic policies and site allocations within the borough and is programmed for adoption in 2017. It will continue to provide a strong strategic vision to meet the boroughs housing need, placing a considerable emphasis on local context and place whilst responding to changes in demographics and economic circumstances. This will not only act as a further catalyst for the provision of much needed housing but also the delivery of the appropriate development in the right place.
- 3.19. Croydon’s Local Plan is strongly focussed on the borough’s growth and places significant emphasis on meeting Croydon’s housing need. The borough’s population is estimated to rise by about 48,000 over the next twenty years. The Local Plan is a robust evidence based strategy that provides an enabling planning framework to deliver some 20,000 new homes by 2031. The plan identifies potential sites that can be allocated to meet need and sets this within a strong place-based policy context to ensure that development is appropriate and relates to local character and the distinctive attributes of the boroughs varied districts.
- 3.20. The local plan and its emerging site allocations and detailed policies are fully aligned with the Growth Plan and the wider regeneration of the borough. There is complementarity and alignment between the local plan and the Council’s emerging delivery mechanisms of the strategic sites review, the revolving investment fund and development company.
- 3.21. There are other planning issues that also impact on the type and quality of homes being built in the borough. While we want to see more new homes being built, we are not prepared to accept tiny, poorly designed and sub-standard homes converted from old offices flooding the local market. Current planning rules (known as permitted development) allow the conversion of offices into new homes without the owner requiring planning permission, provided the conversion is completed by the end of

March 2016. More than 8 out of 10 flats converted in Croydon under these rules have been of a sub-standard size.

- 3.22. The Council maintains an active dialogue with government and shadow government ministers and continues to make the case for Croydon, in terms of fairer funding to meet local demands, and for greater independence and devolution of powers to maximise local opportunities. We have, therefore, notified the Communities and Local Government Secretary of our plans to adopt Article 4 powers restricting permitted development of this type in Croydon from September 2015⁹. For larger schemes, plans are already in place to ensure new developments deliver training and development as well as jobs and apprenticeship options. With work delivered through Housing Associations, we afford these opportunities to residents of these associations to ensure tenants have a route towards economic independence.
- 3.23. The council is also concerned about other unwelcome recent developments such as “buy to leave” and “vacant building credit”. The “buy to leave” investment effectively enables perfectly good new homes to be left empty by the current owner, who is only interested in making a profit on the increasing price of their property. This is developing into a serious problem in London and means new homes are not being sold or let to families that actually need them to live in. The council already uses the powers available to charge a 50% premium for properties that have been empty and unfurnished for more than two years, and has withdrawn Council Tax exemptions and discounts. However, these Council Tax powers do not adequately deal with the problem especially as the Council is not made aware that the properties are being left unoccupied. Vacant building credit is a government initiative aimed at getting empty or redundant land and property back into use. Essentially where redevelopment or reuse of a vacant building is proposed, affordable housing contributions will only apply to an increase in floor space. The inference is that this will encourage vacant buildings to be brought back into use more readily and that conversion schemes requiring planning permission will benefit from the same nil-affordable housing requirement as currently benefits office-residential permitted development. However it also encourages more office-to-residential conversions, which may in some instances reduce the availability of commercial space reducing jobs whilst at the same time will not secure any affordable housing provision. The council is extensively lobbying to communicate the unintended consequences of such ill-conceived policies.

Our commitments on use of planning powers:

- We will seek to introduce restrictions to office to residential permitted development powers from September 2015

⁹ Restricting permitted development is achieved by issuing a direction under Article 4 the Town and Country Planning (General Permitted Development) Order 1995. The Secretary of State must approve or confirm certain types of direction.

Regenerate our council estates

We will regenerate our council housing estates, producing new homes, improving standards for estate residents, and maintaining all council homes at the decent home standard.

- 3.24. Every family and every individual can reasonably expect to have a decent place in which to live – a home which is safe, warm and weatherproof, and which has modern facilities. By 2010/11, we had brought 100% of our 14,000 homes up to the national decent home standard, one of the first councils in London to achieve this. We are committed to a major programme of investment to keep Council homes up to the decent homes standard and to continue to improve them through a wide range of measures such as kitchen and bathroom modernisation, new windows and boilers, and security doors. A high level of energy efficiency ensures affordable warmth, important for all tenants in keeping down fuel bills and especially older and house-bound people who need to keep their homes warm for the sake of their health. The average SAP rating of the council's stock is 67.5 which compares favourably with the England average of 64. Nevertheless, much of the stock comprises older properties with solid wall construction which are hard to heat and require radical and costly measures to insulate them.
- 3.25. The borough's council estates provide significant opportunities for new affordable housing. We estimate that at least 500 new homes could be built on our estates as part of the Council new-build programme, together with the infrastructure to make the developments sustainable. However, to achieve a really big impact, we also want to invest money from the housing revenue account, in a range of works which will improve the existing housing stock as well as help to transform the wider estate. We will therefore invest a further £6m a year from 2019/20 specifically for estate refurbishment to make this happen. This investment will provide homes to families that need them, as well as providing a better environment and quality of life for our existing tenants. Regenerating our housing estates in this way, involving a better use of the land available, a mix of different tenures, improvements to the environment and local community infrastructure will complement and blend with the planned growth in our district centres and make a big contribution to our ambition of making our local communities great places to live.
- 3.26. It should be said that a recent audit of our estates has produced a picture of thriving communities where people live happily. But there are some estates where problems have grown up, often because of poor layout or design, and where improvements to the quality of the environment could create a desirable place to live. Improving housing conditions and neighbourhood standards, modernising the appearance of buildings and estate land, tackling entrenched problems such as anti-social behaviour through better design and creative solutions, and enhancing community facilities in recognition of local growth, would be central ingredients of an estate regeneration programme. The extra funding might involve envelope works to blocks of flats - overcladding to modernise the appearance and make them more energy-efficient, winter gardens to increase space, extra storeys and new flats where appropriate, lift refurbishment and improved security. Or it might involve landscaping, better lighting, street furniture, disability-friendly access across estates, signage and

features which tackle problems which can give rise to anti-social behaviour. On a small number of estates, the solution to problems of design or poor housing mix may be more radical even including the demolition of existing homes and replacement with superior quality housing.

3.27. We will use local lettings plans¹⁰ for new homes developed as part of these major regeneration schemes to ensure the mix of households gives the new community the best chance of success, potential management problems are reduced from the outset, and local people benefit from the new provision. Between now and 2019, we will carry out feasibility studies and consult with residents on the options, actively involving them in the development of proposals and priorities.

3.28. The council has embarked on a programme of re-procurement of planned maintenance and improvement works. This will ensure continuity of provision as and when existing contracts expire and will also provide the opportunity for a number of benefits to Croydon's economy and community. Successful contractors will be expected to pay their staff the London living wage for example, and to offer a range of apprenticeships and employment opportunities to local people. We will ensure that local businesses have the opportunity to bid for contracts and that the main contractors work in partnership with local companies and suppliers. Specific objectives and targets for achieving 'social value' have been embedded into the procurement process and have been given a significant weighting in terms of overall evaluation. Once contracts are in place, on-going governance will ensure that all agreed commitments are delivered including penalties for poor performance. We will be seeking more efficient ways of working and improved customer contact by sharing ICT systems and data.

Our commitments for council homes and estates:

- Invest £30m a year in maintaining and improving homes, ensuring that each one remains at the decent home standard
- As part of the overall programme, invest £4.5m a year in substantial energy efficiency measures such as over-cladding of homes with solid walls and installation of solar panels.
- Re-procure planned maintenance services, achieving between £1.4m and £1.8m savings a year, requiring our contractors to pay the London Living Wage¹¹ and bringing in a range of social benefits to the borough from April 2016 onwards.

10 The council's housing allocations scheme allows the Council to let new homes on major developments in a different way to ensure there is an appropriate balance of families, single people, children etc. Applicants selected may be taken slightly out of order from their housing register position in order to achieve this.

11 The London Living Wage is an hourly wage rate set independently and annually by the Living Wage Unit within the Greater London Authority (GLA)

- From 2019 onwards, invest £6 million a year in a new estate regeneration programme thereby augmenting the wider development programme of new homes and infrastructure, and ensuring that existing estate residents benefit from the changes.

Drive up standards for private tenants

We will drive up standards for tenants living in the private rented sector.

- 3.29. We want to improve the standard in private housing. This is important because more people rent from private landlords these days as they cannot afford to buy a home and do not qualify for social housing. More people rent privately than from the Council or a housing association in Croydon. It is also largely a cottage industry in Croydon with most landlords letting one or two properties. Whilst there are many good landlords in the borough, there are too many instances of poor practice, low standards and unprofessional attitudes. Incidents of ASB, fly-tipping and other environmental nuisance demonstrate there is a significant and persistent problems associated with poorly managed, private rented housing in the borough. We want to improve how private landlords manage their properties and to reduce these problems. Unfortunately voluntary landlord accreditation schemes have had little effect, as they have not attracted sufficient membership, despite being the government's preferred option.
- 3.30. The Council has, therefore, consulted on introducing a licensing scheme for all private sector landlords in Croydon. The scheme will require private landlords to meet certain standards concerning the condition and safety of their property, their responsibilities towards their tenants and to take action in relation to nuisance and ASB caused by their tenants. The licensing scheme will be compulsory and, when the licensing scheme area is designated it will become a criminal offence to let a property without a landlords licence in this area. There will be a small charge to landlords to cover the cost of administering the scheme. It is a powerful tool; however, we believe its introduction is necessary to tackle the problems we currently face.
- 3.31. Empty properties are a scandalous waste when so many people are in need of homes in Croydon. They blight local areas by attracting vandalism, fly-tipping and anti-social behaviour. Local residents are also often affected psychologically by the negative impact that empty properties have on their neighbourhood. The Council is making it clear that it is no longer acceptable for owners of empty properties to deny others a decent home to live in and we will not tolerate this. A new Targeting Empty Properties Campaign has been launched which will invest £0.5m in this work in 2015/16 and 2016/17 to replace funding withdrawn by the Mayor of London.

Our commitments on driving up standards for private tenants:

- Follow the approved recommendations set out in the report on the *Private Rented Sector Licensing Consultation Outcome* also on the agenda of this Cabinet meeting.
- Deliver the activities set out in the Targeting Empty Properties Campaign including promotion and engagement, encouragement and support, and

enforcement to achieve the target in 2015/16 to bring 300 empty properties back into use

Tackle cold and poor quality housing to improve health

We will improve safety for vulnerable people living in private housing by removing hazards and improving energy efficiency.

- 3.32. Our existing housing is a precious resource and while we need new housing we should keep in mind that existing housing will make up at least 75% of our housing stock in 2050. The Council has an important role to play in improving existing homes and in assisting elderly and vulnerable people, in particular owner-occupiers who have low incomes and limited savings, to carry out repairs, energy saving improvements and adaptations where needed. We can do this in a number of ways including by providing advice and expertise, and by arranging financial assistance (loans and in certain circumstances grants). We will also use our enforcement powers where necessary to tackle hazardous dwellings or where they are a serious nuisance. Improving private sector housing is just one part of a range of activities included in the campaign ‘*Don’t Mess with Croydon*’ to clean up the borough, tackle environmental nuisance, and raise the standard of private sector homes. There is an additional benefit from doing this in reducing accidents, admissions to hospital and health spending. There is substantial evidence demonstrating how cold housing, fuel poverty, hazards and unhealthy housing all impact on the health service. A recent report commissioned by the Council from the Building Research Establishment (BRE) estimates that the cost to the NHS of treating accidents and ill-health caused by housing hazards in Croydon is over £2.7 million each year, and if the wider costs to society are taken into account £6.8 million.
- 3.33. Part of our “Croydon Challenge” to reduce council spending by £100million over the next three years is to look at health integration and how we can better utilise our existing health services – including social care and public health – to prevent issues from arising and escalating into costly long term care needs. One key part of this work will be to identify low cost, simple actions that can make a big difference. Another would be to ensure housing, health and other services work in a more joined-up, effective way. Housing and health organisations signed an agreement in December 2014 to work closely together to improve health through the home¹². We will take a lead from other local authorities and Clinical Commissioning Groups (CCG) that are tackling fuel poverty, cold related illness and excess winter deaths.

Our commitments on improving health outcomes for vulnerable people living in private sector housing:

- Develop a “spend to save” healthy homes programme aimed at tackling private sector housing hazards (particularly excess cold)
- Set up a programme of joint training for housing and health professionals

¹² Memorandum of understanding to support joint action on improving health through the home - <http://www.hact.org.uk/sites/default/files/uploads/MOU%20project%20final%20Dec%2014.pdf>

- Develop improved, streamlined referral procedures between GPs and the Staying Put Home Improvement Agency (HIA) to “fast track” urgent cold related cases for action

Local people at the heart of our plans

- 3.34. So far this report has mainly talked about buildings and about construction, refurbishment and regulation/enforcement; however, our approach to housing is not just the physical regeneration of the urban fabric, it's just as much about supporting local people to achieve their aspirations. It could be said that public services have tended to take too narrow a view of housing and homelessness and provided services addressing single issues normally at crisis point. The Coalition Government's plans for fiscal consolidation rely heavily on cuts to spending on public services, according to the Office for Budget Responsibility (OBR) they amount to a 23% reduction in real per capita spending between 2007/8 and 2018/19¹³, and have made it extremely difficult to provide anything but the bare minimum. In addition too little work has gone into evaluating the impact of these limited interventions, to following up with the people concerned, or investigating whether more joined-up, holistic services would deliver better outcomes. In Croydon we have a good track record in public agencies working together, and in providing services that help people early and prevent problems from getting worse. So how do we propose to carry this approach through in respect of housing in the future?

Support people to remain independent and help vulnerable people in housing need or who are sleeping rough

We will support older and disabled people to live independently for as long as possible, provide shelter to vulnerable people in acute housing need, and engage with rough sleepers, offering a “hand-up” off the streets.

- 3.35. Providing the right kind of housing, or providing housing-related support can make a crucial difference to the lives of older and vulnerable people, engendering independence, dignity and a good quality of life. Well-designed or adapted properties help people with disabilities to live safely in their homes for as long as possible, reducing the risk of falls and accidents, increasing mobility within and outside the home, and preventing or delaying the need to move on to residential care. Short-term supported housing can provide young and vulnerable people with the life skills needed to move-on into independent living. Recent years have also seen a change in the expectations, needs and preferences of older people. Traditional, institutional forms of warden-controlled “sheltered” accommodation are increasingly rejected in favour of continuing to live independently alongside everyone else in the community. New technology and different models of care and support have helped this become a reality for more and more people, but we also need to develop the right type of housing, and make better use of our existing stock if we are to enable everyone to fully realise their expectations.
- 3.36. We referred earlier to the large programme of new housing development we are embarking on. Housing for older people will need to be an integral consideration when deciding what type of housing is needed in any one area. Some of our existing

¹³ Office for Budget Responsibility (2014) Working Paper No. 7 *Crisis and consolidation in the public finances* <http://budgetresponsibility.org.uk/pubs/WorkingPaper7a.pdf>

retirement housing is not fit for purpose. We know that many older people would be more likely to downsize if there were better rehousing options. This is certainly true for people at the younger end of this age group who may be many years away from physical frailty and reluctant to consider traditional forms of housing for older people. The right type and quality of new smaller homes could help us to make much better use of our existing housing stock and free up family sized homes for overcrowded households or homeless households in temporary accommodation.

- 3.37. For some people their vulnerability and circumstances can result in them becoming homeless and even sleeping rough. We estimate there are 30 people sleeping rough on a typical night in Croydon. There are also a larger number of people sleeping in unsuitable buildings (derelict buildings, commercial premises and squats). This group tend to be from Central and Eastern European (CEE) countries and having come to London to work, either through exploitation or vulnerability, struggle to remain in employment and accommodation. Once in this situation their options are extremely limited, they have very restricted entitlement to benefits or services and often find themselves destitute. Alcohol dependency, poor physical health and modern slavery are also significant issues.
- 3.38. We are lucky in Croydon to have faith groups and voluntary organisations prepared to give up their time to provide services to homeless and vulnerable people in need. For example, the Salvation Army provides a drop-in service every Monday supported by a range of health and other services: and Nightwatch, a local homeless charity, supports local people in housing need in variety of different ways including engagement, vocational support and resettlement. This engagement often provides the opportunity to offer someone sleeping rough a route off the streets and into accommodation. We are currently piloting an engagement project targeting (CEE) nationals aimed at getting them into employment and accommodation. We are also supporting Crisis in its efforts to potentially locate a new Skylight Centre in Croydon. A Skylight Centre would provide a range services to homeless people including skills workshops (e.g. arts, bicycle repairs, gardening, and yoga) education and training, employment, housing advice, counselling, opticians and signposting to other services.

Our commitments on supporting people to remain independent

- We will increase the number of homes suitable for people with disabilities with 10% of new homes meeting full wheelchair-accessible standards. We will enable people who develop disabilities to remain in their homes by adapting 100 private sector homes a year through disabled facilities grants and 60 council homes through direct investment, thereby meeting all newly-arising need
- We will increase the level of extra care housing for older people, whether by developing new provision or upgrading existing provision, with the aim of reducing the reliance on residential care homes and thereby offering greater independence. In partnership with eligible landlords, we will submit a proposal for new homes

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- We will review our existing retirement housing stock and identify options for refurbishment or replacement within our housing development and estate refurbishment programmes. We will work with partners to develop an exciting new model for retirement housing, creating a modern, mixed-tenure “village” for older people which is fully integrated with the local community
 - We will continue to improve on and add to our supported housing stock by submitting bids for the anticipated London Mayor’s funding with proposals including schemes for people with mental health problems, people with both learning and physical disabilities, and young people. The Fitze Millennium Centre, providing accommodation for young people and getting them into work, will open this summer.
 - We will work with voluntary and faith sector organisations to provide shelter, engagement and a “hand-up” off the streets and with support into accommodation, training and employment
- We will continue to engage CEE nationals living in destitute circumstances to access accommodation and take up training and employment
 - We will work in partnership to tackle exploitation and support CEE nationals to reconnect to their home countries

Supporting homeless households in temporary accommodation

We will improve conditions for homeless families placed in temporary accommodation

- 3.39. Croydon has seen a rapid increase in homelessness over the past three years. This has resulted in more and more families being housed in temporary accommodation, including in bed and breakfast hotels. The Council is working very hard to provide more suitable temporary and permanent housing solutions for homeless families in order to reduce our reliance on bed and breakfast accommodation. This is proving extremely challenging in the current housing market with increasing house prices and rents, high demand and strong competition for accommodation, and private landlords reluctant to let their properties to people claiming housing benefit. We have also been working with other London boroughs to restrain the increasing cost of procuring emergency accommodation for homeless households by negotiating a standard rate across the capital.
- 3.40. Government policy on housing benefit and funding for temporary accommodation presents a number of challenges to our efforts to assist homeless households. Local Housing Allowance (LHA - housing benefit paid to tenants living in private rented accommodation) has not kept pace with increasing private sector rents. This makes it harder and harder for people on low incomes, or who are looking for work to afford or find accommodation in the private rented sector. In addition the Government has frozen the funding paid to local authorities to provide temporary accommodation at 2011 rent levels which falls well short of the cost incurred by the Council. We have raised these issues with Government Ministers on a number of occasions explaining how the Council (and the residents of Croydon) are subsidising the Government for the cost of

homelessness and are prevented from providing affordable accommodation by the current LHA rules.

- 3.41. Despite these constraints and challenges the Council has increased the supply of accommodation available to homeless households. This activity includes:
- Purchasing 94 properties on open market to use as temporary accommodation
 - Committing the investment of £30million in the Real Lettings Property Fund which will provide 94 nominations to properties and a financial return on the social impact investment (shortlisted for a LGC Award for housing innovation)
 - Converting surplus Council buildings into temporary accommodation e.g. former children's homes and unpopular retirement housing
 - Allocating the majority of Council homes that fall vacant as TA (512 in 13/14)
 - Negotiating agreements with the owners of empty homes to use them as temporary accommodation in return for assistance in bring the property back into use
 - Developing a new lodgings scheme for young homeless parents based on the Council's Shared Lives scheme which currently supports 11 homeless households
 - Improving our offers to private landlords including Croybond, Croylease, market rent incentives, and a guaranteed rent offer
 - Negotiating a long-term agreement with the owners of Concord House and Sycamore House to provide 190 units of temporary accommodation
- 3.42. We are also concerned to minimise the impact of living in bed and breakfast accommodation on the health and wellbeing of homeless households. We therefore selected homeless households being placed in bed and breakfast accommodation for a detailed need assessment as part of our 2013-14 Joint Strategic Needs Assessment. A number of health impacts were identified as a result of this assessment, including:
- Mental health in the form of increased stress, depression and anxiety
 - Physical health in the form of increased respiratory problems such as asthma and bronchitis which are linked to damp and mould
 - Drugs and alcohol with increased use to alleviate stress or caused by homelessness or effects of mental health problems
 - Problems maintaining or finding employment caused by high rents and service charges, disruption to childcare and moving locations
 - Social inclusion of families caused by the disruption to support networks, a lack of space, privacy and the ability to have family and friends to visit, and feeling like they were imprisoned in the current accommodation
 - Household income caused by shared cooking facilities, having to pay for storage, extra travel costs, forced reliance on takeaways
 - Children's behaviour with some children displaying aggressive and destructive behaviour and impacts on education by having to change schools, feelings of isolation, bullying, little space for homework or play in

bed and breakfast accommodation, limited or no internet access, difficulties getting enough sleep, and increased school absences

- 3.43. In response to these findings we have reviewed our existing services, and identified where new services could improve outcomes for homeless families, and how the information provided to homeless families could be improved. A summary of the actions arising from this review is provided in the table included as **Appendix one** to this report.

Our commitments on improving conditions for homeless families placed in temporary accommodation

- We will implement the recommendations of the JSNA chapter (See Appendix 1) and report progress back the Health and Wellbeing Board in 2015/16

Feeling safe in the place that you live

We will take a firm line on anti-social behaviour to build safer, stronger communities

- 3.44. The effective management of housing, whatever the tenure, is also an important factor in making a place somewhere welcoming and pleasant to live. An effective partnership approach to tackling nuisance and anti-social behaviour including providing support when required, and taking enforcement action when necessary helps ensure that existing estates and new housing developments successfully knit into the surrounding community. It contributes to how a place develops and succeeds and when done well, helps our residents derive a sense of security, satisfaction and comfort about where they live, as well as a sense of belonging and commitment. The Council commissions a community mediation service which does valuable work in this area by preventing issues of ASB and nuisance escalating and disrupting local communities. The service takes referrals about nuisance and neighbourhood issues and provides community mediators to work with those affected to help resolve them.
- 3.45. The condition and quality of the local environment has become a cause for concern in Croydon, and the new administration has made tackling such issues a priority through the '*Don't Mess with Croydon: Take Pride*' campaign. The campaign is based around education, enforcement and the ease of use of reporting; and it is starting to see some real successes with over 85% of fly tips now being removed within 48 hours. The campaign is supported by a new approach to community safety - the 'Eyes & Ears' project – which will see a team of highly visible and multi-skilled operatives providing a unified response to environmental and ASB issues across the borough, delivering a more effective impact for our communities.
- 3.46. Crime and the fear of crime is a primary concern for local residents and businesses. They both contribute to perceptions of an area as being a "good" place to settle, live and work. The Council and its partners work together in the Safer Croydon Partnership¹⁴ to tackle crime and anti- social behaviour (ASB). The Safer Croydon Partnership has

14 The Safer Croydon Partnership includes the Council, the police, fire service, probation and health agencies, as well as businesses, community and voluntary sector organisations

achieved significant reductions in crime and ASB recently. New legislation¹⁵ also provides additional powers, including the 'Community Trigger' and 'Community Remedy', premises closure and public space protection orders, and civil injunctions which help tackle a wide range of criminal and anti-social behaviours. The Council will continue to put residents and communities at the heart of our local response to tackling these issues.

- 3.47. In addition, Croydon has recently joined the international White Ribbon campaign to help demonstrate its commitment to changing attitudes to domestic violence and sexual abuse and reducing offences. The campaign aims to engage the community (especially men and boys) in condemning violence against women and girls, promote a change of attitude towards domestic violence, increase awareness of the issue and deliver services aimed at reducing incidents.

Our commitments on ASB and safer communities

- We will work in partnership to tackle crime and ASB, making full use of the new legislation and housing management interventions
- We tackle environmental crime such as graffiti and fly-tipping and target the worst affected areas
- We will target street based drinking and begging identifying repeat offenders and putting in place prevention and enforcement options
- We will review processes for managing unauthorised encampments and use of injunctions and ASB legislation as well as continuing to target harden locations frequently targeted
- We will work with police to bring domestic abuse offenders to justice, support victims and develop ways of promoting a change in attitudes to this crime

Developing strong thriving communities

We will develop strong thriving communities by working with our residents and partners

- 3.48. The work of the Fairness Commission for Croydon supports our ambition to be a place that reaches out to all of its communities to provide the support needed to lead independent, healthy, and productive lives. It also recognises the fact that the borough's overall future prosperity is best assured when all residents can share in the benefits. The Commission will help secure a stronger social contract between the people of the borough and seek to create more cohesive communities with opportunities for all who live and work here. The Bishop of Croydon, the Rt. Revd Jonathan Clark, has been appointed as chairman the commission and has started to lead the consultation with

15 The Anti-Social Behaviour Crime & Policing Act 2014 which came into force on 20 October 2014

groups and communities across the borough, gather evidence and recommend actions that will improve the quality of life for all Croydon residents.

- 3.49. There are many different ways that the Council, housing providers, residents and community groups contribute to and complement this ambition. There are numerous projects run by the Council, by housing associations and others designed to supporting local people to learn new skills, to progress with their education and to access employment, and these projects make a direct contribution to the strength, resilience and prosperity of our local communities. The Council also provides a wide range of neighbourhood-level activities for residents which help local people lead independent, healthy, and productive lives including projects to improve health, to access employment and to play sports and participate in other activities targeted towards younger people. Through the Early Intervention and Family Support Group the Council is also able to support up to 60 families with multiple complex problems to sustain their tenancies, live less chaotic lives and thereby help prevent homelessness. These activities help sustain strong, thriving communities by changing attitudes, building tolerance, understanding and acceptance and providing our residents with opportunities to engage in productive enjoyable activity.
- 3.50. Giving residents a say in how we run social housing not only guarantees that services are designed with the needs and expectations of customers in mind, but ensures that residents feel a sense of commitment and ownership towards what happens in their communities. Residents are regularly asked for their views and we share performance benchmarking information with them so that we can be held to account for what and how well we do. At the same time, resident involvement helps to bring local communities together. The Council has recently received an award for “excellence in customer scrutiny” reflecting the impressive progress made by the tenant scrutiny panel (supported by a range of other resident groups) in monitoring, reviewing, designing, improving and procuring housing services. Recommendations from residents on topics such as neighbourhood wardens and income maximisation have been translated into full action plans which the Council has been implementing. It’s vital that we are always looking for and introducing new ways of engaging people to give us the best chance of reaching every corner of every community.

Our commitments on developing strong thriving communities

- Explore ways of supporting existing social housing tenants develop the skills and qualifications to access employment, and work with RPs that are also working with their residents in this area
- Refresh the resident involvement strategy, making use of social media and new digital technology to get as many people as possible having their say and actively contributing to how housing services are run. We will introduce online housing forums and meetings, and enable people to give their feedback on performance digitally.
- Work with the scrutiny panel on a programme of in-depth inspections, starting with anti-social behaviour, followed up by commitments to implement action plans agreed with residents.

Providing a single gateway for people in housing need

We will provide a holistic service for families facing homelessness, a service that helps tackle the underlying causes of homelessness and builds resilience by providing support with household income/benefits, budgeting, skills and training and access to employment by working with the private sector to create job opportunities.

- 3.51. In this report we have demonstrated that people are finding it harder to rent privately due to rising rents and private landlords are taking back properties often to let them to people who are in work that can afford higher rents and are not claiming benefit. With homelessness increasing and the number of people in TA rising, it is more difficult and costly to provide homes for them in Croydon. Once placed in temporary accommodation, people have little contact with the Council to help them improve their situation. Employment has a great impact on people's lives but homelessness can be a barrier to finding and maintaining work. We have decided therefore to put our residents at the heart of our new approach, aiming to prevent homelessness where possible and shorten the length of time that homeless people spend in temporary accommodation.
- 3.52. Recent work with Croydon residents impacted by the government's recent welfare reforms has achieved notable successes in working with residents with multiple needs, helping them to secure employment and thereby halting a very real potential descent into, debt, desperation and homelessness. The challenges are that there are multiple agencies involved in the process sometimes in an uncoordinated, ineffective and costly way; 32% are supported by three or more services. With an increasing use of automated and online services in our daily lives, it is often assumed that we are all IT literate, however, a fair proportion of us do not have access to the internet and some of us struggle to make sense of, or make use of, the online world. In addition some people also do not have access to financial services such as bank accounts and credit.
- 3.53. There is currently limited support to help people close this "skills gap" and to help them access online financial services, including bank accounts and credit. By offering a 'triage' service with colleagues at Job Centre Plus, we can ensure greater and consolidated contact with clients. This will help people facing homelessness to help themselves, to fulfil their potential, become financially resilient, confident in using digital technology and ready to take up new opportunities that will get them into work. Our multi-disciplinary response to welfare reform has proved that supporting people to overcome the barriers they face to maximising their household budgets, to access training or employment and by exploring their housing options enables them to either stay in their current home or to move somewhere that provides a home that is affordable over the long-term.
- 3.54. The gateway programme will use a resident-focused approach, and will ensure that their needs and their household's needs are kept at the centre of what we are looking to deliver. We will shape services around the household, rather than be limited by the considerations imposed by statute, and by doing so we will work better together, reduce waste and duplicated effort, and focus our resources where they are needed - supporting our residents. One Council serving the whole community.
- 3.55. We will support residents with an improved digital platform online access and a single assessment process including further support where residents can self-serve or be

signposted to relevant community or third sector support. This approach will evolve over time supporting including the wider People Department and the way in which we interact with residents.

3.56. The programme will build on our approach to welfare reform, providing a better, coordinated service to residents facing difficulties. We will assess the circumstances of households facing homelessness - their size, ages, employment status, vulnerabilities, medical and social need, income and expenditure, digital skills and access to financial products - and support them through:

- Taking a realistic look at housing options
- Job brokerage – working with partners to offer training and skills, work experience and employment opportunities
- Budgets management, saving strategies and debt advice
- Enabling access to bank accounts, and safe sources of credit including via local Credit Unions
- Engaging with landlords to help prevent tenants being evicted
- Helping to make private rented housing more affordable using discretionary housing payments (DHP) to fund deposits or rent in advance
- Supporting under-occupying social housing tenants to downsize
- Working with a private sector provider to provide Wi-Fi in council homes

Our commitments on developing the gateway model

- Roll out the first phase of the new People Gateway service by July 2015, concentrating initially on joined up responses across welfare support, housing need and support into employment.
- Complete the detailed service design by March 2015
- Implement the agreed service design by June 2015

4. DEVELOPMENT COMPANY

4.1. The previous section sets out a number of initiatives we will be taking forward in order to achieve the step-change in the delivery of new homes required to meet the boroughs housing needs. This section goes into further detail on the considerations involved in setting up a Development Company.

4.2. To help secure the delivery of housing in the borough, officers have explored the possibility of the Council establishing a Development Company and taken advice on this. The main objectives of the Development Company are to bring forward housing development within the borough either in its own right or in collaboration with partners, to be decided on a project by project basis. Although the delivery of housing will be the main purpose of the company its objectives will be widely enough drafted to incorporate other forms of Development such as commercial/office development where appropriate.

4.3. In considering the form of Development Company best suited to the Council's aspirations, it was clear that there were three key characteristics that the

Development Company should hold. Firstly, the Development Company needs to be flexible so that the number of projects that can be undertaken by it are maximised. It also needs to be flexible in its ability to pursue projects individually or in partnership / through joint venture. Secondly, it needs to be able to respond quickly to emerging development opportunities and place and secure works contracts speedily and competitively. This means that, in common with other development companies, it needs to be a body which is outside of the European Union procurement regime and is not required to place contracts through that regime. This is considered particularly important in a market such as the present one where there is much competition to secure building contractors who, due to market circumstances, are in the 'driving seat' in terms of choosing contracts. Thirdly, whilst it is not intended that the body will be entrusted with the delivery of public services, it must be capable to bidding for Council tender opportunities where it would be commercially advantageous for it to do so.

4.4. Taking into account the desired characteristics for the Development Company, it is recommended that the Development Company is constituted as a commercial vehicle with a board that comprises of 50% Council appointees. To set the company up in any other way risks it being considered a simple extension of the Council, without it being able to behave competitively as outlined in the preceding paragraph. The key legal and structural components of the Development Company are therefore recommended to be as follows:-

- (i) the company's objectives are purely commercial (although of course the provision of housing and related development is beneficial to the Borough as a whole)
- (ii) the company will not be more than 50% financed by the Council
- (iii) the company will not be subject to the management supervision of the Council (or any other public sector body)
- (iv) no more than half of the directors will be Council appointees

4.5. From the above, the main issue for the Council to be aware of is that the constitutional and contractual arrangements created to govern the management and operation of the Development Company should not be such that it is dependent on the Council in such a way that the Council is able to influence the company's decision in relation to contract letting. The Council will not be able to have more than 50% of the directors on the Development Company's Board of Directors nor should the Council have a right of veto over the Company's decisions. So, while the Council will be a key funder and supplier of land to the Company (subject to the usual approvals, best consideration issues, etc), at no time will the rights and controls held by the Council exceed the 'typical' rights and protections of an 'investor' or create a sole dependency on the Council. Detailed legal advice will be taken on the detail of these issues in the establishment of the Company.

5. CONSULTATION

5.1. The Council uses a range of methods of engaging stakeholders including online surveys, consultation documents, events and meetings. The Council also regularly engages with landlords and potential landlords in Croydon by holding a landlords' forum.

The forum allows the Council to inform landlords about relevant property issues and to receive feedback on the Council's services and suggestions for improvements. The Council also receives regular feedback via customer complaints and suggestions. It is not proposed to carry out specific consultation on the issues raised in this report, however, it has been developed taking account of general feedback from customers and residents relating to the housing issues raised in this report. The Council regularly consults with tenants and leaseholders on plans for housing investment strategy, or on new policies and services including:

- Residents and leaseholders associations
- Housing Sounding Board,
- Disabled residents panel
- Sheltered housing panel
- Supporting People inclusive forum
- Major surveys of residents
- Resident satisfaction surveys,

- 5.2. Details of consultation carried out in respect of the Croydon Promise and the Place Plans included in the Promise, as well as ongoing plans for consultation and engagement were provided to Cabinet on the 29 September 2014 (agenda item 7).

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1. There are no new financial considerations arising from the recommendations on this report set out in this report.

(Approved by: Lisa Taylor, Head of Finance and Deputy Section 151 Officer)

7. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 7.1. The Council Solicitor comments that the proposals set out in this report are within the powers of Cabinet to approve under the delegated authority of the Leader.
- 7.2. In relation to the proposed Development Company, as explained in the body of this report, legal advice has been provided on the potential form and structure that the Development Company may take in order to have the benefits and flexibility of a private enterprise. Much of the detail of this is set out in section 4 of this report but the following paragraphs expand on the issues to be aware of (and that will be taken into account) in establishing the proposed Development Company.
- 7.3. To satisfy the Council's aspirations as set out in this report, the Development Company should not be financed wholly or mainly by the Council or another contracting authority. This means that anything that could create or reinforce a relationship of subordination or dependency between the Development Company and the Council should be avoided. This will mean for instance, avoiding giving the Company grants for the support of activities ordinarily carried on by the Council. The Council should ensure that any payments made by the Council to Development Company are made at arms-length for the delivery of works/services at market rates. No more than 50% of the Company's funding

should derive from the Council (funding takes into account all forms of income received).

7.4. The Development Company should not be subject to management supervision by the Council or another contracting authority. Also no more than half of the board of directors or members should not appointed by the public sector. To ensure the Company does operate as a commercial entity the Company will need avoid pursuing objectives that would ordinarily exist in isolation from anything achievable by the ordinary provision of goods and services in the marketplace.

7.5. Wholly owned Council subsidiaries can be set up in such a way that the Council can award contracts directly to the subsidiary (often a 'Local Trading Company') without needing to tender the contract opportunity. This is known as the 'Teckal' exemption. However, it will not be available to the Council in relation to the proposed Development Company if the Company is to remain at 'arm's length' from the Council and operate on a commercial basis. The Company will however be able to apply for any relevant Council contracts that are put out to tender.

7.6. A separate report concerning the proposal to introduce selective licensing in Croydon will be considered by Cabinet at this meeting which includes detailed comments on this matter provided by the Council Solicitor & Director of Democratic & Legal Services.

(Approved by: Sean Murphy, Principal Corporate Solicitor (Regeneration) on behalf of the Council Solicitor & Director of Democratic & Legal Services)

8. HUMAN RESOURCES IMPACT

8.1. There are no human resources implications arising from this report.

(Approved by Adrian Prescod, HR Business Partner, for and on behalf of Director of HR, Resources department.

9. EQUALITIES IMPACT

9.1. Equalities analyses have been carried out or are being developed in relation to the various issues discussed in the report and the commitments made. For example, a full equality analysis of the impact of the Croydon Promise will be carried out during the consultation stage of the project. Equality analysis has been completed in respect of the proposal to implement selective licensing in Croydon, an initial analysis in respect of the Targeting Empty Properties Campaign reported to Cabinet in July 2014 (Minute reference A48/14), and a full analysis for the Housing Renewal Policy 2014, which includes the provisions for the Council to give empty property grants and loans. The equality analysis carried out in respect of the current housing strategy is also relevant and explains how housing policies, provision and services tend to benefit people on lower incomes, that face economic and social exclusion, and they are also more likely than the wider population to have disabilities, be from black and ethnic minority (BME) communities, or be older, and to be lone parent families (usually headed by women). The whole borough benefits from housing-led growth through refurbished housing stock

and new housing supply helping to balance market pressures and housing developments regenerating run-down or redundant sites.

- 9.2. The impact of the proposals and commitments set out in the report on protected groups are expected to be positive. The provision of new affordable housing, maintaining and improving existing, social housing and tackling poor private housing conditions, meeting housing need and preventing homelessness, providing housing support and high quality housing management services are all expected to benefit groups with protected characteristics.

10. ENVIRONMENTAL IMPACT

- 10.1. No specific adverse environmental impacts have been identified resulting from the proposals contained in this report; however, some of the actions proposed to improve existing housing will contribute to reducing carbon emissions and improving the energy efficiency of both council and private homes in Croydon.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1. The Crime and Disorder Act 1998 requires at section 17: It shall be the duty of each authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to all that it reasonably can to prevent, crime and disorder in its area. The commitments made in respect of ***Ensuring safer communities and tackling anti-social behaviour*** will obviously contribute to the reduction in anti-social behaviour. Plans for estate regeneration will also assist in reducing crime nuisance and vandalism through improved design and surveillance.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1. The basis for the recommendations set out in this report are the opportunities presented in Section 3 to deliver real benefits to local people through developing new homes, infrastructure and community facilities, and the jobs, opportunities and stronger vibrant communities that will also flow from that growth. If the commitments set out in the report are not taken growth of the borough will be negatively impacted and housing needs will not be met.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1. None

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BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

None

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