



## **SCRUTINY PANEL 4 – 2022/2023**

# **GENUINELY AFFORDABLE HOMES**

# **FINAL REPORT**

**16 MAY 2023**

# CONTENTS

	<b><u>Page</u></b>
Contents	2
Chair's Overview	3
Introduction and Methodology	4
Detailed Considerations	5
Membership and Attendance	41
Background Information	44
Recommendations	45
Recommendations with Officer Comments	46

## CHAIR'S OVERVIEW



**Cllr Chris Summers**  
**(Panel Chair)**

The Genuinely Affordable Homes Scrutiny Panel was formed in May 2022, shortly after the council elections, and had an ambitious work programme. This included discussion of how the council could work with partners in the social housing landlord sector and the private sector, considering the future challenges faced by the council and reviewing possible improvements to the handling of the waiting list and the allocation of properties.

The panel consisted of a number brand new councillors who were on their first scrutiny panel but I was impressed by their enthusiasm, knowledge and willingness to challenge the council and its partners. I thank them all the for their contributions.

The panel's work programme was conducted against the background of major political and economic turmoil, with two prime ministers resigning and a government mini-budget being delivered in September 2022 which had catastrophic consequences for interest rates and the economy in general.

Furthermore, we heard throughout the year from several guests and from council officers how inflation, both in terms of labour costs and building material costs, was having a major impact on the viability of genuinely affordable housing projects across the borough.

The panel was also apprised of the emerging government policy, in the wake of the Grenfell Tower and the subsequent public inquiry, of making two stairwells mandatory in all tall buildings, and how this would also have a major impact on genuinely affordable housing schemes. The Housing Secretary, Michael Gove, finally confirmed this policy in July 2023, setting a height of 18 metres as the maximum for which a building only needed one stairwell.

The panel also conducted a visit to the Copley (formerly Copley Close) estate in Hanwell in February 2023, discussed the evolution of the project with officials from Broadway Living and the council and also met with a number of residents. We were impressed by the quality of the homes we saw at Matlock Court, which were aimed at key workers who were struggling to pay full market rent. The panel hopes the new community centre will help to rebuild a community spirit on the estate which some residents felt had been lost over the years.

Overall, the panel was successful and has come up with some good recommendations but in my opinion the issue of genuinely affordable housing is so crucial to the borough that it is a subject which should be revisited regularly in 2023/24 and beyond.

Cllr Chris Summers  
Chair, Genuinely Affordable Homes Scrutiny Panel 2022-23

## **1.0 INTRODUCTION**

1.1 The Panel's work would assist the Council to meet the commitments of the new administration's manifesto pledge of **More Genuinely Affordable Homes** "*We will deliver 4,000 new and safe genuinely affordable homes. London's affordable housing crisis means we need to do everything we can to build more genuinely affordable homes that cost no more than a third of household incomes, stop people being priced out of local housing, and build many more new council homes for rent.*" and the associated priorities within the Council Plan.

### **Scope**

1.2 The Panel's scope was to scrutinise matters relating to the delivery of more genuinely affordable homes in the borough and make recommendations for further improvements accordingly. The Panel focused on the Council's affordable housing development programme; partnership working; new Ealing housing and homelessness strategy; Locata IT System; and Ealing Council's readiness in tackling future challenges.

## **2.0 METHODOLOGY**

### **General**

2.1 The Panel received reports and presentations from internal services, external agencies and expert witnesses at its four hybrid meetings which participants could join in person or virtually via Zoom. The meetings were held in Ealing Town Hall and webcast live on the Council's YouTube channel. The Panel also conducted a site visit within the borough.

### **Site Visits**

2.2 The Panel visited Ealing Council's Copley Estate in Hanwell that was undergoing major regeneration.

### **Co-option**

2.3 Ms Alicia Kennedy (Director, Generation Rent) was co-opted onto the Panel at the first meeting.

### **Publicity**

2.4 The Panel's work was publicised in the Council's *Around Ealing* free magazine which is delivered to all households in the borough, website and direct emails.

### **3.0 DETAILED CONSIDERATIONS**

#### **GENUINELY AFFORDABLE HOMES PROGRAMME**

- 3.1 The Panel considered the Council's genuinely affordable homes (GAH) programme at its first meeting and received regular updates on progress at subsequent meetings.
- 3.2 Philip Browne (Director of Housing Development), Jamie Burns (Assistant Director Housing Strategy and Commissioning), Dave Baptiste (Head of Housing Development), Andrew Berridge (Head of Construction), Firas Al-Sheikh (Finance Manager) and Jessica Tamayao (Assistant Director Strategic Property) highlighted that:
- 3.3 The Housing Development Service was primarily responsible for the delivery of a range of affordable housing in the borough and the Council's regeneration scheme.
- 3.4 There was more demand for the supply of affordable housing and increasing housing supply across all tenures was one of the six proposed priorities of Ealing's new housing and homelessness strategy. Increasing genuinely affordable housing was a key local priority which the Council had to balance with the challenging overall housing delivery targets imposed by central government and Greater London Authority (GLA) through the London Plan. It was monitored via the Housing Delivery Test.
- 3.5 Ealing's draft strategic market housing assessment (SMHA) had indicated that a lot more social and market housing was required to tackle the housing need in the borough. The SHMA was the evidence that supported the direction of the Council's regeneration policy. The targets were set on a scheme by scheme basis and the Council attempted to get as much housing and affordable housing reasonably possible within a local community including the provision of amenities. The service was not driven by an obsession with targets. The targets and evidence were used as the basis for what could be delivered through planning, available funding and market support. The schemes needed to maximise the opportunities to address an increasing need for more housing of all tenure types.
- 3.6 The Council's last administration had set an ambitious target to deliver 2,500 GAH in 2018-22 and had delivered 2,576 GAH.
- 3.7 Within the broad definition of affordable housing, GLA's preferred affordable housing tenures were homes based on social rent levels, including Social Rent, London Affordable Rent (LAR), London Living Rent (LLR) and London Shared Ownership.
- 3.8 Ealing defined GAH as the GLA did except that shared ownership and intermediate homes were deemed GAH if housing costs took up no more than a third of gross household income, this was in line with the rent setting methodology of GLA's LLR.

- 3.9 LAR was aimed at low income households, with rents based on social rent levels that were allocated through local authority allocation policies. The rent levels were approximately 50% of market rent in Ealing.
- 3.10 LLR was offered to London households with incomes below £60,000 and insufficient current savings to purchase a home in the local area. It was a below-market rent with tenancies for a minimum of three years to help renters to save for a deposit to buy their own home. The rents were based on a third of average gross local incomes and adjusted to reflect location and bedroom size.
- 3.11 New GAH in the borough were delivered through a combination of private sector development with affordable housing secured through planning Section 106 agreements for developments over 10 units; housing association/registered provider development providing these within their programmes; and Ealing Council house building through the housing revenue account (HRA) and its housing association, Broadway Living Registered Provider (BLRP).
- 3.12 The majority of GAH had routinely been delivered by about 15 developing housing associations and there was increasing reliance on them to build more. A substantial proportion of GAH was delivered through the Council's programme of delivery which included its regeneration schemes and by BLRP.
- 3.13 The main funders of GAH were GLA grant, Council grant through right to buy receipts, private borrowing by registered providers, Council and BLRP borrowing, cross subsidy generated through market sale. In Ealing, a small pot of money was available through the Section 106 funds. It was kept small because the Council pressed for affordable housing to be built on site rather than take a commuted sum in lieu of housing.
- 3.14 The new administration had set a challenging target of delivering 4,000 GAH for 2022-26. The assumed basis of delivery to achieve this target was largely based on past performance. Ealing had a good record of meeting housing targets so there was more confidence in achieving the proposed delivery of GAH in the first year but less certainty for the remaining years due to unknown factors at this stage. Ealing's definition for genuinely affordable housing in respect of the 4,000 homes target was that a housing cost should not be more than a third of the local household income in the locality of an application. This was done on a Ward basis and did not include any shared ownership. All affordable housing to be delivered in the new plan would be at social rent or Council rent. This meant that all the rental housing delivered through the new plan would meet the definition and be much more affordable than the current LAR homes being delivered in the 2018-23 programme. It was likely that the majority of homes in the new programme would be more affordable than the 2,500 homes delivered in the 2018-23 programme due to the switch to social rent in the new funding regime.

- 3.15 There was a dependence on developing registered providers to deliver over half of the set target for GAHs so the strategic alliance with them needed to be strong in order to understand their priorities, ambitions, challenges and requirements. It was too soon to plan the programme of delivery in detail because much of it depended on registered providers purchasing land and obtaining planning permission. The Council also had the role of an enabler to ensure that its partners could deliver on schemes. It could become a critical and strategic friend to enable development of more GAH in this sector.
- 3.16 Although it was too early in the GAH programme to count starts on site it was anticipated that 994 units would have started on site by March 2023. 639 units would be through the Council and BLRP with 355 units through other registered providers in the borough. Officers ensured that starts on site and completed GAH were not double counted for the delivery of the programme.
- 3.17 The emerging challenges in maintaining a financially viable development programme at project and business plan levels included the market impacts of the Russian invasion of Ukraine, taxation, energy cost rises, UK interest rate rises, rapidly rising inflation and revised building regulations requirements.
- 3.18 Consequently, there were significant increases in the materials and labour costs within the construction sector and main contractors were increasingly reluctant to commit to long-term fixed price contracts, with many expecting to see an uplift mechanism in future contracts to allow for continued cost increases for schemes over 2-3 years. Many contractors were becoming selective in tendering for schemes and were dismissing single-stage competitive tendering in preference for direct negotiation or a two-stage tendering approach. Market analysts had predicted that tender prices would increase by 7-8% during 2022.
- 3.19 The GLA had removed LAR as a funded rent and replaced it with Social Rent which was set using a national formula incorporating local factors. In Ealing, rents were lower than LAR. The reduced rent meant that to maintain financial viability, a home let at Social Rent would require a higher grant than a home let at LAR. People with housing needs received rental support through their benefit receipts. The service did not conduct routine affordability checks other than whether people qualified for the low rents. GAH were primarily driven by housing needs.
- 3.20 GLA funding was no longer available for homes that replaced homes that had been, or would be, demolished. For example, if 100 existing homes were demolished to build 150 new homes then funding would only be available for the additional 50 homes. The GLA was also not providing grants for Section 106 homes unless schemes delivered above what was required in the planning system. The changes to GLA funding had significant implications for Ealing's regeneration programme in improving some of its housing estates.

- 3.21 Housing was often delivered in surges which could be at the beginning or end of a programme. The 2018-22 programme had been extended by a year due to the COVID-19 pandemic and expected to complete by March 2023. In 2018, Ealing had received approximately £100M from the London Mayor's fund for delivery of 1,138 homes. Not all the funding was for the 2,500 GAH as shared-ownership homes were a major proportion of the overall housing delivered. The Council had secured a similar amount of funding for 2022-26 towards GAH and shared-ownership homes. Approximately 80% of the homes would be built for social rent and LAR.
- 3.22 The Council had awarded a total funding package of up to £400M for the BLRP business plan which had been agreed by Cabinet and Council in November and December 2020. This finance was for the delivery of 1,500 homes. Subsequently, BLRP had brought forward Tranche 1 of its schemes and secured approximately £103M of the overall Council's lending pot. The Council had recently agreed to lend £212M for the Tranche 2 BLRP schemes. In addition, the Council had agreed a budget of £36M capital spend to bring forward schemes to a point for transferring to BLRP and on transfer the capital spends repaid to the Council. Almost 1,000 homes were expected to be delivered in the next year.
- 3.23 The GLA funding was a capital grant and the Council had received a total of £250M for both Ealing and BLRP across the two programmes for 2018-23 and 2021-26. The GLA capital grant did not have to be paid back. The £400M was a loan from the Council to BLRP that had to be repaid over BLRP's 50-year cashflow of its business plan. The loan, which amounted to approximately 30% of the total building costs, plugged the gap between the grant and remaining costs for the housing schemes.
- 3.24 In 2018, a Council-wide review of mainly general fund assets had identified a number of sites that were suitable for a change of use. Presently, four sites that were deemed suitable for housing delivery had been disposed to BLRP. The Council's Assets Board assessed the suitability of a site for housing or another purpose against a number of options appraisals including the Council objectives.
- 3.25 The Council's new housing and homelessness strategy would consider its commissioning, regeneration opportunities, and the wider social community values regarding development. A new commissioning document would establish the Council's expected achievements and the BLRP design guide identified what was being built.
- 3.26 Once the Council's Cabinet and BLRP Board had approved the housing schemes, a procurement process to competitively select a contractor to deliver the scheme on site was undertaken. A number of established frameworks including pre-vetted contractors were used for the tendering of schemes. Discussions with the selected contractor and appointed consultants took place to fine-tune the tender price before the contractor was instructed to deliver the scheme on site. A team of consultants and officers oversaw the delivery of the schemes on sites to practical completion.



- 3.27 BLRP worked very closely but at an arm's length with planning officers regarding formal planning applications. There was a pre-planning consultation meeting with planners to discuss the proposals, a series of consultation meetings with local residents affected by the planning application and Ward Councillors to understand views before any proposals were adapted. This was an iterative process which led to a final detailed planning application that would be acceptable in addressing the concerns of the local community and viable for delivery by Broadway Living.
- 3.28 It was anticipated that the cost increases would continue for this year and could level out next year, making it difficult presently to predict the trend. Several contractors were unwilling to do single stage tendering and preferred to undertake a two-stage process. Contractors also stipulated that they would not provide a fixed price contract figure on their tender returns and included a caveat with an inflationary requirement during the build period on site. There would be significant implications for larger schemes of about 200 units which took 2-3 years to deliver. The non-capping of increase in costs made it difficult to predict the financial outcomes of a scheme.
- 3.29 The tenure and mix of a housing scheme was agreed early on in the process during the consultation with local communities and planning officers prior to the formal planning application stage.
- 3.30 The Council's housing strategy and the local plan were informed by the strategic housing needs assessment (SHNA). This process was undertaken as part of the evidence base for the local plan and was about to be conducted again in the borough. A thorough understanding of the housing needs was captured in the SHNA which informed what the local planning authority agreed as the required mix in its housing strategy. It was the governance around housing need being factored into planning decisions. The local plan required certain mixes and 10 years of affordable housing to be built.
- 3.31 A developer had to conform to the local plan and have discussions with the planning officers before an application went to the Planning Committee. Planning officers established that the developer had properly complied with the local plan and made recommendations to the Committee on whether the application had fulfilled the density, height and other aspects of the planning application. The Planning Committee's decision was based on its own view supported by the officers' recommendations.
- 3.32 Ealing Council currently did not have a specific scheme that ringfenced shared ownership to a particular group of people. The shared ownership scheme was targeted at local people but insufficient take-up led to accepting people from outside the borough. Affordability of shared ownership varied across the borough with central Ealing locations more expensive than Northolt. The government's highly subsidised help to buy scheme which enabled people into home ownership was a challenge to the shared ownership scheme. The Council's intermediate housing policy would

consider all tenures that were not low-cost rent such as LLR, intermediate rent and shared ownership to see what could be done for entry into homeownership or intermediate housing.

- 3.33 The SHNA was being updated as part of the housing strategy in the local plan that was being refreshed. The local plan would become the policy against which planning applications were judged. The SHNA would feed in the decisions by the planning authorities of what percentage to include for various tenures and proportions. The monitoring was undertaken annually through an annual monitoring report published by the local planning authority which showed what had been achieved against the local plan targets. Broadway Living only delivered a proportion of the boroughwide delivery. The aspiration of the planning authority was to achieve 50% affordable housing overall of all housing delivered. Its mechanism to achieve this target was through the local plan. Each individual scheme was encouraged to achieve at least 35% affordable housing and there were other 100% affordable housing schemes delivered by housing associations. The aspiration was to achieve 50% affordable housing from the total housing developed. The Council did not have full control over housing delivery as it was not the applicant or landowner for all housing schemes and had to negotiate the amount of affordable housing per scheme. The Council could bring forward the affordable housing for schemes where it had control.

#### **Further Progress Updates**

- 3.34 At the second meeting, Council Officers informed the Panel that the progress against the delivery of the set targets for 4,000 GAH in the Council Plan forecasted that 1,375 homes would be delivered in May 2022-March 2023, 500 in April 2023-March 2024, 850 in April 2024-March 2025 and 1,275 in April 2025-March 2026. This reflected the four-year cycle of the funding programmes with the aim to achieve the overall 4,000 GAH target by March 2026.
- 3.35 Broadway Living and BLRP had continued to work closely with Ealing Council since November 2020 to deliver the first phase (Tranche 1) comprising of 10 schemes of which nine were underway.
- 3.36 In April 2022, Cabinet had approved a revised BLRP Tranche 2 financial plan for eight projects for the delivery of 562 new GAHs towards the 4,000 target. These were due to start on site before March 2023.
- 3.37 There had been a serious negative impact on the viability of redevelopment schemes including the Tranche 2 schemes due to the significant downturn in the current economic climate. Consequently, the Council and BLRP had reviewed the Tranche 2 schemes and deferred two of the eight schemes, Broomcroft Avenue (41 homes) and Canberra Drive (35 homes), into the GLA APH 2021-2026. Following local consultation, a third scheme (Park View Road – 59 homes), would remain as a youth centre and not taken forward. The viability of the remaining five schemes comprising of 427 homes was still being tested.

- 3.38 The key challenges resulting from the international economic downturn and a turbulent construction sector had included significant increases in lending rates, supply chain difficulties, workforce shortages, increased overheads, and uncertainty in the housing market, resulting in major cost implications with increased build costs and contract conditions.
- 3.39 The increase in lending rates impacted on both the Council's HRA and BLRP's borrowing from the Public Works Loan Board (PWLB). PWLB was a statutory body of the UK Government that provided loans to public bodies from the National Loans Fund (NFL).
- 3.40 The uncertainty in the housing market included uncertain house values and availability in cost of mortgages, impacting on the delivery of affordable housing.
- 3.41 In the recent Autumn Statement, the Chancellor had announced a rent cap at 7% from April 2023 for social rents in England. The rent cap would impact on the income in the HRA and that of BLRP.
- 3.42 The current operating environment and challenges applied to all deliverers of affordable housing.
- 3.43 At the third meeting, Council Officers informed the Panel that the GLA 2018-23 Affordable Homes Programme was drawing to a close so various projects were scheduled to start on site by the end of March 2023. This meant that many contract signings and negotiations were presently underway with changes happening very rapidly.
- 3.44 The previously reported 1,375 GAH due to start on site by March 2023 had decreased to 1,263 mainly due to the present economic challenges faced by the Council and other housing developers. The three GAH projects at Mandeville Road (Northolt), Canberra Drive (Yeading) and Broomcroft Road (Yeading) scheduled to start in the current year had been deferred to start in the remodelled 2021-26 Affordable Housing Programme with GLA's agreement. Only details of Council and BLRP led projects were presented due to commercial sensitivity regarding projects by other partners until these were secured. The Council would continue to work with existing partners and new ones such as Old Oak and Park Royal Development Corporation (OPDC) in North Acton to identify new projects towards its new homes target.
- 3.45 The 10 transform projects undertaken by BLRP and other partners, nine of which were underway, had been included in the previous GAH target with the exception of some larger estate regeneration projects such as Greenman Lane, Dean Gardens and South Acton (due to commence in the next two years) were accounted for the 4,000 new homes target.
- 3.46 The initially agreed BLRP Tranche 2 financial plan for eight projects to start on site by March 2023 in delivering 560 new GAH towards the 4,000 target had been reduced to 279 GAH with the remainder deferred to subsequent years into the new GLA Programme. In January 2023, the Council had

secured an additional £9.4M safeguarding grant from the GLA to ensure viability and delivery of the projects. The proposed four projects – Northolt Grange (92 GAH); Lexden Road (161 GAH); Perceval House (70 GAH); and Sussex Crescent (26 GAH) would now be delivered within the HRA financial plan instead of by BLRP as that would give a greater ability to absorb global economic challenges.

- 3.47 The Perceval House redevelopment was to be delivered through a partnership between Ealing Council and Vistry Group which had recently merged with Countryside. It was an ambitious mixed-use development to deliver new Council headquarters, a library, community hub and 477 homes. 266 homes would be retained by the Council – 70 at London affordable rent and 156 at discounted market rent. In December 2022, Cabinet had approved acquisition of affordable housing to the Council's HRA and the scheme within the HRA Capital Programme. Ealing Council was presently finalising grant details and Right to Buy receipt usage with the GLA. It was also agreeing terms with the electricity provider to secure vacant possession of the existing substation on site which was the last remaining condition in the development agreement before work commenced on site in March 2023.
- 3.48 The Tranche 3 schemes were included in the GLA 2021-26 Affordable Homes Programme and on 12 October 2022 Cabinet had approved entering into the grant agreement. At GLA's request, a bid was presently being made to remove and substitute projects within this Programme. The Northolt High School (175 GAH) project was being removed because it was unavailable as a housing site due to constraints attached to funding from the Department for Education for the school rebuild as an additional special educational needs school. The Hanwell Children's Centre project had been removed from the Programme following further consultation with the service as it would remain a children's centre.
- 3.49 The current planned sites within Tranche 3 included Mandeville Road (106 GAH); Broomcroft Avenue (42 GAH); and Canberra Drive (which had been added to the Programme with revised plan rates of 9 family GAH and a requirement in the new grant conditions to switch London affordable rent to social rent). An indicative bid had been made for a further 92 homes to secure the remaining ground. The revised bid was for 472 homes compared to 449 homes previously. A total grant of approximately £110M remained the same as did Ealing Council's HRA side of the bid. There were a total of 1,055 homes of all tenures. The GLA had yet to confirm a formal process for changes to the Programme as it was undergoing further negotiations with the government. The Council would proceed once the process was agreed.
- 3.50 Discussions were presently taking place about BLRP buying back properties built through the Council's HRA subject to more favourable borrowing rates in the near future. These properties would then qualify for the Right to Buy scheme.

## **PARTNERSHIP WORKING TO ACHIEVE HOUSING TARGETS**

- 3.51 The Panel received presentations from Ealing Council officers and partner organisations – Peabody Group (PG), Metropolitan Thames Valley Housing (MTVH) and London Community Land Trust (LCLT) on the collaborative work undertaken to achieve the GAH programme targets.

### **Ealing Council**

- 3.52 The framework for the Council working with partners included public subsidy control (PSC), procurement and best consideration. PSC, previously controlled by European Union regulation, was now controlled by the Subsidy Control Act 2022. The Council had to satisfy several statutory and Ealing policy requirements. In the procurement of partners, the Council was governed by public contract regulations and had its own contract procurement rules. It also had to achieve best consideration in any disposal of land including to partners.
- 3.53 Affordable homes were encouraged through planning with Section 106 planning obligations helping to secure a large element of GAH to meet increasing housing demand. Early engagement with planners and housing officers was encouraged to ensure that the planning permission secured addressed the borough's housing needs. Engagement support and advice was offered to housing associations and developers to help formulate their investment plans for building new homes. Regular housing forums were held with housing associations to foster a spirit of partnership working and sharing information. Even where the Council had no formal partnerships with Registered Providers, it encouraged and supported them to progress in the borough and on their schemes through various stages such as engaging with GLA regarding bids for grants and as the LPA.
- 3.54 In accordance with its 2008 and 2012 estates reviews, the Council was continuing the estate regeneration programme in demolishing 3,500 old homes and building 7,500 new homes across eight projects. The new homes were of high quality and would be maintained to avoid unnecessary impacts on health. The Council relied heavily on registered providers and house builders/developers to help build these homes. There were advantages and disadvantages to this approach.
- 3.55 The Perceval House project, a partnership between Ealing Council and Vistry Group, was subject to further Cabinet decision before it became unconditional. It was a commercial-led project that included some GAH. The Council's current biggest partnership was with L&Q and Countryside Partnerships at the South Acton Estate for the delivery of 3,500 new homes. Vistry Group and Countryside Partnerships had merged recently, making the new merged company a very substantial partner of Ealing Council in the delivery of these two projects.
- 3.56 The Council's plans for partnership working focused on larger projects whereby its partners could bring benefits including diverse regulated development expertise, financial strength to mitigate financial risk, access to grant subsidy and building to scale. The disadvantages of a partnership approach included partner's corporate interests taking precedence, the

Council securing nominations rather than asset ownership, greater exposure to market risk, counterparty risk and different rent regimes with higher average rents than the Council.

- 3.57 The Council's stringent procurement and assessment processes tested the financial suitability and robustness of partners before entering any contracts with them. The counterparty risk was considered for every project. There was significant counterparty risk with Countryside Partnerships delivering the Council's major estate regeneration programme and its recent merger with Vistry Group which would deliver the commercial redevelopment of Perceval House.
- 3.58 The Council intended to allow its local housing company, BLRP, to extend its work to include private sales sites. This would enable BLRP to purchase sites in the private market for the development of GAH.
- 3.59 The Council had pledged to support the work of Community Land Trusts (CLT) and designate a site in the borough during the current administration period for a CLT housing development through its Housing Land Disposal Policy. The policy would set out the provisions for the disposal of Council-owned sites to community-led housing organisations and associations of individual self-builders.
- 3.60 Ealing Council had made available a £400M loan facility to support the work of BLRP. BLRP had also secured £104M of grant funding through GLA's 2018-2023 and 2021-2026 affordable homes programmes. The Council had established a £36M recycled capital budget to progress BLRP schemes to the point at which these were transferred to BLRP. BLRP repaid the Council for all its spend on the schemes up to the point of transferral.
- 3.61 Housing rent was paid into the Council's ringfenced HRA from which all housing costs including repairs, maintenance and new capital spend were made. The HRA delivery was supported by the 2022-23 HRA Budget and Business Plan that had been approved by Cabinet in February 2022. The approved HRA budget included a five-year capital programme from 2022-23 to 2026-27 of £351.441M and an HRA revenue budget of £73.610M for 2022-23. The Business Plan also included indicative revenue budgets for 2023-24 to 2026-27.
- 3.62 The Council and BLRP were in a strong position to deliver the GAH programme targets but the immediate macro factors were likely to impact delivery in the near term.
- 3.63 Ealing Council would play its part in creating the right planning and economic environment for partners to encourage investment in the borough but the challenges faced by the construction industry and the current economic circumstances were likely to result in a sluggish housing market with fewer homes starting in the next couple of years.
- 3.64 The Council's Draft Local Plan included a section on site allocations and the Council's development priority. It formed a catalogue of all the development

sites above a certain size or requiring any known policy guidance. There was no significant risk in the advice that the Council provided as an LPA about a site. The planners gave advice based on the site location such as in a metropolitan open land or green belt, its nature and evidence. The advice provided was for the potential yield of a site and what it could accommodate.

- 3.65 The unviability of some of the Tranche 2 housing schemes was largely due to the rise in the costs of debt, building and the way in which BLRP was funded. BLRP had secured a £400m loan facility from the Council which it must lend at the cost of securing the debt. The cost of the Council's debt from PWLB had risen in the summer and this cost had to be passed on to BLRP. The Council could not subsidise these costs due to the public subsidy rules. The original Tranche 2 Business Plan that had been approved by Cabinet in April 2022 had been on the assumption of a 3.5% interest rate. The interest rates had increased to 6.5% over the summer months, making all the schemes unviable. Although the cost had started to decrease again the Council had acted to optimise schemes through improved buildability where possible by changing tenures, moved some projects into the HRA, and asked GLA for more grants. The viable schemes would be delivered mainly through the HRA in the short term on the assumption that BLRP would buy these back from the HRA as soon as a loan agreement could be secured at around 4% interest rate. It was anticipated that this would happen before the scheme was completed. Additional grants had been approved by GLA for four schemes – Lexden Road, Acton (159 GAH); Perceval House, Ealing (70 GAH); Northolt Grange Community Centre (92 GAH); and Sussex Crescent, Northolt (26 GAH). These schemes would be delivered in the HRA and bought back by BLRP once it could secure the projects at a reasonable cost. Unlike BLRP, the HRA had numerous assets which enabled it to absorb short-term deficits. The Mandeville Road, Northolt (80 GAH) scheme had been deferred to the GLA AHP 2021-26 but its pathway to development such as planning application and tendering exercise would continue.
- 3.66 In setting the 4,000 GAH target, an initial assessment of what was doable had been undertaken in robust discussions with the then Portfolio Holder for Affordable Housing. 3,800 GAH were identified as a feasible number which the Portfolio Holder was keen to stretch to 4,000. The target had been set before the change in economic environment and it was anticipated that over a quarter of the GAH would be achieved in 2022-23 by Ealing Council and Housing Associations. There was expected to be a tail-off for the delivery of GAH in 2023-24 and 2024-25 because everyone had been impacted by the same challenges of increased building costs, inflation, rent cap and the way in which GLA ran its programmes. The programmes tended to be backloaded with everyone finishing their schemes in the last 12-18 months. Hence, the forecasted delivery of 2,625 GAH in April 2023-March 2026 compared to 1,375 in May 2022-March 2023.

### **Peabody Group**

- 3.67 Mr Philip Church (Director of Land and Partnerships, Peabody Group) highlighted that:
- 3.68 Peabody had merged with Catalyst in early 2022 to form a new large PG. Catalyst, a West London based housing association based in Ealing, had several existing large scale regeneration projects in Ealing and Southall.
- 3.69 Ealing had been a core borough for both Peabody and Catalyst with several schemes completed over the years. PG looked to expand its investment in the borough in delivering further much needed housing.
- 3.70 PG had over 104,000 properties across the country and several major schemes in Ealing presently.
- 3.71 In 2021, PG had secured planning permission to build 564 new homes in The Green, Southall of which 50% would be GAH.
- 3.72 PG, jointly with Mount Anvil, had recently secured planning permission to deliver about 1,000 new homes at Friary Park Estate in Acton of which 45% would be GAH.
- 3.73 PG worked with Ealing Council on the regeneration of Havelock Estate in Southall which would have 922 new homes of which 50% would be GAH.
- 3.74 PG faced the same challenges to building new housing as Ealing Council and BLRP in the present macro-economic environment.
- 3.75 PG lauded that Ealing had a Scrutiny Panel reviewing the delivery of its GAH as not all London boroughs undertook such an enquiry. There had been excellent collaboration with Ealing's officers in the delivery of affordable homes, utilisation of funding, navigating the planning journey locally and with GLA. The proactive and forward-thinking approach at Ealing was helpful in the delivery of housing in the borough.
- 3.76 PG did its utmost to maintain and retain a good standard of repair for all its properties. Awaab Ishak's death was shocking but regrettably such incidents were not completely isolated across the private and housing association sector. PG dealt with vulnerable people who were unable to report their own repairs. Its Communities Directorate and housing managers actively engaged with everyone and undertook site visits to ensure that the housing stock was well maintained both for the company and residents.

### **Metropolitan Thames Valley Housing**

- 3.77 Mr Tim Preston (Assistant Director of Land and Planning, MTVH) highlighted that:
- 3.78 Metropolitan and Thames Valley had merged in 2018 to form a new registered provider, MTVH. MTVH owned 57,000 homes across the country.



- 3.79 Ealing was a core borough for MTVH where it had invested significant funds on several sites since 2016, owning and managing about 1,000 housing units. MTVH had recently completed 137 new GAH on the former British Homes Stores site in West Ealing.
- 3.80 MTVH had just sold 84 shared ownership units in Greenford Quay as part of the major purpose-built rental housing Greystar PRS scheme.
- 3.81 MTVH currently had three schemes on site. The first scheme was Goldsmiths Arms in East Acton comprising solely of GAH. The second scheme was at the Beaconsfield Road College site in Southall for which MTVH had recently secured a Section 73 planning permission for change of use to an all-affordable housing scheme with 118 units. The third scheme was the delivery of 144 GAH near West Ealing Station.
- 3.82 The Government's recent announcement of capping social rents was a positive measure for the tenants.
- 3.83 MTVH also suffered from the impact of the current macro-economic environment with increased build cost inflation and interest rate rises.
- 3.84 MTVH concurred with the positive sentiments of PG about its work in the borough to deliver GAH. MTVH sought opportunities to purchase land on the open market and engaging with officers was crucial to achieve this. There had been some successful and unsuccessful schemes in the present tough housing market. All MTVH schemes delivered in Ealing were entirely GAH. The officers had worked with MTVH to secure GLA funding for their projects. Unlike Ealing, some boroughs that had not engaged or were not proactive failed to deliver many GAH. Overall, MTVH's experience of working in Ealing had been positive but the delays in some planning processes mainly due to lack of resource could be improved. The lack of resource in planning departments was a national issue that needed addressing to help speed up the processes in delivering much needed housing.
- 3.85 The safety of residents was paramount for MTVH. Every housing association in London was spending significant amount of resource and money on fire remediation since the introduction of Building Safety Act 2022 and Grenfell Tower fire incident. All buildings over six storeys (18 metres) were being reviewed at an incredible cost to MTVH to ensure the safety of residents. MTVH's capacity to deliver new GAH had reduced due to the substantial remediation costs for its existing housing stock.
- 3.86 MTVH had considered a vast range of developments which included brownfield sites and regeneration projects. Its operations stretched from Thames Valley in South London to Derbyshire and Nottingham. All MTVH schemes in Ealing were on brownfield sites. MTVH was presently regenerating Clapham Park estate in London Borough of Lambeth that would have 4,000 homes of which 50% were GAH. MTVH's regeneration team regularly considered and prioritised all its estates for regeneration to

provide more quality affordable homes. It was uncertain whether the Manor Gate Estate in Northolt was on the regeneration list.

### **London Community Land Trust**

- 3.87 Mr Oliver Bulleid (Executive Director, LCLT) highlighted that:
- 3.88 CLT enabled communities to come together and take a stake in either an asset, land, or housing. There was merit in involving a community early and empowering it to actively engage in the development of local housing.
- 3.89 At 1%, CLT were relatively new to this country whereas in some countries such as Germany this formed 50% of the housing. There was scope for growth in self-build community, community build and community housing.
- 3.90 LCLT had worked with a range of communities in about eight boroughs. It had facilitated communities to either develop housing directly by acquiring sites and building on these themselves or indirectly by acquiring homes within a development led by others and becoming involved in the set up and long-term management. The model for direct development of a site had entailed LCLT taking on the role of a developer and responsibility for associated legal, financial and planning aspects.
- 3.91 LCLT's first direct development of 11 GAH on a Council's derelict garage site in London Borough of Lewisham was due to complete shortly. The homes on offer were linked to average median salary for the area with a multiplier depending on the size of the house. The homes were permanently affordable because these were sold/resold on the same basis and not subject to market fluctuations, right to buy or any other broader issues. For example, a one-bedroom home was made available for one person on a single median income and went up to a four bedroom home being affordable to two average incomes for the area.
- 3.92 The schemes in Ealing would be like a project that LCLT had undertaken in London Borough of Tower Hamlets where it had acquired 23 out of 150 homes on an ex-GLA site. LCLT worked with Redbridge Council which developed its own sites. It would help to develop the projects and acquire some community-led homes within Redbridge Council's broader developments. These homes would be discounted market sales within affordable provision.
- 3.93 LCLT envisaged acquiring homes on BLRP development sites to fulfil Ealing Council's manifesto pledge of delivering 100 CLT homes by 2026. The Council needed to act promptly to enable this target to be met.
- 3.94 For direct development, LCLT was funded through GLA's Community Housing Fund for community-led housing. This fund was due to expire in March 2024 so LCLT had to ensure that projects had either started or were about to start by this deadline. Future funding would be available through a recently announced GLA General Housing Grant. The GAH scheme only worked if sites were gifted to LCLT at no cost. The homes built on donated sites with GLA grants enabled LCLT to make these genuinely affordable for

people to own at a discounted market sale rate. People paid a similar or lower mortgage compared to rent, helping them to build up equity in their home and a substantial saving in the longer term. The key issue for LCLT was the availability of sites as Councils had complex policies on gifting land to community groups. CLCT was keen to explore opportunities for sites ranging from 10-50 homes.

- 3.95 For acquiring homes that were developed by others, LCLT was funded through Section 106 agreements for a portion of the affordable homes within a larger development which were subsidised by market sale. LCLT had recently worked with Redbridge Council through a GLA grant. The homes were linked to average income relative to the open market at the point of sale, making these GAH at 50-65% of open market sales.
- 3.96 LCLT had installed mechanical ventilation and heat recovery in its new builds to provide good quality air 24 hours a day throughout the year which would prevent the issues of condensation and mould. The filters for these systems would be serviced through regular maintenance. There had been problems with some maisonettes built by other developers which LCLT had acquired. The maisonettes had extract only ventilation and trickle vents that were inadequate for condensation and mould issues. A culture shift was necessary because often large organisations did not treat people as decent human beings in ensuring that their homes were fit for habitation. It was important for housing associations to listen to the occupants and take appropriate remedial action on their housing stock to avoid situations such as the Grenfell Tower fire and untimely deaths from exposure to mould.
- 3.97 The Council had identified a Transport for London (TfL) site for designation to CLT but there were some complexities with an existing tenant on the site making it uncertain whether this site would come forward. LCLT deemed that relying on just one site to meet the Council's commitment for community-led housing was a high-risk strategy and suggested consideration of other opportunities. For example, community-led housing could be integrated in other development sites such as Council-led development or direct development by the community groups. It was important to have a set target for genuine community-led housing to be achieved.
- 3.98 LCLT had a complex and robust housing allocations policy which included demonstration of a five-year connection to the borough through working or living in it, housing needs such as insecurity of tenancy or poor housing conditions and financial affordability for people who had to move because they were priced out of the local area.
- 3.99 LCLT deemed Lewisham Council to be a good example of best practice in building GAH. The Council was progressive and had undertaken various types of projects including self-builds. It had been the first Council to gift land to LCLT for developing homes on a derelict garage site which had strong local support for the community-led project. It was important to have early community involvement in a scheme.

**Panel Conclusions:**

- The direct email addresses for referral of housing casework to registered providers such as PG and MTVH regarding their properties in the borough should be circulated to all Councillors.
- Consideration should be given to the production of an ongoing five-year plan for the delivery of GAH rather than just for an election cycle of four years.
- Consideration should be given to the feasibility of allocating a certain percentage of housing within Section 106 developments to CLTs to enable community-led housing to be built on those sites.
- All social housing providers within the borough should undertake regular checks on their housing stock to maintain decent homes standards.
- All new homes should be sustainable with minimum negative impact on the environment. This meant energy efficiency, avoiding environmental toxins, responsible use of materials and resources, and having a positive physical/psychological impact on its inhabitants.
- Regular assessments of the financial risks for the proposed housing developments in the borough should be undertaken to mitigate any adverse impacts in achieving the set GAH targets.
- Registered Providers should be encouraged to undertake more regeneration of their existing housing stock in the borough such as small self-contained estates.

<b>No.</b>	<b>Recommendation</b>
R1	The direct email addresses for referral of housing casework to registered providers such as Peabody Group and Metropolitan Thames Valley Housing regarding their properties in the borough should be provided to all Councillors.
R2	Ealing Council should consider producing an ongoing five-year plan for the delivery of genuinely affordable homes rather than just for an election cycle of four years.
R3	Ealing Council should consider the feasibility of allocating a certain percentage of housing within Section 106 developments to Community Land Trusts to enable community-led housing to be built on the sites.
R4	Ealing Council should ensure that all social housing providers within the borough undertake regular checks on their housing stock to maintain decent homes standards.
R5	Ealing Council should ensure that all new homes were sustainable with minimum negative impact on the environment. This meant energy efficiency, avoiding environmental toxins, responsible use of materials and resources, and having a positive physical/psychological impact on its inhabitants.
R6	The Council should regularly assess the financial risks for the proposed housing developments in the borough to mitigate any adverse impacts in achieving the set genuinely affordable homes targets.

## **LOCATA IT SYSTEM**

- 3.100 Jack Dempsey (Head of Allocations & Accommodation, Ealing Council) explained about how the housing Locata IT System worked:
- 3.101 The Head of Allocations & Accommodation, based within Housing Demand Service, oversaw the Council's housing register and allocations of social housing which included the existing stock of Ealing Council and registered providers.
- 3.102 Locata Housing Services Limited (Locata) was a not-for-profit company owned by four West London Boroughs (Ealing, Brent, Harrow and Hillingdon) and three RPs (Catalyst, Notting Hill Genesis and Paradigm). Locata, a leading supplier of social housing software solutions throughout the UK, was a private company limited by guarantee without share capital. It was incorporated in 2002 and had been an original pilot scheme for choice-based lettings (CBL) in the late 1990s. Locata had built and maintained allocations, lettings and homelessness systems for housing partnerships across the country.
- 3.103 A representative from each of the seven member organisations and three independent private sector representatives sat on the Locata Board. The Head of Allocations & Accommodation represented Ealing Council. The Locata Board, which met quarterly, worked to a five-year business and financial plan. The Board was responsible for the overall strategic aims of the company to ensure that it fulfilled the objective of delivering value for money by providing an efficient and high-quality IT system for local authorities nationwide.
- 3.104 A housing application process required an applicant to complete an online application form on the Ealing facet of Locata's website. Ealing Officers then assessed the applications in accordance with the Council's Housing Allocation Policy (HAP). Applications that were ineligible or non-qualifying for the housing register due to residency and higher asset/salary levels were reassessed for exceptional circumstances to ensure that a correct decision was made. Applicants were requested to submit further information such as identification, income, medical reports and residency through the Locata IT System to enable the Council to verify their application. Eligible applicants received a priority band (A, B, C or D – Band A had the highest priority and Band D the lowest) and date based on the validated details.
- 3.105 The movement on the housing register was quite fluid with people moving between Bands A to D, with those in Band A having the highest priority. There were presently about 350 people in Band A; 550-600 in Band B; and 5,500-6,000 in Bands C-D. Unlike the old system of unanticipated property offers, CBL gave people a choice in bidding and not everyone within Band A bid regularly. The largest group that got rehoused were within Band C. The website provided information about the generic waiting times. For example, people within Band C requiring a three bedroom property had a potential 10-year wait.

- 3.106 Eligible housing applicants were provided with login details to the Locata IT system through which they could check and bid for available properties. The applicants were responsible for updating any changes in their circumstances such as household size and new address on the system. The Locata IT system assessed the changes against the HAP and adjusted any change to a priority band or eligibility accordingly. Applicants could also complete online medical assessment forms and submit relevant clinical documents for household members during the process which were assessed by Officers with recommendations from the Principal Medical Officer. Applicants could request a statutory review of the Council's decision on certain grounds, such as not being allowed to join the register or priority band, which was considered by an independent officer.
- 3.107 The CBL approach, based on a Dutch model of social housing letting, had been adopted by many local authorities over the past 20 years. Applicants could bid online for properties within their bedroom size or one less bedroom. The advertisements usually had pictures and basic information about the property. Properties were loaded onto the Locata IT system daily and open for bids over five working days. Applicants could have three simultaneous live bids. Once the bidding period ended, the Council verified the shortlisted 3-5 highest priority bidders and referred them to the respective registered housing provider (RP) or inhouse Voids Team for Council units. RPs shortlisted bidders for their own units and referred these for verification to the Council. Virtual or physical property viewings were arranged for a maximum of five top priority households. A property was offered to the highest priority applicant and if it was accepted then the lower ranked applicants were released from the shortlist and property let. If the highest priority applicant refused the viewed property then it was offered to the subsequent highest priority applicant until let. A tenancy sign up was arranged subject of additional verification. The original housing application was closed once a tenancy agreement was signed and the tenant had moved into the property. Thereafter, the applicant was deemed to be suitably housed and no longer requiring housing.
- 3.108 In addition to CBL, the HAP enabled direct offers of social housing in exceptional cases or for specific properties such as accessible units for wheelchairs or major adaptations subject to approval by the Service Head. Households could also opt for the Locata IT System to auto bid for properties on their behalf which was particularly useful for people with difficulty in bidding. The Locata IT System provided easily accessible online information and advice. Additional targeted information on housing options such as jobs fairs and benefits advice was also available for households.
- 3.109 The Council's Applications Team consisted of three officers who oversaw the housing register applications. There were approximately 13,000 live applications on the Housing Register presently and projected 600 social let units in 2022-23.
- 3.110 The revised HAP was presented to the Overview & Scrutiny Committee in Summer 2022 and considered by Cabinet on 25 January 2023.

- 3.111 A vast majority of the 600 social let units would be for Ealing residents but there would be other individuals or households that the Council had a duty to house. For example, some Ealing homeless people placed in the nearest suitable temporary accommodation out of borough by the Council would still be on the housing register. Out of borough residents were allowed to join the housing register in exceptional cases that were considered by the Social Welfare Panel. In compliance with legal requirements, the HAP included five statutory reasonable preference categories – medical, welfare, homeless, sanitary housing conditions and somebody who had to reside in the district for a particular reason such as an out of borough resident having statutory care responsibilities for a parent residing in this borough had to be included on the housing register.
- 3.112 The Locata IT System was not as sophisticated as the Rightmove or Zoopla websites but it endeavoured to continuously improve in providing information to enable bidders to make informed decisions about properties. Bidders could view the property; explore its suitability and vicinity; and express any concerns or seek advice from the relevant service officer beforehand. For issues such as mould in a property, the applicant would be advised to move in after the remedial work had completed. A housing application was normally closed on the signing of a tenancy agreement. The bidder could cease their tenancy but would have to enrol again on the housing register. Most applicants were quite well informed about the process for accommodation offers.
- 3.113 Unlike allocation of social housing through the housing register, homelessness was a different route that required emergency crisis housing. There was significant information on the Locata website for people regarding languages. Staff in the customer service hubs within libraries had received training on generic housing advice and assisted housing applicants; a duty phone line for the Allocations Service was open Monday-Friday; advice about the application process could be sought through email; a translation service was accessible where necessary; and the service directed applicants to the relevant community groups in the borough for assistance. There had been a major shift in the use of technology since digitalisation of the Universal Credit process as many housing applicants came through that route. The online process was a self-service approach that enabled people to take control of their housing application. The Applications Team continued to review the service for further enhancements and ensured that there was fair access to all.
- 3.114 The Applications Team posted the particulars of a property that was available for letting either by the Council's Voids Team or a RP onto the Locata IT System. People could consider the advertised information and bid for the property. The matching commenced once the advertisement had closed after five days. A shortlist of the highest priority applicants was passed to either the Voids Team or relevant RP. CBL enabled people to make their own selections in bidding for properties. A property was offered to the most suitable applicant depending on key factors such as right bedroom size, priority band and priority date.

- 3.115 The Applications Team did not have any control over the size of available lettable properties. Large properties were scarce so those people who needed 4-6 bedroom properties had to wait the longest compared to those requiring 1-2 bedrooms. Large properties were generally not included in the new build housing programmes. Larger properties sometimes became available from re-lets when the primary tenants had requested to downsize because their families had moved out. The Council had undertaken loft conversions on some three-bedroom properties to add further 1-2 bedrooms to increase the supply for big families.
- 3.116 To increase the social housing stock, local authorities had nomination agreements with RPs which entailed the Council taking 100% of the first lets on a new housing development. Thereafter, a standard nomination agreement stipulated that the Council would get 75% of any two or more bedroom re-let units and 50% of any one bedroom or bedsit re-let units that became available. RPs retained the remaining re-let units for their own transfer lists. The local authority normally received all the lets if a RP did not keep a transfer list.
- 3.117 RP tenants could uniquely have property choices from two separate applications – one with the relevant RP through its transfer list in accordance with their transfer allocations policy and the second with the Council primarily for Ealing properties in accordance with the HAP. For example, a tenant of Catalyst which had recently merged with Peabody (a very large housing association) would also be considered for the RP properties in other boroughs. The HAP included a vast range of applicants' needs including homeless persons, private rent sector and persons in other types of accommodation whereas RPs only dealt with their own tenants. A local authority had a statutory duty to maintain a housing register. Over the past few years, some RPs had decided against retaining transfer lists due to the extensive administration involved and referred their clients to the local authority.
- 3.118 The Applications Team had regular communications with the Council's social workers within Children's and Adults Services. The Team also conducted frequent presentations to Social Work teams regarding housing aspects including applications, tenancy management, landlord duties, homelessness, housing register and temporary accommodation. Social Workers were vital primary evidence providers for medical and social welfare cases. They were likely to be aware of the Locata IT System and refer matters to relevant housing officers. The Applications Team also had contact with Public Health colleagues and received applicants' clinical reports from General Practitioners (GPs). The Applications Service was planning to present at a future GP Forum. Most GPs, other advocacy agents and community organisations were aware of the Council's housing duties and had redirected patients with housing needs for the service. The Homeless Reduction Act 2017 had placed new duties on housing authorities to intervene earlier to prevent homelessness and take reasonable steps to relieve homelessness for all eligible applicants, not just those that had priority need under the Act. Unlike many other local authorities, Ealing had a Homelessness Forum that met quarterly and was attended by 30-50



community organisations which spread information through their networks. The Forum enabled the service to relay any changes to housing legislation or practices and manage expectations about the availability of different housing tenures.

- 3.119 The Applications Service periodically contacted people to query why they had not bidden for properties. The reasons for not bidding were often due to unchanged circumstances and lack of suitable available properties such as for specific medical requirements of no staircases or wheelchair adaptations and more bedrooms for larger families. According to the HAP, people who had not bidden would not be removed from the housing register because they were still deemed to be in housing need.
- 3.120 There was no outstanding local authority housing system presently although 4-5 systems could perform tutorial space lettings. As a co-owner of Locata, Ealing had a contractual obligation to the current system. The Locata IT System was not equivalent to more advanced housing systems, such as Rightmove and Zoopla that were trying to sell properties for the highest prices, but it was good and interacted well with the Council's other systems. Locata endeavoured to continuously improve its IT System for a better precise service to the users. The Applications Service was time critical in letting properties out as quickly as possible and officers often acted like estate agents in providing the related information to applicants. Bidders were well informed, often visited the properties straight away, and consulted the Service before submitting their bids.
- 3.121 A priority Band and Date were critical for housing applications. Individuals with medical conditions had a higher priority and underwent the same due process in bidding for properties. People with mental health conditions usually had a social worker, support worker or a community psychiatric nurse to assist them with their bids. A long waiting list and lack of sufficient available properties meant that most people had to wait for a considerable time before being rehoused.

**Panel Conclusions:**

- The Council's approach to convert existing three bedroom properties into 4-5 bedrooms through loft conversions was commendable and cost effective.
- It was important for the Council to ensure that there was an increased proportion of bigger properties in all new housing developments to rehouse large households on the housing waiting list.

<b>No.</b>	<b>Recommendation</b>
R7	Ealing Council should ensure that there was an increased proportion of bigger properties in new developments within the borough to rehouse larger families on the housing waiting list.

## **EALING HOUSING AND HOMELESSNESS STRATEGY – DELIVERING GENUINELY AFFORDABLE HOMES**

- 3.122 Mr Chris Paddock (Director, Partnering Regeneration Development Ltd), outlined the approach to the proposed new Ealing Housing and Homelessness Strategy (HHS):
- 3.123 The work of Partnering Regeneration Development Ltd (PRD) was primarily in economic and social research related to places. In addition to gathering evidence for the new HHS, PRD had undertaken various other commissions with the Council last year which had included a study on Industrious Ealing and an inclusive economy evidence base for the borough alongside a statistical baseline of the borough's seven towns.
- 3.124 PRD had conducted an evidence assessment of housing and homelessness within the borough to identify the factors to form a future strategy.
- 3.125 Ealing Council had an ambitious target to deliver 4,000 new GAH across the borough. Its Corporate Plan 2022-26 included key priorities of the things that mattered most to residents which included tackling inequality and crime; climate action; healthy lives; a fairer start; decent living incomes; inclusive economy; good growth; and thriving communities. The priorities related to housing and finding people a place to live. A successful economy would provide shelter, food and other things for people who participated in it. The breadth of impact that housing would have for people and the general wellbeing was significant.
- 3.126 GAH was an economic issue because housing costs had been a driver of the cost of living crisis in London even before energy price rises. Delivery of the GAH target would mostly take place in the context of a climate emergency, increasing costs and decreasing budgets. The aspiration to deliver higher quality would also have cost implications.
- 3.127 The Council had statutory duties to deliver and the defining challenges for the strategy included delivering good homes at scale that reflected the needs and character of its communities; the cost of living crisis and inequality; the climate emergency; improving the quality and safety of homes; and doing more with less. The delivery had to balance short term need and respond with long term systems change.
- 3.128 In gathering evidence for the strategy, PRD had taken a broader approach around housing, looking at nuance which could inform better delivery and what 'good' and 'affordable' meant. The exercise considered cost of living; energy efficiency; age and condition of stock; impact of housing growth on different populations; heat and pollution; and fuel poverty.
- 3.129 The average house price in Ealing was £525,000 compared to £510,000 in London. The lower quartile of house prices in Ealing was £385,000, still making it quite an expensive place to live and a housing affordability ratio very high compared to London. Ealing had the 5th lowest resident earnings in London. Low earnings and high house prices meant that an average

house price was 16 times median earnings, significantly above the London average.

- 3.130 The median monthly rent in Ealing was about £1,500 and was expected to increase. 30% of residents rented privately, making this the most dominant tenure within the borough and increasingly more West London boroughs. The private rental sector had increased significantly over the last decade.
- 3.131 40% of Ealing's carbon dioxide emissions were from domestic use. 57% of properties had been rated Energy Performance Certificate (EPC) D or worse. This exposed poorer people within the borough to the least energy efficient properties.
- 3.132 PRD's previous research on Ealing's inclusive economy had shown it to be quite an economically dynamic borough. Evidence in the previous year had revealed Ealing to be the fourth poorest London borough, with a growing working poor which varied significantly between Ealing's seven towns. Earnings in the metropolitan core (Ealing, Acton and Hanwell) were typically much higher than the west of the borough, particularly Southall and Northolt.
- 3.133 Many of Ealing's poorest residents were in work but the jobs were low paying and often insecure. The increase in children living in low income households had been driven by working families, showing that for many work was increasingly failing to pay. Although wages were rising, many people in the lower quartiles of income relying on low wage jobs were unable to have a rewarding, fulfilling life or engage with the property market. Having less choice affected the mobility of residents within the labour market, accessing training, ability to stay in work and the same place to work. When people had less choice it led to reduced time for ideas and innovation, impacting on the competitiveness of the local economy.
- 3.134 Housing was the primary determinant of deprivation across the borough. It was an economic, wellbeing and social justice issue. The COVID-19 pandemic had highlighted the importance of housing to resident health and wellbeing. Black and Ethnic Minority (BAME) households were four times more likely to be overcrowded, more likely to live in poverty after housing costs, and significantly less likely to own their own home.
- 3.135 Ealing's house prices were amongst the least affordable in the country and earnings not abreast with house price growth. This was most stark in parts of the borough where house prices were highest in Acton, Ealing and parts of Hanwell. Despite rising prices, borrowing had been made affordable due to a decade of historically low interest rates. Residents in the borough's metropolitan core had significantly higher overall borrowing than those in the west, resulting in mortgage holders facing significant decreases in disposable income as their fixed term mortgages ended and interest rates rose.
- 3.136 Challenges for mortgage holders were matched by unprecedented challenges for tenants. Private rents had grown significantly since 2012 but official data was too lagged to capture changes in the rental market since

lockdown restrictions had eased. Anecdotal evidence showed that bidding wars and a lack of available properties had driven price increases for tenants. The rental squeeze was a global issue across capital cities. A recent Financial Times research using Zoopla's real-time data had estimated a 10% year-on-year rental increase in the last couple of years, approximately an additional £124 a month. The average annual income in Ealing was £35,000 and housing unaffordability was central to the London-specific cost of living crisis.

- 3.137 PRD's publicly available tool had used the average rent data from the Office of National Statistics (ONS) and Financial Times to model the impact of different average housing tenures on resident disposable incomes. This approach had provided a better understanding of what gross monthly pay bought after all essential household spend. The exercise was undertaken for three example households renting in the borough using 10% inflation – a teacher working in Ealing, earning £35,000 per annum, living alone in a one-bedroom flat was £255 short; a couple (a teacher and a civil servant) working in Ealing, earning £72,000 per annum, living with two children in a three bedroom flat and paying for a childminder after school was £53 short; and a single parent with a child aged 3-4 years, paying for full time childcare had to earn £60,000 to afford an average two bedroom flat in the borough and cover essential costs. The costs excluded any luxuries and would rise further for everyone with any increases in inflation.
- 3.138 According to the housing and homelessness charity Shelter (2023), Ealing had the 10th highest rate of homelessness within the UK in 2021 and one in every 53 residents was classified as homeless. There had been 7,000 residents (approximately 2,500 families) in temporary accommodation of which half were children. 80% of London temporary accommodation residents had been there for longer than 12 months. Homelessness was a stark challenge and although Ealing's performance for managing homelessness was relatively good, more people were moving towards homelessness and subsequently rough sleeping in some cases. Unlike most other boroughs, Ealing was unique in having a Homelessness Forum.
- 3.139 Ealing had delivered about 7,000 (the 7th highest in London) new homes in the last five years. Approximately 3,000 (the 3rd highest in London) of these were affordable housing completions and about 800 (3rd highest in London) were for social rent or London affordable rent. The data showed that Ealing was doing relatively well in delivering new homes in challenging circumstances when there had been a benefits cap and freeze in housing benefits. Whether the housing was affordable enough was questionable across London.
- 3.140 The government's current Help to Buy (H2B) scheme was due to end in 2023. H2B loans had been used in 64% of Ealing's new home sales in the last six years. Savills, a leading global property agent, had estimated that 41% of H2B purchasers in London would be unable to afford a new home without it. This would impact on developer incomes and delivery in the borough. The government's new First Homes scheme would replace the H2B scheme. The First Homes scheme was not supported by GLA and was

not considered to offer an affordable solution to Londoners who needed it most.

- 3.141 Access to high quality, safe and affordable housing was integral to resident prosperity and wellbeing. The deepening of London's housing crisis meant that demand for Ealing's services was greater than ever. A 64% reduction in Ealing's core funding from the government over the last decade, increased building costs and more challenging market conditions would impact on its ability to deliver its ambitious GAH target. This situation required the need to be honest with residents about how, where and how much the Council could convene to address these challenges. The Council would have to come up with some innovative solutions in response to the changing delivery context to meet its statutory and other responsibilities.
- 3.142 In shaping the new HHS, the focus was on increasing the supply of good GAH homes for the borough and improving the quality of people's lives without compromising the net zero ambitions. The six priority themes of the HHS were delivering well managed GAH; increasing the supply of good quality, energy-efficient, affordable homes in the borough; delivering high quality, safe, carbon neutral homes in all new and existing neighbourhoods; working in partnership to prevent homelessness and rough sleeping; looking after residents and supporting tenants through a better, safer and fairer private rented sector; and tackling inequality, meeting the support and accommodation needs of vulnerable residents.
- 3.143 A 22% decrease in the number of residents renting from the local authority or housing associations had occurred in the last 10 years and could have been caused by the government's right to buy scheme, supply in housing, other housing products, and ways of engaging with the housing market.
- 3.144 Crossrail was a factor in hope value as a lot of development in London happened around stations. In the last 10-20 years, there had been land value speculation around Crossrail which impacted house prices and it was expected to continue. The mortgage exposure map almost followed the Crossrail route where people had more expensive properties and acquired bigger mortgages to purchase them.
- 3.145 In 2021, the Runnymede Trust (a UK race equality think tank) had produced the research regarding BAME households. Thereafter, Trust for London (an independent charitable foundation) which aimed to tackle poverty and inequality in London and its root causes had also followed up the research. Overcrowding within BAME households was a major issue.
- 3.146 There had been previous tenant engagement that had informed the evolution of the strategy. Tenant engagement and renter's right charter were important aspects but had not been within the scope of work commissioned from PRD. These aspects would be referred to Council Officers for consideration during further engagement on the new strategy.
- 3.147 Generation Rent's work with five local authorities to investigate best practice models for communicating with private renters had identified that renters

were aware that they had rights but did not know the specifics of those rights. They did not know if or how the Council could support them to seek redress or understand the Council's enforcement role. Generation Rent had researched and developed a private tenant engagement charter to enable a local authority to use its data to engage and communicate with private renters. London Borough of Newham had one of the largest populations of private renters in the UK, with over 70,000 households in this sector, and its data hub informed the Council of where the private renters lived. Many local authorities had landlord forums which could be linked with a programme of engaging renters through events, awareness weeks and advice on accessible websites. Generation Rent's relevant research documentation was circulated to the Panel and relevant service officers.

- 3.148 All evidence had suggested that rents were increasing before the rise in interest rates and energy costs, presumably from supply and demand of the housing situation.

**Panel Conclusions:**

- New homes complied with safety and net zero ambitions but it was equally important to ensure that the Council's existing housing stock was also regenerated appropriately to comply with the ambitions and make it safe for everyone.
- The Council should consider developing a tenant's rights charter as private rental was presently the most dominant sector in this borough and seek to increase tenants' awareness of their rights through a revamped website and other relevant communication channels.

<b>No.</b>	<b>Recommendation</b>
R8	Ealing Council should review all its existing housing stock and regenerate it accordingly to ensure that it was safe for everyone.
R9	Private rental of housing was presently the most dominant sector in the borough so Ealing Council should consider developing a tenant's rights charter and increase tenants' awareness of their rights through a revamped website and other relevant communication channels.

**BROADWAY LIVING DEVELOPMENT GUIDE**

- 3.149 Gordon Cooper (Principal Project Manager, Broadway Living) presented an overview of the Broadway Living Development Guide 2021 (BLDG):
- 3.150 BLDG, containing guidance and aspirational standards for the project team and each Broadway Living development, had been compiled in collaboration with various Council services including Regeneration, Planning, Asset Management and external partners such as Pollard Thomas Edwards Architects (PTE) and NHS. PTE specialised in sustainability, research and innovation.
- 3.151 BLDG was a live document that responded to changing events, housing industry trends and legislation. It sat alongside and was compatible with several external (GLA standards, building regulations and fire safety) and internal (specifications, employer's requirements and residence manuals)

documentation. It included concerns and issues around tall buildings. The service acknowledged that not every project could comply with every aspect.

- 3.152 The guide was aligned to the Council's three overall objectives of creating good quality jobs, tackling climate crisis and fighting inequality. It had a strong emphasis on home and supported healthy lifestyles.
- 3.153 BLDG's three core objectives were sustainability, healthy homes and affordable homes. The document had four chapters and 22 design areas. Two key aspects for new developments included healthy homes and strong communities & social interaction.
- 3.154 The healthy homes aspect covered healthy internal living spaces; healthy outdoor spaces; healthy streets; ecology and biodiversity; clean air; and space standards. All future homes were built to a passivhaus standard which entailed an airtight building, low energy design, maximising passive solar gain, and high levels of insulation. Healthy internal living spaces meant having good quality daylight and sunlight in homes; window design positioning and orientation; minimum external noise transmission and pollution. A passivhaus did not necessarily have smaller windows. It had smaller windows for rooms such as bathrooms and kitchens on north, north-east and north-west facing elevations. Bigger windows were mainly installed in the principal reception rooms and bedrooms. There was a balance in getting the quality of daylight in a house so measures such as installation of shades on some windows to prevent overheating would be implemented. Large panels for windows and doors were mainly used in buildings of three or fewer storeys as concrete frames were used in larger schemes. The Council was not prescriptive because off-site manufactured steel or timber frames and traditional methods could be used to build a passivhaus.
- 3.155 Many of the Council's housing sites were in quite hostile locations such as busy roads, backing onto railways and Heathrow Airport flight path. The Council aimed to use natural materials where practical including eco-friendly water-based paints; exposed brickwork, slate and timber. The design of external spaces in developments needed to be health inclusive and include a range of formal and informal spaces to encourage social integration of the community. The healthy street principles sought car-free areas within developments and promotion of active transport. Improvement of the biodiversity and ecology of the neighbourhood included having living walls; ponds; native plants and trees; and encourage wildlife. The Council adhered to the GLA space standards and an additional 50% above minimum internal storage space. The balconies would be larger and have screening to enable external drying of washing.
- 3.156 The stronger communities and social interaction aspect would have building places for people to rest and interact inside/outside the homes. This would include communal entrances and seating; enhanced public realm; safe homes and surroundings. Where possible, residents would be involved in the design, particularly in regeneration schemes, to empower them and instil

a sense of ownership and control. Resident satisfaction would be measured through post occupancy feedback after nine months and used to make improvements. The Council wanted to include future flexibility in the designs to enable residents to stay in their homes as their needs or family makeup changed.

- 3.157 The BLDG aspirational standards aimed to deliver high quality, sustainable, inclusive, healthy, affordable homes for the borough's diverse residents. Ealing Council aimed to set a standard for affordable homes that it and the residents could be proud of in years to come and other boroughs to follow.

### **BUILDING SAFETY**

- 3.158 Stephen Rizzo (Assistant Director for Building Control) provided an update on building safety and highlighted that:
- 3.159 The government was developing new legislation and operating procedures for local authorities regarding building safety. Building safety had been identified as an area of transition which may have an impact on the delivery of new homes.
- 3.160 The new legislation and operating rules followed the publication of Dame Judith Hackitt's Independent Review of Building Regulations and Fire Safety which had been commissioned by the government after the Grenfell Tower fire tragedy in 2017. The changes would consider her recommendations for reform of the construction industry.
- 3.161 The legislation and guidance was not enacted fully so the construction industry and Council would be in a transitional state until all legislation had been written and implemented.
- 3.162 The changes included new legislation for building and fire safety, increased regulation of construction, construction professionals, Councils and construction products.
- 3.163 A new regulatory body, the Building Safety Regulator, was being established within the Health and Safety Executive. The new regulator's role would be to oversee the safety and standards of all buildings and building work. It would hold local authorities accountable to the new higher safety standards in their roles as landlords, developers and regulatory bodies.
- 3.164 The changes were far-reaching and the legislation would have a major impact on the way in which the Council operated, procured and delivered its buildings.
- 3.165 Ealing Council was in a robust position to accommodate these changes and its processes were being developed continuously in tandem with the publication of new legislation. The Council would remain a flexible and learning organisation during the transition period.



- 3.166 The new legislation was anticipated to make residents safe and feel safe in their homes through a more regulated construction industry. The timeline for delivery of genuinely affordable homes between design commencement and occupation was likely to be longer than currently experienced. Homes built for this market sale would be similarly affected. There may be additional associated costs but the Council was expected to become more efficient in tackling these as it progressed with the new legislation.
- 3.167 Ealing Council would continue to develop and work with the regulator and legislators in implementing the regulations to ensure that all properties were safe and residents felt safe.
- 3.168 In changing operating procedures, affected Council departments had adopted ways to examine existing and new buildings in relation to the new legislative requirements. In some cases, this had entailed the creation of entire new departments and sections within departments. For example, building regulation surveyors within the Environment and Sustainability department had been involved in all building work to ensure that it met the new standards.
- 3.169 The existing higher risk taller residential buildings had to be registered with the regulator. The regulator would inspect these buildings at regular intervals, presumably every five years. The Council's building management would have all the information prepared for the regulator. The Council was working to these operating procedures and would have a full safety case written for all its taller buildings. There had been no changes to what made a building unsafe. If the regulator found a public or private sector taller building requiring measures that needed to take place then he would raise these with the principal accountable person who would have to ensure that everything was rectified before the building was certified as safe.
- 3.170 The existing and new legislation covered all buildings, new and existing, and all building work. Ealing Council had self-referred itself to the Regulator of Social Housing in February 2022 for a potential breach of the Home Standard as there was a potential for serious detriment to Council tenants. The regulator had found that the Council had no assurance of compliance with statutory health and safety requirements across a range of areas such as fire, gas, electrical, asbestos and water safety or evidence of monitoring any remedial works relating to these areas. The Council had entered into a voluntary undertaking with the regulator to take appropriate action to comply with existing legislation. This process was ending as all the gas, electrics and buildings had been tested. The Council had undertaken various audits and worked closely with Ark Consultancy who would do a report to ensure that these problems did not recur. The new legislation was progressive to enable the regulator to understand what had occurred and act accordingly. The Council was presently registering all its taller buildings with the regulator, setting up building safety committees, and providing information about Council blocks for the residents through noticeboards to enable them to understand how they were being kept safe. All new residential high rise buildings taller than 18 metres (nine storeys or less depending on the height of each storey) were required to have two staircases.

- 3.171 The Acting Strategic Director for Housing and Environment had already highlighted the challenges within the housing revenue account and business plan to Members. The priorities were building safety, managing the estate, ensuring that the properties could be relet, and zero carbon retrofits. The fitting of new kitchens, bathrooms and windows would be done from any surplus funds. Since last year, building safety had been the top priority for the next three years. Ealing Council had invested £1.8M on a new Housing Building Safety team and £9.5M to catch up on all building work that had not been done over the past years to ensure the safety of tenants. Another £6M had been allocated to the current capital programme. Funds were less of an issue presently than acquiring skilled and trained people as every local authority was trying to do the same activities. Ealing had undertaken a massive recruitment exercise recently and extended its team of three permanent staff to 36 to undertake the required work. The new staff, comprising of some highly experienced people from London Fire Brigade and Peabody Group, would have to be trained to understand this borough. In addition to technical expertise, the staff development programme would address effective liaison with residents.
- 3.172 The housing service had recruited apprentices at various levels. Apprentices were offered degrees or transitional degrees if they did not have one or had a non-qualifying degree. It took seven years to train as a regulator within the fire safety and building safety field. The service had targeted young people through the Children's Services for take-up of these career opportunities within the Council.
- 3.173 The new building safety legislation would come into effect from 1 October 2023 with a transitional period from October 2023 to March 2024, providing everyone an opportunity to sort everything by then. Part of the legislation was already effective which is why the Council was presently registering its taller buildings with the regulator.
- 3.174 The new building safety legislation would apply to privately and publicly owned taller buildings, both having the same regulator and standards. For lower rise buildings, buildings regulations which came under the regulator would still be overseen by the building safety regulator although the building regulations may be inspected by the local authority or a private sector building inspector – as was the case presently. The Council's own private rented property licensing scheme had enabled the identification of these properties and interventions taken where necessary.
- 3.175 The "beds in sheds" was a big problem across the borough which the planning enforcement team was actively trying to combat. The Council was applying various tools such as Google Maps to help identify unlawful and unlicensed dwellings and undertake appropriate enforcement action.
- 3.176 The golden thread of building information such as its components, plans and specifications for a new higher rise building would be an electronic database held by the owner. The owner's building would appoint a principal accountable person who would have the control and funding to rectify and

manage that building properly. The product information would have to be updated after any alteration to the building. The regulations also required the information to be put in public domain to enable tenants and leaseholders to access it. The Council's buildings information would be maintained electronically on its website. Paper versions of the building information would be put on information boards within the blocks and made available at local housing hubs. The same requirements also applied to existing buildings but the Council had limited insight into how the old buildings were built, giving rise to some grey areas for which the regulator would allow a sufficient margin of error to enable a better provision of safety. A majority of the Council's buildings had been surveyed. The survey indicated how these had been built, performed normally and in the event of an emergency. The Council's taller buildings were mostly built from traditional brick so there was less external cladding to contend with as a result. Ealing Council planned to remove all waste chutes from its higher buildings because these could create potential fire tunnels and relocate bins to outside the blocks. This exercise would not be completed by October 2023 but measures would be implemented to make the buildings safer.

**Panel Conclusions:**

- The Panel acknowledged that the Council was actively working to make all its buildings safe but a lot more still needed to be done over the next few years to achieve full compliance with the new standards.
- Members concluded that a future scrutiny panel considering housing matters should review the Council's progress in implementing the new building safety regulations; enforcement of unauthorised developments in the borough; and adequacy of staffing resources within the housing department to ensure that all the buildings were safe and residents felt safe in their homes.

<b>No.</b>	<b>Recommendation</b>
R10	A future Scrutiny Panel looking at housing matters should review the progress in implementation of the new Building Safety Act in Council buildings after the transitional period ended in March 2024.
R11	A future Scrutiny Panel looking at housing matters should review safety of people within unauthorised developments such as "beds in sheds" and assess whether the Planning Enforcement Service was adequately resourced to undertake this boroughwide enforcement activity.
R12	The Council should actively encourage more apprenticeships within the building safety services to ensure that sufficient and adequately trained personnel was in place to tackle all the challenges in future years.

## **HOUSING SERVICES – THE EXTERNAL OPERATING ENVIRONMENT**

- 3.177 Nick Sedgwick (Associate Director, Ark Consultancy) updated the Panel on the current and near future operating environment for management of Ealing Council's housing stock:
- 3.178 Ark Consultancy had supported the Council's Housing Service on building safety issues, its work with the Regulator of Social Housing, and a range of improvement plans over the past year.
- 3.179 The government's policy impacting on the operations of local authorities had been driven by some recent high profile news stories. Examples included poor quality social housing provision by some local authorities and housing associations; Grenfell Tower fire tragedy and inquiry; and the regulator's action against some Councils on building safety issues such as damp and mould in homes.
- 3.180 Landlords would also have to take appropriate action to ensure that their properties were safe for tenants. The government minister and Housing Ombudsman were also undertaking action in naming and shaming rogue landlords. The government had recently imposed a 7% rent cap for social landlords which was still a significant increase for residents and would impact on their affordability.
- 3.181 After the Grenfell Tower fire tragedy, the government had actively engaged with residents of social housing and published a Social Housing White Paper (SHWP) in November 2020. SHWP set an agenda for changing the approach to regulating consumer standards; tenant satisfaction measures; transparency of information to enable residents to understand the way services were provided; building safety; tackling of domestic abuse and loneliness; supporting residents' physical and mental health; and introduction of pet-friendly policies.
- 3.182 In November 2021, the Regulator of Social Housing had published its principles and approach to reshaping consumer regulation. A local authority would have to provide more data returns to the regulator including its performance in delivering housing services. The regulator would conduct desk-top reviews, reactive engagement with social landlords and onsite inspections. A local authority had to be prepared for an inspection and demonstrate how residents had been engaged in the way things were being done.
- 3.183 The updated consumer regulation had six consumer regulatory standards – Safety: the landlords' safety responsibilities including within the home and communal areas; Quality: quality of the home, communal spaces, and services to tenants; Neighbourhood: the landlord's role, working with other agencies, contributing to the wellbeing of neighbourhoods in which tenants lived, including tackling antisocial behaviour; Engagement and Accountability: engagement between landlords and tenants, including how complaints were handled and landlords' accountability to tenants, including treating them with fairness and respect; Tenancy: requirements on landlords

for tenancies, including allocations policies and opportunities for tenants to move.

- 3.184 The reshaping consumer regulation also had tenant satisfaction measures aiming to give more focus to what was important to residents. Larger landlords, such as local authorities, would have to conduct annual satisfaction surveys of residents to collect 12 wide-ranging satisfaction measures including for overall satisfaction, repairs, maintenance, safety, communal areas and antisocial behaviour. This would be a challenging exercise for many landlords who had not undertaken satisfaction surveys for quite some time. A recent tenant satisfaction survey conducted by a northern local authority had achieved a 42% overall satisfaction rate and many other landlords were likely to see similar levels of tenant satisfaction. The Council would have to report on 10 further standards on how well it completed the building safety checks including gas, fire, asbestos, water, lift, number of complaints received, and number of antisocial behaviour cases. This information must be available to residents.
- 3.185 The Housing Ombudsman was increasingly active in ensuring that Councils were dealing with complaints and applied a coordinated approach with the Regulator of Social Housing on any failings. The Housing Ombudsman's Complaint Handling Code was published in July 2020.
- 3.186 Some issues that Ealing Council could concentrate on over the next few years included satisfaction levels as these would highlight the strengths and weaknesses of its housing services; building safety; resident engagement which had lapsed during the COVID-19 pandemic; best use of stock; quality of homes; transparency; neighbourhoods; and proof against standards.
- 3.187 Details of the new consumer standards were expected to be published imminently. The technical guidance for the tenant satisfaction measures which had to be implemented now was published in March 2023.
- 3.188 Landlords with a stock of over 10,000 housing units were required to undertake an annual tenant satisfaction survey (often referred to as a "star" survey) and smaller landlords were required to conduct them less frequently.
- 3.189 Ealing Council had last conducted a star survey in 2014 and was due to undertake one in November 2023. The requirement for a star survey had stopped so Ealing was not unusual in not undertaking these regularly. The Council had conducted other community surveys that included more general questions to tenants and leaseholders such as how they felt about living on their estates, how well the Council was doing, and listening to their views. The Council had some good past information on satisfaction levels with repairs.
- 3.190 The Council monitored housing complaints closely although it had not performed very well for a while with some historical cases. Ealing Council was median in receiving judgments on housing complaints compared to other local authorities. A new team had recently been established to deal with complaints and these were being dealt with more efficiently since.

- 3.191 The focus on housing repairs was important and there needed to be a responsive, very good, high quality, cost-effective housing repair service. The Council was demobilising its current inefficient repairs contractor, MCP, and mobilising a new contractor, Wates Group. Previously, the Council had multiple contracts that sought the lowest cost option which was not the right solution for housing provision. Value for money was attained by paying the right amount for a good service and it was anticipated that this would be achieved with the new contractor. This approach was also expected to increase tenant satisfaction levels. Ealing's level of antisocial behaviour on the estates was less compared to some other local authorities due to a good Community Safety team. The current standard of Council homes was quite good. The Council had recognised that some of its estates, such as Golf Links and Copley Close, simply did not work so it had embarked on an ambitious estate renewal programme to put this right. The Council was prepared to take difficult decisions about the standards of repair to its housing stock. Fewer repairs were done on homes during the pandemic but catch-up repairs work had commenced last year in installing new kitchens, bathrooms, windows and external improvements. £48M had been spent on housing repairs in the current year.
- 3.192 The COVID-19 pandemic had a significant impact on many people's mental health and wellbeing. The regeneration work at Copley Estate was in progress but significant improvements had been made to the public realm and community spaces were now being activated. The Council's leadership team recognised the need for communal spaces in housing estates to bring people together as a community, helping to reduce loneliness and improve wellbeing. Activating and empowering communities was vital as many Council tenants were some of the most vulnerable people in local communities. The Council's financial inclusion advisors were providing financial, physical and emotional support to get people out of their homes into good well-paid local jobs and other meaningful activities.
- 3.193 The leasehold debate had been going on for a long time and it was anticipated that the government might consider various existing reports on this issue. There were numerous leaseholds in existence presently so the debate was likely to continue. Extra protections and more transparency of information for leaseholders was expected. The government sought to boost other types of tenures as a leaseholder was still a tenant with a very long tenancy. It was looking to change existing leaseholds to a common hold whereby residents jointly owned the freeholds and appointed managing agents, giving them more power within that relationship. The government appeared to be retracting from this action but more detail was needed to understand the exact proposals in the leasehold reform.

### **HOUSING OPTIONS AND HOMELESSNESS**

- 3.194 Darren Henaghan updated the Panel on some challenges faced by the Council's housing services:
- 3.195 Ealing Council had responsibilities as a landlord for about 10,000 properties comprising of tenancies and nearly 6,500 leaseholds.

- 3.196 Some factors that had impacted on the housing services included the government's reaction to the last financial crisis in 2008 of quantitative easing and artificially low interest rates on borrowing; government policy on private rented sector, housing benefit and taxation system; rising cost of living; and the Bank of England's decision to compact inflation by raising interest rates.
- 3.197 Almost half the houses in the borough were presently privately rented mainly because the government had addressed the affordability gap through housing benefit to enable people to remain here.
- 3.198 The average annual household wages in the borough were approximately £38,000. Individuals needed to earn about £80,000 annually plus a 25% deposit to be able to afford a one-bedroom flat in the borough and the increasing interest rates was making this more prohibitive. The private rental market was becoming increasingly unprofitable for landlords due to various adverse factors such as changes to the taxation system not allowing them to write off mortgage interest payments against their income. Many private small and large institutional landlords were selling their properties as the rental yield was 1.8%-2.1% whilst mortgage interest rates were at 4% and rising. The government had frozen housing benefit at about £1,800 per month and with increased rents many people within the private rental sector were unable to afford the additional payments so were turning to the local authority for support.
- 3.199 A large landlord was seeking back 180 properties that Ealing Council used for temporary accommodation through court action which would further reduce the supply of temporary homes for residents. The rents were going up further because the Council was bidding against other people for a limited number of properties.
- 3.200 Clearsprings, a Home Office contractor, was buying all available hotel bedrooms and other similar settings in London to house asylum seekers awaiting assessments. This situation further exacerbated the efforts of local authorities in providing homelessness support to their residents.
- 3.201 The Council had secured some housing stock through long-term deals with landlords in the borough. It also had a scheme for buying back previous right to buy property and had to pay much more for these properties that initially belonged to the Council. There was a limited supply of 3-5 bedroom homes in the borough and it was uneconomical for the Council to acquire the available ones due to the high rents so it had to look further afield in other places to source sizeable homes for larger families.
- 3.202 The Council was running out of solutions to meet the increasing demand for rehousing residents due to the present complex and difficult economic situation.
- 3.203 Ealing Council had been buying private properties successfully for several years through the open market, within the borough and other boroughs such

as Hounslow and Slough, to use as temporary accommodation. The Council was now mainly buying outside the borough to enable it to match the government funding received for this purpose. The Portfolio Holder for Good Growth and New Housing was keen to purchase more private properties and the Council had recently bought Aspect House comprising of 39 homes within the Old Oak Housing Development Area in North Acton.

- 3.204 While the Council was decanting tenants during estate renewal, it used some of the empty properties for temporary accommodation of residents. It was currently using about 320 such homes mainly in Havelock Estate and High Lane Estate through various approaches. The properties that were vacant early and in a reasonably fit state were refurbished for about £20,000 which was recoverable through rent over 5-6 years. It was not feasible to refurbish vacant properties that were likely to be demolished within a year or so of the decant.
- 3.205 Most landlords leaving the sector in the borough had cited reduced profit margins and low capital value for their properties, not the Council’s selective licensing scheme as they had been regulated before and already paid fees to be inspected. The Council recognised that there were some very good private landlords and some rogue landlords in the borough but the safety of all residents was paramount. The broader landlord licensing scheme which had come into effect from 1 January 2023 was due to be reviewed after a year and the findings would be considered going forward.
- 3.206 Most landlords had been selling their properties through the private open market or auction houses mainly when their current mortgage products were ending. Institutional investors were mostly selling when they had to refinance properties once their bond scheme finished.

**Panel Conclusions:**

- The Panel concluded that appropriate information from the Council’s selective licensing scheme should be published to inform prospective renters whether a property was licensed and safe to rent.

<b>No.</b>	<b>Recommendation</b>
R13	The Council should publish appropriate information from the selective licensing scheme on its website to inform prospective private renters whether a property was properly licensed and safe to rent.



#### 4.0 **MEMBERSHIP AND ATTENDANCE**

4.1 The tables below show the Panel membership and attendance at meetings and site visits.

##### ***Membership and Attendance at Panel Meetings***

<b><i>Name</i></b>	<b><i>Total Possible</i></b>	<b><i>Actual Attendance</i></b>	<b><i>Apologies Received</i></b>
<b><u>Councillors</u></b>			
Cllr Chris Summers (Chair)	4	3	1
Cllr Gregory Stafford (Vice Chair)	4	4	-
Cllr Rima Baaklini	4	4	-
Cllr Gary Busuttil	4	3	1
Cllr Harbhajan Kaur Dheer	4	4	-
Cllr Blerina Hashani	4	4	-
Cllr Ian Kingston	4	4	-
Cllr Faduma Mohamed	4	3	-
Cllr Ben Wesson	4	4	-
<b><u>Co-optee</u></b>			
Ms Alicia Kennedy (Director, Generation Rent)	4	2	2
<b><u>Substitutes and Other Councillors</u></b>			
<b><u>Meeting 2:</u></b>			
- Councillor Gary Malcolm substituted for Councillor Gary Busuttil			
<b><u>External Witnesses</u></b>			
<ul style="list-style-type: none"> <li>- Mr Philip Church (Director of Land and Partnerships, Peabody Group)</li> <li>- Mr Tim Preston (Assistant Director of Land and Planning, Metropolitan Thames Valley Housing)</li> <li>- Mr Oliver Bulleid (Executive Director, London Community Land Trust)</li> <li>- Mr Chris Paddock (Director, Partnering Regeneration Development Ltd)</li> <li>- Mr Nick Sedgwick (Associate Director, Ark Consultancy)</li> </ul>			

### **Service Officers**

- Sandra Fryer (Strategic Director Economy)
- Philip Browne (Director of Housing Development)
- David Baptiste (Head of Housing Development)
- Jamie Burns (Assistant Director Housing Commissioning)
- Andy Berridge (Head of Construction)
- Firas Al-Sheikh (Finance Manager)
- Jessica Tamayao (Assistant Director Strategic Property)
- Elaine Dorricott (Development Programme Manager)
- Adam Towle (Head of New Business)
- David Colley (Head of Housing Regeneration)
- Simeon Abraham (Housing Regeneration Manager)
- Samuel Cuthbert (Principal Planner)
- Lisa Watson (Housing Policy and Strategy Manager)
- Jack Dempsey (Head of Allocations and Accommodation)
- Gordon Cooper (Principal Project Manager, Broadway Living)
- Stephen Rizzo (Assistant Director for Building Control)
- Darren Henaghan (Acting Strategic Director for Housing and Environment)

**Attendance at Site Visits**

Site Visited		Member Attendance
1.	<p><b>Copley Estate</b>                      Hanwell                      12.00noon-2.00pm                      Tuesday 28 February 2023</p>	<p>- Cllr Chris Summers                      (Chair)</p>

**Copley Estate, Hanwell**



## 5.0 **BACKGROUND INFORMATION**

### 5.1 **Useful Papers**

Ealing Council's Constitution, available at [Council constitution | Council constitution | Ealing Council](#)

Scrutiny Panel 4 – 2022/2023: Genuinely Affordable Homes – Work Programme, Agendas, Minutes and Reports available at [Committee details - Scrutiny Panel 4 - 2022/23: Genuinely Affordable Homes \(moderngov.co.uk\)](#).

Overview and Scrutiny Committee – Work Programme, Agendas, Minutes and Reports available at [Committee details - Overview and Scrutiny Committee \(moderngov.co.uk\)](#).

Current agendas and reports are available at [Committees \(moderngov.co.uk\)](#).

### 5.2 **Useful Websites**

- Ealing Council – [www.ealing.gov.uk](http://www.ealing.gov.uk)
- Broadway Living Registered Provider Ltd – [Home - Broadway Living](#)
- Centre for Governance and Scrutiny – [Home - Centre for Governance and Scrutiny \(cfgs.org.uk\)](#)
- Government Services and Information – [www.gov.uk](http://www.gov.uk)
- Local Government Association – [Home | Local Government Association](#)
- Greater London Authority – [Home page \(london.gov.uk\)](#)
- Generation Rent – [Generation Rent](#)
- Peabody Group – [Peabody housing association | About us | London | Peabody \(peabodygroup.org.uk\)](#)
- Metropolitan Thames Valley Housing – [Welcome - Metropolitan Thames Valley \(mtvh.co.uk\)](#)
- London Community Land Trust – [Home | London CLT](#)
- Partnering Regeneration Development Ltd – [PRD \(prdweb.co.uk\)](#)
- Ark Consultancy – [ARK Consultancy - Helping you deliver the high quality homes residents deserve](#)

### 5.3 **Further Information**

For further information about Scrutiny Panel 4 – 2022/2023: Genuinely Affordable Homes please contact:

Harjeet Bains  
Scrutiny Review Officer  
Ealing Council  
Email: [bainsh@ealing.gov.uk](mailto:bainsh@ealing.gov.uk)  
Tel: 020-8825 7120

## 6.0 RECOMMENDATIONS

Rec No.	Panel Recommendation
R1	The direct email addresses for referral of housing casework to registered providers such as Peabody Group and Metropolitan Thames Valley Housing regarding their properties in the borough should be provided to all Councillors.
R2	Ealing Council should consider producing an ongoing five-year plan for the delivery of genuinely affordable homes rather than just for an election cycle of four years.
R3	Ealing Council should consider the feasibility of allocating a certain percentage of housing within Section 106 developments to Community Land Trusts to enable community-led housing to be built on the sites.
R4	Ealing Council should ensure that all social housing providers within the borough undertake regular checks on their housing stock to maintain decent homes standards.
R5	Ealing Council should ensure that all new homes were sustainable with minimum negative impact on the environment. This meant energy efficiency, avoiding environmental toxins, responsible use of materials and resources, and having a positive physical/psychological impact on its inhabitants.
R6	The Council should regularly assess the financial risks for the proposed housing developments in the borough to mitigate any adverse impacts in achieving the set genuinely affordable homes targets.
R7	Ealing Council should ensure that there was an increased proportion of bigger properties in new developments within the borough to rehouse larger families on the housing waiting list.
R8	Ealing Council should review all its existing housing stock and regenerate it accordingly to ensure that it was safe for everyone.
R9	Private rental of housing was presently the most dominant sector in the borough so Ealing Council should consider developing a tenant's rights charter and increase tenants' awareness of their rights through a revamped website and other relevant communication channels.
R10	A future Scrutiny Panel looking at housing matters should review the progress in implementation of the new Building Safety Act in Council buildings after the transitional period ended in March 2024.
R11	A future Scrutiny Panel looking at housing matters should review safety of people within unauthorised developments such as "beds in sheds" and assess whether the Planning Enforcement Service was adequately resourced to undertake this boroughwide enforcement activity.
R12	The Council should actively encourage more apprenticeships within the building safety services to ensure that sufficient and adequately trained personnel was in place to tackle all the challenges in future years.
R13	The Council should publish appropriate information from the selective licensing scheme on its website to inform prospective private renters whether a property was properly licensed and safe to rent.

## 7.0 **RECOMMENDATIONS WITH OFFICER COMMENTS**

*The service officer comments will be sought once the Overview and Scrutiny Committee agrees the Panel's recommendations.*

<b>Rec No.</b>	<b>Panel Recommendation</b>	<b>Service Officer Comments (Including Any Resource and Legal Implications)</b>	<b>Recommended Cabinet Response (Accept/Reject)</b>
R1	The direct email addresses for referral of housing casework to registered providers such as Peabody Group and Metropolitan Thames Valley Housing regarding their properties in the borough should be provided to all Councillors.		
R2	Ealing Council should consider producing an ongoing five-year plan for the delivery of genuinely affordable homes rather than just for an election cycle of four years.		
R3	Ealing Council should consider the feasibility of allocating a certain percentage of housing within Section 106 developments to Community Land Trusts to enable community-led housing to be built on the sites.		
R4	Ealing Council should ensure that all social housing providers within the borough undertake regular checks on their housing stock to maintain decent homes standards.		
R5	Ealing Council should ensure that all new homes were sustainable with minimum negative impact on the environment. This meant energy efficiency, avoiding environmental toxins, responsible use of materials and resources, and having a positive physical/psychological impact on its inhabitants.		
R6	The Council should regularly assess the financial risks for the proposed housing developments in the borough to mitigate any adverse impacts in achieving the set genuinely affordable homes targets.		
R7	Ealing Council should ensure that there was an increased proportion of bigger properties in new developments within the borough to rehouse larger families on the housing waiting list.		
R8	Ealing Council should review all its existing housing stock and		

<b>Rec No.</b>	<b>Panel Recommendation</b>	<b>Service Officer Comments (Including Any Resource and Legal Implications)</b>	<b>Recommended Cabinet Response (Accept/Reject)</b>
	regenerate it accordingly to ensure that it was safe for everyone.		
R9	Private rental of housing was presently the most dominant sector in the borough so Ealing Council should consider developing a tenant's rights charter and increase tenants' awareness of their rights through a revamped website and other relevant communication channels.		
R10	A future Scrutiny Panel looking at housing matters should review the progress in implementation of the new Building Safety Act in Council buildings after the transitional period ended in March 2024.		
R11	A future Scrutiny Panel looking at housing matters should review safety of people within unauthorised developments such as "beds in sheds" and assess whether the Planning Enforcement Service was adequately resourced to undertake this boroughwide enforcement activity.		
R12	The Council should actively encourage more apprenticeships within the building safety services to ensure that sufficient and adequately trained personnel was in place to tackle all the challenges in future years.		
R13	The Council should publish appropriate information from the selective licensing scheme on its website to inform prospective private renters whether a property was properly licensed and safe to rent.		