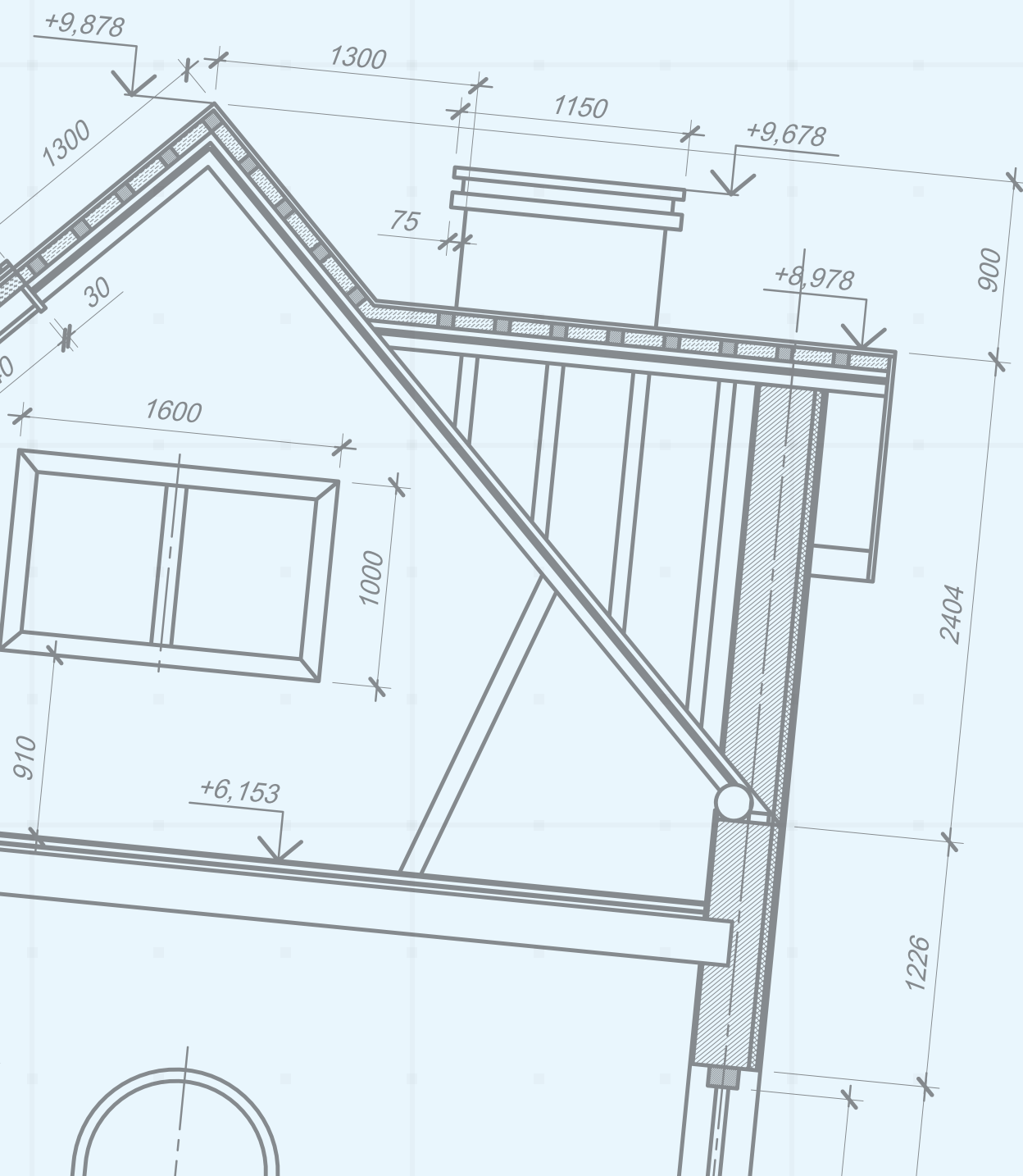


Building for the Future

Delivering Housing for Everyone in Waltham Forest



Introduction

We know that Waltham Forest is a great place to live and work. We have excellent transport links, one of the largest amounts of green space north of the Thames, and a vibrant and diverse local community.

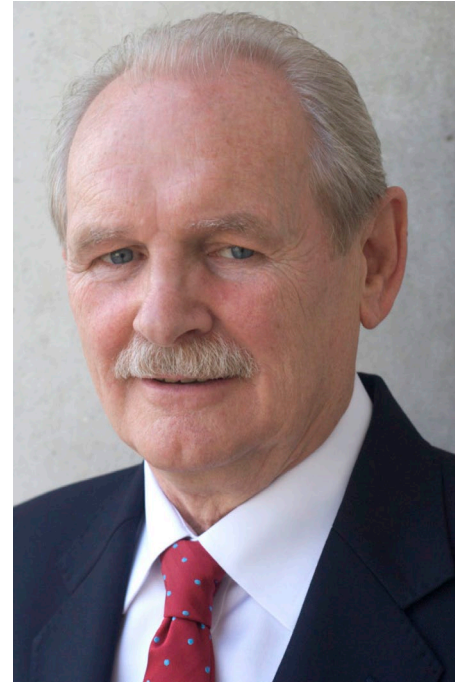
For much of the past fifty years we have also been a borough in which families have been able to find a good supply of decent quality affordable homes. However, this has changed a lot over the past five years. Property is fast becoming less affordable as people wake up to the benefits of living in Waltham Forest. The wider pressures on the rest of London's housing market are also affecting us as Waltham Forest is seen as relatively more affordable. House prices in the borough have risen by more than 25 per cent over the past year alone.

Our residents are concerned about the impact these rising prices are having on their ability to buy a property, move house, or continue to rent in a borough that they have made their home.

Many people who rent are in modestly paid or middle income jobs, locked out of home ownership with no prospect of accessing Council or housing association rented accommodation, turning to private renting as a tenure of last resort, a sector which provides little security, ever rising rents and in some instances, inadequate or rogue landlords.

This brochure sets out how we are responding to the housing challenges that exist in Waltham Forest and how we will ensure that we are not only building enough homes for people, but homes that are well designed, desirable and affordable.

Chris Robbins
Leader of Waltham Forest Council



CLlr Khevyn Limbajee

Portfolio Lead Member - Housing

Local authorities tend not to build housing these days, and here in Waltham Forest we have not built council homes in significant numbers for many years.

This is about to change, as we are going to embark on one of the biggest home building programmes in London, with an ambition to build 12,000 new homes across the borough.

It's not just about the number of homes that we are building. Too often local authorities and builders focus on building one and two bedroom flats that do not meet the needs or aspirations of residents and whole estates have been poorly planned, not meeting the many and varied needs of local communities.

This time we want to do things differently. We have set ourselves bold and clear objectives: to build homes in neighbourhoods that are beautiful, prosperous and friendly.



Housing in Waltham Forest

Pressure for more housing on local authorities in London, and the wider South East is huge. Since 2008 London's population has grown by 600,000 and in February 2015 it hit a record high. The Mayor for London predicts that the capital's population will continue to grow, hitting nine million by 2020 and rising above ten million by 2031.

Waltham Forest is one of the fastest growing boroughs in London. Between 2003 and 2013 our population increased from 224,115 to 265,787. This means our population grew by 18.6 per cent, the sixth highest increase in London. The GLA has estimated that our population will increase by a further 22,000 people, equivalent to one and half new wards.

This is leading to a shortage of homes in the borough, and driving house and rental prices in the borough upwards. We have historically been a borough that is relatively affordable compared to the rest of London but this is starting to change. In 1995 the average house in Waltham Forest was sold for £64,476 compared to £97,929 for the whole of London. This means that property in the borough cost around two thirds of the London average.

In December 2014, the average property in Waltham Forest was sold for £368,000 compared to £464,936 across the rest of London. This makes property in the borough worth around 80 per cent of the London average.

We can now see this having a knock-on impact on owner occupation rates. In 2001 59 per cent of Waltham Forest's homes were owner occupied, today that is down to 46 per cent. In that same period private renting has almost doubled to 32 per cent.

The supply of Council homes and affordable housing in Waltham Forest has diminished over the years since 1980 with the introduction of the Right To Buy. Today there are 10,320 Council owned houses and flats – 6,175 have been sold under Right To Buy and, in many cases, it has been the houses with gardens and better quality low rise flats that have gone from our housing stock. The loss of these homes means that we often cannot meet the needs of many people on our waiting list.

The last five years has also seen a significant increase in homelessness in London which is mirrored in Waltham Forest. In the past year alone there has been a 23 per cent rise in the number of households placed in temporary accommodation, a situation that is traumatic for the people affected as well as bringing significant financial pressures on the Council.



IN 1995 PROPERTY IN THE BOROUGH COST AROUND TWO THIRDS OF THE LONDON AVERAGE.



IN 2014 PROPERTY IN THE BOROUGH COST AROUND 80% OF THE LONDON AVERAGE.

Developing a housing strategy for Waltham Forest

Last year we received a report from the Waltham Forest Growth Commission, which was set up to look at how we can generate better economic growth for the borough. Chaired by Professor Tony Travers, it recognised the pressures on housing and said that: “the Council should continue to balance the needs of people moving to the area with those of current residents who may need to access affordable housing as prices continue to rise.”

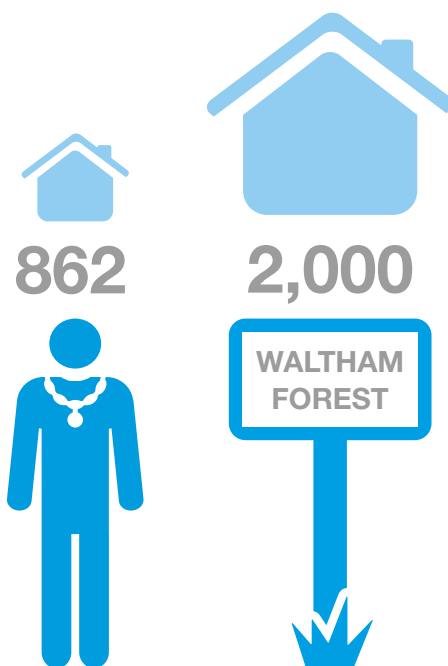
We are committed to taking the recommendations of the committee forward, and this recommendation meets our own aspirations, as set out in the priorities we have set for 2015–2018 to “support affordable housing for everyone’s needs”. To achieve this we have made the following commitments:

- delivering a private sector landlord licensing scheme which benefits tenants by improving standards and makes the area better for those who live around them.
- Building homes for hard working families in housing need.
- encouraging new houses to be built where they can deliver prosperous communities with access to the local services and infrastructure they need.
- building more specialist houses which allow older residents to stay in a home of their own with the support they need to be independent.

Our work on housing is also informed by the Housing Strategy set by the Mayor of London, who sets a London wide target for house building, as well as targets for individual boroughs. He has set a target for 42,000 new homes a year to be built across London, and is planning to increase Waltham Forest’s annual contribution from 760 to 862 new homes, likely to come into effect from April 2015.

This sets the context for our aspirations in Waltham Forest. We want to exceed the Mayor’s target for the borough, and reach a total of 2,000 new build homes of all types each year. This is a major challenge for the Council and our partners, but we are confident that we can achieve it.

But we need to do more than just build a set number of new units. They must be well designed, and part of thriving and beautiful places where people will choose to live. That means we also need to create good schools, health facilities, recreation and leisure amenities alongside housing developments.



WE WANT TO EXCEED THE MAYOR’S TARGET FOR THE BOROUGH, AND REACH A TOTAL OF 2,000 NEW BUILD HOMES OF ALL TYPES EACH YEAR.

Our strategy has six key strands:

1

exceed the targets set by the Mayor of London and build 2,000 homes a year;

2

support developments that provide a range of tenure type and which are affordable;

3

work to ensure that the Council can properly invest in property development;

4

ensure that infrastructure is developed at the same time to ensure that we are building sustainable communities;

5

improve the current rented sector;

6

lobby government and the Mayor of London for changes that will make it easier for us to support our ambition.

1: Building Homes

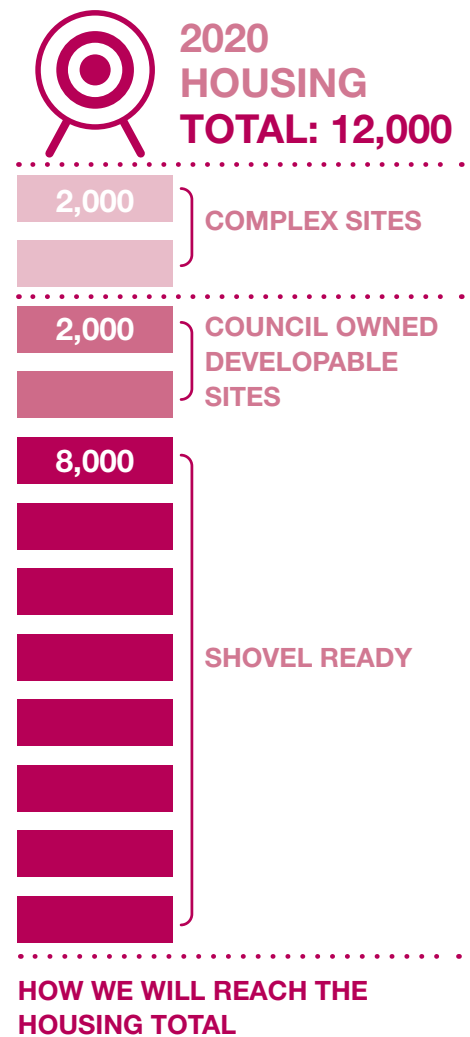
We have ambitious but deliverable plans to build 12,000 homes by 2020. We already have a firm pipeline of over 8,000 'shovel ready' new homes across all tenures to be completed or on site in the period 2014-2019 (a full list of sites is given on Page 8). This figure also includes commercial developments that are at an early stage of discussions with planners, such as opportunities in Walthamstow Town Centre, and the Leyton/North Olympic Park area.

There is also huge scope to increase the amount of council-led housing development. An initial phase of 209 new council homes are programmed for completion by 2018. Land for these homes has been identified and the funding secured. We are now looking at the Council's entire estate, including underused operational land and our commercial estate, to find further opportunities for new housing development.

Based on our initial assessment, we believe that council owned developable sites can contribute a further estimated 2,000 units to be shovel ready by 2020. This includes homes which are built using finance secured by borrowing against our housing stock (HRA), and outside of the HRA. This is still subject to the Council being able to identify the necessary capital funding, but housing, across tenure types, provides both a rental income and a capital gain on land asset value, so the investment required is relatively low risk.

Finally, there are a range of complex sites where we believe we could build a further 2,000 homes. Land for these properties would come from:

- **relaxing current planning policies** to allow redevelopment at small sites such as car wash/car repair sites, poor quality stand-alone commercial units and retail units in non-town centre locations. The areas in which this could happen would be specified in the Local Plan Sites Allocations Development Plan Document.
- **using our Compulsory Purchase Powers** at key locations such as Blackhorse Lane or near the new forthcoming Lea Bridge Station, to convert under-used or inappropriate commercial sites to housing use. These would yield greater Council Tax income than they currently provide in business rates and would also improve the local environment. Such schemes would be accompanied by efforts to relocate the businesses affected to more appropriate locations, keeping them in the borough wherever possible.



These aspirational sites are more complex to deliver and will involve some difficult decisions but if we embark now on the work involved to designate and assemble sites, we believe that we could identify a further 2,000 units by 2020, bringing our total number of new homes to 12,000.

We anticipate that the overall impact of this increased pace in housebuilding will be commercial development pressure like that seen in Hackney and Tower Hamlets, where the market itself identifies and brings forward an increasing number of housing sites, at increasingly high density levels.

Annual planned totals:

2014/ 2015	1156
2015/2016	962
2016/2017	880
2017/2018	1173
2018/2019 onwards	519

List of sites

Address	Total no. of units	Affordable and social rent	Intermediate/ shared ownership	Private sale
Stage: Completed				
Smaller sites (Less than 50 units)	191	23	15	153
On Site				
Sutherland Road, E17, phase one	80	80	0	0
Cleveland Place, E17	121	31	19	71
Lea Bridge Road, E5	124	28	9	87
Fulbourne Road, phase one	101	52	49	0
Fulbourne Road, phase two	23	0	0	23
Chingford Mount Road, E4	61	18	12	31
Billet Road, E17, phase one	103	103	0	0
Billet Road, E17, phase two	72	0	72	0
Billet Road, E17, phase three	74	0	0	74
Chingford Municipal Offices	92	10	8	74
Walthamstow Stadium phase one	112	73	39	0
Walthamstow Stadium phase 2 and 3	182	15	20	147
Hainault Triangle	146	18	17	111
Smaller sites (less than 50 units) 2014/15	634	306	99	229
Not started				
Sutherland Road, E17, phase two	30	0	30	0
South Grove	245	30	35	180
Permission Granted				
Lea Bridge Road, E10	81	0	0	81
Mandora, E17, pre-phase	8	0	0	8
Mandora, E17, phase one	624	0	0	624
Mandora, E17, phase two	195	19	40	136
Mandora, E17, phase three	176	0	0	176
Ruckholt Road, E10	116	11	8	97
Smaller sites (less than 50 units)	483	20	0	463
Outline Permission				
Stonelea & Thornebury, E11	58	6	2	50
Ferry Lane, E17	311	20	11	280
Application submitted				
Sutherland Road, E17 (West Side)	64	19	45	0
Thorpe Coombe Hospital	100			
Pre-application				
Walthamstow Central	80			
Brunner Road	383			
97 Lea Bridge Road	224			
Marlowe Road Estate Regeneration	450			
Montague Road Estate Regeneration	273			
Smaller Sites	347			
Section 106				
Hickman Avenue	83	17	0	66

2: Tenure type and affordability

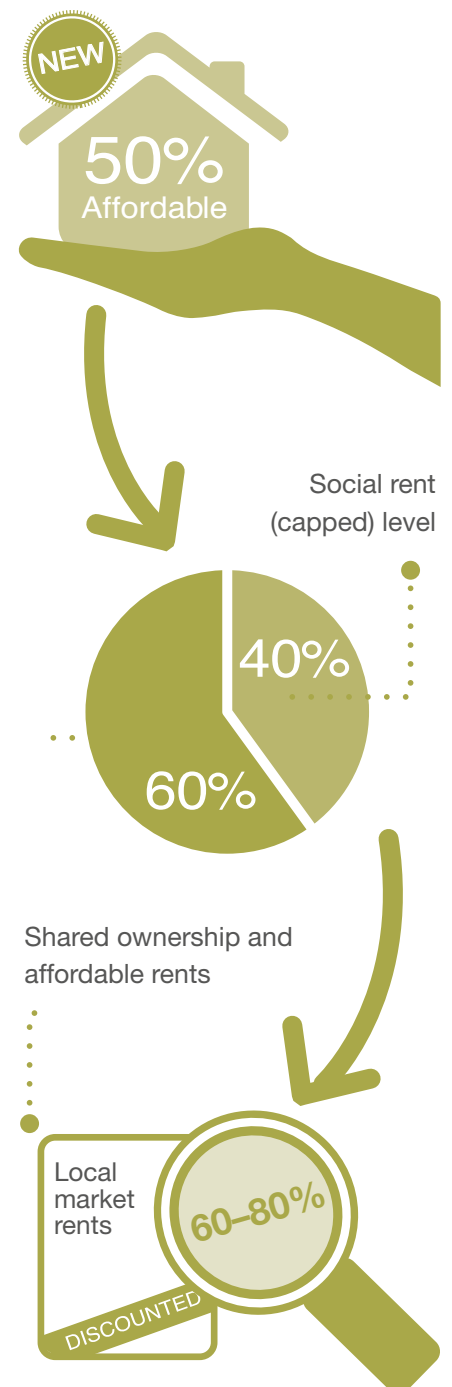
As well as increasing the supply of high quality homes and places, we also want to broaden the range of the local housing offer to address aspirations as well as housing needs.

Our strategy will also target those middle and modest income local households who are locked out of home ownership and who are economically vital for Waltham Forest and London.

For housing developments on both Council owned sites and schemes that the Council is developing on sites not owned by the Council, our clear objective is that **50 per cent of new homes will be affordable, divided into 40 per cent at social rent (capped) level and 60 per cent comprising a mix of shared ownership and affordable rents from about 60 per cent to 80 per cent of local market rents (discounted rents).**

For non-Council schemes we will ask that 35 per cent of homes are affordable. In some instances it will be appropriate for developers to pay a commuted sum to the Council equivalent to the affordable housing provision, which will then be used by the Council to build and own more homes on other schemes.

As for the other 50 per cent of new homes, as well as outright market sales, we want to encourage institutional investors to fund purpose-built **market rented homes**. For lots of people, privately rented high quality accommodation that offers a range of services, fits their lifestyle as well their stage of life and career progression. This is why we will welcome purpose-built high quality privately rented accommodation in town centre settings close to public transport hubs.



3: Funding the developments

The Council has committed over £41million of investment resources from the Housing Revenue Account with grants from the GLA and Right To Buy receipts to build 209 new Council homes. Beyond these there are plans to build another 90 Council homes by adjusting current investment plans.

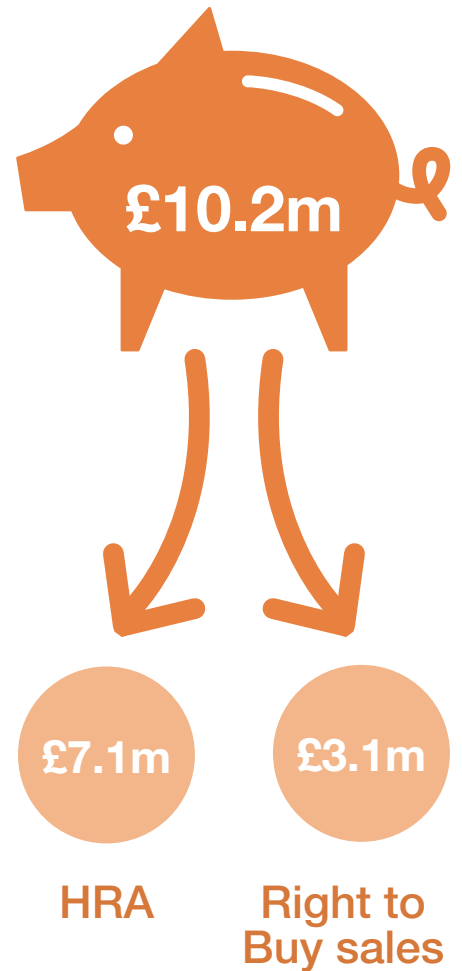
DCLG currently tells local authorities what they can borrow against the value of their rental income from council homes – otherwise known as the Housing Revenue Account (HRA).

In April 2012, DCLG set the maximum that Waltham Forest can borrow against its HRA at around £193.5m. However, they have agreed to increase this to around £200.6m. This will happen in two stages by 31 March 2017, and was agreed as part of the ‘Local Growth Fund’ scheme. This means that the Council can now invest an extra £10.2m in building new homes – borrowing an additional £7.1m against its HRA, with the rest to come from receipts from Right to Buy sales.

Unfortunately, the current restrictions on borrowing against the HRA means that this route cannot be further exploited until 2020 at which time the Housing Revenue Account begins to produce surpluses that can be used for investment.

Because of this restriction in investment through the HRA, we will be exploring the establishment of a Council owned special purpose vehicle to develop, own and manage new housing.

Despite this increase in council investment it should still be recognised that most of the investment will come from the private sector and also housing associations. The attractiveness of Waltham Forest as a place to invest in housing has become evident in the last two years, and this trend shows no sign of abating. The appetite from developers is strengthening and it will be our job to harness this for the benefit of the community overall.



THE COUNCIL CAN NOW INVEST AN EXTRA £10.2M IN BUILDING NEW HOMES – BORROWING AN ADDITIONAL £7.1M AGAINST ITS HRA, WITH THE REST TO COME FROM RECEIPTS FROM RIGHT TO BUY SALES.

4: Balancing housing development with growing infrastructure needs

We are committed to creating sustainable and thriving communities where people will choose to live and put down roots. For this to be a reality, in our planning we must make sure that all of the essential social and transport infrastructure is in place as new homes are built. This means making sure there are sufficient places at nurseries, primary and secondary schools, increased community health facilities and GPs, and enough leisure and recreational spaces and other amenities which people want to use. Enhancing community safety will also be integral to the design of new housing developments. In appropriate instances this will involve concierge services for some buildings to maximise security.

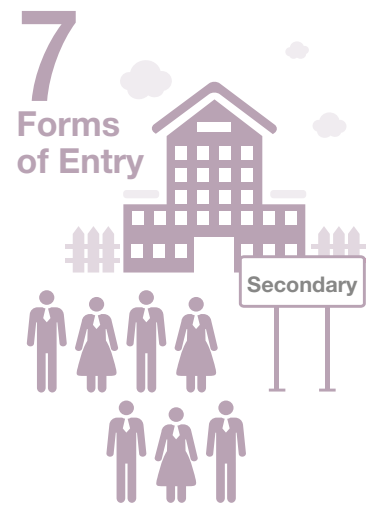
Waltham Forest's excellent transport infrastructure, with its proximity to arterial roads and motorways as well as strong public transport links, will be further enhanced by the opening of Lea Bridge Station, better connecting the borough to Stratford and central London.

In terms of health and education, the borough will need:

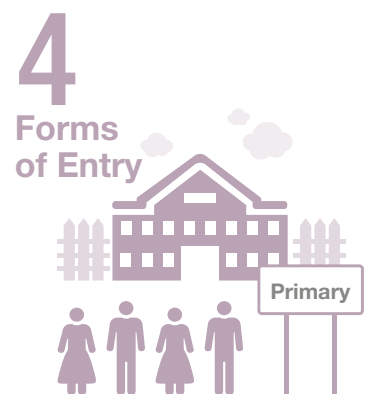
- an extra seven Forms of Entry at secondary schools across the borough by 2017. We anticipate that this need will be met through the expansion of existing high quality provision. However, the significant number of additional secondary places needed from 2018 and beyond cannot be met by solely expanding existing provision and new schools must be provided.
- an extra four Forms of Entry at primary schools by 2017/18
- seven new GP practices are required based on population growth to 2015 of 11,255¹.

The Community Infrastructure Levy (CIL) can be used as a mechanism through which the impact of new development on the borough's infrastructure is mitigated. CIL will be chargeable on most forms of development and the proceeds will be used to fund infrastructure.

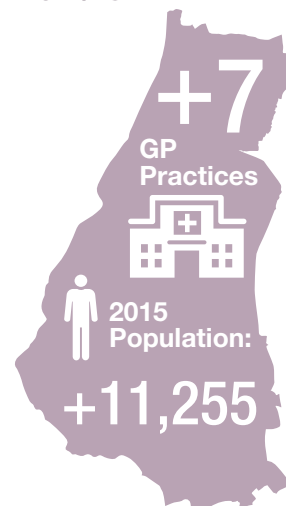
The preliminary estimate of CIL income generated from proposed development in the borough would be approximately £1million per year for the initial three years. There are other major schemes proposed which are now at the pre-application discussion stage included in the £1million estimate of CIL income.



AN EXTRA SEVEN FORMS OF ENTRY AT SECONDARY SCHOOLS ACROSS THE BOROUGH BY 2017



AN EXTRA FOUR FORMS OF ENTRY AT PRIMARY SCHOOLS BY 2017/18



SEVEN NEW GP PRACTICES ARE REQUIRED BASED ON POPULATION GROWTH TO 2015 OF 11,255.

¹ Based on the Department of Health Standard used in the London Health Urban Development Unit (HUDU) model

5: Improving the current private rented sector

An increasing number of our residents are renting their homes from private landlords. Since 2001 the number of residents renting privately has almost doubled, to 32 per cent.

The private rented sector is therefore an important source of housing for many residents, and this will remain the case for many years to come. Our aim is to make sure that standards of maintenance and management in this sector are improved.

The 2004 Housing Act gives Waltham Forest Council the authority to introduce Private Rented Property Licensing, which we will be introducing later in the Spring.

Borough wide research has highlighted that antisocial behaviour is a significant and persistent problem. We believe a Private Rented Property Licensing Scheme will help us tackle this issue, whilst also helping to improve living standards for tenants in Waltham Forest.

Landlords will need to obtain a licence for each property that is privately rented out. It will be the responsibility of landlords to ensure that tenants adhere to all of the conditions of the licence but they will also need to ensure that properties are well maintained.

We believe that this will be of benefit to private tenants as well as to the many good and responsible landlords who operate in the borough.

Private renting

2001



16%

2015



32%

**IN THAT SAME PERIOD
PRIVATE RENTING HAS ALMOST
DOUBLED TO 32%.**

6: Our asks of the Government and Mayor for London

We have set ambitions for housing growth that will benefit the economy not just in Waltham Forest but also London. We know that we have the opportunities to deliver the homes successfully, but we are also aware that optimising potential developments would be made easier if the government or Mayor made a number of necessary interventions:

Lifting or relaxing the HRA borrowing cap to enable us to expedite the building of new Council homes. This could be subject to the standard guidelines on prudential borrowing. Allowing for an additional £10million of borrowing in the HRA together with Right To Buy receipts would fund an extra 90 homes. This would represent good value for the public sector finances as this would contribute to reducing high cost temporary accommodation placements.

Changing what local authorities can do with Right To Buy receipts – the current rules around the application of RTB receipts are overly restrictive for the following reasons:

- a three year period in which to expend the receipts on new build homes is often unrealistic in terms of housing developments. An extension to this would be helpful
- the imposed limit of a maximum of 30 per cent of development cost for RTB receipt funding is arbitrary and an increase in the percentage would aid development
- prohibiting applying RTB receipts with grants from the GLA towards funding housing development costs is detrimental to increasing affordable housing supply
- the inability to use RTB receipts to build shared ownership homes should be removed with the proviso that the equity purchased is reinvested in financing further new build affordable homes.

HRA borrowing



RTB receipts



Extra homes



ALLOWING FOR AN ADDITIONAL £10MILLION OF BORROWING IN THE HRA TOGETHER WITH RIGHT TO BUY RECEIPTS WOULD FUND AN EXTRA 90 HOMES.

Greater flexibility from TfL on parking at stations. We currently have a Housing Zone bid at Blackhorse Lane with the GLA, which if approved can deliver an additional 2,660 homes and 1,000 new jobs in the period to 2024. Housing delivery can be further enhanced in this area if Transport for London (TfL) are prepared to be flexible in terms of car parking arrangements at Blackhorse Road Victoria Line station.

Greater flexibility on re-designating land use. In comparison with other boroughs, the Council has a significant supply of industrial and employment land, and, as the Waltham Forest Growth Commission identified, this is a valuable asset which delivers scarce accommodation for local businesses and jobs for local people. However, some of the industrial land and smaller commercial sites in the borough are of relatively poor quality, producing a low density of mainly low skilled jobs. The Council is required to keep this under review, and planners are currently reviewing the supply of industrial land. Metropolitan Open Land is a further, more complex issue. Re-designation of MOL cannot be granted by the Council acting alone – it requires concurrent agreement from the GLA and Secretary of State. The Council would only ever consider such a change of use for poor quality areas of such land which do not contribute positively to public amenity. As part of its statutory planning function, the Council is working with the GLA on a review of MOL in the borough, and where there are opportunities to re-designate MOL and industrial land appropriately we shall seek to do so.

Better rights and security for private sector tenants. 32 per cent of homes in Waltham Forest are privately rented. This sector has the worst repair, overcrowding and is often poorly managed. In addition, many low income families and vulnerable people are now being housed in private rented accommodation, largely because of the chronic shortage of good affordable homes. The Council's Private Rented Property Licensing Scheme will greatly help, but there is a need for government action on length of assured shorthold tenancies and greater security for tenants, particularly in the area of "revenge" evictions where a tenant faces action because they asked for repairs to be carried out. We know legislation to achieve this is already being considered by Parliament, but we also want to see more action on creating longer term security for tenants.



Owner occupied

2001

59%

2015

46%

IN 2001 59% OF WALTHAM FOREST'S HOMES WERE OWNER OCCUPIED, TODAY THAT IS DOWN TO 46%.

