

# Strategic Priorities for the Supply of Affordable Housing in Waltham Forest

## Guidance – Updated August 2011

We recognise that the arrangements for the provision of affordable housing have changed and that the new Affordable Homes Framework requires a different approach to the development of new homes.

Waltham Forest is keen to ensure the continued provision of affordable homes in the borough and has prepared the following guidance regarding the application of the new Framework in the borough.

### Supply of new homes

There are over 17,000 households on our housing register and the Council will support the provision of new homes which help to reduce the pressure on its housing register.

### Affordability

The borough will seek to ensure that affordable rented homes are affordable to local people and families. We are clear that larger homes let at 80% market rents will not help us to meet our priority housing need in the borough.

Based on research undertaken on behalf of the East London Housing Partnership, our guidance is that rents for property types must not be higher than the rents set out in the table below in order for them to be affordable to our residents in housing need. Our definition of affordability, and this guidance, is based upon the assumption that rent payable should be no more than 33% of gross household income.

|                   | 1 bed     | 2 bed     | 3 bed     | 4 bed+    |
|-------------------|-----------|-----------|-----------|-----------|
| % of market rents | Up to 80% | Up to 70% | Up to 60% | Up to 50% |

We will expect new and re-let homes to be let at rent levels at or below these thresholds.

Housing Associations should avoid including any homes charged at rents above Local Housing Allowance (LHA) levels in their programmes. They should also avoid setting rents in a way where there could be a future risk that those rents could be higher than LHA levels.

Housing Associations should not base programmes on rent levels that risk households being evicted and being referred to LBWF for assistance. In

particular Housing Associations therefore need to be aware of the implications of the proposed Universal Credit Benefit Caps.

### **Providing homes for families**

There is still significant demand for family-sized homes in the borough and our priority for delivery continues to be affordable family-sized homes and this is set out in our LDF draft Core Strategy.

Our current Housing Strategy requires a range of property sizes to be provided for social rented homes as follows:

|            | 1 bed | 2 bed | 3 bed | 4 bed+ |
|------------|-------|-------|-------|--------|
| % required | 10    | 30    | 50    | 10     |

This requirement is set out in our Housing Strategy (2008-28). We will be undertaking a new Housing Needs Assessment for LBWF over summer 2011 and these percentages may change as a result. We will notify all parties if this is the case, however, for the time being these percentages stand.

The LDF draft Core Strategy also requires 60% of affordable housing provision to be affordable rented housing. It also stipulates that rents need to be significantly lower than market housing rents.

### **Social Rented homes**

We consider that any Housing Association programme in the borough should still contain an element of social rent at target rents. This will enable us to enable decants to support estate regeneration programmes and under-occupier moves and to deliver specialist housing, (such as extra care units), and provide affordable homes for working families with priority housing need in the borough who have low incomes but are not in receipt of benefits.

### **Nominations**

It is assumed that nominations for Affordable Rent Homes will continue to be through the sub regional Choice Based Lettings scheme.

### **Relets**

Our aim is, as far as possible, to maintain the current level of stock of social rented homes in Waltham Forest, to meet the requirements of existing tenants who need to transfer, and of new tenants for whom a social rented home best meets their needs. This is also important for sub-regional and pan-London mobility.

We expect to see most conversions to the Affordable Rent product to be for smaller 1-2 bedroom homes.

We expect to be consulted on disposal proposals on an individual property by property basis and will resist the disposal of existing social housing unless it is difficult to let or in need of major expenditure. We are particularly concerned about any proposals to dispose of family-size housing.

We are keen to ensure that any surpluses raised through re-lets in the borough are ring-fenced within the sub region and will only support the conversion of re-lets in the borough if there is an appropriate development programme being undertaken in Waltham Forest.

### **Converting social rented homes in the 2008-11 NAHP programme**

We would not wish to see any conversions to Affordable Rent of funded social rented units within the new programme period.

### **Home ownership**

We will continue to support products which promote home ownership and will encourage the provision of Rent to Buy and Low Cost Home Ownership where appropriate.

Our LDF Core Strategy requirement is for 40% of affordable housing provision to be Intermediate housing and this requirement remains unchanged.

### **Borough Investment Plan Priorities**

Four key regeneration areas are identified within our Borough Investment Plan and we will prioritise grant funding investment in these key areas. These are as follows:

- Walthamstow Town Centre
- Blackhorse Lane
- Northern Olympic Fringe
- Wood Street

We encourage Housing Associations to make assumptions about the number of new affordable homes that can be developed in these key areas and to consider the potential to develop programmes which provide for a contribution to the regeneration of these areas over the next four years and beyond.

## **Design/Quality**

We will expect all new homes built in the borough to comply with the Mayor's Interim Housing Design Guide and the Council's Urban Design Supplementary Planning Document (SPD) in full. We want to ensure that quality is not compromised on future developments and that new homes stand the test of time and contribute to the creation of sustainable neighbourhoods and communities. New housing development will also be assessed against the CABI/Design Council "Building for Life" criteria.

We will continue to require all new homes to be built to Lifetime Homes standards and for 10% to be wheelchair provision and to be in accordance with the Council's 'Inclusive Housing Design SPD'.

## **S106 and Development Viability**

The Council's priority is for family-sized homes at rents below the thresholds set out above. Given this, we recognise that our policy position of 50% affordable housing may be challenging to achieve within the new affordable rent framework.

We consider that it is preferable to provide fewer homes which meet our affordability and family-size criteria (3 bed plus), than greater numbers of homes which are small and unaffordable to local people.

All applications for development which propose affordable housing delivery below our 50% policy requirement will be required to pay for an independent development viability assessment and submit sufficient information to fully justify the level of shortfall.

## **Estate Regeneration**

The Council is keen to work with Housing Association partners and Developers to put together proposals for the regeneration of its priority estates within the new Framework. We are in dialogue with the HCA regarding future opportunities to deliver estate regeneration and welcome the opportunity to talk to Housing Associations about the opportunities and challenges which exist in the borough.

## **Length of Affordable Rented tenancies**

We have a commitment to maintaining sustainable communities in the borough and we would need to see convincing cases put forward for any proposals to let properties on a fixed-term basis. The Council will be developing guidance on tenancy lengths as part of this Tenancy Strategy development.

## **Tenancy Sustainment**

We expect to see proposals which set out the work that will be undertaken to sustain tenancies in relation to affordable rent homes. This must include proposals regarding debt, benefits, employment advice, rent arrears support and approach to rent arrears, fuel poverty and energy efficiency.

## **Further guidance**

To discuss these guidelines or any aspect of your affordable housing programme in Waltham Forest. Please contact Claire Hamilton, Head of Strategic Housing Development at Waltham Forest Council.

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