

<b>Title of Report</b>	<b>Housing Services Community Flats - Proposals for Change of Use</b>		
<b>Key Decision No</b>	CHE S136		
<b>For Consideration By</b>	Cabinet		
<b>Meeting Date</b>	12 December 2022		
<b>Cabinet Members</b>	<p><b>Councillor Clayeon McKenzie, Cabinet Member of Housing Services and Resident Participation</b></p> <p><b>Councillor Sade Etti, Mayoral Advisor for Housing Needs and Homelessness</b></p>		
<b>Classification</b>	Open		
<b>Ward(s) Affected</b>	De Beauvoir, Cazenove, Hackney Central Haggerston, King's Park, Lea Bridge London Fields, Springfield, Stoke Newington		
<b>Key Decision &amp; Reason</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; text-align: center;">Yes</td> <td>Significant in terms of its effects on communities living in an area comprising two or more wards</td> </tr> </table>	Yes	Significant in terms of its effects on communities living in an area comprising two or more wards
Yes	Significant in terms of its effects on communities living in an area comprising two or more wards		
<b>Implementation Date if Not Called In</b>	19 December 2022		
<b>Group Director</b>	<p>Rickardo Hyatt, Group Director, Climate, Homes and Economy</p> <p>Ian Williams, Group Director, Finance and Corporate Resources</p>		

## **1. Cabinet Member's introduction**

- 1.1. Hackney is facing a housing crisis, with the lack of affordable homes having a major impact on the wellbeing of residents. The borough has seen some of the largest increases in house prices in the country, meaning that ownership and private renting are out of reach for most low and even middle income households. Levels of homelessness have also increased sharply, with over 3000 households now in temporary accommodation, and in October 2022, 1,011 of these households were placed outside of the borough, with 371 of these in one bedroom properties.
- 1.2. It is against this backdrop that this report sets out proposals to revert a number of community flats within Housing Services community halls portfolio back to their intended use as council homes. As the report indicates, subject to planning consent, this has the potential to create much needed accommodation for up to eleven households who we may otherwise be forced to house outside of the borough. With the cost of building a new council home exceeding £300,000, and the cost of temporary accommodation rising rapidly, it also offers us a comparatively cost effective and rapid way to meet the housing needs of people who will be in significant housing need.
- 1.3. In proposing this we recognise that the community flats have historically played an important role in providing meeting and office space for tenants and residents associations, and that some continue to do so. However, changing patterns of use mean that around half are no longer used and some have now been standing for a number of years. In the current climate, this is not acceptable. The small size of the flats also means that most cannot accommodate the sort of activities and projects that many residents and community groups value, though larger community facilities nearby often can.
- 1.4. Where flats are still used by tenants and residents associations, officers have already identified a number of other community facilities that could meet the needs of current users, and in some cases, offer better quality, and more accessible spaces. In taking forward the proposals we will be working closely with all groups who still use these flats to make sure that they understand why we are increasingly having to make difficult decisions about our property assets, and to ensure that we can offer suitable, and hopefully better, alternatives to their current space.
- 1.5. Both myself and the Mayoral Advisor for Housing Needs and Homelessness strongly believe that the proposals set out in this report would be beneficial for the Council and, most importantly, some of our most vulnerable residents with high levels of housing needs - and it would additionally provide us with new opportunities to make better use of other community facilities in close proximity to these flats.

## 2. **Group Director's introduction**

- 2.1. The report sets out plans to revert up to 10 flats and one studio flat within the community halls portfolio in Housing Services back to housing use, subject to planning consent. Where flats are still in use by resident associations for their meetings, administration and social activities (five in total), we propose to look at each on a case by case basis, taking into account feedback from tenants and resident groups, the availability of alternative meeting spaces, the wider housing pressures facing the borough, and the outcome of planning decisions.
- 2.2. As the report indicates, the lack of affordable housing is having a major impact on the borough and its residents, and our net expenditure on temporary accommodation has exceeded £12m pa. The proposal to revert these units back to housing use has the potential to play a small but nonetheless valuable role in helping us to address these issues.

## 3. **Recommendations**

### **Cabinet is recommended to:**

- 3.1. **Approve the decision to revert six community flats that are no longer in use by tenants and residents associations back to council housing, subject to applications for planning consent being successful.**
- 3.2. **Agree that final decisions on the future use of four community flats and a studio flat that are still in use by tenant and resident associations be made on a case by case basis, taking into account feedback from users, the availability and suitability of alternative meeting spaces, the wider housing pressures facing the borough, and the outcome of the planning decision.**
- 3.3. **Approve delegation of the final decisions on the future use of those flats still used by tenants and resident associations be delegated to the Strategic Director of Housing.**
- 3.4. **Agree that any homes returned through this work will be let in accordance with the Council's Lettings Policy.**

## 4. **Reason(s) for decision**

- 4.1. As outlined in the report, there is a significant need to expand the stock of affordable housing in Hackney.
- 4.2. The ten council flats and one studio room that were originally built for housing use have been redesignated for community use for many years. Historically the flats were all managed by tenants and residents associations and used for their meetings and office space. However changing patterns of community use means that some flats (6) are no longer in use. Where flats are still used by tenants and residents associations, there are other suitable spaces in nearby community facilities that could potentially be used instead, freeing up all the community flats for council housing (see Appendix 1).

4.3. With the housing crisis in the borough now leading to an urgent and growing demand for affordable housing, it is critical that we explore all possible options to maximise the range of affordable accommodation, including the potential to revert these increasingly under-used assets back to their intended purpose as homes.

5. **Details of alternative options considered and rejected**

5.1. We considered two alternative options:

5.2. **Option 1: Do nothing:** this was rejected on the basis that it would represent a missed opportunity to make best use of the Council's property assets; it would not help meet housing needs in the borough, nor generate any financial benefits to the housing revenue account.

5.3. **Option 2: Only focus proposals for change on those flats that are currently not in use:** this was rejected on the grounds that there are other suitable (and sometimes better) alternative spaces for hosting the community meetings / activities that take place in the flats that are in use. Because of this, it is felt the social and community benefits of retaining the flats for community use is be outweighed by the benefits that would accrue to the households with high levels of housing needs that could be accommodated in the flats. In many cases these households may otherwise have to be housed outside of the borough away from any social, family and support networks.

6. **Background**

6.1. There are ten community flats and one studio (bedsit) within Housing Services community hall's portfolio which could be re-designated for housing use (see Figure 1). The properties, which are spread across nine wards, are mostly one bedroom flats (9), with seven on the ground floor of a block. However, there is also a two bedroom maisonette with a small garden. In all cases, the flats were built for housing (residential) use and their internal layout remains unchanged i.e. they are still configured as residential units, with separate kitchen, bathrooms and living spaces. Despite being designated for community use for many years, some have benefitted from decent homes work. Further details of the properties are set out in **Appendix 1**.

**Figure 1: Community Flats - Property Details**

Ward	Room (Bedsit)	1 bedroom (Ground)	1 bedroom (other)	2 bedroom maisonette
De Beauvoir		1		
Cazenove			1	
Hackney Central	1			

<b>Haggerston</b>		<b>1</b>		
<b>Kings Park</b>		<b>1*</b>		
<b>Lea Bridge</b>		<b>1</b>	<b>1</b>	
<b>London Fields</b>		<b>1</b>		
<b>Springfield</b>		<b>1</b>		
<b>Stoke Newington</b>		<b>1</b>		<b>1</b>

**\*Property adapted for disabled use, with external ramp, wet room and low kitchen counters**

- 6.2. Management arrangements for the flats and their level of use by tenant and resident groups has changed in the last few years. Prior to the Covid pandemic, only two of the flats were managed directly by the Community Halls Team in Housing Services, with the remainder managed by tenant and residents' associations (TRAs). However, post Covid, only four of the flats and the one room studio are now used by TRAs. The small size of the flats means that they can only be used for meetings up to 6-8 people, social activities for small groups, or for office use.
- 6.3. In the majority of cases, there are nearby housing owned community facilities that the TRAs could use for their activities. **Appendix 1** provides details of these, including the mapped walking distance from each flat to the alternative facilities. This shows that in all but one case, there are other facilities within five hundred metres of the flat. For the one flat where this does not apply (Sherry's Wharf, Kings Park), there is potential to explore options at at least three other community facilities in the immediate area.

### **Benefits of reverting to housing use**

- 6.4. The return of the community flats would make an important contribution to the supply of social rented housing. As of September 2022, 8,500 households are waiting for social housing in the borough, with over 3,000 households in temporary accommodation. At the same time, the number of social rented properties becoming available to let has reduced due to the impact of right-to-buy and fewer households moving out of their social housing. As a result, the average wait time for homeless households seeking one-bed accommodation in Bands B and C is now 4 and 7 years respectively, this does not include those who may need ground floor properties, for which the waiting time is much longer. People who could be housed in these community flats will have spent many years in temporary accommodation outside the borough away from their wider support networks and services, many of them with mobility needs. The Council has a statutory duty to make these people an offer of housing.

- 6.5. Demand for accommodation for people with mobility needs is high. There are 919 households with a significant mobility need, of which 314 are in need of a one bedroom property, and 77 households are awaiting a one bedroom wheelchair accessible/ adapted unit. As seven of the community flats are on the ground floor, there is potential to adapt some to meet the needs of households in this group and this will be actively explored.
- 6.6. Reverting the flats back to housing use would confer financial benefits, calculated at approximately £150k per annum to the housing revenue account. This takes into account the additional rent that would be generated, as well as savings in other running costs associated with their designation as community premises, including business rate charges and statutory compliance works and testing. With current pressures on housing finance caused by the Coronavirus pandemic, cyberattack and potential rent cap, redesignation will make an important contribution to Housing Services' savings targets (and our ability to keep Hackney's housing rents comparatively low).

### **Proposed approach**

- 6.7. Owing primarily to the length of time the flats have been designated for community use with business rates payable, planning applications are required to revert each flat back to housing use.
- 6.8. To date, officers have already submitted a planning application to revert one of the flats for housing use (Radley and Southwold, Lea Bridge ward). This was on the grounds that (i) the flat was no longer actively used by a tenants and residents group (ii) as a first floor flat in an walk-up block, it was not accessible to users with mobility problems, and offered no scope for compliance with Disability Discrimination Act (DDA) requirements (iii) and, there is a high quality and fully accessible Council-run community facility within 455 metres of the flat. A successful decision on this application was made at the Planning Committee on 2 November 2022.
- 6.9. Following consultations with the Cabinet Member for Housing Services and Resident Participation and the Mayoral Advisor for Housing Needs and Homelessness in July 2022 it was agreed that in view of the chronic shortage of affordable accommodation, planning applications should also be prepared for five other community flats which are no longer used by tenants and resident associations and are standing empty. These include the Jack Watts, Keir Hardie, Smalley Road, Defoe Small Blocks, and Sherry's Wharf flats (see **Appendix 1**). All councillors in wards where the flats are situated were formally notified of this approach in August 2022 and no concerns have been raised. Planning applications for each are on track to be submitted by the end of December 2022, with decisions expected in March / April 2023.
- 6.10. Provided that the planning applications to revert the flats back to housing are approved, Cabinet is recommended to agree that these six flats are subsequently reverted back to housing use.

- 6.11. For the remaining four flats and one studio that are in periodic use by TRAs, officers will shortly start to engage with tenants and residents associations to ensure that we have a full understanding of how the flats are used and what alternative spaces could be used to meet their requirements, with planning applications for change of use submitted in tandem. Final proposals for these flats will then be decided on a case by case basis, taking into account the feedback from tenants and resident groups, the availability and suitability of alternative meeting spaces, the wider housing pressures facing the borough, and the outcome of the planning application.
- 6.12. The costs involved in preparing planning applications / drawings for the eleven flats / studio is estimated to be in the region of £50,000. These costs can be capitalised, with up to 40% of the expenditure claimable through the right to buy 1-4-1 budget. The costs of any works to the flats will be contained within existing Housing Services budgets. As indicated earlier, longer term financial benefits will be achieved by reverting the flats to housing use, primarily due to increased rental income, reductions on temporary accommodation costs, and a reduction in the costs associated with running and maintaining the flats as community spaces.
- 6.13. Flats that revert back to housing use will be allocated in line with the Council's lettings policy introduced in 2021. This was developed in consultation with members, partners and residents and it is based on the principles of clarity, simplicity and honesty. The policy addresses the competing demands for social housing from the priority areas set out in Figure 2 below, and prioritises those in greatest need who have been waiting the longest.

**Figure 2: Sources of housing demand**



- 6.14. By ensuring a level of predictability and fairness, residents understand their position in the housing register and how they progress towards a successful bid for social housing, without the fear that they will be overtaken by other residents being elevated above them. This was an important part of the feedback from the public consultation. In order to be eligible for inclusion on the housing register applicants must have a qualifying period of residence in the borough.
- 6.15. The majority of residents on the housing register are in band B. This recognises that they have a significant housing need because of: overcrowding, medical circumstances, social need or homelessness. All residents in Band B have equal priority and ranking is based solely on their effective band date (normally their date of application) Applicants with earlier effective dates rank above those with later ones . Some properties, those on the ground/first floor or adapted for disablement needs are restricted only to applicants who meet those medical needs - this reflects the limited availability of suitable accommodation for this group.

## 7. Policy Context

- 7.1. Hackney is currently facing a housing crisis, with a chronic shortage of affordable accommodation. As a result more and more households are approaching the Council to try and access social housing, but the level of demand far exceeds supply. As a result too many households are living in insecure, unaffordable and /or overcrowded homes which in turn has a detrimental impact on their health and wellbeing.
- 7.2. The Council is committed to addressing the high level of housing needs in the borough and is actively building homes through its in-house direct delivery model, with more than half for council rent, shared ownership or living rent. However, the costs of building new homes is high, with recent increases in construction costs, the potential rent cap and wider pressures on the housing revenue account making delivery ever more challenging. As a result, it is increasingly important to look at different options to meet Hackney's housing needs.
- 7.3. The value of community assets and the important role they can play in bringing people together and promoting strong, sustainable communities is recognised in a number of Council strategies, including the Voluntary and Community Sector Strategy 2019-22, Hackney Joint Health and Well-Being Strategy 2022-26, the Young Futures Commission Report 2019, and the Ageing Well Strategy 2020-2025.
- 7.4. Within Housing Services, the importance of supporting TRAs and access to free accommodation for their meetings and community activities is recognised as important, not least so the residents' voice can actively shape housing services and TRAs can support projects and initiatives which help to build social capital on their estates. In taking forward proposals in this report it will be important to make sure that TRAs who use the flats continue to have access to suitable spaces that meet their needs. Costs of any new



meeting spaces identified for use by TRAs for their meetings and activities will continue to be met through housing participation funding.

#### Equality impact assessment

- 7.5. Proposals in this report will potentially increase the supply of affordable housing and meet demand for smaller units from single person households and couples who the Council may have a statutory duty to house, as well as the specific needs of people with physical disabilities and mobility issues.
- 7.6. Homelessness approaches have seen an increase over recent years, particularly from single person households and it is expected that the cost of living crisis will further fuel this demand for support and assistance. A housing duty is accepted for a growing number of single residents because they are presenting with complex needs. This is placing increasing demand for bedsit and one bedroom accommodation.
- 7.7. Analysis of homeless approaches from single people shows that many have high and complex needs. For example, between April 2021 - January 2022, 39% of the 2059 single people presenting as homeless had support needs of which 15% declared multiple needs, 13% mental health needs, 10% physical health needs, 5% drug dependency needs, and 3% domestic abuse. Provision of stable and secure accommodation can play an important role in promoting the health and well-being of these more vulnerable households.
- 7.8. As seven of the ten flats are located on the ground floor, they offer potential to meet the needs of people with physical disabilities and restricted mobility. Demand for this group is high, with 919 households with a significant mobility need, of which 314 are in need of a one bedroom property, and 77 households are awaiting a one bedroom wheelchair accessible/ adapted unit.
- 7.9. Where community flats are still in use by tenants and residents associations we will look at the equality implications on a case by case basis. While we do not have an equality profile of our TRA members, we know that older people tend to be overrepresented among their membership and that many social household tenants are on low incomes. This means that it will be important to consider the accessibility of any new spaces proposed and seek to minimise (or address) any travel costs.

#### Sustainability and climate change

- 7.10. Due to their age / construction the community flats will not always be able to meet modern housing standards in terms of space and sustainable design. However, planning applications will look to provide energy efficient housing in accordance with current building regulations Part L, which may include:
  - The use of highly efficient condensing boilers replacing the existing heating including new radiators to each room controlled by a thermostat.
  - Energy efficient lighting and appliances.

- Higher levels of insulation to the walls (infilling the cavity wall) and roof areas (300mm deep mineral wool insulation laid over the existing ceiling joists).
- Flow-limiting taps and dual flush toilets to help reduce water usage.

7.11. Additionally, secure cycle storage will be incorporated to reflect current planning and design requirements, helping to promote those forms of transport which reduce emissions.

#### Consultation

7.12. While there is no statutory requirement to consult on the proposals in this report, we will engage with tenants and residents associations who currently use these properties so we fully understand their needs and can work with them to identify alternative spaces. All ward councillors in affected wards have additionally been notified of the proposals and will receive regular updates as the work progresses.

#### Risk assessment

7.13. The key risks associated with the proposals set out in this report and proposed mitigation are as follows:

- **Tenant relations** - as some TRAs have had sole use of these spaces for a long time, there is a risk that some will oppose plans to revert the flats back to housing and will not wish to consider alternative spaces, especially those which will need to be shared with other users. In managing this, there will need to be a recognition of some users' emotional attachment to these spaces and a commitment to build understanding of the Council's reasons for re-evaluating their long term use. Where necessary, senior staff across Housing Services and Benefits and Housing Needs, along with ward councillors, will engage with TRAs to discuss our approach and its potential role in meeting housing needs.
- **Operational** - because some of the flats do not meet modern space standards, there is a risk that applications for planning may not receive consent. We are seeking to mitigate this by ensuring that all applications are robust, prepared by experienced planning consultants, and include detailed layout plans. Where space standards cannot be met, we will highlight that other flats in the same block with the same size/layout are used successfully for housing and frame our proposals in the context of the wider housing crisis within the borough.
- **Operational /reputational** - delays to any works to flats following planning consent risks delaying letting. In such cases TRAs will rightly resent giving up a flat that is then standing empty. To mitigate this, we will ask the building maintenance service to specify the works needed to bring the flat to a lettable standard at an early stage, helping to ensure these works start as soon as planning consent is given. In a few cases where asbestos removal is required, we will programme this work in advance of planning consent.

8. **Comments of the Group Director of Finance and Corporate Resources.**

- 8.1. The conversion of the community flats will increase the number of social rented properties within the councils portfolio and will assist towards the reduction of costs in temporary accommodation. The full year financial benefit of converting the 10 community flats back to housing use would be £150,000 per annum.
- 8.2. The initial planning costs will be contained within existing capital budgets. The funding and cost of renovations will be assessed on a case by case basis to ensure financial viability across their lifetime.

9. **Comments of the Director of Legal, Democratic and Electoral Services**

- 9.1. Cabinet is authorised to approve the recommendation in Section 3 of this report pursuant to the Council's constitution Article 13.5 which states:
- 9.2. A key decision is a Cabinet decision which is likely to:
- i) Result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decisions relates, or
  - ii) Be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the Council.

**Statutory Framework**

- 9.3. Under the Town and Country Planning Act 1990 (TCPA 1990), planning permission is required for the carrying out on land of any development Section 57(1), of Town and Country Planning Act 1990 (1990 Act).
- 9.4. Development is defined as the "carrying out of building, engineering, mining or other operations in, on, over or under the land or the making of any material change in the use of any buildings or other land" (Section 55(1) of the 1990 Act. As such, there is a basic requirement for planning permission to be obtained if there is a material change of use of any buildings or land. The 1990 Act does not define "material change of use". However, the 1990 Act gives examples of development that constitute a material change of use such as 'The use of a single dwelling house for two or more separate dwelling houses (section 55(3)(a). Planning permission can be granted amongst others by the Local Planning Authority (LPA) and by the Secretary of State.
- 9.5. If planning permission is required from the LPA or the Secretary of State, a planning application will need to be submitted

**Appendices**

**Appendix 1** - overview of community flats use and proximity to other community facilities

**Exempt**

None

**Background documents**

None

<b>Report Author</b>	Sara Kulay Head of Resident Participation, TMOs and Communities Email: sara.kulay@hackney.gov.uk Tel 07748 320837
<b>Comments for the Group Director of Finance and Corporate Resources prepared by</b>	Natalie Gasper Financial Advisor Email natalie.gasper@hackney.gov.uk Tel 020 8356 3311
<b>Comments for the Director of Legal, Democratic and Electoral Services prepared by</b>	Christine StephensonName Specialist Planning Lawyer Title Email christine.stephenson@hackney.gov.uk Tel 020 8356 3578