

WALTHAM FOREST AFFORDABLE HOUSING COMMISSION

Final Commission Report | June 2023





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THE CHAIR'S FOREWORD.

Waltham Forest is on the front line of the nation's housing crisis. House prices have increased at the fastest rate in London since 2011 and are now out of reach of many residents. This is pushing more people into a private rental market that is at breaking point. Tenant demand is significantly outstripping supply which is driving up rents and eroding security of tenure. The Waltham Forest Affordable Housing Commission provides an opportunity to look afresh at how the Council can tackle these challenges and deliver the homes that its residents need.



The Affordable Housing Commission is a group of independent professionals with experience of housing through a range of academic, policy, and delivery backgrounds. We were asked by the Leader of the Council, and the Deputy Leader and Portfolio Lead Member for Regeneration and Housing to undertake a root and branch review of how Waltham Forest can accelerate the delivery of more genuinely affordable homes.

Over the last four months we have got to know the borough's places and people. We have seen how Waltham Forest is a borough of two halves, which shapes local identity and priorities. Whilst the urban centres of Leyton, Leytonstone, and Walthamstow have densities more synonymous with Inner London,

North Chingford, Chingford Mount, and Highams Park are suburban in character. The recommendations of the Commission reflect this nuance and recognise that the challenges and opportunities differ in different parts of the borough.

We have also reviewed detailed evidence on how the national housing crisis is manifesting locally. Commissioners have been struck by how quickly the borough has changed, and the role that housing and land economics have played in this evolution. Waltham Forest is now a very different place - and development proposition - to what it was ten years ago. This was brought to life by residents who shared

“

The Commission has seen that development has secured safe, secure and high-quality homes for 1,500 households on the Council's waiting list, many of whom had been waiting many years to be housed.



their stories of living in the borough and personal experiences of area change. We would like to thank them for their constructive, practical, and thoughtful feedback, which informed our recommendations.

It is the view of the Commission that the Council has risen to the challenge by using a rising market to secure more affordable homes for residents between 2011 and 2021. The Commission has seen that development has secured safe, secure and high-quality homes for 1,500 households on the Council's waiting list, many of whom had been waiting many years to be housed. This is a vital part of Waltham Forest's development story which is not celebrated enough.

Despite this success, the challenges facing the borough have never been greater. The primary and secondary impacts of housing unaffordability are deepening and have been brought

At the same time, global financial uncertainty threatens to undermine the viability of new affordable housing schemes. This, coupled with the impacts of the climate emergency



The Council should continue to have honest conversations with residents about the factors which constrain its ability to act, and the compromises required to secure more affordable homes.

into sharp focus by the cost of living crisis. Whilst thousands of new homes have been delivered, more people are now living in overcrowded homes, and homelessness has increased by 55% in the last three years alone.

and shrinking local authority budgets, makes transformational change challenging. The Council should continue to have honest conversations with residents about the factors which constrain its ability to act,



and the compromises required to secure more affordable homes.

While it is not our role to comment on what needs to be done to tackle the wider barriers to change, we can provide practical and realistic interventions that can make a difference based on the powers, resources, and expertise available to the Council.

Delivering the recommendations of the Commission will require buy-in from across the Council and its partners. Waltham Forest should look to harness the momentum from the last ten years to respond proactively to the new delivery context and ensure that the borough continues to deliver for its most vulnerable residents.



- Geeta Nanda OBE

Chair of the Waltham Forest
Affordable Housing Commission



EXECUTIVE SUMMARY.

1 | THE DATA TOLD US.

The Commission reviewed a wide range of data on the local housing market, how the borough is changing, and the Council's delivery track record. We saw how:

The delivery context has changed:

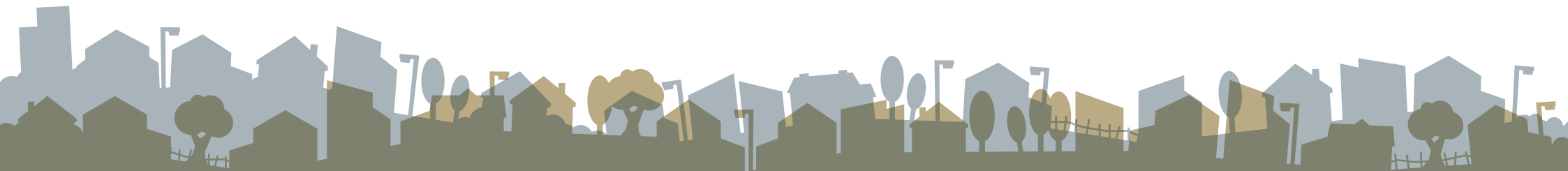
Inflation and global financial uncertainty threatens to undermine the viability of new affordable housing schemes. This, coupled with the investment required in the borough's existing stock to meet safety standards and net zero commitments could limit the funding available for new homes.

Housing is central to Waltham Forest's rapid evolution:

The borough has experienced the fastest house price growth in London. More people are now living in the private rental sector which is increasingly competitive, expensive, and insecure. For too many households, a broken housing market is resulting in worsening living conditions and increased demand for public services.

Waltham Forest has overseen a decade of growth:

9,000+ new homes have been delivered in the last ten years and the borough has captured a rising market to ensure that a high proportion of new homes are affordable. Between **2011** and **2022**, Waltham Forest achieved the highest proportion of affordable housing of any borough in London (35% of all new homes). This has secured new social rented homes for 1,500 households on the waiting list.



2 | RESIDENTS TOLD US.

We also heard from residents about their experience of living in Waltham Forest. This focused on the impact that housing is having on their wellbeing and prosperity. We heard how:

A better understanding of the council's strategy:

Residents were unclear about the Council's current housing priorities, and were not seeing the benefits of development or the trade-offs required to secure more affordable housing.

Increasing unaffordability is leading to a lack of choice across all tenures:

In many cases this is affecting residents' health, wellbeing, and ability to plan for the future.

The need to prioritise the right development in Waltham Forest:

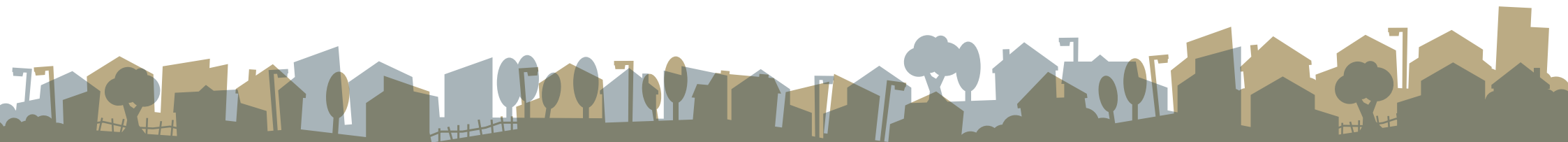
It is important to residents that development is accompanied by new infrastructure to cope with a growing population, as well as more family-sized homes.

The term 'affordable' housing is often loaded and unhelpful:

There is a gap between what is considered affordable in planning policy and funding terms and what residents believe an affordable home to be.

3 | RECOMMENDATIONS OF THE COMMISSION.

Responding to both the pressing challenges facing households and the fundamental structural housing market issues, we have set out a blended approach of immediate and longer-term recommendations.



Based on the available evidence, the Commission has identified five thematic intervention areas where we believe the Council should focus. We recommend that Waltham Forest and its partners should:

1. Respond proactively to the challenging financial context to accelerate the delivery of more genuinely affordable homes:

The current economic context is contributing towards rising build costs and falling values locally which could affect the viability of future schemes. Taking steps to respond to this challenge now can prevent a delivery cliff edge and safeguard the pipeline of new genuinely affordable homes.

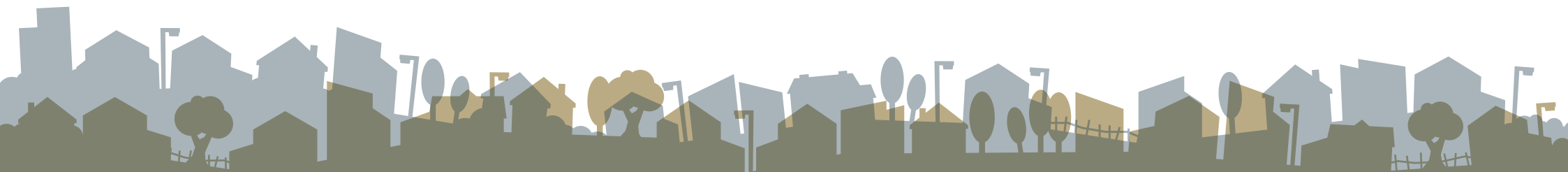
2. Take action on both the immediate and structural challenges facing private renters:

Conditions in Waltham Forest's private rental market have

drastically worsened in the last twelve months. Increased demand, coupled with a lack of supply has caused rents to rise well above inflation. This is resulting in severe cost of living challenges for renters, meaning the Council needs to increase supply as well as ensuring better protection for existing tenants.

3. Prioritise additional support for the borough's most vulnerable residents:

The housing crisis is not being experienced equally. Prioritising the borough's most vulnerable residents can maximise the impact of the Council's limited resources, whilst tackling the most severe primary and secondary effects of the housing crisis.

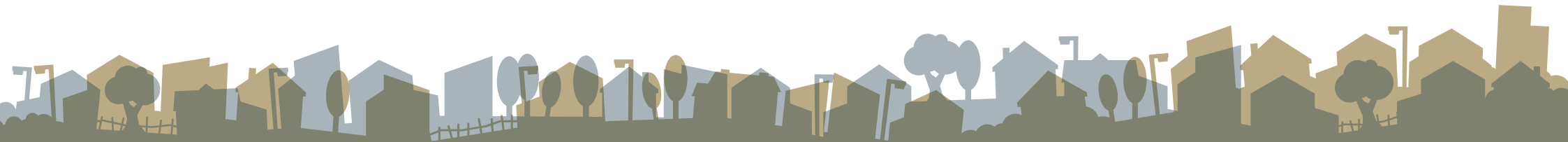


4. Ensure Waltham Forest has the right processes, operating model and partnerships to succeed:

Driving forward these recommendations requires the Council to consider whether it has the structures and processes in place to deliver. Taking forward the Commission's recommendations can enable more effective prioritisation, stronger governance and greater accountability. In addition to organisational capacity, Waltham Forest should use this moment to have a renewed conversation with residents about its new strategy and ambitions for the future.

5. Pioneer bold solutions to decarbonise the borough's housing:

Tackling the climate emergency will be the biggest societal challenge of the next decade and beyond. Housing accounts for nearly half of the borough's total emissions meaning it is central to decarbonisation efforts. Whilst Central Government funding is currently limited, it is incumbent on the Council to explore bold alternatives to deliver local and national climate commitments.



1 |

INTRODUCTION.

We live in an era of crises. The cost of living crisis is causing severe hardship for households across the country and the climate crisis threatens to permanently disrupt our way of life. Housing represents the single largest monthly overhead for most residents, whilst domestic energy contributes almost half of the borough's total carbon emissions. If we fail to think about housing in the context of the wider changes we as a society need to make, we will be less prosperous and less resilient.



Although the housing crisis is a national issue, rents and house prices in London have increased much faster than earnings meaning the capital is amongst the least affordable places in the country. The London Borough of Waltham Forest ('the Council' hereafter) has been a leader in the delivery of new housing in London and should be proud of its record of securing thousands of new affordable homes for residents over the last ten years.

Despite these successes, it is also clear that things are getting worse for many residents. Too many people are living in poor quality, overcrowded, and insecure homes, which are adversely impacting their life chances, health and wellbeing.

The Waltham Forest Affordable Housing Commission was established in response to this challenge. The Council wanted to expose itself to external scrutiny to understand what more it can do to accelerate the delivery of more genuinely affordable homes. The purpose of the Commission was to generate practical recommendations, which could be adopted by the Council to deliver better outcomes for residents.

It is important to state at the outset that the Commission recognises that the borough cannot solve the housing crisis alone. The evidence presented in this report outlines fundamental financial, policy, and macro-economic factors that constrain the Council's ability to act. Where these barriers exist - and the local evidence points

towards a better approach – Waltham Forest should continue to lobby both National Government and the Mayor of London for a fairer deal.

Waltham Forest starts from a position of strength. Despite unprecedented challenges, the Council already has credible plans for how it will deliver more affordable housing. The spatial strategy set out in the Council's new Local Plan, and the supporting Infrastructure Delivery Plan are impressive. These include a clear commitment to design quality of new schemes. High-quality design – including urban greening, good build quality, and long-term maintenance of existing stock – will be critical for delivering and maintaining the housing that meets residents needs and tackling the climate and biodiversity emergencies.



Delivery of the proposed social, community and transport infrastructure, alongside new homes should be more clearly communicated to help the Council to better demonstrate the value of development to long-term residents. The Commission's recommendations look to build on rather than replace these plans. To do this, we have drawn on the Commissioners' experience, national and international best practice, and the new independent evidence received by the Commission.

COMMISSION PROCESS:

The Waltham Forest Affordable Housing Commission was formed of a panel of eight expert advisors with strong academic, policy, and sector-based

expertise. Commissioners met five times between January and May 2023.

The Commission received evidence at the first three sessions. This comprised a mix of independent evidence from place and economy consultancy, PRD; and information on the Council's current approach and future strategy from Council officers. Data was supplemented by a programme of resident engagement to capture experiences of living in the borough. The full Housing Commission Evidence Base can be found [here](#).

The evidence sessions were structured around three questions:

- What should Waltham Forest build?
- How should Waltham Forest build?

- How can Waltham Forest make the greatest impact for residents?

Independent evidence and information from officers was used to identify the key lines of enquiry where the Commission could add value. These were reviewed by Council officers to comment on potential impact and deliverability.

Lines of enquiry were translated into a long list of potential recommendations which were then prioritised, refined, and finalised at Sessions 4 and 5.

The Commission was convened during a period of global financial uncertainty. Rising interest rates, increasing construction costs, and house price volatility has made the short-term delivery context more challenging for local authorities, Registered



Providers, and developers. The Commissioners acknowledge this uncertainty and have sought to strike a balance between immediate and longer-term recommendations.

This report provides a summary of the key evidence received by the Commission and the priority actions for the Council. The recommendations will go to the Council's Cabinet for formal acceptance. Following this, the Council has committed to setting out a plan for translating priority recommendations into action through a new Housing Strategy.

THE COMMISSIONERS



**GEETA
NANDA**
OBE (CHAIR)

Geeta is CEO of Metropolitan Thames Valley Housing, Chair of the G15 group of London's largest housing associations and is a Board member of the National Housing Federation.

Over a career of nearly 30 years, she has held a variety of leadership roles in the housing sector. Geeta has served on the boards of several other housing organisations and is a non-Executive member of PRS REIT plc, the UK's first quoted real estate investment trust to focus on high-quality new-build family homes for the private rental market. She also sits on the Mayor of London's Homes for Londoners Board. In 2013, Geeta was awarded an OBE for achievements in social housing.



**FRED
ANGOLE**

Fred is Group Finance Director & Deputy CEO of YMCA St Paul's Group and serves on the Boards of, and is Chair of Audit & Risk Committees of Notting Hill Genesis and Newlon Housing Trust.

With a career spanning 30 years, Fred has held a variety of leadership roles in the housing sector, including 5 years with the social housing regulator. His experience includes social housing development, large scale regeneration and dealing with a range of inner-city challenges in London. Fred is a Fellow of the Chartered Association of Certified Accountants with an MSc in Finance and Investment.



**NICK
BOWES**

Nick is Chief Executive of Centre for London. He was most recently the Mayoral Director of Policy at the Greater London Authority. Nick has previously worked at the Royal Society, EEF (now Make UK) and the CBI. Between 2010 and 2015, he was the Special Adviser to Sadiq Khan as Shadow Secretary of State for Justice and Constitutional Reform.

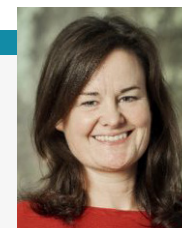
Nick has lived in London for 21 years, having grown up in South Yorkshire and studied in Newcastle and Sheffield. He is a Visiting Senior Research Fellow at the Policy Institute, King's College London, has a degree in geography and mathematics, and a PhD in economic geography, and is a fellow of the Royal Geographical Society and the Royal Society of Arts.



**JANICE
MORPHET**

Janice Morphet is a Visiting Professor in the Bartlett School of Planning at University College London and is a Design Council Built Environment Expert. Janice was a member of the Planning Committee of the London 2012 Olympic Games. She was a Senior Adviser on local government at DCLG 2000-2005, having been Chief Executive of Rutland CC, Director of Technical Services at Woking, and Professorial Head of the School of Planning and Landscape at Birmingham Polytechnic.

Janice has been a trustee of the RTPI and TCPA. Janice's recent books are Applying leadership and management in planning: theory and practice (2015), Infrastructure delivery planning: an effective practice approach (2016), Beyond Brexit (2017) and Changing Contexts in Spatial Planning (2018). Her recent research with Dr Ben Clifford includes 3 projects on Local Authority Direct Provision of Housing (December 2017/ July 2019/2021) and two on 2008 Planning Act for NIPA (2017/2019). They have also written Reviving local authority housing delivery: challenging austerity through municipal entrepreneurialism which was published in November 2020 by Policy Press. Janice's most recent books are Outsourcing in the UK (2021) and The Impact of COVID-19 on Devolution (2021).



**NICOLA
MATHERS**

Nicola is CEO of Future of London, an independent network supporting housing, planning and regeneration professionals through leadership, research and networks. She leads on strategy, business development and partnerships.

Nicola is passionate about the role of the built environment to improve lives and address inequality. At Design Council and CABI she led national programmes to support the public and private sectors to plan and deliver well designed buildings and spaces.





**MELISSA
TETLEY**

Mel joined Citizens Advice Waltham Forest as the CEO in June 2022. Prior to this she was the CEO of Voluntary Services Lewisham.

Mel has over 12 years of experience working at senior level across the public and the third sector overseeing a range of community initiatives and programmes to help residents and diverse communities to support their mental health, to combat financial exclusion, reduce the risk of crime and reoffending, and to help young people fulfil their potential.



**ROB
PERRINS**

Rob joined Berkeley in 1994 and has been Chief Executive since 2009. Under his management the company has increased its focus on regenerating large scale brownfield sites and now delivers around 10% of new homes in London.

Rob oversees Berkeley's sustainable business strategy, including industry leading climate action, nature recovery and social value programmes. He advocates a holistic approach to placemaking, firmly based on community engagement and partnership working with local stakeholders. He has been Chair of Trustees of the Berkeley Foundation since its launch in 2011. This independent charity, works in partnership with the Berkeley Group and the voluntary sector to strengthen local communities and help disadvantaged young people achieve their potential. Rob contributes to the Bank of England's Real Estate Forum and is a member of the governing body of Marlborough College.



**GAVIN
SMART**

Gavin Smart is the CEO of the Chartered Institute of Housing (CIH) the professional body for people working housing across the UK and beyond. He leads the CIH across the full range of its activities; ensuring it provides quality services and support to its members, taking forward its role to train and qualify the wider housing profession and is regularly involved in its policy and good practice work, engaging with government at all levels across the UK, all of which is undertaken in the public interest as required by CIH's Royal Charter.

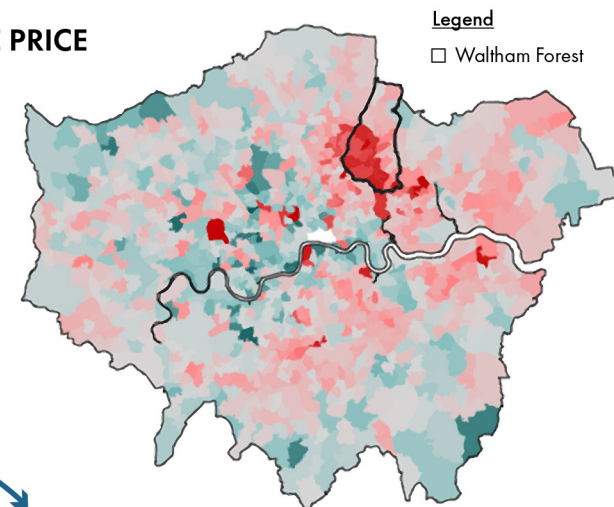
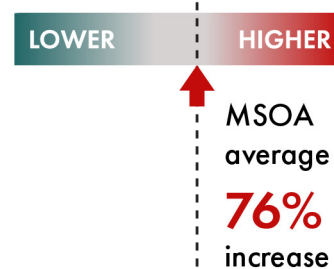
Prior to becoming CEO Gavin served as both Deputy CEO and, before that, Director of Policy and Practice. Before joining CIH Gavin worked at the National Housing Federation (NHF), the trade body for housing associations in England, latterly as Assistant Director for Research and Futures where he led the NHF's research and analysis function, its future facing thinking and its policy work on finance and government investment. Gavin joined the NHF from a spell working for the UK civil service commissioning research and analysis into a variety of housing policy areas. He began his career as an academic researcher at the School for Policy Studies at the University of Bristol.

EVOLUTION of the HOUSING CRISIS

The FASTEST HOUSE PRICE GROWTH in LONDON

Owning with a mortgage is the most common tenure in Waltham Forest.

CHANGE IN MEAN HOUSE PRICE
2012-2022

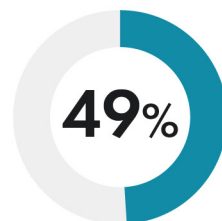


Between
2011-2021
house prices
increased by

118%

This is the fastest house price growth of any borough in London.

Waltham Forest is no longer more affordable than the London average.



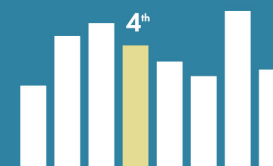
of households are owner occupiers.

AVERAGE HOUSE PRICES IN THE BOROUGH ARE ALMOST **x16** LOCAL SALARIES

Local earnings have not kept pace with house price rises.

WORSENING LIVING CONDITIONS...

and increased demand for council services.



9 IN EVERY 1,000 households in the borough were assessed as homeless, the 4th highest in Outer London.

A GROWING PRIVATE RENTAL SECTOR...

with increasingly high rents and competition.

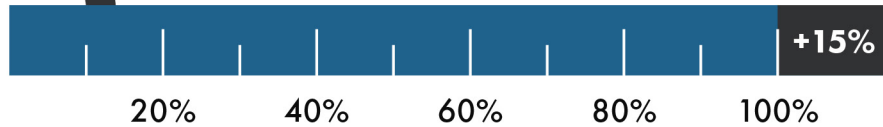
In Waltham Forest between 2011-2019



+3,500 more people now live in privately rented accommodation than in 2011.



Rightmove's Rental Price Tracker shows that rents in Outer London have increased by **15%** in the last year alone.



This is being caused by a shortfall of supply and surging demand.

There are now **10 tenants for every 1 available property** nationally.

x10 TENANTS



The average new build market housing in the borough is not affordable to a resident with **AVERAGE EARNINGS** of

£40,000 PER YEAR¹

BETWEEN 2019-2022

the homelessness rate increased by

55% in Waltham Forest

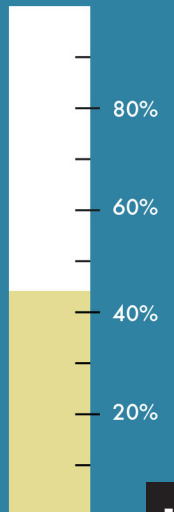
18% of households in Waltham Forest are overcrowded



The average Waltham Forest resident was paying an estimated

44%

of their basic pay on rent in 2019



6,000 PEOPLE ARE ON WALTHAM FOREST'S HOUSING WAITING LIST

HOW WALTHAM FOREST RESPONDED

A STRONG DELIVERY TRACK RECORD

 9,164

new homes in the borough over the last ten years.

 +666

homes through the intensification of the borough's existing housing stock.

Since 2011, the borough has met

93%

of its average housing target.

which is higher than the London average of

88%

LONDON

WALTHAM FOREST



WHICH HAS UNLOCKED THOUSANDS
of **NEW AFFORDABLE HOMES...**

2,916

**AFFORDABLE
HOMES** have been
secured
since 2011.

- 90%
- 80%
- 70%
- 60%
- 50%
- 40%
- 30%
- 20%
- 10%

Waltham Forest has
the **most diverse**
tenure delivery of
any borough in
London since 2011.

35%

of new homes
delivered are
either intermediate
(such as Shared
Ownership) or
social rent.

This has secured
HOMES

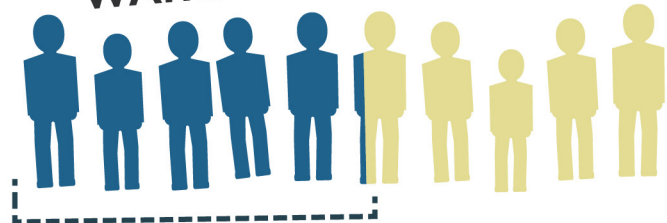
FOR OVER
1500



PEOPLE on the
housing waiting list.

In 52% of cases, this
secured new homes for
residents who had been
on the waiting list for 3
years or more.

3 YEARS on
WAITING LIST



THE CHANGING DELIVERY CONTEXT...

A CHALLENGING DELIVERY CONTEXT

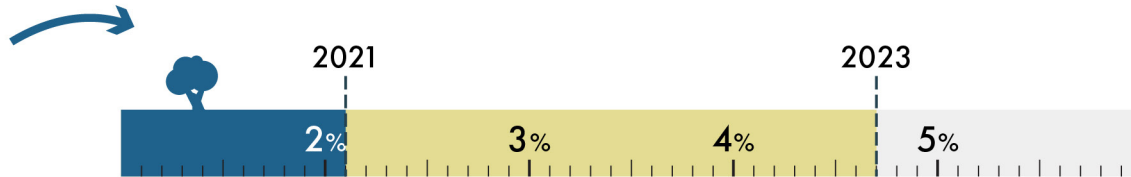
HOUSE PRICES are forecast to **FALL BY 7% IN 2023**, whilst build costs are forecast to increase, which could impact the ability to secure increased affordable housing through private development.



**BUILD COSTS
INCREASE**

**HOUSE PRICES
DECREASE**





The **cost of borrowing** for local authorities reached **4.7% in 2023**, up from **2.1% in 2021**, restricting the amount the Council can borrow to deliver more affordable homes.

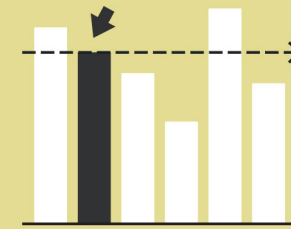


THE COST OF TACKLING the CLIMATE EMERGENCY...

17,000+ households in the borough were **fuel poor**, in 2020.

50%

of Waltham Forest's Co2 emissions are from domestic use.



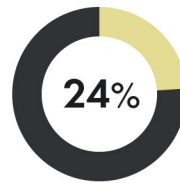
3rd

highest fuel poverty rate in London.



£245m

estimated cost to reach net zero in existing affordable housing stock by 2050.



of the borough's affordable housing would require retrofitting to achieve EPC band C.²



£30m

estimated cost of retrofitting existing affordable housing properties to achieve a **BAND C EPC RATING**.

3|

WHAT WE HEARD FROM RESIDENTS.

Commissioners wanted to hear from residents about their experiences of living in the borough and what needs to change. Nine focus groups took place between 23rd February and 1st March 2023 to align with the timescales of the Commission.



Four online focus groups brought together people based on their circumstances. This helped the Commission to understand how the housing crisis is affecting different tenures. We heard from:

- People who live in social housing
- People who live in private accommodation (homeowners and renters)
- People who have health issues and/or additional needs that impact on their housing need.
- A general session for other people who wanted to share their experiences.

Five face-to-face focus groups took place in areas of Waltham

Forest that have seen significant housing growth to obtain a deeper understanding of the impact that development is having on specific communities.

Focus groups were supplemented with specialist ethnographic research in the borough's high growth areas. This focused on individual experiences of change, 1-on-1 and group interviews, and observational analysis of how people interact with new developments.

THE HUMAN IMPACT OF THE HOUSING CRISIS:

People are proud to live in Waltham Forest, but the borough is changing rapidly.

Family ties, community infrastructure, and local assets were key reasons for living in the borough.

“ I live near the forest, there is greenspace on my doorstep. It feels like the right place to live.

- General Online Focus Group



Affordability was also an important factor – with Waltham Forest previously being viewed as a cheaper part of London, however, this has changed in recent years.

“ When I moved in it was cheaper you got a lot for your money, that’s changed now.

- People who have health issues and /or additional needs Focus Group.

Rising costs are leading to a lack of choice across all tenures.

Declining affordability is resulting in many residents feeling as though they have a lack of choice and control over

their living situation, however, there are subtle differences between tenures.

For owner occupiers, residents noted challenges with trading up the housing ladder due to other areas locally also increasing in price.

“ We bought our house through right to buy, it has increased in value. But so has everywhere else. We want to move to Chingford, but we can’t afford it.

- Walthamstow Central Focus Group (Homeowner)

Private renters spoke of the challenges associated with rising rents and increased competition for properties. This is underpinning concerns around insecurity of tenure which is a major driver of stress and anxiety.

“ There is no choice because everything goes so quickly. Homes are going before they're advertised. Agents tell you to offer rents above, but you can’t afford to.

- Wood Street Focus Group (Living In Private Rented Accommodation)

For residents living in social housing, residents spoke of feeling stuck.



As their family grows and they outgrow their property, we heard that there was limited options to swap properties locally.

“ I’ve tried and tried with mutual exchange. I thought I’d found a swap and then they never replied to my calls and emails. It’s exhausting.

- General Online Focus Group

A lack of choice is affecting resident’s health, wellbeing, and future planning.

Overcrowding was frequently highlighted as a secondary impact of the housing crisis.

“ I shared a room with my sister into our 30s. She recently moved out, because she could afford to... Our house has 4 full grown adults living in it. It’s not meant for that it’s meant for 2 adults and 3 or 4 children.

- General Focus Group Participant
(Living in Social Housing)

This is also putting people off starting families, with family-sized housing perceived to be beyond what they are able to afford.

“ We can afford where we live now. We can’t afford somewhere bigger. Which means we won’t be having children, we can’t raise children where we are now.

- Wood Street Focus Group
Participant (Private Renter)

The term ‘affordable’ housing is often loaded and unhelpful.

The Commission heard how there is a gap between what is considered affordable in planning policy and funding terms and what residents believe an affordable home to be.



The use of the word “affordable” is an emotive issue, as the majority of participants felt that affordable housing is not affordable for them. When it was discussed in focus groups sessions, it was felt that average salaries - not market values - should define affordability.

“ The market value element skews affordability, of course private landlords are going to go for the maximum they can charge.

– Focus Group Participant
(Private Housing)

WHAT RESIDENTS WOULD LIKE TO SEE FROM DEVELOPMENT:

The Commission found that development was commonly perceived as not being for local people. Whilst most participants were not opposed to new housing, many residents believed that it was important that the Council prioritised the ‘right’ type of growth.

Prioritising the right development in Waltham Forest.

A common concern was that community and public services are not keeping up with demand and that more people moving into the area will make the situation worse.

Participants cited the challenges of getting a GP appointment, access to a dentist and concern about availability of school places.

“ I have mental health issues and it takes years to get an appointment. It’s becoming harder and harder and it will only get worse the more people that move here.

- General Focus Group Participant
(Private Accommodation)

A number of people spoke of the need for a bigger home to accommodate their family. Family homes are “like gold dust” and not available to





people living in the borough. There was also a perception that these types of homes are not being built, as well as concern that larger houses are being converted into flats and Houses of Multiple Occupancy.

“ It's flats, it's studios, it's pocket homes. Where are the 3 and 4 bedroom family homes?

- General Focus Group Participant
(Private Accommodation)

Data received by the Commission showed that need is likely to vary significantly across Waltham Forest, requiring a more spatially-targeted approach. While challenges of overcrowding are severe in the south

and central parts of the borough, a high proportion of suburban households in the north have excess bedrooms. This correlates with an ageing population in parts of Chingford, many of whom live in underoccupied houses. To meet this dual challenge, the Council must also ensure that the right accommodation is available to meet the needs of residents throughout their lives – including through specialist accommodation for older people.

A better understanding of the Council's strategy.

Commissioners heard from the Council how development has funded significant new infrastructure in addition to more genuinely affordable

homes, such as a new train station at Lea Bridge. Although the data shows that the Council has been successful in securing value from development, this view was often not shared by the residents we heard from.

“ You need to show your working, you need to show us how you make decisions that are impacting on people and where they live.

– Lea Bridge Focus Group

Messaging around the benefits of housing development is challenging – especially when the accompanying infrastructure can take years to be



delivered. However, the Council has a strong track record in securing accompanying infrastructure from development. It also has exciting future plans for new health centres at Jazz Yard, Coronation Square and Sutherland Road, and enhancements to Walthamstow Central, Leyton, and Lea Bridge Station.

Residents we spoke to would appreciate more insight into how and why the Council makes decisions about housing. It is vital that this includes communicating what has actually been delivered, and what the impact of this has been, to create more transparency and clarity over why the authority (and the borough's most vulnerable residents) need development to happen.

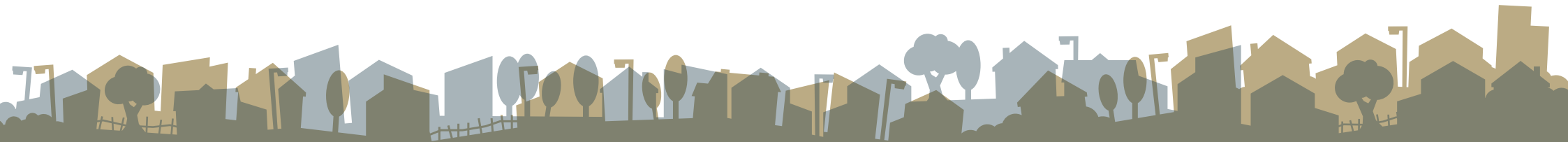




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RECOMMENDATIONS OF THE COMMISSION.

The human impact of the housing crisis is sobering. Residents see the Council as the custodian of development in the borough but there are many factors that are outside of its control. National and regional policy, the certainty and security of funding for affordable housing and the borough's position in one of the world's most rapidly evolving cities mean that difficult choices are required.



Over the last ten years, Waltham Forest has been pragmatic and ambitious in attracting housing-led investment and managing the trade-offs associated with growth. The Commission has seen how the Council has secured benefits from a rising market to deliver thousands of new affordable homes; without which hundreds of families would still either be on the waiting list or forced out of the borough altogether.

Despite these successes, it is not controversial to state the housing market is broken and challenges are becoming more acute. Residents benefitting from new affordable homes are dwarfed by households still on the Housing Register. The impact of the housing crisis is now biting across tenures and incomes, with even multi-

earner professionals renting in the borough potentially at risk of falling into poverty due to rising costs.

With this in mind, there remains a clear imperative to build new homes. The Commission recognises that the Council is comfortable with taking on the challenging conversations and tough decisions if it means changing the lives of residents who need a secure home for the better.

To do this well and respond to the concerns of residents, this must be underpinned by a renewed attempt to communicate the Council's strategy. This needs to outline why the Council is engaging with this challenge in spite of the systemic barriers – making the moral case for the right development in the borough.

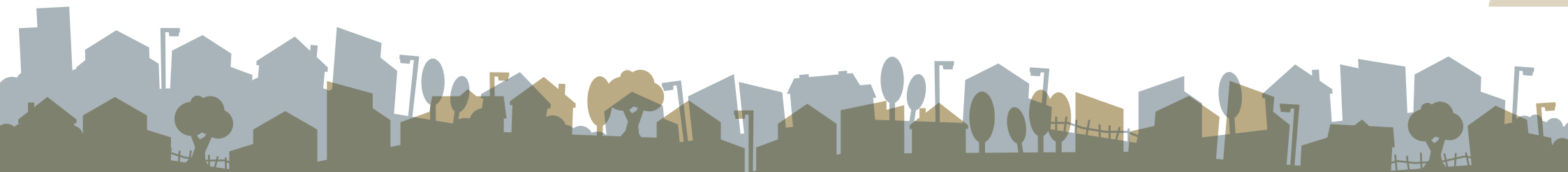
THE RULES OF THE GAME HAVE CHANGED.

It is the view of the Commission that although Waltham Forest has done well, the stable delivery context of the last ten years has shifted. This will make the methods relied upon to deliver affordable housing less viable, putting new genuinely affordable homes at risk.

There are also wider systemic challenges which will make business as usual more difficult and frame the Commissioner's recommendations. These are:

1. Inequality.

The Commission has seen that significant inequalities exist within Waltham Forest and across London. Income inequality in London has been growing since 2015.



The gap between the richest 10% and poorest 10% has been consistently double the rest of the country.

Too often housing is exacerbating and reinforcing these inequalities. Evidence received by the Commission showed that:

- Negative housing outcomes are disproportionately impacting ethnic minority communities.
- Housing outcomes tend to be worse for those renting privately and social renters.
- A review by Professor Sir Michael Marmot showed that poor housing conditions in Waltham Forest are central to health inequalities.

2. Local authority funding and the new delivery context.

The challenging financial context facing local authorities is well established. Between 2010 and 2019, the core funding received by London boroughs fell by 63% - cutting spending power by 29%. This has necessitated a shift to protecting statutory services at the expense of discretionary but still important services, such as regeneration and development.

Research from London Councils showed that over the last nine years, only Adult and Children's Social Care departments have seen an increase in expenditure. On average, London boroughs are now spending almost 60% less on Planning and Development Services.³ At the same time, the certainty and stability of grant funding for affordable housing, coupled with increased borrowing costs for local

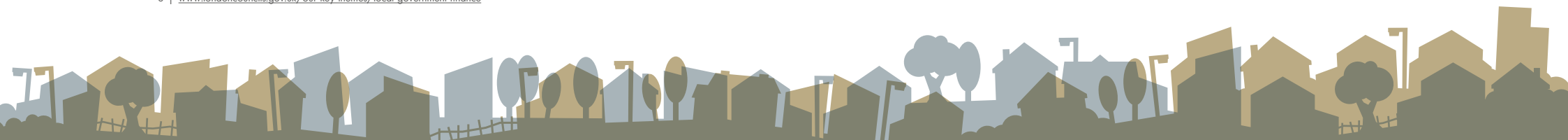
authorities makes accelerating the delivery of more genuinely affordable homes challenging.

3. The climate emergency.

The latest Intergovernmental Panel on Climate Change report shows the pace of decarbonisation required to meet temperature increase commitments and the inadequacy of current policies. Waltham Forest has declared a climate emergency, undertaken an independent Climate Emergency Commission, and has adopted a Climate Action Plan which sets out the borough's path to net zero by 2030.

Housing is the biggest source of emissions in the borough, but also one of the most challenging areas to decarbonise.

3 | www.londoncouncils.gov.uk/our-key-themes/local-government-finance



To do this well and at the speed required, the Council, Registered Providers, and Private Landlords will need financial support from the Government and other stakeholders to deliver retrofit and net zero new homes at scale. Recognising the current policy vacuum at national level, the Commission has focused on things that can be pioneered within the borough to meet local climate commitments.

HOW THE COUNCIL SHOULD RESPOND.

The borough must capitalise upon the positive evolution and rapid delivery of the last decade, using this as the mandate to innovate and work differently.

The Commission has identified five thematic intervention areas where we believe the Council should focus. For each of these, we have set out why we believe this to be a priority and the impact we think this could have.

The difficult short-term delivery context and the urgency of the challenges facing residents means that the Commission's recommendations have sought to blend immediate interventions, with longer-term structural actions.

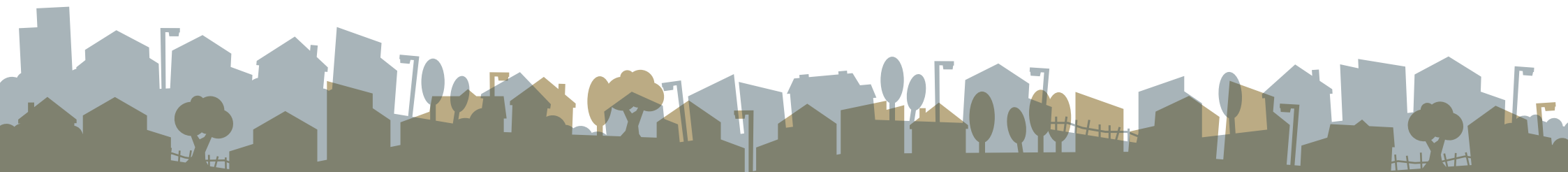
In most cases, these are a response to the systemic challenges which define the housing crisis. It is the view of the Commission that the Council needs to engage with these, but also accept that the ability to drive fundamental change is often constrained by external

factors. The Council should have honest conversations with communities about what these constraints are, and the trade-offs that are required to deliver new affordable homes.

DEFINING 'AFFORDABLE' HOUSING.

It is not the Commission's role to comment on what needs to be done to tackle the systemic barriers to change. Instead we have focused on providing practical and realistic interventions that can make a difference based on the powers and resources available to the Council and its partners.

A key part of this is being clear about what we mean by affordable housing. Resident engagement demonstrated



that the range of products available is often confusing and counterproductive. The Commission accepts that there are many definitions of affordable housing. Because of the severity of the housing crisis, an increasing number of households on a range of income are affected. This means a range of options are needed. For the purposes of clarity, the 'affordable' housing referred to in our recommendations includes:

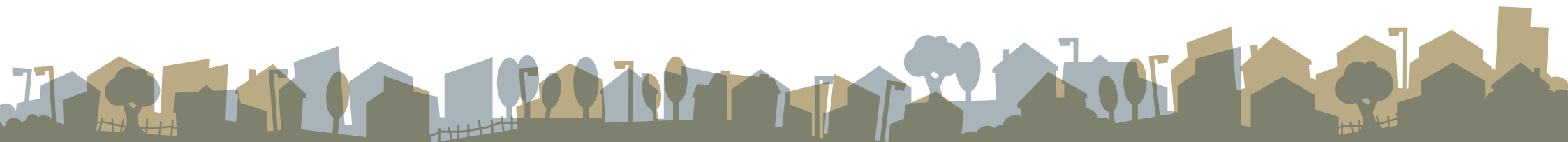
- » Social rent: Government subsidised rent for people on low incomes. Councils decide who qualifies, their level of need and priority on the waiting list. There are two types of regulated registered providers of social housing in England – local authorities and Private Registered Providers (mainly Housing Associations).

- » London Affordable Rent: A type of affordable rent for people on low incomes funded by the London Mayor. Benchmarks for pricing are set annually and increased based on inflation (CPI + 1%).
- » Local Housing Allowance Rent: The maximum rent which can be claimed in Housing Benefit by the resident of a private rented property, set by Central Government.

The Commission are confident that a blend of tenures with an emphasis on genuinely affordable homes will give the Council the best chances of tackling the depth and breadth of the housing crisis. For those on the lowest incomes, low-cost rent including Social Rent and London Affordable Rent will form the basis of genuinely affordable homes.

A comparison of rent levels for each tenure is provided in the Appendix.

Intermediate housing can and will still play an important role. Shared Ownership for example, supports home ownership aspirations for people who might otherwise struggle to get on the housing ladder. There are also long-term opportunities to explore more innovative solutions as part of a blended approach to tenure, including capping affordable rents at the level of the Local Housing Allowance, as set by National Government.



1 | Respond proactively to the challenging financial context to accelerate the delivery of more genuinely affordable homes.

Rationale:

Over the last ten years, the borough has been able to count on a stable delivery environment and rising land values to leverage more affordable housing. However, inflation, increased build costs, and ongoing market uncertainty makes the new delivery context more challenging. The Commission believes that the Council should plan on the basis that 'business as usual' may not return, with a renewed pragmatic focus on how it can continue to make the biggest impact for residents.

What Waltham Forest can do:

Immediately:

- Taking steps to better coordinate and enable the unlocking of land across the borough. This could include greater use of the Development Performance Agreement and targeting challenging sites for masterplanning and site assembly in priority regeneration areas.
- Developing a proactive and strategic approach and plan for all sites with risks of delays. This could include re-visiting consents, and investigating ways of improving viability.
- Reviewing the current forecasting and return on investment arrangements to explore feasibility of longer- term borrowing and develop a longer Return on Investment model for the Council's housing schemes.



- Ensuring a mix of affordable tenures in new developments, with an emphasis on low-cost rent including London Affordable Rent homes as well as Social Rent – especially when GLA housing grant is available to assist with viability. In addition, exploring the potential for more innovative approaches to affordable housing tenures, including the potential to secure complementary Affordable Rent capped at Local Housing Allowance levels, to deliver a blended approach that will both deliver more genuinely affordable homes whilst also navigating viability challenges.
- Developing a stronger strategic relationship with affordable housing funding organisations particularly

the GLA, Registered Providers, Homes England and Government to maximise funding potential.

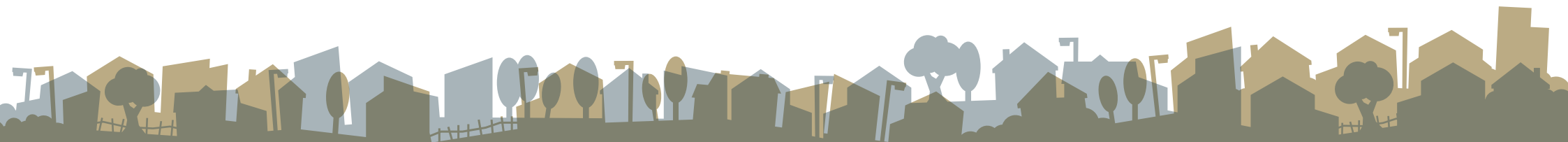
Planning and delivering:

- Tackling perceptions that development is not for local people by providing new homes at intermediate rent for local residents, especially those on non-priority bands of the Housing Register, and create a specific policy for key workers.
- Recognising that genuinely affordable homes are needed in all of Waltham Forest, deliver more affordable housing through character-led intensification in the North of the Borough, working with residents and communities.

- Adopting a strategic approach to asset management, creatively increasing the density of existing developments.

This could:

Ensure the supply of homes is protected in spite of the challenging delivery context in the short, medium, and long-term. This will prevent a delivery cliff edge which could create a medium term stalling of supply in the borough. Not doing this would limit the supply of all housing as well as the provision of amenities and social infrastructure which has been identified as a priority by local people.



2 | Take action on both the immediate and structural challenges facing private renters.

Rationale:

Private renters are being disproportionately impacted by the housing crisis. There are now an additional 3,500 households living in the Private Rental Sector than ten years ago and it is likely to be the dominant tenure by the end of the decade. Increased demand, coupled with falling supply has caused rents to rise above inflation. This is resulting in severe cost of living challenges for renters and insecure tenures, meaning the council needs to look at supply as well as demand-side solutions. A broken market has direct consequences for the health and wellbeing of the borough's residents. The charity Shelter found that over 1 in 5 renters' nationally reported that housing issues or worries were making them physically sick.

What Waltham Forest can do:

Immediately:

- Creating a team of Tenants' Rights Officers, working with Regulatory Services and health and wellbeing services, based in the community and providing direct support to private tenants through individual casework and wider health and wellbeing initiatives.

Planning and delivering:

- Taking a longer-term approach to the development of the PRS through a dedicated PRS strategy. This should increase the availability of genuinely affordable quality housing for residents who need it most, considers different investment models including a model where



the Council develops its own Build-to Rent, wider affordability challenges and needs, and flexibility in terms of location, as well as the need to tackle rogue landlords.

- Increasing the proportion of London Affordable Rent homes as part of the affordable rent housing offer in new developments, to increase the overall number of good quality, genuinely affordable rented homes, by exploring innovative solutions including the potential to deliver additional homes for affordable rents capped at Local Housing Allowance Levels, especially in cases where GLA housing grant is not available.
- Managing and maintaining buy-to-lets that might otherwise leave the market, through the Council's lettings agency.

This could:

Provide additional support for the borough's most vulnerable residents in the short-term, whilst proactively addressing fundamental supply-side challenges. In addition to the Council's role in PRS licensing and inspection, the Commission views increasing the supply of more affordable, secure, and higher-quality PRS homes as the best way to raise standards.



3 | Prioritise additional support for the borough's most vulnerable residents.

Rationale:

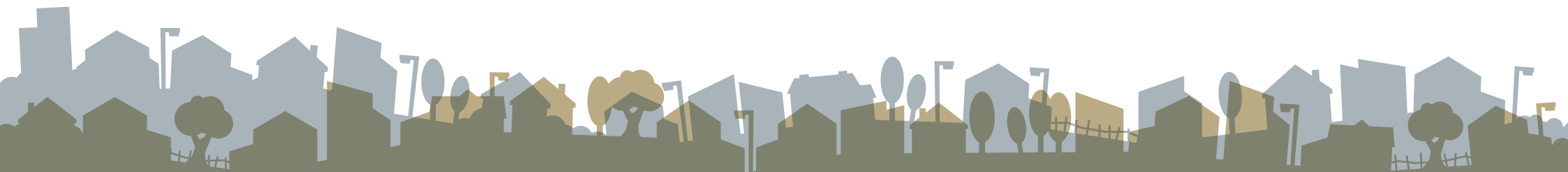
The housing crisis is not being experienced equally. Black residents in Waltham Forest are disproportionately more likely to be homeless. Residents living in temporary accommodation are disproportionately more likely to experience poor health and wellbeing outcomes, especially if removed from their support networks. For residents in social housing, the Commission heard from social housing tenants that the national home swapping brokerage platforms were not working. We also heard how the borough needs to be proactively planning for demographic changes, such as the ageing population in the north of the borough. Focusing on specific cohorts can help people to secure housing that better meets their

needs, and address current shortfalls in extra care housing for older people.

What Waltham Forest can do:

Immediately:

- Concluding its Sheltered and Hostel accommodation review to explore repurposing these homes to better meet priority needs.
- Building and acquiring purpose-built temporary accommodation homes for families in the borough over the next 10 years to reduce the numbers of households in short-term accommodation such as hotels.
- Adopting the housing recommendations outlined in 'A Fairer and Healthier Waltham Forest' to tackle health inequalities,



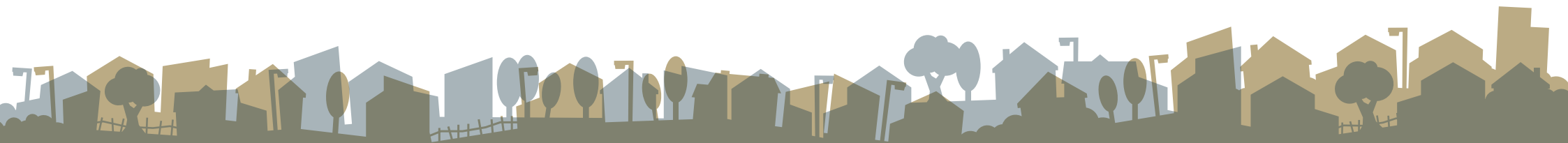
and improve the quality of housing in Waltham Forest.

Planning and delivering:

- Developing a model to support residents in swapping social housing, taking a more interventionist approach to maximise chains within a choice-based framework.
- Developing a framework and pilot for delivering homes targeted at older people, younger people, and other vulnerable groups, working with those cohorts on the design and implementation.

This could:

Help to improve options for residents in temporary accommodation to enable more people to be placed within the borough and closer to their support networks. A better and more interventionist approach to home swapping could help families find properties which better meet their needs as circumstances change. Finally, planning for demographic changes can improve outcomes for priority cohorts and can provide more options for residents with specialist needs, and address under occupation in the borough's existing housing stock.



4 | Ensure Waltham Forest has the right processes, operating model and partnerships to succeed.

Rationale:

Driving forward these recommendations requires the Council to consider whether it has the structures and processes in place to deliver. Doing this well will require looking inwards as well as outwards. The evidence has shown that housing is integral to many of the challenges facing the borough – from poverty and inequality, to health and wellbeing, to the climate emergency. The Council needs to be set up to address these cross-cutting challenges and have greater clarity on how all strands of the work come together to deliver better outcomes for residents. This can enable more effective prioritisation, stronger governance and greater

accountability. In addition to organisational capacity, Waltham Forest should use this moment to have a renewed conversation with residents about its new strategy and ambitions for the future.

What Waltham Forest can do:

Immediately:

- Improving communication and consistency to ensure that the range of intermediate and affordable products is clear to residents, and that they are aware of the positive impacts of new developments, especially in the context of the housing crisis.
- Reviewing existing delivery partners and structures,



including the Council's current framework to undertake viability assessments, to ensure that they remain sufficient to meet the Council's objectives.

- Conducting a review of the delivery model to strengthen governance and accountability in decision-making across all delivery vehicles, to allow the Council to maximise opportunities in the current challenging delivery context.

Planning and delivering:

- Developing an understanding of how community-led housing could be delivered on sites in the Borough

This could:

Build on the positive and constructive feedback received by residents to re-communicate the Council's strategy and the trade-offs required to secure more affordable homes and support vulnerable families. Reviewing delivery partners and delivery structures can help to ensure the Council is structured to deal with the cross-cutting impacts of the housing crisis.



5 | Pioneer bold solutions to decarbonise the Borough's housing.

Rationale:

Tackling the climate emergency will be the biggest societal challenge of the next decade and beyond. Housing accounts for nearly half of the borough's total emissions meaning it is central to decarbonisation efforts. In light of limited resources from Central Government, the Council will need to be creative to deliver the change it wants to see.

What Waltham Forest can do:

Immediately:

- Lobbying government and the GLA for resources and grants to deliver more ambitious retrofit programmes and low carbon construction.
- Undertaking more ambitious demonstrator projects such as the 'Eco Show Home'.
- Identifying options for local energy generation in and around housing stock within the borough. Support grassroots community energy initiatives whilst developing a renewable energy strategy for existing council sites.



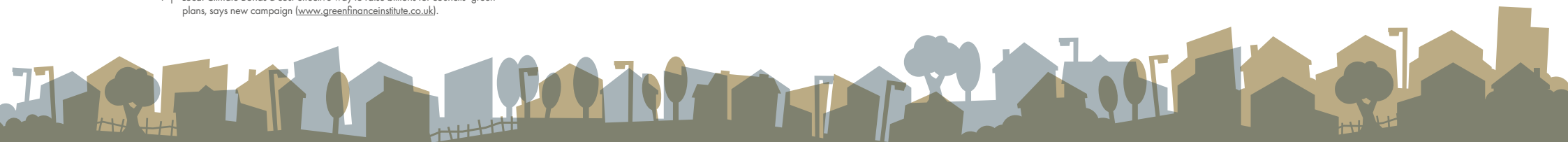
Planning and delivering:

- Scoping innovative financing models to take to the market such as 'green bonds' to fund the retrofitting of the borough's existing housing stock.
- Exploring new forms of finance, such as local climate bonds to attract low cost capital from retail and impact investment for climate positive residential projects.⁴ This could be delivered in partnership with other boroughs and partners to create a more significant investment opportunity.
- Delivering low-carbon affordable homes in order to improve sustainability standards and reduce energy costs for residents, as well as improving health.

This could:

Have a significant impact on resident's disposable income and health. Addressing the climate emergency is intrinsically linked to affordability and wellbeing, as improving the efficiency of properties can reduce resident's energy bills and their exposure to cold, mould and other factors which impact their quality of life. Understanding housing affordability holistically is important for taking a whole Council approach to resident prosperity and understanding the authority's opportunities to act.

4 | Local Climate Bonds a cost-effective way to raise billions for councils' green plans, says new campaign (www.greenfinanceinstitute.co.uk).



5|

TAKING THE RECOMMENDATIONS FORWARD.

The findings of the Commission are clear: Waltham Forest has risen to the challenge over the last decade but will need to respond differently to the challenges of the next ten years. The Council needs to take bold action to deliver better outcomes for the borough's most vulnerable residents and these recommendations are intended to support the Council on this journey.



This report will be going to the Council's cabinet in July 2023. Following this, the Council should provide a formal response to this report. This should set out how the borough's forthcoming five-year Housing Strategy will incorporate the Commission's recommendations. To ensure accountability and action, the Strategy must be underpinned by a clear delivery plan, which nominates the lead officers and departments responsible for taking this work forward.

DELIVERY PRINCIPLES:

In addition to the recommendations set out in this report, the Council should capitalise on the momentum generated through the Commission process by:

» **Setting expectations of partners:**

Whilst we have focused on what the Council should do, there are a range of partners vital for delivering these recommendations including Registered Providers, charities, and private developers. The Council should set out how and where it will work in partnership to deliver the recommendations.

» **Maintaining the council's reputation for delivery by prioritising quick wins:**

Whilst much of this report focuses on the structural challenges which define the country's housing crisis, many residents cannot afford to wait for things to improve. Noting the organisation's delivery-focused culture, we suggest that the Council prioritises several of the recommendations that can be implemented immediately.

» **Lobbying for a better deal for Waltham Forest:**

Following the Commission process, the Council now has a wealth of evidence on the housing market, the borough's



demographics, and how its places are changing. In many cases, policy levers or grant funding arrangements prevent the Council from acting. Where strong local evidence suggests a better approach, the Council should continue to lobby the Mayor of London and Central Government.

» **Continuing the conversation with residents:**

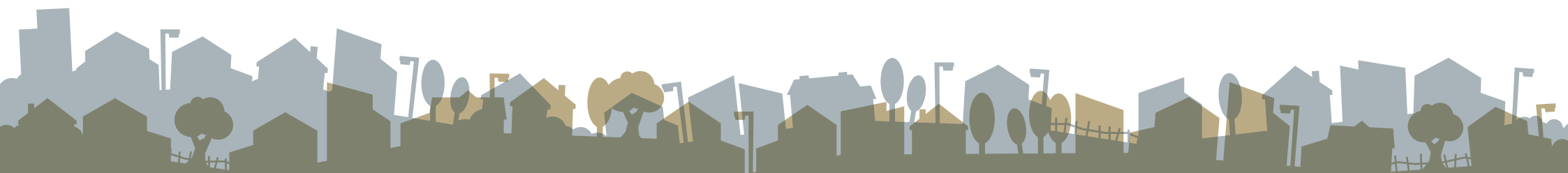
Through this process, the Council has had access to open, honest, and constructive conversations with residents about housing and development. Not many London boroughs would be able or willing to have this conversation

about such an emotive and challenging topic. The Council should look to proactively share the findings with those who participated with the Commission, and show how they are acting on the recommendations. This can be the catalyst to re-communicate the Council's strategy, reiterating the moral and strategic case for new local homes.





6| APPENDIX



The definition of affordable housing used in this report includes both social rent and London Affordable Rent. Both of these tenures are below the Local Housing Allowance (how housing benefit is calculated for people who rent from a private landlord), and a full comparison of rent levels have been provided in the table below.

TENURE	1-bed	2-bed	3-bed	4-bed
Low-cost rental (per week)				
Social Rent	£93	£110	£127	£147
London Affordable Rent	£168	£178	£188	£198
Local Housing Allowance (per week)				
Outer East London*	£242	£299	£356	£414
Outer North East London**	£207	£265	£316	£398

* Outer East London covers Walthamstow, Leyton and Leytonstone (i.e. north of the A406)

** Outer North East London covers Highams Park and Chingford (i.e. south of the A406)

