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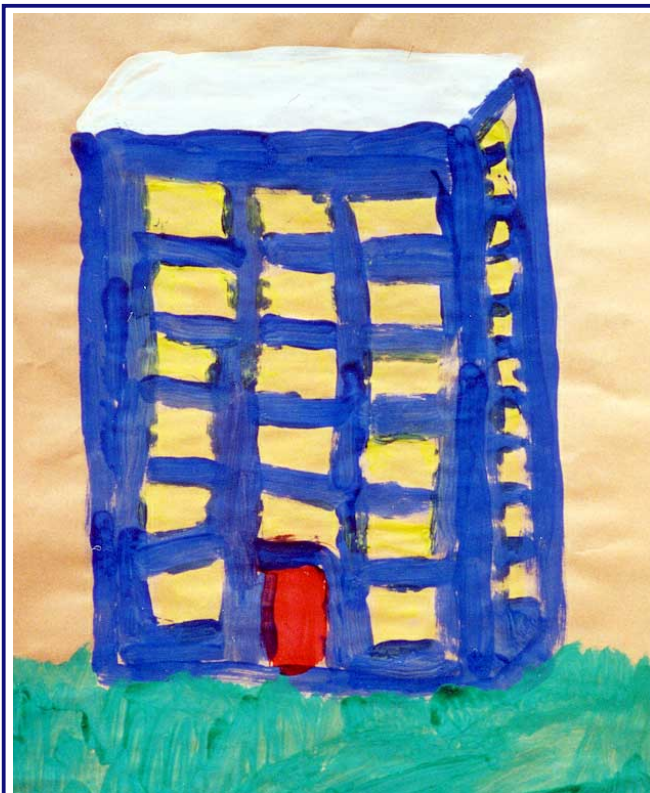
OPENhouse

Opportunities and choice



Issue No.1 August 2001

CONSULTATION BEGINS ON THE FUTURE OF COUNCIL HOUSING



Picture the future...

■ **CHILDREN at the Crossways fun day took to crayon and paper to show their vision of what their homes might look like. But what does the future hold for housing in Tower Hamlets? See page 3 for details, and some of the options that tenants will be consulted on.**

All estates get to decide in referenda on the options for investment and services

The council is launching a borough-wide consultation for tenants to decide on the future of council housing in Tower Hamlets.

Tower Hamlets needs to spend £590 million on maintaining and repairing its housing over the next five years.

But the most the Council can expect to raise from rents and government subsidy is £300 million.

"We are looking at a shortfall of £290 million," said Tower Hamlet's Director of Housing Sue Benjamins. "We've got some tough decisions to make.

"Because of Government regulations, we

cannot borrow the money, and we cannot raise rents sufficiently to cover the gap. If we stay as we are, it will mean cutting repairs and maintenance still further and reducing the level of service we are able to give to tenants."

There are other choices. Over the coming months, tenants will get the chance to hear about the various options.

And in February

next year there will be a referendum on every estate in the borough, so that tenants can decide whether they want to stay with the council or be consulted on a choice of new landlord.

"Tenants will be fully consulted", said Sue Benjamins, "and will have the final say whether or not they want to develop alternative proposals based on the choices available."

Welcome to the first issue of Open House. Over the coming months Open House will tell you about the choices available for the future of the housing service in Tower Hamlets based upon the Government's housing policy.

Editorial

The choice is yours

Tower Hamlets housing has reached a crossroads. The Council simply does not have the money to carry out the necessary maintenance and repair works. Things cannot carry on as they are. Decisions have to be made.

But you, the residents, will make them after a full and open debate about the pros and cons of each option.

Councillor David Edgar, Lead Member for Housing, said: "We are giving tenants the chance to decide on the future of social housing in Tower Hamlets. Tenants can choose exactly what level of service they want for their housing.

"This is an opportunity to make sure that people in rented housing in the borough get a secure, comfortable home and good quality services." The consultation will start soon and last until spring next year, when there will be a referendum on each estate, allowing tenants to decide whether they want to stay with the council or be involved in the development of other options.

Tell us what you think

Do you have any questions, concerns or views about anything that you've read in *Open House*? We want to hear them.

From next issue, this page will carry your letters and your opinions on the future of Tower Hamlets housing. In the meantime we answer some frequently asked questions.

Why aren't other boroughs having the same problems?

Other boroughs get more subsidy because they had higher average rents when the subsidy system came into effect in 1996. Others have had lower right-to-buy sales, which means that they are losing less rental income. However, more boroughs are now predicting financial difficulties in several years time because of house sales.

Why not lobby the Government for more money?

The Council has repeatedly lobbied the Government for more money over the past few years, often with the help of pressure from local MPs. In 1999/2000 we submitted a detailed case for additional resources equivalent to £4 million. However, we only received £140,000.

The Government expects councils to come up with a plan to bring the rented housing stock up to a decent standard. Councils therefore must examine all the options for achieving the necessary investment in their housing stock. Doing nothing is not an option.

Will tenants get a say?

Yes, the Council cannot make any changes like this without consulting residents. There will be a consultation process covering every Council estate in the borough and every estate will have its say in a referendum.

Send your letters to:

Open House
c/o Consultation and Participation Team
20 Three Colt Street,
Limehouse, E14 8HJ.

Or email to: cpt.towerhamlets@dial.pipex.com

New association homes coming in Stepney

New homes are currently under construction by Paddington Churches and LABO Housing Associations, situated off Stepney Way, E1.

Three and four bedroom houses are due to be completed on this development in September 2001. These are all 3 storey properties. Priority will be

given to tenants on the transfer list.

Tenants who want to be considered for these homes should contact Stepney/Wapping Lettings Team at Cheviot House, Tel. 020 7364 2925 for more information.

Those wishing to express an interest should do so by Friday 31st August 2001.



NEW homes take shape in Stepney.

Housing boss looks to the future

Tower Hamlets' new housing director Sue Benjamins has been in the job for five months.

Open House went to see her to find out what she thinks of Tower Hamlets so far, and to ask about her plans for housing in the borough.

Open House: What attracted you to the job?

Sue Benjamins: The combination of lots of problems – I enjoy a challenge! – with the excitement and opportunities generated by Canary Wharf.

The deep housing and employment needs of the borough contrast sharply with the economic growth generated by Canary Wharf, and there is an obvious need to USE these disparities to ensure that local people – especially youngsters – get their fair chance to take part in the action.

OH: What are your first impressions of Tower Hamlets?

SB: Lots of good things. Parks, trees, lovely architecture in parts, lots of water – and some very good housing schemes. I have found local residents incredibly welcoming, and the staff are conscientious, hard working and imaginative.

OH: You've arrived at quite a challenging time. There are some tough choices to be made in



HOUSING Director Sue Benjamins who joined the council in March looks forward to the challenges ahead.

housing. What do you see as the main challenges ahead?

SB: The obvious challenge it to keep the books balancing. Many factors, mostly beyond the council's direct control, have contributed to make the finances very difficult. This means that we cannot solve problems easily. We have to think imaginatively and come up with answers that meet the community's and the individual resident's needs – while living within our means.

Alongside the financial reasons, though, we have

to recognize that changes were on the way already. The way that services are provided is changing.

Our clients are changing too. For many years, council housing was only for 'tenants'. Now we have thousands of leaseholders, with wider concerns.

We also have partners such as housing associations, able to provide a wider range of services than we can, and we are expected to link housing with jobs with health with education on a much more comprehensive basis than before.

The main challenge is

how can we safeguard the future of social rented housing in Tower Hamlets? The council simply does not have enough money to maintain the current level of service. We are going to have to work with tenants to decide the best way to ensure a good housing service in the future.

OH: What are your three key priorities?

SB: To balance the books while still satisfying residents and staff. To get council flats repaired efficiently. And to create positive housing opportunities for the future.



■ CHILDREN having fun at the Crossways Fun Day, where residents got the chance to look at ideas to improve the estate.

New looks, new deals

The Council has a small number of designated Regeneration Areas where we have been successful in securing separate funds from the Government. This money has been won through a competitive process and can only be spent in the areas for which it was awarded. Examples of current regeneration areas are:

Ocean Estate. Residents got the chance to study three options to improve the area at a display by HTA Architects.

The Council has won £56 million from the Government's New Deal programme to spend exclusively on badly needed improvements to the area. Of this £21.5 million is available for housing. The rest has been specifically granted for the local environment, education, health services, local employment and leisure opportunities.

"We were very pleased that so many residents took the time to come and give their views on the three options," said Jenn Pepper, Project Development Officer. "Everybody's views have been recorded, and they will be used to help the architects move on to the next stage of the planning process."

Plans for the regeneration of **Crossways Estate** have got the green light, despite the Council's housing finance problems outlined elsewhere, as the money comes from a Government fund called the Single Regeneration Budget (SRB), which together with money from the Council will attract private investment.

Residents have already had a chance to contribute to the plans. Initial proposals include refurbishing two tower blocks for rent and one for sale, and getting rid of unused garage buildings and other security problems.

Further detailed consultation and design work will begin early next year. The Council will continue to bid for more regeneration cash when the opportunities arise.

Like every council in the country, Tower Hamlets has to submit a plan to the Government for bringing all its housing up to a decent standard by 2010.

The Government also requires that the council sets out a business plan, with a number of options for running the service, demonstrating how this will be achieved.

The Business Plan developed for the council's housing stock shows that the level of investment needed cannot be achieved through rents and existing government money.

Alternatives, therefore, need to be considered for all the Council's housing estates.

The choices ahead

The Housing Choice consultation strategy being launched by the Council puts tenants at the heart of this process.

The first stage of the consultation will run until February 2002 when each estate will take part in a referendum on whether to look at alternative options for services and investment in their homes.

At this stage all estates will continue to remain with the Council, including those who choose to

look at the alternative options.

THE OPTIONS

Staying as we are would mean the Council continuing to own, manage and maintain the stock directly, using the resources available through rents and the money that the Government will allow the Council to borrow. However, we know from the Housing Business Plan that the Council will not be able to afford the necessary investment in

the housing stock and will have to make savings in the delivery of services.

Any further changes to the management of estates remaining with the Council will be the subject of further consultation at a later stage.

Those estates that opt to look at alternatives to staying with the Council will be able to choose from a range of alternative social landlords, such as housing associations or Trusts.

These would be not for profit organisations, often

registered as charities, which are able to borrow the money needed to invest in the transferred homes. They would be run by a mix of tenants, councillors and independent experts.

Rents would be kept affordable and new rules introduced by the Government will limit the amount of rent that can be charged.

Future issues of Open House will contain more information about the choices to be made.

Council loses out in housing finance system

How has the situation come about whereby Tower Hamlets has £290 million less than it needs to repair its housing?

The Council gets its money in two main ways – rents and government subsidies. However, for some years now Tower Hamlets has been losing out on both of these.

It has lost out ever since the housing subsidy sys-

tem was changed in 1996. The Council's subsidy at that time was fixed in line with its rents, which were then amongst the lowest in London.

The Council continues to be worse off than many other councils. This is partly as a result of the Housing subsidy system and partly as a result of the reduction in the number of homes for rent.

"The Council has lost

20,000 properties since 1987, partly through regeneration schemes involving demolition or refurbishment of some of the worst blocks and the rest through people buying their homes under Right to Buy," explained Paul Bloss – Project Director – leading the housing choice consultation. "We are currently receiving 150 new applications each month. This

means a further 5,000 homes – 20% of our rented accommodation – are predicted to be sold through the RTB by 2005."

This also means a huge drop in the income that the Council gets from rents. For every 1000 sales, the Council loses about £2 million every year. And because the sales are scattered throughout the borough, it is impossible for the

Council to cut its costs to match the drop in income. The Council is also only allowed to keep 25% of the receipts from RTB sales and because of the needs of other services it is not possible to spend all of this on Housing.

As more properties are sold, the amount of money received from Government through subsidy such as the Major Repairs Allowance will reduce.

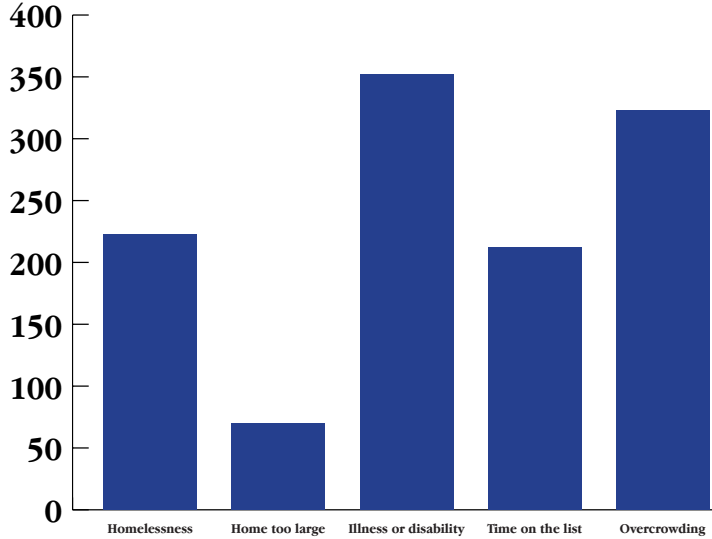
Improving the Lettings service

Tower Hamlets is looking at ways of improving the way it lets properties and giving people more choice about where they live.

We have been asking people on the Transfer and Waiting List what they think about the present policy.

545 people were interviewed by telephone during January-March 2001. Everyone was asked the same set of questions.

- 64% of those taking part were Council tenants;
- 13% were tenants of Registered Social Landlords;
- 23% were either living in private accommodation, staying with relatives or were homeless.



WHAT YOU TOLD US

The number of people waiting for a home is far greater than the number of empty properties that become available so a form of rationing is required.

We asked those who took part in the survey if they understood the way this is done at present.

87% of participants said that they did not understand how the current lettings policy works. Only 13% said they did understand it.

74% said that the current system is unfair compared with 26% who said they thought it fair.

■ HOW should the council award priority for housing? You said the above reasons were the most important.

HOW SHOULD RATIONING WORK IN THE FUTURE?

We asked participants what were the most important reasons for giving priority for housing.

Many people said that more than one of the reasons in the above chart were important.

There are two main ways for deciding who should be rehoused first. The options are:

- a) Housing need which is normally decided by a points system or
- b) by date order – who

has been on the list for the longest.

Most people favoured a date order system based on the length of time on the waiting list.

People were asked what was most important to them in a new home.

The area or location of a property was considered more important than the type of property (house, flat, maisonette etc) or the floor level.

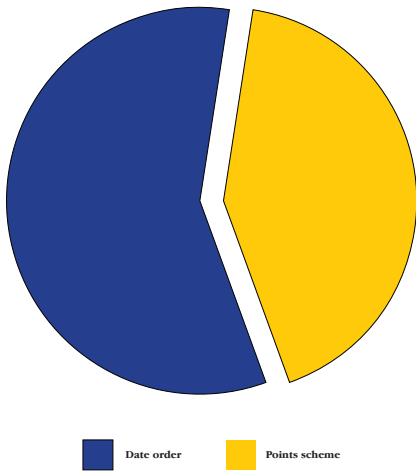
Participants said the length of wait for a property and the desire to live near relatives are more

important than who their new neighbours might be.

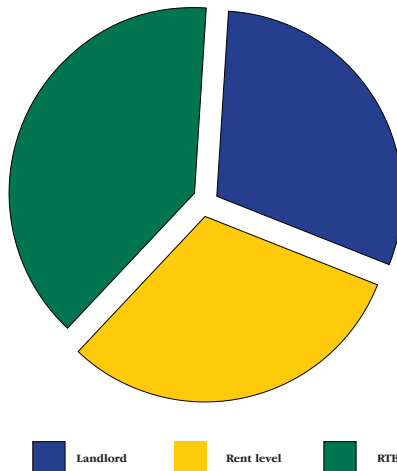
Whether a property can be purchased under the Right to Buy scheme was considered to be more important than rent levels or who the Landlord is.

ADVERTISING AVAILABLE HOMES

One way of encouraging people to make an active choice about where they live would be to advertise the Council and Housing Association homes as they become available and invite those on the wait-



■ **HOW** should the council decide who gets rehoused first? The majority said those who've been waiting the longest.



■ **MORE** people were interested in Right to Buy than the likely rent of their new home or who their landlord would be.

Tenant Compact

Could you be a tenants' representative?

THE COUNCIL is looking for more people to represent their fellow residents on the Tenants' Compact Area Residents' Panels.

Four Area Residents' Panels have been set up across the borough. They provide a forum for consultation on housing matters and monitoring service standards. "We are looking for people with a range of skills," said Christine Gray from the Consultation and Participation Team. "There are vacancies in each area. You don't have to be a housing expert. All compact members will receive training."

If you are interested phone Christine on 020 7531 0220 for more information and a nomination form. Each of the Area Residents' Panels also nominates four representatives to sit on the Borough-wide Compact Group, which is the main place where residents can discuss major policy issues that affect the whole service.

The current members of the Borough-wide Compact Group are:

- Gary Marsh, Columbia TRA – Bethnal Green;
 - George Hutchison, Independent – IOD/South Poplar;
 - Dan Kelly, Birchfield TRA – IOD/South Poplar;
 - Shamsul Hoque, Independent – Bethnal Green – Collingwood Estate;
 - Patrick Campbell, Samuda EMB – IOD/South Poplar;
 - Max Hickman, Independent – Bethnal Green;
 - Bernard Cameron, British St TRA – Bow/North Poplar;
 - Andrew Mahoney, Leopold TRA – Bow/North Poplar;
 - Rick Pollock, Independent – Bow/North Poplar – British St Estate;
 - Amir Ahmed, Independent – Bow/North Poplar – British St Estate;
 - Margaret Hennessy, Independent – IOD/South Poplar – Will Crooks Estate;
 - Valerie Nicol, Sidney St TRA – Stepney/Wapping;
 - Shomsul Hussain, Independent – Stepney/Wapping – Berner Estate;
 - Margaret Clark, Glamis TRA – Stepney/Wapping;
 - Abdullah Faliq, Independent – Stepney/Wapping;
- If you want to get in touch with a Compact member, contact the Tenants' Resource Centre at 20 Three Colt Street, E14 8HJ. Tel. 020 7531 0220.

ing list to apply for them.

We asked participants if they would respond to such adverts.

- 89% said that they would reply to adverts
- 11% said that they would not.

HOMES FOR KEY WORKERS SUCH AS TEACHERS AND NURSES?

The shortage of affordable housing is making it increasingly difficult to recruit important public sector workers such as teachers and nurses.

We asked whether the Council should give them priority for housing.

- 76% of those surveyed said the Council should assist key workers with housing
- 24% said the Council should not.

OUR FRIENDS IN THE NORTH?

In a separate customer satisfaction survey carried out in May 2001, 24% of those who participated said that they would consider moving north if this meant that they could get a house straight away.

There are such homes available in places such as Manchester, Leeds, Stoke and Huddersfield. Want to find out more?

- Contact your area lettings office:
- Bethnal Green area:** 020 7364 3652
- Bow and North Poplar area:** 020 7364 5914
- Stepney and Wapping area:** 020 7364 2925
- Isle of Dogs and South Poplar area:** 020 7364 6047