

RPP17
MAYOR OF LONDON

London Housing Strategy

May 2018



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Foreword

As Mayor, I know that our housing crisis is the biggest threat to London's future. It is the main reason why all Londoners cannot share in our city's success.

In recent decades, we have created lots of jobs in London. Yet at the same time, we have failed to build enough homes, particularly the new homes for social rent and those for first-time buyers that we so desperately need. As a result, many Londoners have had to move out of the city. Others have been left living in overcrowded homes or struggling to afford sky high rents. Home ownership is now beyond the reach of most Londoners.

It doesn't have to be like this. With the right approach, and with government at all levels stepping up to play their part, we could fix the housing crisis. We could make sure every Londoner has access to a decent and secure home they can afford.

At present, most of London's new housing depends on a small number of large developers building homes for market sale. When I became Mayor, our audit showed just 13 per cent of new homes being given planning permission were affordable. We need a fresh approach to build the homes London needs.

To start with, we need a step change in investment from national government. We also need a radical boost in the powers available to City Hall and London's councils to get more homes built. In the meantime, I am doing all I can with the powers and resources I have. I am determined to make a difference now so we can start moving in the right direction.

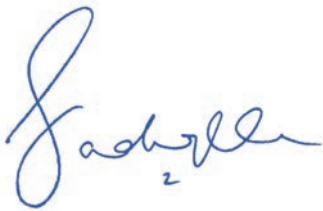
There are already clear signs of progress. We have seen a big jump in the level of affordable housing in planning applications. Under my ground-breaking new approach to the planning system, it is now well over 30 per cent. I have started to invest the record £4.82bn of affordable housing funding I secured for London from government. And last year, we started building more than 12,500 genuinely affordable homes. That's the highest number since City Hall took over responsibility for affordable housing. Crucially, this figure includes thousands of homes based on social rent levels. That's up from zero when I came into office.

But this strategy isn't just about what I am doing. It's about what others must do too, what extra powers and resources we need, and Londoners' own vision for housing in their city. Six months ago, I asked Londoners to have their say on my plans for housing. More than 2,000 of you responded. Your feedback has helped me make this final strategy even stronger.

Alongside what I am doing as Mayor, this strategy also outlines the role I want housing associations, councils, institutional investors, small builders, and community organisations to play.

This strategy is clear that, if we are to see a true step change in tackling the housing crisis, national government needs to play its part too. Reform of national land assembly rules could transform my plans to bring forward more land for housing. With more powers and resources, City Hall, councils, and housing associations could go much further in building social rented and other genuinely affordable homes.

London's housing crisis affects all of us in this city. We have started to make a difference in the past two years. To do even more, we need the full backing of government. This strategy sets out what we're doing and our plans to push the limits of our current resources and powers. I am determined we do all we can to build a city for all Londoners.

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London



Executive summary

How to provide everyone who lives here with a decent, affordable home is the biggest challenge facing London today. Londoners know this only too well and their concern about housing recently hit the highest recorded level. One in three Londoners call it one of the biggest issues facing the UK. London's housing shortage has been caused by the failure, over decades, to build the new homes the city's growing economy needs. The effects of the housing shortage now reach into every aspect of Londoners' lives.

The Mayor's London Housing Strategy sets out his vision for housing, and his policies and proposals to make it happen. It is a framework for what the Mayor will do over several years, including over £4.8bn of affordable housing investment through to 2022. It also includes a host of other programmes and services provided by the Mayor and his partners, and his longer-term ambitions for the future. The Mayor is calling on all organisations that have a part to play in addressing London's housing crisis to work with him toward this goal.

THE MAYOR'S VISION AND PRIORITIES

Building the right number and the right mix of new homes, and addressing the consequences of the housing crisis, are part of the Mayor's vision for good growth. He wants every Londoner to have access to a good quality home that meets their needs and at a price they can afford. The Mayor wants to make the capital 'A City for all Londoners'. That means meeting London's housing needs in full, particularly the need for genuinely affordable homes. It means creating a city where businesses can thrive and the environment is protected. It also means that people from all walks of life should be able to share in the city's success and fulfil their potential.

This vision underpins the five priorities of the Mayor's London Housing Strategy:

- building homes for Londoners;
- delivering genuinely affordable homes;
- high quality homes and inclusive neighbourhoods;
- a fairer deal for private renters and leaseholders; and
- tackling homelessness and helping rough sleepers.

This strategy's central priority is to build many more homes for Londoners - particularly genuinely affordable homes. The Mayor believes this is the only way to solve London's housing crisis over the long term. Doing so will require action to unblock stalled housing sites and increase the speed of building. It will require steps to diversify who is building new homes, as well as where and how they are built and for

whom. The Mayor is clear that he wants to meet our housing needs while protecting the Green Belt and open spaces. That means London must build at higher densities and ensure that all parts of the city host their fair share of new homes.

As well as building more genuinely affordable housing, we must ensure these new homes are high quality and safe. They must support London's shift to a low carbon future and be built with Londoners' involvement. Building the homes we need won't happen overnight, and we know that how we use the homes we have is important too. That is why this strategy sets out how the Mayor will help London's growing numbers of private renters and leaseholders. It also sets out how we can prevent and address homelessness and rough sleeping.

The next five sections set out how the Mayor will use his powers and resources to start tackling the housing crisis. The last section, 'Achieving the Mayor's vision', sets out the role he wants councils, housing associations, and private developers to play. It also sets out the action he believes Government must take, and what powers and resources should be devolved to London.

BUILDING HOMES FOR LONDONERS

The Mayor believes the only way to fix London's housing crisis is to build far more new homes. These new homes need to be genuinely affordable to Londoners. For years, we haven't built enough new homes to meet demand. We have become over-reliant on a relatively narrow range of development models, sites, and types of homes. To address this challenge, we must diversify who builds homes, and where and how they are built. The Mayor's Homes for Londoners team will pursue, support, and lobby for the changes required to make this happen. This includes new funding and policy approaches, as well as partnering with other levels of government and the housing industry.

- 1. Identifying and bringing forward more land for housing:** London's current land use policies, and its land market, have failed to bring forward enough sites for building new homes. The Mayor will increase supply by supporting more intensive use of London's available land, and by intervening in the land market. He will make greater use of new and existing land assembly powers, promote projects, and invest in infrastructure. He will work with public sector landowners so they can lead by example to release more land for homes. To protect the Green Belt, he will promote higher density schemes. He will prioritise development on brownfield sites, in and around town centres, and on smaller sites in areas that have traditionally hosted fewer new homes. The Mayor has set clear and ambitious

housing targets for every council in London to make sure they all contribute to the capital's needs. – Policy 3.1

2. **Investing in homes and infrastructure:** Public investment plays a vital role in sustaining and supporting homebuilding. It helps to speed up build rates, unlock stalled schemes, and make more land available for housing. The Mayor will use his resources and national programmes to invest in homes and infrastructure, including through his Affordable Homes Programme and the Housing Infrastructure Fund. Investment will be targeted in areas with capacity for the most new and genuinely affordable homes. He will also help home builders to access finance. Investment in new transport schemes will be targeted to support new homes, including major new rail lines like Crossrail 2, high quality rapid bus transit, as well as more local investment to make cycling and walking easier. – Policy 3.2
3. **Diversifying the homebuilding industry:** To increase levels of homebuilding in London, we must ensure more of the new homes being built are affordable to more Londoners. We must also ensure these homes are built by a wider group of organisations, including councils. The Mayor will offer packages of support to enable new players to complement the work of traditional private sector developers. He will provide support for new purpose-built private rented homes – the Build to Rent sector. This will create a more stable and well-managed supply of homes at a range of rent levels. There will be help too for small- and medium-sized builders to help them build more on smaller sites and in outer London, where market prices may be within reach of more Londoners. The Mayor will support housing associations to meet their affordable housing targets through investment and new 'strategic partnerships'. Finally, he will work closely with ambitious councils to help them get the resources they need to build more new council housing. – Policy 3.3
4. **Improving the skills, capacity and building methods of the industry:** At the moment, there are not enough people with the skills that London's construction industry needs, nor enough people who want to choose it for a career. If we rely on traditional building methods alone, it will be very hard to significantly increase the number of new homes. The Mayor will therefore work to address the construction skills gap by improving London's construction skills training system and supporting the industry through the risks posed by Brexit. He will also provide leadership and coordination to improve the image of construction. This includes supporting a shift to more components of London's homes being precision-manufactured, including in factories. – Policy 3.4

DELIVERING GENUINELY AFFORDABLE HOMES

The Mayor wants to make more homes affordable to Londoners on low and middle incomes. London's success depends on people from a mix of incomes and backgrounds being able to live here. Social housing is the basis of our mixed city, yet for many years, we have failed to build enough new genuinely affordable homes. This has put London's existing homes under increasing pressure.

5. **Ensuring homes are genuinely affordable:** In recent years, Londoners have understandably become suspicious of the term 'affordable'. The Mayor wants Londoners to be confident that more new homes will be genuinely affordable. He will create clear definitions of which homes are affordable for Londoners on low and middle incomes to rent and buy. He will invest in homes based on social rent levels for Londoners on low incomes. He will invest in London Living Rent homes for middle income Londoners struggling to save for a deposit. He will invest in shared ownership homes for Londoners who cannot afford to buy on the open market. The Mayor will also encourage innovative forms of affordable housing but will set tests make sure these homes are genuinely affordable to Londoners. – Policy 4.1
6. **Working towards half of new homes built being affordable:** The Mayor has a long-term strategic target for half of new homes to be genuinely affordable. To achieve this, he will ensure the planning system secures more affordable homes as part of new developments, including by fast tracking developments that meet his minimum threshold. He will also invest £4.82bn funding to support 116,000 affordable home starts by 2022. The Mayor will work with others so that London's surplus or under-used publicly-owned land can support more genuinely affordable homes, with clear targets for land controlled by the Mayor. – Policy 4.2
7. **Protecting London's existing social housing:** We must also do more to protect London's existing social housing. The Mayor wants homes sold through the Right to Buy, or demolished for redevelopment, to be at least replaced on a like for like basis. For large schemes where demolition is involved, he will only agree to provide funding where there has been a successful ballot of existing residents. He will also support a more efficient use of London's social housing, including helping tenants who want to move to more appropriate homes. – Policy 4.3

HIGH QUALITY HOMES AND INCLUSIVE NEIGHBOURHOODS

As London develops and grows, it must remain a great place to live and work. That means new homes and neighbourhoods must be well-designed, good quality, and sustainable. They must be accessible and suitable for Londoners' diverse housing needs. Above all, new and existing buildings must be safe for Londoners, whilst more broadly, we must ensure good quality construction. We must take measures to reduce the number of Londoners living in fuel poverty too, and do more to adapt London's housing stock for an ageing population. Londoners need to feel involved in decisions about homebuilding and any concerns they have about new development must be addressed.

8. **Well-designed, safe, good quality, and environmentally sustainable homes:**

We need to create high quality, safe and sustainable homes and neighbourhoods. The Grenfell Tower tragedy raised urgent questions about the safety and design of some existing buildings, and broader concerns on how rules and regulations are written and enforced. The Mayor wants to encourage strong standards of quality and safety. He will support excellent design in homebuilding, including through his new Mayoral Design Advocates. The Mayor will also raise standards through new supplementary planning guidance on housing design. A new social enterprise, Public Practice, will help boost councils' planning and regeneration expertise. Through delivering his London Environment Strategy, the Mayor also recognises the role of housing in enhancing London's environmental quality and resilience, including policies to improve the public realm and green infrastructure within which housing is set, as well as improving the energy efficiency of existing buildings. – Policy 5.1

9. **Meeting London's diverse housing needs:** The Mayor wants to create a city for all Londoners. To make this vision a reality, we must develop new homes with the needs of all Londoners in mind. We must improve existing homes to support demographic change and make them more accessible too. The Mayor will ensure this happens by investing in specialist and supported homes, including for older or disabled Londoners. He will adopt strict standards for accessibility, and will work with communities across London to develop proposals for specialist homes that meet their needs. – Policy 5.2

10. Involving Londoners in homebuilding: More and more Londoners now support homebuilding, as the need for new homes has become increasingly acute. Like the Mayor, they want to make sure people living and working in London benefit from new homes. In some cases, Londoners want to shape development themselves, and so the Mayor is funding a new Community-Led Housing Hub for London. He will also work to make sure that alongside new homes, facilities for health, education, leisure and transport are provided so that communities are well prepared for new homes. Homebuilding will become a more transparent and open process. Finally, the Mayor will take steps to address concerns about empty homes, overseas buyers, and the impacts of estate regeneration. – Policy 5.3

A FAIRER DEAL FOR PRIVATE RENTERS AND LEASEHOLDERS

The Mayor wants a better deal to improve life for London's two million private renters. They face a range of challenges in London's only growing housing tenure. These include rising rents and other costs, a lack of security and stability, and, in some cases, poor conditions. He also wants to get a fairer deal for the more than half-a-million leaseholders in the capital, which is vital for new developments too given that most new homes currently being built in London are leasehold.

11. Improving the quality of private renting: Most landlords offer a good service to their tenants. However, almost a quarter of privately rented homes fail to meet the Decent Homes standard, and councils struggle to enforce minimum standards. The Mayor wants councils to have the tools and resources they need so that private renters can expect consistently decent standards. He wants better regulation through property licensing and landlord registration. The new system would be light touch for good landlords, with resources focused on pursuing those who behave unlawfully. As a first step to help improve standards, he will 'name and shame' rogue landlords and letting agents. He will also support councils to run well-designed property licensing schemes, and to more closely share information and coordinate their actions. – Policy 6.1

12. A more secure, stable, and affordable private rented sector: The high costs of renting in the capital are felt by Londoners across the board. Examples include families on low incomes, those affected by recent welfare reforms, and young people who can't save for their own home. At the same time, more households rely on private renting for a long-term home, with around 550,000 London children now living in the sector. The Mayor will work to develop proposals for a new tenancy model – a London Model – for renters. This will offer greater stability and tenant

rights, balanced with the valid interests of landlords. He will also work to address upfront costs and fees facing renters, and will urge Government to improve the support it provides for Londoners on lower incomes struggling to pay their rent. In addition, he will support models of rent stabilisation that do not negatively impact on the delivery of new homes. – Policy 6.2

- 13. Reforming and improving leasehold:** Most new homes built in London today are sold on a leasehold basis. Despite this, many leaseholders know little about their rights and obligations, and the system remains open to abuse. The Mayor will work to improve the leasehold sector by improving the quality of advice and support on offer to leaseholders. This includes through a 'How to Lease' guide for Londoners. He will work with developers to extend the London Charter for service charges in shared ownership properties to the wider leasehold sector. The Mayor supports Government moves to address issues with leasehold houses and ground rents. In the longer term, he will support reform of leasehold, which could include replacing it with a fairer tenure. – Policy 6.3

TACKLING HOMELESSNESS AND HELPING ROUGH SLEEPERS

The impacts of London's housing crisis are felt by many – yet few experience it more acutely than the thousands of Londoners who have no home at all. London is one of the world's wealthiest cities, yet the high cost of housing, and lack of support for those who need it, means homelessness has been increasing. A recent study estimated that one in 50 Londoners is now homeless. This includes those living in temporary accommodation, single people in hostels, and around 8,000 people who last year were seen sleeping on the streets. The Mayor has been clear that, in a city as wealthy as London, we have a moral duty to tackle homelessness head on.

- 14. Preventing homelessness and helping homeless Londoners into housing:** More and more Londoners have nowhere to call home. Fundamentally, this is due to the lack of affordable homes, the insecurity of private renting, and changes to the welfare system. The Mayor will lead efforts to address and call for action on the root causes of homelessness. He will also work with councils to try and prevent homelessness and help homeless Londoners into sustainable accommodation. This includes investing in places for homeless Londoners to live, and supporting joint efforts between councils to accommodate homeless Londoners. He will also focus on homelessness that is caused by violence against women and girls. – Policy 7.1

15. Helping rough sleepers off the streets: It is unacceptable that anyone has no choice, or feels they have no choice, other than to sleep on London's streets. The Mayor's aim is to make sure there is a route off the streets for every single rough sleeper in London. His 'No Nights Sleeping Rough' taskforce will provide leadership and coordination. He will work with councils, charities, Government, and others to boost services beyond the £8.5m a year he has committed toward support for rough sleepers. He will invest in improving and expanding London's network of hostels and refuges. – Policy 7.2

ACHIEVING THE MAYOR'S VISION

The London Housing Strategy sets out the Mayor's plan to address London's housing crisis. Much can be done with existing powers and funding. The ambitious proposals in this strategy shows how determined City Hall is to drive forward the changes and reforms needed. However, the Mayor cannot solve this crisis on his own. Many organisations will need to play their part if this strategy is to be delivered.

Councils in London are at the frontline of the housing crisis and will play a central role in the delivering this strategy. The Mayor wants to work with councils make sure they can support its aims through the full range of their functions. This includes: planning and giving permission for new housing schemes; promoting development across their areas; building new council homes for social rent; and ensuring that Londoners affected by the housing crisis get the help and support they need. This strategy proposes clear expectations on councils for local delivery, backed up with support from City Hall. The Mayor will work with councils to ensure that their local housing strategies are in general conformity with this strategy.

Housing associations are currently the main providers of new genuinely affordable homes including those based social rent levels. As such, they play a key role in the Mayor's vision for housing in London. He will provide support to help them do more, including a large share of his current £4.82bn of investment for new affordable homes. For the biggest and most ambitious housing associations, he will create new strategic partnerships to support key parts of this strategy. The wider charitable sector also has an important role to play, which includes supporting those Londoners who find themselves at the sharp end of the housing crisis.

Private developers will continue to build most of London's new homes. The Mayor will support the sector's important contribution by making more land available and investing in infrastructure to unlock new sites. He will also help a wider range of

developers and builders to play a part. In return, he expects private developers to build more homes, and to build their fair share of the genuinely affordable homes Londoners need.

The other central player in making this strategy's vision a reality, both now and in the future, is Government. The UK remains a highly centralised state. That means the policies in this strategy will only get us so far. We cannot double housing supply within the current homebuilding model, nor can we build the right level of affordable homes and infrastructure with the current level of Government funding. We cannot improve life for London's private renters through existing regulations alone, and homelessness will not be solved if its root causes are ignored.

That is why the Mayor, like councils, businesses and charities across London, is calling for a comprehensive and urgent devolution of funding and powers. It is the only way to resolve the scale of London's housing challenges.

Government needs to act across five areas:

1. **Securing land for new homes:** It is the job of the planning system to find where new homes can be built. However, planning policies and consents alone cannot ensure that land identified for new homes actually comes forward for development. Too much suitable land lies empty or is being poorly used. We need effective powers we can use proactively to support land assembly and encourage more efficient use of land. To support this, the Mayor is calling for a radical reform of land assembly rules. This includes the reform of compulsory purchase powers, the introduction of new land assembly mechanisms and resources, and much stronger powers for City Hall over public land earmarked for new homes, particularly land owned by Government. He wants a long-term commitment to a more progressive system of land taxation.
2. **Funding affordable homes and infrastructure:** London government doesn't have the funding it needs to build enough affordable homes, nor to invest in all the infrastructure required to underpin the step change in homebuilding we need. Funding deals with Government are made periodically, or for specific schemes, and the terms on which they are agreed tend to change each time. The Mayor is calling for more Government funding through a major and long-term affordable housing and infrastructure settlement, underpinned by fiscal devolution. He would also like to see more revenue funding for supported housing to enable the development of new homes for Londoners with support needs.

- 3. Transforming homebuilding and empowering municipal government to deliver:** Homebuilding in London depends on a small number of large private sector developers who build generally expensive homes for market sale. This model of homebuilding will not help us build the number nor the type of new homes London requires. We need different models and different types of builders to build more homes that Londoners can afford. We also need concerted intervention by governments at all levels, and the powers and resources to go with it. The Mayor is calling for immediate action to support council homebuilding and address the lack of resources and capacity within council planning and housing departments. He also wants devolution of planning powers, a commitment to explore the long-term potential for a London-wide municipal homebuilding programme, and further devolution of skills funding and certainty for EU nationals working in London's construction sector.
- 4. Reforming the private rented and leasehold sectors:** England's private rented sector is among the worst regulated in Europe. The Mayor wants a radical overhaul of how standards and conditions are regulated in the private rented sector. He wants a commitment from Government to work with him to put a new model of private renting in place, with the aim of helping to give tenants much more stability. He also wants to explore options for addressing high rents and steep rent increases. Issues with the leasehold sector also mean Londoners who own their own homes are often exposed to high costs and poor practices. The Mayor wants Government to reform the leasehold sector, which should include a commitment to a long-term shift toward alternative and more progressive types of housing tenure.
- 5. Tackling homelessness and its root causes:** The structural causes of homelessness are far beyond the powers of local government or City Hall to solve. The Mayor is calling for extra resources for council homelessness departments which recognises the scale of the crisis, and an urgent review of welfare reform measures and their impact on homelessness. He wants it to be recognised that lack of action in other areas – such as reforming private renting and building more affordable homes – is a direct cause of the homelessness crisis. Finally, he wants Government to commit to working with him to implement a rough sleeping plan of action for London.



1. About this document

- 1.1 This document, the London Housing Strategy, sets out the Mayor's vision for housing in the capital. It provides policies and proposals that show how the Mayor will use his current powers and resources to their fullest extent, and a call to action for all organisations, including national Government, to work with him toward achieving his vision in full.

STATUTORY FRAMEWORK FOR THE LONDON HOUSING STRATEGY

- 1.2 The statutory framework for this strategy is contained in section 333A of the Greater London Authority (GLA) Act 1999. This determines that the Mayor must prepare and publish a London Housing Strategy, containing the following elements:
- the Mayor's assessment of housing conditions in Greater London and of the needs of Greater London with respect to the provision of further housing accommodation;
 - any proposals or policies of the Mayor to promote the improvement of those conditions and the meeting of those needs;
 - a statement of the measures which other persons or bodies are to be encouraged by the Mayor to take for the purpose of improving those conditions and meeting those needs; and
 - a statement of the Mayor's spending proposals for the relevant period.
- 1.3 The first three are contained within the main body of this strategy. The fourth is contained within appendix 1.
- 1.4 In addition to providing a London-wide housing policy framework, the Mayor is also responsible for strategic planning in the capital and for operating an investment programme for new affordable homes.

RELATIONSHIP WITH THE MAYOR'S OTHER STRATEGIES

- 1.5 There is a strong inter-relationship between the London Housing Strategy and the Mayor's other strategies. Most important is the London Plan – London's spatial development strategy. Many of the Mayor's housing policies, as set out in this strategy, are reflected in the draft London Plan, which was published for consultation in autumn 2017. Policies and proposals in this strategy have been developed alongside those in the draft London Plan.

DELIVERY PARTNERS

- 1.6 The GLA (often referred to as City Hall in this document) is the lead agency for the delivery of this strategy. Through the Homes for Londoners Board, the Mayor has also brought together other agencies and organisations that have important roles to play – including London’s councils (see below), housing associations, Transport for London (TfL), and the development industry.
- 1.7 London’s councils play a central role in tackling the housing crisis and, since he took office, the Mayor has established a close and cooperative working relationship with them. The GLA Act 1999 specifies that councils’ statements of local housing policies must be in general conformity with the London Housing Strategy.
- 1.8 There is a range of other statutory, private and voluntary sector partners without whom the delivery of this strategy will not be possible. Many of the proposals set out in this strategy also suggest the need for reform, additional resources or devolution, all of which require Government’s support. The roles of these partners are highlighted throughout this document and in chapter eight.

EVIDENCE BASE AND IMPACT ASSESSMENT

- 1.9 The policies and proposals in this strategy have been developed on the basis of a very wide range of reports and datasets. The key source is the Mayor’s annual Housing in London publication. The datasets underpinning Housing in London are available through the London Datastore: <https://data.london.gov.uk>.
- 1.10 The development of this strategy has been subject to an impact assessment, in line with the Mayor’s legal duties to carry out comprehensive assessments of particular impacts of all his strategies and policies. An assessment has been published alongside the strategy. This covers the Mayor’s statutory duties to consider the equalities, health and health inequalities, and crime and disorder impacts of his policies. The impact assessment has influenced the preparation of the strategy, ensuring that it has been taken into account at each stage of the development process.
- 1.11 The GLA also has legal duties relating to Sustainability Appraisals (including Strategic Environmental Assessments) of the Mayor’s policies. The GLA is satisfied that assessments relating to these duties are comprehensively dealt with as part of the draft London Plan and other related Mayoral strategies.

- 1.12 The Mayor has had regard to the effect which the strategy will have on the achievement of sustainable development, climate change, the safe use of the River Thames, and regions adjoining Greater London. He has also had regard to the principal purposes of the GLA. The Mayor also considers that the London Housing Strategy is consistent with his other strategies and the funds available to him.

STRUCTURE OF THIS DOCUMENT

- 1.13 There are three parts of this strategy. Chapter two sets out London's housing needs and deals with the pressing issues that must be addressed, as well as the Mayor's overall vision for doing so. Chapters three to seven set out the Mayor's policies and proposals themselves, grouped into five key areas. Each chapter contains a contextual introduction followed by policies, proposals, and explanatory text. Chapter eight deals with how the Mayor will work with partners, including national Government, to achieve his vision for housing in London.

CONSULTATION

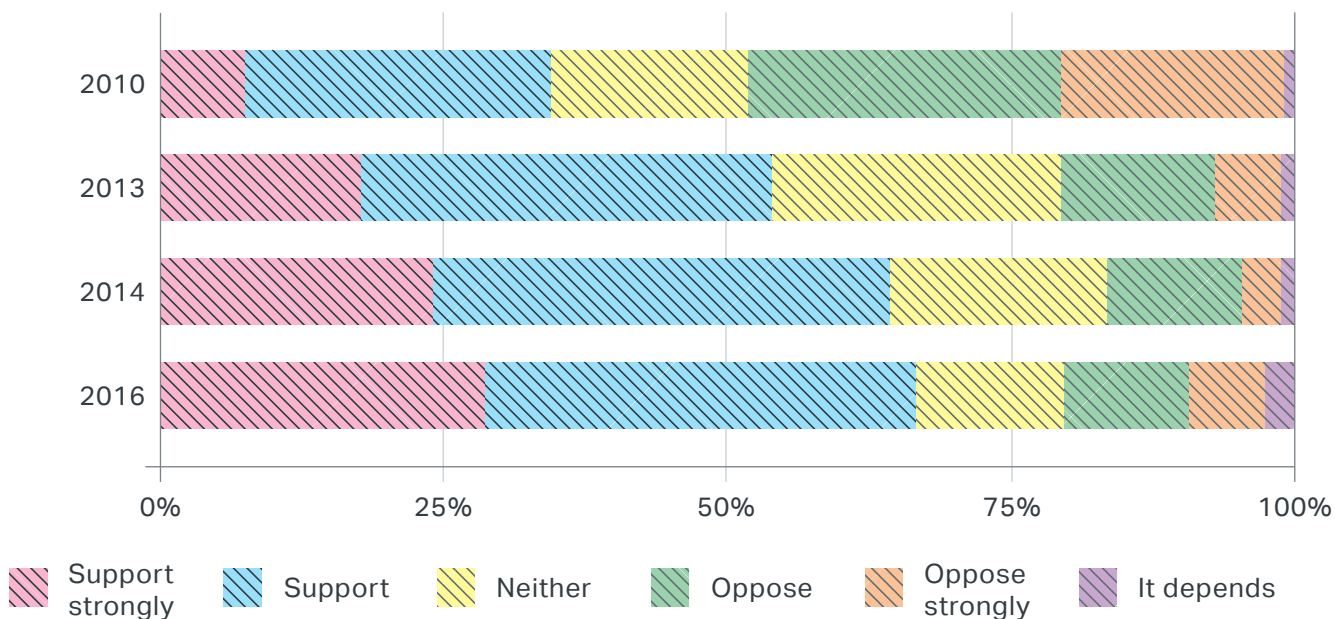
- 1.14 A draft version of this strategy has been subject to a thorough consultation exercise with organisations and with the public. The consultation took place between 6 September and 7 December 2017. The Mayor also consulted with Homes England, the Regulator of Social Housing, and bodies that represent Private Registered Providers of housing. In addition, a copy of the draft strategy was sent to London Assembly Members, London Members of Parliament, London boroughs, the City of London Corporation, the Secretary of State for Housing, Communities and Local Government, and all local authorities adjoining the GLA boundary for their comments.
- 1.15 Beyond this, the Mayor committed to carrying out a much wider consultation exercise with other organisations and with the public. The publication of the draft of this document started a three-month period of consultation, during which the Mayor welcomed Londoners' views about the issues raised in the draft strategy and his plans for addressing them. More than 200 organisations responded to the consultation and the strategy has been revised in the light of their comments. A consultation summary report sets out the key issues raised during the consultation and the Mayor's response¹.

1 GLA, 'Draft London Housing Strategy: Consultation summary report', 2018



2. Housing in London and the Mayor's vision

Figure 2.1: Attitudes towards local housebuilding in London²



2.1 How to provide all Londoners with a decent and affordable home is the greatest challenge facing our city today. Londoners themselves know this all too well; public concern with housing in the capital recently hit its highest recorded level, with around a third of Londoners calling it one of the most important issues facing the country³, and a clear majority of Londoners supporting new homebuilding in their local areas (figure 2.1). This chapter sets out the scale of London’s housing crisis, its many implications for Londoners and their city, and the Mayor’s vision for addressing these challenges.

ROOTS OF THE HOUSING SHORTAGE

2.2 The origins of London’s housing shortage can be traced to a failure over decades to provide the number and types of homes that people working in London’s growing economy require. Between 1997 and 2016, the number of jobs in London grew by 1.6 million, an increase of 40 per cent. Over the same period its population grew by 1.7 million, an increase of 25 per cent. But with a reliance almost entirely on private sector provision, and on an increasingly limited range of delivery models within that sector, London has not been building the homes needed to accommodate the extra demand.

² GLA analysis of British Social Attitudes Survey, 2010 to 2016
³ Ipsos MORI, Issues Index, 1986 to 2017

Between 1997 and 2016, just 470,000 homes were added to the housing stock, an increase of only 15 per cent⁴.

- 2.3 This shortfall in homebuilding meant that by 2016 there were only around 3.5 million homes in London. If housing growth had kept pace with population growth since 1997, there would have been around 4.2 million.
- 2.4 The lack of new construction, and the resulting shortage of accommodation, has become particularly acute in recent years. The 2013 London Strategic Housing Market Assessment (SHMA)⁵ identified a need for 49,000 new homes each year, yet just 33,000 homes a year were built between 2013/14 and 2016/17⁶. The new 2017 SHMA, published alongside the draft London Plan, found that London now needs 66,000 new homes a year, of which around 65 per cent should be affordable to fully meet needs⁷. The 2017 SHMA indicates that the increase in the total housing need and in the affordable share are explained by a combination of faster population growth, an ageing population requiring more separate homes, a greater backlog of unmet need, and the worsening of affordability in the intervening years.
- 2.5 The failure to match new supply to rising demand has not stemmed population growth, which has accelerated in line with very rapid jobs growth⁸. Instead, more and more Londoners are left with little choice but to put up with less space and more overcrowding. Until the 1990s, the average number of people in each household in London had been falling continuously since the end of the 19th century – but this has now gone into reverse. After falling to 2.3 in 1991, London's average household size started to increase again, and according to one survey has now climbed to 2.7⁹. Much of this increase is due to the growing number of unrelated people sharing accommodation, with the number of households containing two or more distinct family units rising from around 300,000 in 1996 to around 470,000 in 2016¹⁰. At the same time, the recorded number of empty homes in London is at an historic low level¹¹.

4 GLA, 'Housing in London', 2017

5 GLA, 'Strategic Housing Market Assessment', 2013

6 GLA analysis of provisional London Development Database data for 2013/14 to 2016/17

7 GLA, 'The 2017 London Strategic Housing Market Assessment', 2017

8 GLA, 'Housing in London', 2017

9 GLA analysis of Census and Labour Force Survey data, 1996 to 2016

10 GLA, 'Housing in London', 2017

11 GLA, 'Housing in London', 2017

- 2.6 London's chronic shortage of homes now affects almost every Londoner in some way: those on low incomes who are increasingly locked out of London's housing market altogether; private tenants struggling to save for a deposit or just to pay the rent; parents worrying that their children will have nowhere to put down roots and start families of their own; and small business owners or public service workers contemplating leaving London altogether because of high housing costs.

AFFORDABILITY PRESSURES

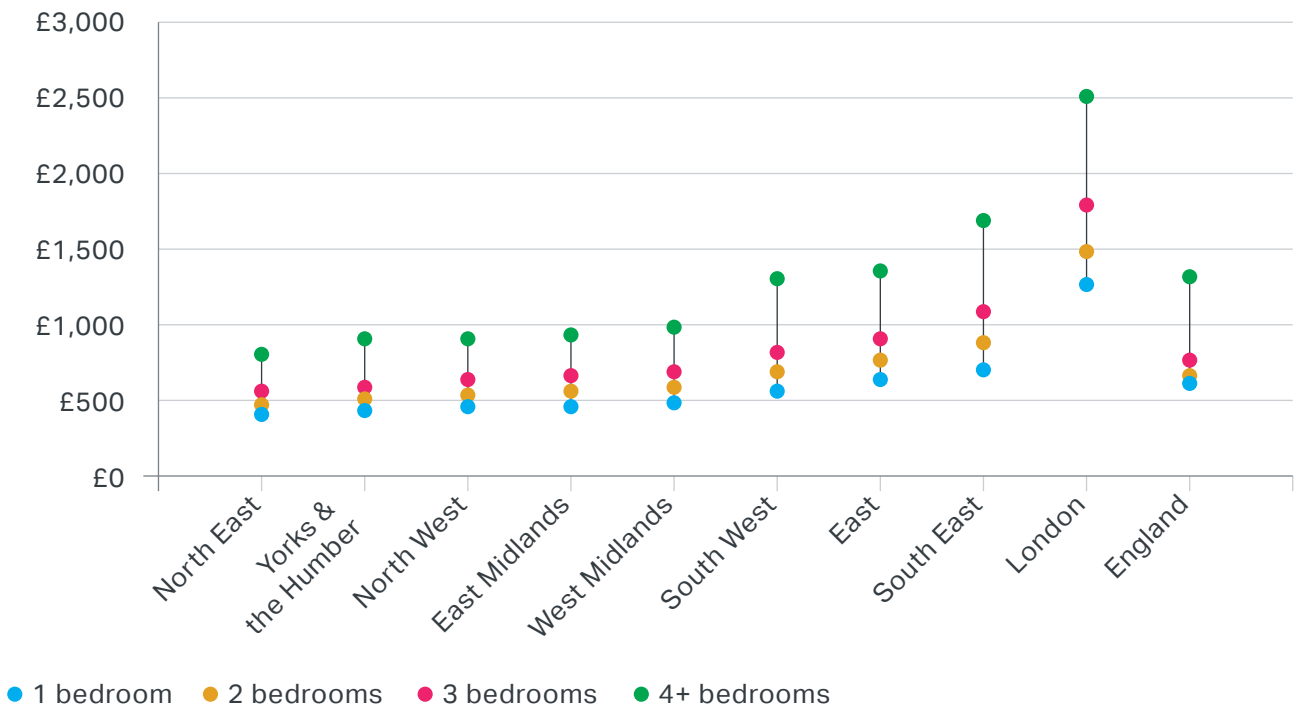
- 2.7 The worsening shortage of housing has resulted in prices and rents rising rapidly, with more than a quarter of Londoners living in poverty once housing costs are taken into account¹². High housing costs have long been a pressure for Londoners, but in 2016 the gap between average house prices in London and the rest of the country reached the widest ever recorded, with ordinary Londoners who are renting privately or trying to buy their first home feeling the pressures most acutely. The average private rent for a one-bedroom home in London is now more than the average for a three-bedroom home in every other English region (figure 2.2).
- 2.8 The combination of high prices and low loan-to-value ratios in the wake of the credit crunch mean that a typical mortgage deposit for first time buyers in London now amounts to around £90,000. Those first time buyers who do manage to get a mortgage in London are now borrowing an average of four times their annual income¹³, the highest figure ever recorded.
- 2.9 With the Stamp Duty Land Tax (SDLT) bill on a home purchase in London now averaging over £25,000¹⁴, the upfront cost to get on the property ladder can be into six figures for those who cannot access Help to Buy or shared ownership. As even the most diligent saver on a high income would take many years to build up this kind of lump sum, it is no surprise that many of the relatively few Londoners who do manage to buy can only do so with financial help from family or friends.

12 DWP, Households Below Average Income, 1994/95 to 2015/16

13 CML, Mortgage lending statistics, 2017

14 HMRC, UK Stamp Tax statistics, 2017

Figure 2.2: Median monthly market rent by region and number of bedrooms, September 2017¹⁵



2.10 But a much larger number of would-be buyers are locked out of home ownership completely, not just because of high purchase costs but because of rents that make it difficult to save anything at all. Since 2010, average private rents in London have risen more than three times as fast as average earnings¹⁶, and around a quarter of privately renting households in London spent more than half of their income on rent in 2015/16¹⁷. Perhaps unsurprisingly, given these trends, more than half of households in London's private rented sector have little or no savings¹⁸.

15 GLA analysis of Valuation Office Agency, Private Rental Market Statistics

16 GLA analysis of ONS data on earnings and private rents

17 GLA analysis of English Housing Survey data, 2015/16

18 GLA analysis of Family Resource Survey data, 2015/16

- 2.11 Around 230,000 private tenants in London receive Housing Benefit to help pay their rent, up from around 100,000 at the start of the century¹⁹. For these tenants, the gap between their rents and the amount of support available has been widening since 2011 due to welfare changes, which have worsened affordability problems and further underscored the need for genuinely affordable homes for those on low incomes.
- 2.12 The cost of moving house, whether because of mortgage deposits and Stamp Duty for buyers, or because of rental deposits and agent fees for renters, has become a significant barrier to mobility in London. The rate of mobility in every tenure has fallen over the last 20 years, increasing the mismatch between the homes we live in and the homes we need, and contributing to rising rates of both overcrowding and under-occupation²⁰.

PRIVATE RENTING GROWS, AS HOME OWNERSHIP AND SOCIAL RENT DECLINE

- 2.13 London's private rented sector has grown rapidly since the end of the 1980s, in response to deregulation, rising demand from young and mobile workers, and the high cost or unavailability of alternatives. In 1990, around 11 per cent of households in London were renting privately. By 2017, this had risen to 27 per cent²¹. According to one forecast, on current trends, the private rented sector could grow to accommodate some 40 per cent of all London households by 2040²². The sector is particularly important for newcomers to London, accommodating around 80 per cent of those who moved here in the last year from overseas or from the rest of the UK, as well as a rapidly growing number of families (up from 135,000 in 2006, to 320,000 in 2017)²³.

19 GLA analysis of DWP StatXplore database

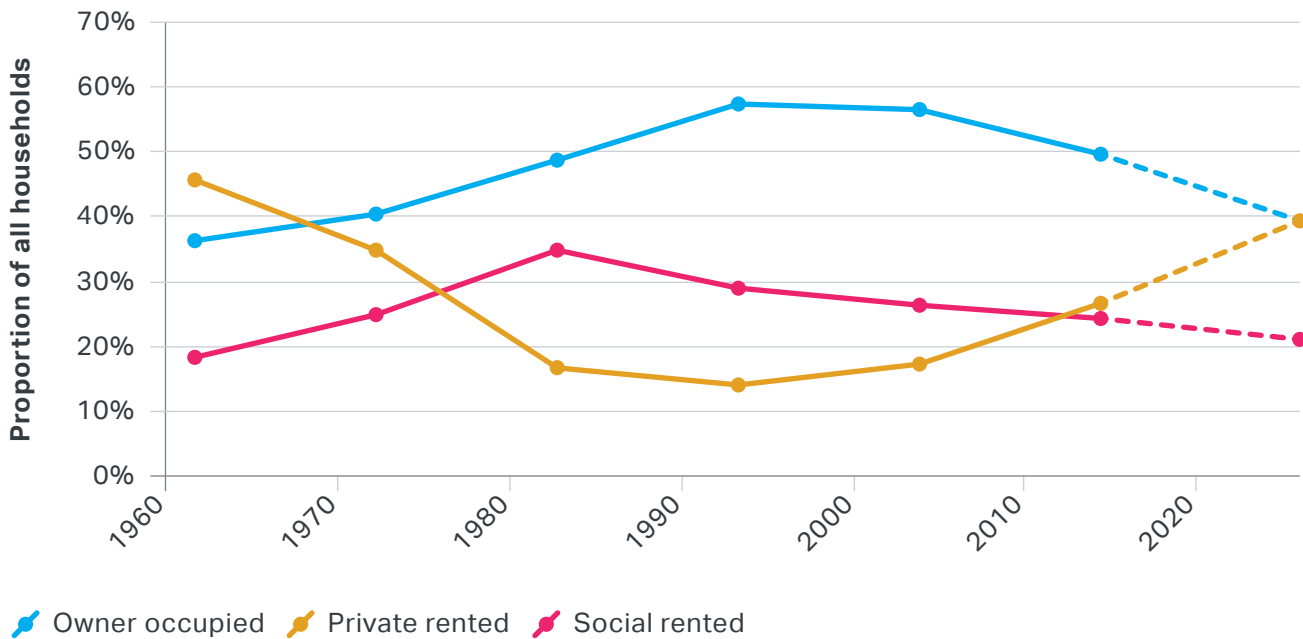
20 GLA analysis of English Housing Survey and Survey of English Housing data. Trends in the rates of overcrowding and under-occupation are reported in GLA, Housing in London, 2017.

21 GLA analysis of Labour Force Survey, 1990 to 2017

22 GLA, 'Housing in London', 2017

23 GLA analysis of Labour Force Survey, 2017

Figure 2.3: Decadal trend in household tenures, London 1961-2011, with PwC projection to 2025²⁴



2.14 While private renting has grown, the proportion of London households that own their own home has shrunk from 58 per cent in 1990 to 51 per cent in 2017, and is projected to fall to 40 per cent by 2025 (figure 2.3). More recent data reveals there has been a particularly stark decline in home ownership rates among younger households in London. Between 1990 and 2017, the proportion of households in London headed by someone aged 16-24 who owned their home fell from 25 per cent to eight per cent. The fall among households headed by someone aged 25-34 was from 57 to 28 per cent²⁵.

²⁴ Compiled by GLA from ONS Census data and PwC regional tenure projections. See GLA, 'Housing in London' 2017, for further details

²⁵ GLA analysis of Labour Force Survey, 1990 to 2017

- 2.15 The same period saw a steady decline in the share of Londoners living in social housing, from 31 to 21 per cent²⁶, at a time when (as the 2017 SHMA shows) London desperately needs a much greater number of low cost rent homes. As a result of this decline, an increasing number of families on low incomes are now living indefinitely in the private rented sector, where they compete with professionals sharing family-sized homes and are affected by welfare changes, meaning many have to leave their homes and communities to find somewhere they can afford. These pressures and strains threaten many of the strong and mixed communities that give London its unique identity.

HOMELESSNESS AND HOUSING NEED

- 2.16 For some, the high costs and instability of private renting in London can result in homelessness. The end of an Assured Shorthold Tenancy (AST) is now the single most common reason for households becoming homeless in London, accounting for around 7,000 cases in 2016/17 – a huge increase from fewer than 1,000 in 2009/10. As a result, an increasing number of families, including around 90,000 children, are being housed in temporary accommodation by London’s councils²⁷. When other forms of homelessness are taken into account, one in 50 of all Londoners is homeless²⁸, with women and those from Black, Asian and minority ethnic (BAME) groups particularly over-represented²⁹.
- 2.17 But beyond those households accepted by councils as homeless, a far greater number lack a suitable home of their own. There are estimated to be around 150,000 ‘concealed households’ living as part of other households in London because they cannot afford their own place to live³⁰. This includes a growing number of young adults who are still living with their parents, and while not all of these concealed households live in homes that are overcrowded, many of them do.

26 GLA analysis of Labour Force Survey, 1990 to 2017

27 MHCLG, P1E data, September 2017

28 Shelter, ‘Life on the margins: Over a quarter of a million without a home in England today’ (press release), 2016. In addition to rough sleeping and statutory temporary accommodation, this figure includes single people in homelessness hostels and in temporary accommodation arranged by social services, but excludes concealed households.

29 Non-white households accounted for 68% of households accepted as homeless in London in 2016/17 (MHCLG housing live table 784) but only 35% of all households in London in 2016 (GLA analysis of Q2 2016 Labour Force Survey household data). Households headed by a female lone parent accounted for 49% of all households accepted as homeless in London in 2016/17, compared to 4% for lone father households. Female single-person households accounted for 7%, compared to 10% for male single-person households. (MHCLG detailed local authority level homelessness figures)

30 GLA analysis of English Housing Survey data, 2012/13 to 2014/15

- 2.18 In total, around 250,000 homes in London are overcrowded, including around one in nine private renting and one in seven social renting households³¹. These 250,000 homes contain around 380,000 distinct 'family units', suggesting a mix of those with a single family who need a bigger home, and those in which overcrowding is caused by there being more than one family.
- 2.19 Finally, thousands of people every year sleep rough on the streets of London, at great risk to their own health and safety. Although 2016/17 was the first year this decade when there was no significant increase in the number of people seen rough sleeping in London, there were still over 8,000 people recorded sleeping on the streets that year - more than double the figure for 2010/11³².

ECONOMIC AND SOCIAL COSTS

- 2.20 While there are housing problems in many parts of the country, particularly in larger cities, the challenge facing London is unique in terms of both scale and severity. The impacts on the economy, on poverty, on social and geographical mobility, and on wellbeing are of national significance. As Britain's gateway to investment and business from around the world, and as a net contributor to the national budget³³, addressing London's housing crisis has a wider relevance to the future success of our country.
- 2.21 The capital's economy has thrived because of its openness, its diversity, its specialisms in fast growing sectors, and because of the boost given to economic activity from concentrating such a range of people with so much knowledge and skill in one place. Its unique mix of jobs and workers means that London occupies a pivotal position in the national and the European economies. People from all around the country and the world come to London at the start of their careers because it acts as an economic 'escalator', helping them acquire skills, progress to better jobs, and increase their earnings³⁴. Many subsequently move out of London, bringing their expertise and spending power to the rest of the country³⁵.

31 GLA analysis of English Housing Survey data, 2015/16

32 St Mungo's and GLA, Street to Home and CHAIN reports

33 ONS, 'Country and regional public sector finances: Financial year ending March 2016'. London has the highest net 'fiscal surplus' of any region, at £3,070 per person in 2015/16

34 Champion, Coombes and Gordon, 'How Far do England's Second-Order Cities Emulate London as Human-Capital 'Escalators'?', 2013

35 Champion, 'The 'escalator region' hypothesis and the regional cities of England: a research agenda', 2008; Gordon, Champion and Coombes, 'Urban escalators and inter-regional elevators: the difference that location, mobility and sectoral specialisation make to occupational progression', 2015

- 2.22 But the housing shortage now threatens this virtuous cycle. Rising costs risk deterring talented incomers and pricing out existing workers, and high residential values risk leading to the loss of employment space, undermining the variety and vitality that makes London's economy so strong. Businesses are already warning that the housing shortage is affecting their ability to recruit and retain workers, and are demanding that governments at all levels address the problem³⁶. Britain's exit from the European Union (EU) presents additional risks to the economy, making it even more urgent that we address the damage being done by London's dysfunctional housing market.
- 2.23 Public services that support our city are also increasingly suffering as a result of the housing crisis. More than half of London's main 'blue light' (police, fire brigade, and ambulance) emergency services' workers already live outside the capital³⁷. Forty per cent of nurses³⁸ and a similar proportion of young teachers³⁹ in London say they expect to leave in the next five years because of high housing costs.
- 2.24 The housing shortage is also straining the bonds of community and family life, with some Londoners feeling uprooted by insecurity and rising rents and others forced to stay put because they can't afford to make their next move. These pressures impose social as well as economic costs on London, and can result in high levels of stress; in fact, more than half of Londoners say they are stressed by housing costs, rising to three quarters of private tenants⁴⁰. Tackling London's housing crisis is therefore an important part of the Mayor's wider work to improve the physical and mental health of Londoners. In line with this, addressing homelessness and rough sleeping and improving housing quality and affordability are key priorities in the Mayor's draft Health Inequalities Strategy.

36 A survey by Fifty Thousand Homes and Grant Thornton found that 84% of businesses in London believe that its high housing costs and housing shortage pose a risk to its economic growth, while 72% are concerned about the impact on their staff recruitment and retention and 21% are so concerned that they think they might need to relocate their business to cope with these pressures. According to the London Chamber of Commerce, 59% of London businesses report high housing costs leading to greater pressure to increase wages

37 30% of London's ambulance workers, 53% of its firefighters and 56% of Metropolitan police officers live outside London, according to London Chamber of Commerce and Industry, 'Living on the Edge: Housing London's Blue Light Emergency Services', 2016

38 Royal College of Nursing, 'RCN London Housing Survey 2016'

39 National Union of Teachers, 'London Young Teachers' Housing Survey', 2016

40 London Councils and Ipsos MORI, '2015 Survey of Londoners'. See also Shelter and Comres 'The impact of housing problems on mental health', 2017

2.25 London is far from the only major city facing this kind of challenge: the global shift towards knowledge-based service sectors means that all around the world, large cities with concentrations of skilled labour are experiencing huge increases in housing demand that most of them are struggling to meet. But the challenges are not insurmountable – cities like Tokyo show that building enough homes to accommodate growing populations can improve conditions for everyone.

IMPROVING LONDON'S HOMES AND NEIGHBOURHOODS

2.26 Londoners' ability to adapt to changing circumstances is key to the city's success, both as an economic powerhouse and as one of the most diverse cities on the planet. But we have been much slower to adapt the types of homes and neighbourhoods we live in; much of London still looks like it did when first developed, which generally means low-rise and, in many areas, low density housing.

2.27 The condition of much of London's housing stock has undoubtedly improved in recent years, with the proportion of homes failing the official Decent Homes standard falling from 37 per cent in 2006 to 16 per cent in 2015, and improvements in energy efficiency. But while our dwelling stock has benefitted from a lot of investment, there remain some fundamental problems of poor energy efficiency and accessibility among the large proportion of homes built before the Second World War. Compared to other world cities, London's housing stock is older, less energy efficient, and more difficult to access for those with mobility problems⁴¹.

2.28 The tragedy of the Grenfell Tower fire has raised urgent and wide ranging questions that must be answered over the safety of many older high-rise residential buildings, particularly those built in the 1960s and 70s that have been retrofitted, as well as broader questions about the adequacy of fire safety and Building Regulations.

41 Just 16% of dwellings in London are served by lifts, compared to 53% in Paris (Paris City plus petite couronne), 44% in New York City and 38% in Tokyo Prefecture. 54% of London's homes were built before the Second World War, compared to 38% in Paris, 41% in New York and 1% in Tokyo. Source: GLA analysis of the English Housing Survey, the Census of France, the 2015 American Community Survey, the New York Housing and Vacancy Survey and the Japan Housing and Land Survey

- 2.29 In addition to ensuring the safety of our homes, improving the quality of our housing through the adaptation of existing stock or the provision of new homes is also necessary in the face of two looming long-term challenges. First, with the number of people aged 80 or above projected to double over the next 25 years, an ageing population is likely to require more adaptable and accessible homes⁴². Second, it is vital that we ensure that the design of new buildings fully addresses the need to reduce greenhouse gas and pollutant emissions, while also adapting to the climate changes that are already inevitable, such as higher summer temperatures.

THE MAYOR'S VISION

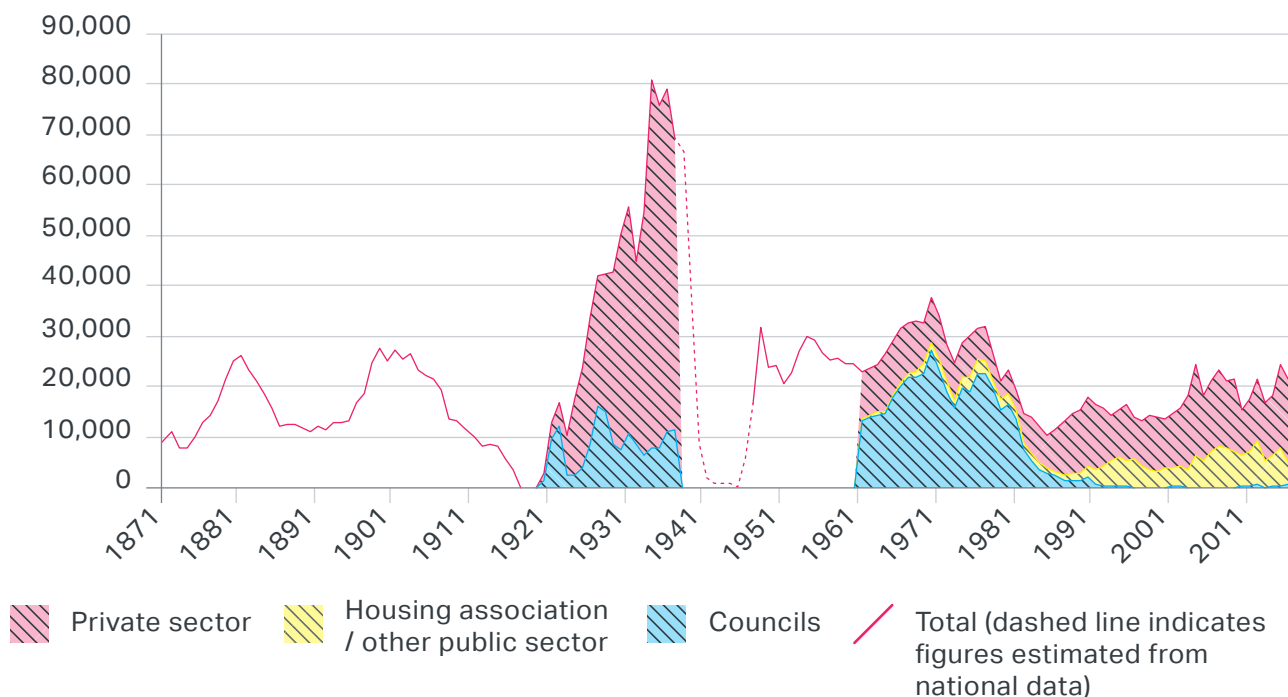
- 2.30 Building the right number and the right mix of new homes, and addressing the consequences of the housing crisis, are essential parts of the Mayor's vision for 'good growth'. Only by meeting London's housing needs in full, particularly the need for genuinely affordable homes, can we ensure that it becomes a city for all Londoners, where businesses can thrive, the environment is protected, and people from all walks of life can share in the city's success, live in good physical and mental health and fulfil their potential.
- 2.31 The shortage of homes is at the root of London's housing crisis, and so the central priority of the London Housing Strategy must be to increase the supply of new and genuinely affordable homes. The Mayor's commitment to protecting London's Green Belt and open spaces means new homes must be provided within the city's existing built up area, which inevitably means building at a higher density than the existing stock. Although London is likely to remain a relatively low density city by many international comparisons, in some places this will mean more tall buildings, which must always be built to the highest standards in terms of design and safety. In the majority of cases, however, it will mean medium-rise new developments across a much broader swathe of London, from high streets to transport hubs, on brownfield land, and in and around town centres.
- 2.32 Building more densely in the right places will not just enable the delivery of more homes, but will also improve access to jobs and services, while helping to fund desperately needed social and physical infrastructure. It will help people to be active and healthy, by locating more housing within walking and cycling distance of local amenities and public transport access, and by reducing reliance on car

ownership. Furthermore, it will help to foster socially and economically mixed neighbourhoods, which are a key part of maintaining London's vibrancy and economic success.

- 2.33 To meet the needs of Londoners, we will have to think again about where we build new homes, how we build them, and who builds them. The public sector will need to take a significantly greater role in the enabling and delivery of new homes. Most importantly of all, we need to substantially increase the supply of new homes that are genuinely affordable; this will ensure that more Londoners benefit from what we build, and consequently will help boost overall housing supply by expanding the pool of Londoners who can afford new homes.
- 2.34 New homes must be high quality, inclusive of Londoners' diverse housing needs, and built to support London's shift to a low carbon future. Londoners must have opportunities to shape new development, and their concerns about the impacts of growth must be directly addressed.
- 2.35 We know that building the new homes we need will not happen overnight; turning things round will be a marathon, not a sprint, and will require the support of national Government. In the meantime, we need to do all we can to help Londoners now, and so the Mayor is committed to helping the growing numbers of private renters in London, by raising standards in the sector and bringing down costs. We need to work towards the right legislative and regulatory changes to support a better deal for tenants and landlords, and, separately, to make sure London's growing number of leaseholders get a fair deal, because it matters how we use the homes we have.
- 2.36 Finally, to tackle the most urgent and acute housing needs, we must prevent homelessness, help those already made homeless into sustainable accommodation, and work to support rough sleepers off the streets.
- 2.37 This vision underpins the Mayor's five priorities for his London Housing Strategy:
- i. building homes for Londoners;
 - ii. delivering genuinely affordable homes;
 - iii. high quality homes and inclusive neighbourhoods;
 - iv. a fairer deal for private renters and leaseholders; and
 - v. tackling homelessness and helping rough sleepers.



3. Building homes for Londoners

Figure 3.1: Estimated number of new homes built in Greater London, 1871 to 2017⁴³

3.1 The Mayor believes the only way to solve London’s housing crisis over the long term is to build significantly more homes, and for more of these to be genuinely affordable. This chapter sets out the Mayor’s policies for increasing the number of homes built in the capital. Policies to ensure that more of these homes are genuinely affordable are in chapter four, while policies relating to design and quality of new homes, and ensuring Londoners are involved in decisions about new development, are in chapter five.

CONTEXT

3.2 For many decades the number of new homes built in London has fallen far short of what Londoners need (figure 3.1). Most new homes in London are currently delivered by a relatively small number of large developers through a model that relies on homes for market sale, often built on large and complex brownfield sites (box 1). While such developments make a key contribution to London’s housing supply, our reliance on this model has led to the supply of new homes becoming unbalanced.

3.3 This model faces inherent constraints in terms of how many new homes it can support, because of the high costs of developing such sites, limits on

the capacity of major developers and contractors to build more quickly, and crucially the 'absorption' rate of the market homes it produces – that is, economic limitations on how quickly market homes can be sold (whether to would-be occupiers or investors) at the prices required⁴⁴. There is clearly a limited market for such new homes given their price; around 80 per cent of the newly built homes sold in London are affordable to just eight per cent of renting households in London⁴⁵. When the upfront costs of purchasing a home are taken into account, the latter proportion is even lower. This means the demand for many new build homes is limited and is strongly correlated with the highly cyclical property market. All these factors combine to produce build out rates below levels that would be technically possible without such constraints.

- 3.4 London's councils continue to grant planning permission for substantial numbers of new homes, so that the pipeline of homes approved but not yet completed has grown year on year, reaching a net total of 283,000 in 2016/17⁴⁶. This figure has more than doubled in a decade. However, around half of these planned homes are located on very large developments of more than 500 units, and while large brownfield sites can support significant additional housing supply over the longer term, they accounted for only 13 per cent of housing completions between 2013/14 and 2016/17⁴⁷.
- 3.5 Development through the current dominant model of homebuilding has also been focused in inner London boroughs in recent years, where, between 2006 and 2016, the housing stock grew at a rate almost twice as high as that of outer London⁴⁸. Due to much higher land prices, homes built in inner London tend to be more expensive, and many such developments only go ahead because a significant proportion of their new homes are aimed at the high-end sales market. This has contributed to a situation where the price of new homes has risen even faster than overall house price growth⁴⁹, and where new build starts of market housing have fallen in the last year, as the volatile luxury sales market has become saturated⁵⁰.

44 Outer London Commission, 'Sixth Report: Removing the barriers to housing delivery', 2016

45 GLA analysis of Land Registry and English Housing Survey data, 2017

46 GLA analysis of provisional London Development Database data for 2016/17

47 GLA analysis of provisional London Development Database data for 2013/14 to 2016/17

48 MHCLG live table 100

49 ONS, House price statistics for small areas in England and Wales. Between Q2 2012 and Q2 2017 the median price for a new build home sold in London rose 70%, compared to 55% for all homes sold

50 MHCLG live table 253a. Between Q1 2016 and Q3 2017 the annualised number of new build starts recorded by MHCLG fell by 47 per cent in the 'Prime' Inner London boroughs of Camden, City of London, Hammersmith and Fulham, Kensington and Chelsea and Westminster, by 11 per cent in the rest of Inner London and by 10 per cent in Outer London.

BOX 1: THE PROFILE OF NEW HOMES IN LONDON

GLA analysis of data from the London Development Database, Molior, and Ministry for Housing, Communities and Local Government (MHCLG), published as a technical report on the London Datastore⁵¹, has established a number of key trends in the delivery of new homes over recent years.

- A very large number of new homes are built by a relatively small number of developers. For example, in 2016 a quarter of private housing starts were commenced by just four developers. Half were commenced by just 14 developers.
- London's model of housing delivery has become even more reliant on the private sector over recent years – in 2011/12, three in five new homes were built by the private sector. By 2016/17 this had risen to four in five.
- Housing growth has been focussed in inner London boroughs. Between 2006 and 2016, the total number of homes in inner London increased by 11 per cent, while the number in outer London boroughs went up just six per cent.
- 58 per cent of new homes in 2016/17 were built on large sites. Almost a quarter of all new homes in 2016/17 were built on large sites in just four boroughs (Tower Hamlets, Greenwich, Southwark, and Newham).

While the number of homes built on small sites has increased in the last three years, the increase on small sites in outer London has been driven exclusively by conversions of houses into flats and by changes of use, such as commercial buildings being repurposed for housing. These changes of use are predominantly achieved through the permitted development rights policy, which circumvents the need for full planning permission and typically delivers no affordable housing.

- 3.6 A range of interventions is needed to move London towards a sustainable increase in the level of homebuilding and to support quicker build out rates on a greater number of sites. Such interventions include substantial upfront public investment in infrastructure, site clearance and remediation of land, a supportive planning policy framework, the assembly and acquisition of land, and support for different tenures and models of private and public sector delivery.

51 GLA, 'Housing Research Note 1: The Profile of London's new homes in 2016/17: Analysis of the London Development Database', 2018

- 3.7 Crucially, interventions are required to rebalance housing supply – including more affordable homes, more homes for purpose-built private rent, and more mid-market homes for sale in areas where they are affordable to more Londoners. Such a range of tenures will better meet Londoners' needs, and will help to speed up delivery by widening the pool of Londoners who can afford to buy or rent newly built homes, enabling developers to be less reliant on a constrained and volatile high-end sales market.
- 3.8 Not only do we need to see an acceleration in delivery on larger brownfield sites and in inner London, we also need to help make sure that more homes are built in outer London, including on smaller sites. Areas in outer London can support new homes for market sale at mid-market prices, while small scale intensification and redevelopment in such areas is much less capital-intensive and can therefore provide cheaper homes. Small sites' contribution to housing supply has, however, fallen over the last decade⁵², and the smaller builders specialising in these sites report a number of obstacles, notably the availability and cost of land, and the complexity, cost and sluggishness of the planning system⁵³.
- 3.9 Delivering more homes will require more capacity in the construction sector, and diversifying the methods we use to build homes in London will be necessary to overcome the constraints of an industry that already faces a shortage of key skills. This is made even more acute by the sector's vulnerability to changes in national immigration policy. Around 45 per cent of London's construction workforce is from overseas, including 27 per cent who come from other EU countries⁵⁴. A significant increase in the share of new homes that are precision-manufactured offsite, together with a major boost in the quality and quantity of construction training, would help offset these risks and improve the speed and quality of new construction⁵⁵.
- 3.10 Finally, London is part of a much larger economic and housing market area, in particular the wider South East region. There are significant opportunities to realise the potential of the wider city region, and beyond, through investment in strategic infrastructure to support the housing and business development that is required to meet our collective needs.

52 Outer London Commission, 'Sixth Report: Removing the barriers to housing delivery', 2016

53 NHBC Foundation, 'Small house builders and developers: current challenges to growth', 2017

54 GLA, 'Housing in London', 2017

55 Construction Leadership Council, 'The Farmer Review of the UK Construction Labour Model – Modernise or die: time to decide the industry's future', 2016

- 3.11 Homes for Londoners – the Mayor’s programme that comprises a strengthened team at City Hall, new funding and policy approaches, together with close collaboration with other levels of government and the housing sector – will pursue, support, and lobby for the range of interventions needed. The Mayor will provide a financial and planning environment that helps more land come forward faster for development, and he will work with well-placed delivery bodies including developers, housing associations, and councils to accelerate homebuilding on these sites. He will intervene directly where necessary using the resources and existing powers available to him to their fullest effect. To enable a greater step change in delivery, he will make the case to Government for the further resources and powers required.

POLICY 3.1: INCREASING THE SUPPLY OF LAND FOR NEW HOMES

The supply of land for new homes should be increased through greater intensification, higher densities, and co-location of different uses – and through proactive intervention in London’s land market to unlock and increase the pace of housing delivery.

Proposals

A

The Mayor will work with councils, Government and others to ensure that London’s planning policies support additional housing supply, supported by clear housing targets for councils. This will include:

- i. strongly promoting appropriate development of new homes on brownfield land, in and around town centres, and through a new presumption in favour of appropriate residential development on small sites;
- ii. protecting the Green Belt and supporting a shift to higher density development through new design-led density policies and promotion of more co-location and intensification in existing built up areas, including exploring new fiscal incentives to encourage landowners to release inefficiently used land and to increase build out rates; and
- iii. clear housing delivery targets for every council in London, including specific expectations for supporting development on smaller sites.

B

The Mayor will support proactive intervention in London’s land market to ensure that land identified for housing comes forward more quickly. This will include:

- i. refocusing City Hall resources toward actively identifying opportunities for, and intervening to enable, the release of more land for housing, supported by an expansion in the skills, capacity, and resources of City Hall’s Homes for Londoners team, and his new Land Fund;

- ii. supporting councils and housing associations to acquire land, promote projects and invest in infrastructure; and
- iii. where necessary, directly intervening to co-ordinate key projects and assemble land.

C

The Mayor will work with other public sector landowners to ensure that the public sector leads by example in supporting housing delivery on its own land. This will include:

- i. ensuring that land controlled by the Mayor is used to support additional housing delivery;
- ii. working with other public sector landowners – including councils, the National Health Service (NHS), Network Rail, and the Ministry of Defence (MOD) – to release more land for housing, including through an expectation for local authorities to put in place clear plans to bring forward sites for housing, offering to purchase sites, and procuring a new London Development Panel to support development; and
- iii. lobbying for reform of existing public land disposal arrangements, alongside devolution of powers to the Mayor to ensure that Government-owned surplus public land is released quickly to deliver more housing for Londoners.

D

The Mayor will work with councils and others to unlock land for housing, including through compulsory purchase and other statutory land assembly powers and models. This will include:

- i. making full use of existing compulsory purchase powers and new provisions, and exploring the case for a London centre of expertise for land assembly; and
- ii. making the case for further reforms of, and resources to support, compulsory purchase, and exploring with Government options for new land assembly models drawing on international examples.

- 3.12 London's current land use policies, and its land market, have failed to respond adequately to the city's overwhelming need for new homes. The Mayor is determined to increase land supply by focusing on two fundamental priorities. First, we need to identify a greater capacity for homes through more intensive use of London's land. This includes building at higher densities, diversifying the size and location of sites, promoting more co-location of different types of buildings and uses, and ensuring that all parts of London contribute their share to homebuilding. Second, we need to ensure that the land we identify for new homes comes forward quickly and efficiently.

PLANNING FOR MORE HOMES

- 3.13 The 2017 SHMA shows that 66,000 new homes need to be built in London each year over the next 25 years to meet the capital's housing needs⁵⁶. In its September 2017 consultation paper 'Planning for the right homes in the right places', Government proposed a slightly higher requirement of 72,000 homes a year in London, based on a different methodology⁵⁷. Both figures represent a significant challenge that needs to be approached in the context of pressure on land for other uses, including businesses and public services, while protecting the Green Belt and other open space.
- 3.14 Working with councils, the Mayor has carried out an exhaustive survey of every potential large housing site in London through the 2017 Strategic Housing Land Availability Assessment. Over 11,500 sites were assessed to establish their suitability for housing and mixed use development, including 1,300 sites submitted as a result of the GLA's call for sites. This makes it the most comprehensive pan-London exercise of this type ever undertaken. The assessment has identified capacity for 65,000 new homes a year across London over the next 10 years. This has provided the basis for the Mayor's overall housing supply target and targets for every council in London, as set out in the draft London Plan.
- 3.15 The Mayor will strongly promote the development of well-designed, environmentally sustainable, and high-density housing on suitable brownfield land. Large brownfield sites represent a significant reservoir of land capacity with major opportunities for comprehensive and masterplanned redevelopment, and the potential for mixed use development that can contribute to housing delivery.

56 GLA, 'The 2017 London Strategic Housing Market Assessment', 2017

57 MHCLG, 'Planning for the right homes in the right places: consultation proposals', 2017

- 3.16 Many of London's largest housing-led developments are on GLA-owned and promoted schemes, such as Barking Riverside, the Royal Docks, and Greenwich Peninsula – and the draft London Plan revises and updates the list of London's Opportunity Areas, where many of these are located. Many of the policies outlined in this chapter – particularly those on land assembly (Proposals 3.1B and 3.1D), investing in infrastructure and housing (Policy 3.2), and diversifying the tenure mix of new homes (Policy 3.3) – will help to speed up delivery on such sites.
- 3.17 However, most of London's large vacant brownfield sites, many of them in former industrial areas, have now been identified and many are already being redeveloped. In addition, large brownfield sites tend to complete very slowly due to their scale and complexity, and the need for significant infrastructure (particularly transport) to support new housing. This is one of the main reasons why London's stock of planning permissions has grown faster than its housing completions.
- 3.18 While developing large sites remains important to meeting London's housing need, we will also need to look to other opportunities to support more homebuilding. Two opportunities stand out, both of which have particular relevance in outer London: housing as part of the regeneration of London's town centres; and more development on small sites.
- 3.19 London's hundreds of town centres and high streets are at the heart of local economies, local communities and civic life. Yet they face a number of challenges, which often include poor quality buildings and public realm and the decline of traditional retail in the internet age⁵⁸. Given their higher levels of public transport connectivity and capacity, there is an opportunity to regenerate London's town centres in ways that deliver both economic growth and new housing as well as additional social, health, community, and environmental benefits. Working with councils and landowners, the Mayor has identified in his draft London Plan town centres suitable for housing-led regeneration that can revitalise high streets, create new employment opportunities, improve the public realm, and accommodate more homes⁵⁹. Other proposals in this strategy will seek to address the barriers that prevent more homes being delivered in town centres, such as lack of infrastructure (Policy 3.2), and issues with land assembly (Proposals 3.1B and 3.1D).

58 GLA, 'Accommodating Growth in Town Centres', 2014

59 See Annex One of the draft London Plan

- 3.20 Smaller sites tend to be completed more quickly than larger ones, and, when they are located in parts of London with lower land values, they can help to support the delivery of market homes at relatively more affordable prices. However, in the eight years to 2014, completions on small sites (under 0.25 hectares) fell by half, and this decline was even more pronounced in outer London and on very small sites (under 0.1 hectares)⁶⁰. The rise in development on small sites since 2014 is largely accounted for by the conversion of offices and workplaces into housing (see box 1), something the Mayor believes cannot and should not be relied upon to continue at the same rate.
- 3.21 To support more new homes on small sites, the Mayor has set out policies in his draft London Plan to give a clear presumption in favour of appropriate residential development on small sites, including specific borough-level targets for this type of development. This new approach will enable more homes to be built in areas within walking distance of town centres and public transport and accepts that there is a need for the character of some neighbourhoods to evolve to accommodate additional housing. The Mayor will support councils to accommodate this new approach, including through new housing design guidance, and exploring new ways to improve public transport and active travel options in suburban areas, as set out in the Mayor's Transport Strategy.

MAKING OPTIMUM USE OF LONDON'S DEVELOPMENT LAND

- 3.22 When compared to many of its major international peers, London is a relatively low density city⁶¹. Delivering significantly more new homes will require higher densities in many locations, as well as a move towards greater co-location of different types of buildings and land uses. For London to accommodate growth in an inclusive and responsible way, including protecting the Green Belt and other open space, every development needs to make optimum use of land. This will necessarily mean using land more efficiently and developing new homes at densities that will often be higher than those in the surrounding area. To support this, and to ensure that it happens in accordance with his Good Growth principles and local context, the Mayor has set out a new approach to design-led density in his draft London Plan, and will support this with new Supplementary Planning Guidance (SPG) on housing design. The Mayor's policies to ensure that new homes and neighbourhoods are well-designed and inclusive are contained in chapter five.

60 Outer London Commission, 'Sixth Report; Removing the Barriers to Housing Delivery', 2016

61 GLA Economics, 'Economic Evidence Base for London', 2016

- 3.23 One of the features of London's development in recent years has been growing competition for land between different types of buildings and uses. Residential development has often prevailed over other uses as it can command higher land values, a situation which has been formalised through Government's Permitted Development Rights for certain commercial buildings to be converted into housing.
- 3.24 To make more efficient use of London's land, and to ensure that the buildings and uses that Londoners want to keep can be adequately protected, the Mayor will support far greater co-location and integration of different uses within buildings, sites and neighbourhoods. This should be plan-led, and could include:
- genuinely mixed use residential-led developments;
 - flats above key pieces of social infrastructure, including schools and health facilities;
 - consolidating commercial or retail land uses to support more homes;
 - co-location of commercial or retail uses with new homes; and
 - consolidation and intensification of industrial land to retain industrial floor space while opening up sites for residential development.
- 3.25 The Mayor's draft London Plan supports carefully designed co-location and integration of housing with industrial uses, further design guidance for which will be provided in the forthcoming housing design SPG. The Mayor is also exploring other ways in which he can support this objective, including through working with partners to develop demonstration projects, and through providing targeted support for councils and other organisations that wish to pursue co-location projects.
- 3.26 The Mayor is concerned about the potential impact of land banking on the pace of housing delivery in London. The Mayor will encourage the development of effective measures to get homes built faster through, for instance, contributing evidence to the review of unimplemented planning permissions being led by Rt Hon Sir Oliver Letwin MP.
- 3.27 More widely, the Mayor believes new incentives are needed to encourage landowners to redevelop sites that are currently used inefficiently – such as surface car parks and single-storey retail centres and stores – and to support quicker build out rates on sites. The Mayor will develop proposals to put to Government for new fiscal incentives that would encourage responses on both these fronts.

WORKING WITH COUNCILS TO PLAN FOR NEW HOMES

- 3.28 Councils will play a central role in identifying opportunities for greater intensification of land uses in their areas. The Mayor will work with councils to support them doing so locally through measures such as the use of masterplans and Area Action Plans, and faster planning through permission in principle and registers of brownfield sites. The Mayor will also work with councils to increase their planning and place-making capacity through the Public Practice initiative, as set out in Policy 5.1.
- 3.29 The approaches outlined above underscore the Mayor's intention that all parts of London need to contribute their full share toward meeting London's housing needs. The current imbalances between areas reflect both the availability of land, and also the differing levels of support that councils in London give to new housing through their planning and housing policies. To address this, the Mayor has set out clear housing targets for every council in London in his draft London Plan, including specific targets for small-site developments based on an analysis of the potential for infill development and incremental intensification in well-connected areas across London. The Mayor will work with councils to deliver these targets through an appropriate package of planning and housing measures, many of which are outlined in this strategy.
- 3.30 In the 2017 Housing White Paper, the previous Government set out its intention to use a 'housing delivery test' to hold councils to account for meeting their housing targets. The Mayor believes the housing delivery test needs to take into account London's unique two-tier planning system and the particular set of challenges that councils here face. The Mayor will work with Government to develop a housing delivery test that works for London.

INTERVENTIONS TO UNLOCK LAND FOR HOMES

- 3.31 The policies set out above, many of which are reflected in the draft London Plan, will provide a clear framework for approaches to land use and density. However, planning policy alone is not enough to ensure that sufficient land will come forward for housing delivery quickly enough, or in a way that always optimises the number of homes developed⁶². The reasons for this include:

- land that could, and should, be developed is often not because landowners lack the incentive to release it, or decide to wait until site values increase to maximise their returns;
- land that is released, or optioned, is frequently traded rather than developed;
- developers and home builders, especially in the commercial sector, build at rates which maximise their returns rather than optimising the pace of new supply;
- the prevailing homebuilding model in London means that the rate of land release for new homes, and of build out on large sites that have overcome other obstacles to development, is often limited by the rate at which new market housing can be sold;
- the speculative nature of development and land trading, coupled with the cyclical nature of the housing market, sets high barriers to entry for new competitors and market 'disrupters', and undermines the ability to secure high levels of affordable homes; and
- councils, who should be proactively addressing these issues and shaping local development, can lack the ability, or inclination, to do so.

3.32 Without significant changes in market conditions and regulatory structures, it is unlikely that these challenges will be overcome by planning and market forces alone. This points to the need for more assertive public sector intervention in the land market.

3.33 The GLA has begun to take a role in the land market beyond its statutory planning functions, including through: delivering the Housing Zones programme (Proposal 3.2A), which includes some land assembly work; Opportunity Area Planning Frameworks, which proactively identify land capacity in key growth areas; and the portfolio of 635 hectares of land the Mayor inherited in 2012, which gave City Hall significant influence over housing delivery on individual sites or within wider regeneration opportunities.

3.34 The Mayor now wants to see this work go much further. In addition to a more supportive policy framework, the Mayor will consider interventions across four broad areas:

- supporting councils to be more proactive at identifying land opportunities to deliver their housing targets;
- supporting other partners – particularly housing associations – to gain access to land opportunities;
- directly co-ordinating and supporting delivery around key sites; and

- where necessary, stepping in to proactively assemble land for development and/or to de-risk sites.

- 3.35 To achieve this, the Mayor will refocus City Hall resources towards proactively identifying opportunities for the assembly and release of more land for housing, and will look to intervene where necessary to enable it to happen. This will be supported by an expansion in the skills, capacity, and resources of City Hall's Homes for Londoners team. This is a shift from the role City Hall has played under previous administrations, towards a more hands-on approach to getting development going. With a greater focus on brokering deals on the ground, this new approach will enable the Mayor to intervene directly, or to support councils, housing associations and developers to do so, where land is suitable for new housing but is not coming forward for development. This is likely to be particularly important for large or complex sites and projects that require significant intervention, such as town centres, and where the local council may be unable or reluctant to intervene itself. The Mayor has allocated an initial £250 million to his Land Fund to support this approach (see box 2).
- 3.36 As part of this new focus, the Mayor will support councils' efforts to assemble land, promote projects, and invest in infrastructure, and he will consider working with housing associations, developers, and councils to accelerate homebuilding by reducing the risks they face. The Mayor also wants to support housing associations to acquire more land, which will enable them to increase both their overall levels of housing delivery and particularly the number of affordable homes they deliver. The Mayor will support them to do so through offering investment on flexible terms. This will include working to achieve collaborative land assembly partnerships with major housing associations, which can be focused in strategic housing growth locations. This initiative will be piloted in Ilford and Feltham town centres.

BOX 2: THE MAYOR'S LAND FUND

The Mayor has established a £250 million Land Fund to invest in buying and preparing land for affordable housing. The key objectives of this fund include:

- supporting opportunities to bring land forward for housing development more quickly;
- enabling the GLA to have a significant influence on those sites over the pace, quality and proportion of affordable housing delivered in London;
- working with partners to invest in infrastructure, in order to unlock the delivery of new homes; and
- promoting innovation in housing delivery.

An Investment Committee has been established to provide leadership and oversight on the use of the Land Fund. It will be responsible for preparing an Investment Plan, which will be agreed by the Mayor, and will ensure that all decisions on land purchase, delivery and disposal are made in accordance with this Plan.

The Mayor's Land Fund is to be drawn from the GLA's existing housing and land resources and receipts. It is intended that this funding will recycle over time to continue to unlock opportunities across the capital.

The Mayor's first allocation under this fund has been to acquire 18 acres of the St Ann's hospital site in Haringey from the Barnet, Enfield and Haringey NHS Trust. The GLA, working with the community-led St Ann's Redevelopment Trust and Haringey Council, will seek a development partner through the new London Development Panel to deliver a scheme that increases the total number of homes from 470 to around 800. The proportion of affordable homes delivered on this site will be 50 per cent, compared with the existing planning consent for 14 per cent. The receipt from the acquisition will enable the Trust to build a much-needed new clinical facility on the land it is retaining.

As well as larger schemes like St Ann's, the Mayor also wants his Land Fund to support smaller and medium-sized schemes across London.

MAYORAL PUBLIC LAND

- 3.37 The Mayor wants to see the public sector leading by example when it comes to releasing land for high quality and genuinely affordable homes. The GLA's land bank is almost entirely either in development or procurement on terms agreed under the previous administration. However, wherever possible, the Mayor is seeking to increase the proportion of affordable housing on GLA land. In particular, the Mayor's functional bodies control significant landholdings which are not yet in development or procurement, and they have committed to ensure that this land is utilised to support additional housing delivery:
- TfL is reviewing all its landholdings with a view to supporting additional housing delivery. This includes operational sites, where engineering solutions that allow co-location with housing could be found. TfL has committed to bringing forward land for more housing, starting on sites with potential to deliver 10,000 homes;
 - the Metropolitan Police, through the Mayor's Office for Policing and Crime (MOPAC), is reviewing its own landholdings, and anticipates bringing forward sites by 2022, with the potential to deliver up to 2,500 homes; and
 - the London Fire Brigade (LFB), through the London Fire Commissioner (LFC), has identified several small sites that might be appropriate for redevelopment as housing.
- 3.38 The Mayor expects functional bodies to target an average of 50 per cent affordable housing across the portfolio of new sites they bring forward. These organisations are developing responses to this target, subject to service specific statutory responsibilities (see chapter four).

OTHER PUBLIC LAND

- 3.39 Publicly-owned land controlled by the Mayor makes up a relatively small share of total public sector land in London. The London Land Commission was established in 2015 to identify the extent of publicly-owned land in London and to begin to understand the scope for utilising surplus land for housing development. The Commission has completed this task, including publishing the London Land Commission register of landholdings⁶³, and the Mayor's priority is now to take advantage of the information in the register to support housing delivery programmes that make use of public land.

- 3.40 The Mayor will therefore continue to engage directly with other key public sector landowners, including councils and Government departments and agencies such as the NHS, the Ministry of Justice (MoJ), the Ministry of Defence (MoD), and Network Rail, to bring forward sites for housing. These organisations will be encouraged to:
- systematically review their landholdings, with a view to densifying their operational uses and identifying sites for disposal;
 - understand their potential to support housing delivery, including affordable housing;
 - consider the option of retaining underlying ownership of the land; and
 - work with the Mayor to put a plan in place to ensure that this potential is realised in a timely manner, including through streamlined procurement arrangements.
- 3.41 For councils in London, this means having in place a credible and robust strategy for introducing housing and optimising density on all of their relevant landholdings, with clear plans to bring appropriate sites forward for housing delivery within a reasonable timeframe. The Mayor strongly encourages all councils to have such plans in place as soon as possible. The Mayor will work with councils to develop and review plans, to provide support to ensure that they are delivered, and to see that the Mayor's policies on estate regeneration are adhered to wherever plans involve existing council estates (see chapter five).
- 3.42 The Naylor Review of NHS property and estates identified potential capacity for 10,000 new homes on existing sites in London⁶⁴. London and national partners are considering how NHS estates can be used to better meet London's health and care infrastructure needs and housing opportunities for Londoners through the new London Estates Board. The Board provides a single forum for NHS estate discussions in London, bringing together NHS commissioners, providers, local and city government with national partners. It is supported by the London Estates Delivery Unit, which brings together expertise to support the collaborative development of estate strategies. The Mayor will continue to work with the NHS, councils, and other partners to support an effective programme of interventions to bring forward NHS sites for housing, including through the new London Estates Board and London Estates Delivery Unit, which will be located alongside the Homes for Londoners team.

- 3.43 In some cases, public sector landowners will identify surplus sites but may lack the capacity or skills required to bring these sites forward for housing delivery. In these cases, the Mayor will consider using his powers to acquire such land, at an open market valuation and with appropriate overage clauses, and bring them forward for development on behalf of the landowners.
- 3.44 The Mayor will also support approaches that set aside a proportion of homes on land owned by Government departments and agencies for key workers, such as health and education professionals. This should be in addition to these sites providing genuinely affordable homes.
- 3.45 To support willing public sector landowners, the Mayor will help accelerate the release of public land through a newly procured London Development Panel. The new Panel will offer comprehensive development services for public sector landowners and housing associations through an OJEU procured framework. It will include panel members with experience in delivering Build to Rent and precision-manufactured homes. The Mayor has also launched a specific package of support for small sites owned by the public sector – his Small Sites, Small Builders initiative (see box 6).

DEVOLUTION OF POWERS OVER PUBLIC LAND

- 3.46 In addition to the Mayor's engagement with public sector landowners to help them develop programmes for land release, the Mayor is also continuing to urge Government to agree proposals for a more formal role for the GLA in bringing forward Government-owned land in London earmarked for housing delivery. As a minimum, this role should mirror that operated by Homes England, which directly manages the release of surplus central Government landholdings outside London.
- 3.47 Existing arrangements governing public land disposals can act as a constraint on housing delivery. In particular, the current statutory general consents to dispose of land, and the requirements to achieve best consideration, can delay or act as a barrier to bringing forward land for housing. The Mayor will seek to work with Government to reform public land disposal rules so that public landowners are able to deliver more mixed tenure housing.

COMPULSORY PURCHASE POWERS

- 3.48 There will be cases where, as a last resort, public sector agencies will need to use their powers to compulsorily purchase land. The Mayor has such powers, as do councils. The Mayor will work with councils, Mayoral Development Corporations (MDCs), TfL, housing associations and developers to utilise statutory land assembly powers, such as Compulsory Purchase Orders (CPOs), to bring forward housing opportunities. This will include supporting councils to make more use of compulsory purchase where appropriate, and the Mayor exercising compulsory purchase powers where a scheme is of strategic significance, or where a local council may be unable or reluctant to act.
- 3.49 The Neighbourhood Planning Act 2017 introduced several reforms to the compulsory purchase regime that aim to make the system faster and fairer. This includes greater scope to capture the land value uplift created by public sector intervention – for example, the value created by new transport infrastructure. It also provides for functional bodies of the GLA to exercise their compulsory purchase powers in a more strategic way, enabling one or both of the GLA and TfL to advance a single CPO for both housing and transport purposes where this is in pursuance of a joint project. The Mayor supports reform of compulsory purchase and will work with councils in London to ensure that full use is made of relevant provisions in the Neighbourhood Planning Act, and that these provisions are implemented in a way that supports additional housing delivery in London.
- 3.50 The Mayor is keen to provide support to councils to make more use of their compulsory purchase powers where these can be used to bring forward housing opportunities. The Mayor will engage with councils to consider the case for establishing a London centre of expertise for use of compulsory purchase powers. This could help to streamline the compulsory purchase process and assist councils, given the high costs and time commitments that CPOs require, and the opportunity to create economies of scale by pooling resources and staff.

REFORMS TO SUPPORT LAND ASSEMBLY

- 3.51 Despite recent improvements, the existing compulsory purchase regime is too slow and costly. The Mayor wants to see radical reform of land assembly rules. Notwithstanding that, he also believes Government could support further incremental reform to the operation of the compulsory purchase regime through a series of relatively straightforward measures. The Mayor has set these out to Government, and they include:
- review of guidance on the compulsory purchase process to support early engagement from landowners and more streamlined application of compulsory purchase powers;
 - use of First-tier Tribunals (Property Chamber) to process more routine compulsory purchase applications and increasing the capacity of the Upper Tribunal (Land Chamber) to deal with more complex cases; and
 - boosting resources at the Planning Inspectorate and the Upper Tribunal (Land Chamber) to ensure that inquiries, examinations and references are dealt with more quickly, and according to published timescales for each stage.
- 3.52 These reforms would be welcome, but in themselves are unlikely to be enough to bring forward the significant increase in land supply required to support the scale of homebuilding we need. The Mayor supports fundamental reform of compulsory purchase powers and the introduction of new land assembly mechanisms and resources. There are several alternative statutory land assembly models, including land readjustment and land pooling, that have potential to increase homebuilding in London. To support development of these models, the Mayor has commissioned research comparing how statutory land assembly powers are utilised to support housing delivery in the UK and internationally⁶⁵. The findings of the report are summarised in box 3.

65 URBED, 'Capital gains: a better land assembly model for London', 2018

BOX 3: A BETTER LAND ASSEMBLY MODEL FOR LONDON

The GLA commissioned research to explore international models of land assembly and how they could support an increase in homebuilding in London. The researchers made recommendations in four key areas:

- **Resourcing land assembly:** Government should significantly increase the funding available to support land assembly in London, and a multi-disciplinary team should be established with specialist skills to support public and private land assembly.
- **Incentivising voluntary land assembly:** Statutory mechanisms should be established to underpin and incentivise voluntary land assembly, with the objective of minimising the number of landowners 'holding out' for an increase in land values.
- **Compulsory acquisition of sites:** Where attempts to assemble land by voluntary means have failed, compulsory purchase powers should be used. To streamline this process, Government should devolve additional compulsory purchase powers to the Mayor and amend national guidance to promote better use of powers.
- **Strategic planning for land assembly:** councils should designate Land Assembly Zones to focus resources in areas with greatest potential for growth. There should be a commitment from the council to exercise compulsory purchase powers in these Zones, where published criteria have been met. Government should introduce additional planning measures to support this designation.

The Mayor will implement any of these recommendations to the extent he is able to with the powers and resources currently available to him. As most of them, however, require further devolution and national changes, he will work with Government to consider how these recommendations could be fully implemented in London.

The introduction of the measures above would see a much stronger and more proactive system of land assembly in London. They sit alongside the Mayor's broader calls for fundamental reform of compulsory purchase powers, how land is valued for these purpose, and for changes to enable more land value created through development to be captured and invested in infrastructure and genuinely affordable homes.

POLICY 3.2: INVESTMENT TO SUPPORT HOUSING DELIVERY

Investment to support the delivery of homes and enabling infrastructure should be increased and better-targeted to unlock development.

Proposals

A

The Mayor will target investment to accelerate and de-risk housing-led sites across London. This will include:

- i. targeting investment in areas where delivery of new and genuinely affordable homes can be maximised, including focusing resources on the strongest Housing Zones;
- ii. supporting access to finance for home builders and lobbying for a sustainable successor to the Help to Buy scheme; and
- iii. securing a significant share of the Government's Housing Infrastructure Fund and making the case for substantially more public investment to support housing delivery, including to underpin a large scale municipal housing programme.

B

The Mayor will work with councils and others to maximise the opportunities for new homes that major public transport infrastructure improvements present. This will include:

- i. delivering the Mayor's Transport Strategy, which sets out a 25-year vision and action plan to ensure London's transport infrastructure supports the city's continued growth – including schemes such as Crossrail 2 and extensions to the Bakerloo Line and the Docklands Light Railway;
- ii. ensuring that potential housing benefits are a key determinant of which transport schemes and projects are supported and funded in future; and
- iii. considering the scope to use new funding models, including land value capture, to fund future transport schemes.



- 3.53 Public investment plays a key role in underpinning the supply of new homes in London. In particular, there are three types of public investment that are needed to directly support a significant increase in new homebuilding:
- grants for new affordable homes (see chapter four);
 - funding to accelerate and/or de-risk housing development (Proposal 3.2A); and
 - investment in public transport to increase the availability of land for housing (Proposal 3.2B).
- 3.54 Public investment is particularly important in a London context, where we need to build at higher densities and the costs of development are very high. Finding new ways to finance homes and infrastructure is therefore a key priority.

INVESTING IN LONDON'S GROWTH AREAS

- 3.55 The Mayor believes public investment has an important role to play in accelerating and de-risking delivery of new homes. This involves supporting developers to deliver more homes at a faster rate, as well as encouraging a wider range of homes that are more affordable to Londoners. As most developers rely on income from market sales, they are exposed to house price cycles; this can make their developments more risky, constraining what they are able to do. Public investment can help to mitigate these risks, thereby helping to accelerate delivery.
- 3.56 Councils are in a strong position to support the delivery of new homes through targeted public investment, including through investing in the construction of new homes directly or through dedicated companies, as considered in Policy 3.3. The Mayor will continue to work with them to make use of this potential.
- 3.57 The Mayor wants to accelerate development in key growth areas through providing flexible investment and resources to unlock sites and infrastructure improvements. This will include concentrating additional resources in the Housing Zones with the greatest delivery potential. This will be based on the Mayor's recent review of the programme which aims to increase their pace and scale of housing delivery, and their proportions of affordable housing.

- 3.58 While Housing Zones offer scope to accelerate major housing opportunities, progress has sometimes been held back due a lack of resources and expertise in councils. To help address this, the Mayor has made available £600,000 over two years to fund revenue costs, including additional staff, in Housing Zone areas.
- 3.59 Even more could be done with additional funding. A substantial proportion of the Housing Zones funding is provided through a loan agreement with Government, and this could be reinvested to extend delivery through the programme. The Mayor will therefore make the case to Government to recycle the £150 million of Government loan funding for Housing Zones to deliver more homes in London.

ACCELERATING AND DE-RISKING HOUSING DELIVERY

- 3.60 The Mayor wants to support access to loan finance for developers. The former programme for this in the capital – the London Housing Bank – operated on restricted terms that meant it was not fit for purpose. Government has now withdrawn this programme, despite the Mayor having put forward proposals to reform funding terms so that it could be used more effectively to accelerate housing delivery in London. The Mayor will continue to call on Government to provide a flexible loan facility for Londoners.
- 3.61 The Help to Buy scheme provides equity loans to Londoners for new homes up to a value of £600,000 and now plays a substantial role in London’s low to mid-value housing market. By significantly reducing deposit requirements and ongoing housing costs for first time buyers, the scheme helps to make homes in London more affordable, and boosts overall supply by reducing the risk to developers looking to sell their new build properties. The Mayor believes schemes like Help to Buy are important to de-risk housing supply in the short term and to ensure that more new homes are available to first time buyers. However, he believes that Help to Buy cannot play a sustainable long-term role due to the cost of the scheme and the risk it creates of inflating prices.
- 3.62 Help to Buy is due to come to an end in 2021, and the Mayor will urge Government to provide a smooth transition to a more sustainable successor to the scheme in London. Any future scheme should be less dependent on public investment, should seek to minimise the risk of inflating prices and should help to incentivise good practice in the development industry, such as better construction skills training and shifts to precision manufacturing of homes.

INCREASING PUBLIC INVESTMENT TO SUPPORT HOUSING DELIVERY

- 3.63 Government announced a new national Housing Infrastructure Fund in 2017, and has recently extended this to total £5 billion. The Fund could help bring forward investment in land assembly, site remediation and infrastructure, in order to get housing schemes moving. The Mayor will continue to work with councils and negotiate with Government to ensure that London is allocated a significant share of this fund.
- 3.64 Beyond this, he has formed a high-level group to ensure infrastructure investment is coordinated across London and will make the case for additional investment in infrastructure to support housing delivery, working in collaboration with councils in London and across the wider South East.
- 3.65 Ultimately, public investment to de-risk and support housing delivery will be required at a far greater scale if we are to see a significant increase in housing supply. Public investment could be relatively low risk if invested in long-term homes for market rent, and in affordable housing to rent and buy, as these tenures are in great demand and offer long-term stable returns. The Mayor will continue to make the case to Government that public investment must play a leading role in underwriting the significant expansion in housing delivery that is needed. This will include a longer-term affordable housing settlement, which should be part of a wider fiscal devolution package to support greater decision-making by London government (see chapter four), including to support a large scale municipal housing programme.

INVESTING IN PUBLIC TRANSPORT TO SUPPORT HOUSING DELIVERY

- 3.66 Forty-five per cent of journeys in London in 2015 were made using public transport. As the city's economic activity is concentrated within central London, large scale commuting into the centre makes public transport connectivity and capacity a key consideration when it comes to efforts to build more homes.
- 3.67 The Mayor's Transport Strategy sets out a 25-year vision and action plan to ensure London's transport infrastructure supports the city's continued growth. Housing is at the heart of this vision, along with a clear recognition of the central importance of public transport connectivity and capacity to unlock land opportunities and support housing delivery. This must be done alongside

a move toward the majority of short trips being walked or cycled to support higher densities and vibrant places, underpinned by the Mayor's Healthy Streets Approach⁶⁶. A selection of key major projects and schemes, and their potential contribution to housing supply, are summarised in box 4.

BOX 4: MAJOR TRANSPORT SCHEMES AND THEIR CONTRIBUTION TO HOUSING SUPPLY

Crossrail 2: Crossrail 2 is essential to London's future. Linking rail networks in Surrey and Hertfordshire via new tunnels and stations between Wimbledon and Tottenham Hale, this major new line will provide capacity for an additional 270,000 people to travel into and across central London each morning. It will reduce the overcrowding that threatens to bring major London stations to a standstill. It will also unlock around 200,000 new homes and support up to 200,000 new jobs across the entire route. Working with partners, the Mayor aims to open Crossrail 2 by the early 2030s.

Bakerloo Line Extension: In addition to the transport benefits it delivers, the Bakerloo Line Extension could also enable more than 25,000 new homes and 5,000 jobs to be accommodated in the Old Kent Road and the Lewisham, Catford and New Cross Opportunity Areas. The Old Kent Road Opportunity Area provides a unique chance to create a high density, mixed used place near the Central Activity Zone.

Elizabeth Line Extension: Land to enable an extension of the Elizabeth Line was safeguarded as part of the Crossrail Bill. An extension could support the 55,000 new homes and 50,000 new jobs planned along the route in Bexley and north Kent. To achieve this, services on the existing rail network would also need to be improved. As well as providing vital support for growth plans in Kent, the Elizabeth Line Extension could link to High Speed 1 at Ebbsfleet and boost rail connectivity throughout the wider South East.

Overground extension to Barking Riverside: TfL's planned extension of the London Overground to Barking Riverside will support the delivery of 11,000 new homes that would otherwise not have been viable.

- 3.68 Maximum additional housing supply must be secured from these improvements. The planning underway for Crossrail 2, which could support up to 200,000 additional homes in London and beyond, demonstrates how housing needs to be at the centre of transport planning in London in future. The Mayor will work with TfL and councils to ensure that the housing benefits of planned transport improvements are maximised. This means ensuring that London-wide and local planning policy takes into account planned transport improvements, and that the Mayor and councils have a plan to ensure the potential benefits of investment are realised in practice. Given a finite investment budget, the Mayor will also ensure that potential housing benefits are a key determinant of which schemes and projects are supported and funded in future.
- 3.69 The Mayor's Transport Strategy also sets out how local investment can unlock and accelerate more sustainable, denser development over a larger area, for example, through high quality rapid bus transit networks. The Mayor will use public investment to deliver smaller scale transport schemes that help unlock the potential for new homes and leverage funding for such purposes from other sources.
- 3.70 The Healthy Streets Approach puts health and quality of life at the heart of planning London's future. A central aim of the Mayor's Transport Strategy is to ensure that the Healthy Streets Approach is used to plan London's growth around active and sustainable travel, reducing the damaging health impacts and wider effects of car dependency in London. Housing developments that are planned around car use are generally low density and require space for parking. Higher density housing is made possible by reducing car dependency, with neighbourhoods planned so local schools, shops, community facilities, and workplaces are within comfortable walking and cycling distance from people's homes, with good public transport options for longer journeys. The Healthy Streets Approach will underpin the Mayor's policies to link transport investment decisions with housing delivery, focused on reducing car dependency to improve quality of life and deliver the housing growth London needs. This will have a positive impact on the health of Londoners, as set out in the Mayor's draft Health Inequalities Strategy.

SECURING INVESTMENT FOR NEW TRANSPORT INFRASTRUCTURE

- 3.71 Ultimately, a step change in housing delivery will also require a step change in investment in new and improved public transport. There are large areas of London earmarked for new homes – many of which are in Opportunity Areas that will not come forward quickly or at high enough densities without significant improvements in public transport connectivity and capacity. The Mayor will consider other mechanisms for raising investment, many of which involve capturing some of the value created by the planning system and by infrastructure improvements. This could include Tax Incremental Financing (TIF), Enterprise Zones, or forms of land value capture.
- 3.72 Some potential models of fiscal devolution are set out in the final report of the London Finance Commission⁶⁷. As part of this work, the Mayor will work with Government to develop models for land value capture for funding future infrastructure projects. These models could provide significant funding towards these projects, allowing them to be built more quickly and with less reliance on Government finance.

POLICY 3.3: DIVERSIFYING THE HOMEBUILDING INDUSTRY

The homebuilding industry needs to be diversified to increase capacity and speed up delivery.

Proposals

A

The Mayor will provide a package of support for new purpose-built private rented homes – the Build to Rent sector. This will include:

- i. providing support through planning guidance and in the new London Plan, and lobbying Government to exempt Build to Rent from the three per cent SDLT surcharge;
- ii. supporting purpose-built rented homes with more genuinely affordable homes, including those at London Living Rent levels, and others at market rates more affordable to those on median incomes;
- iii. exploring how the rents charged for these homes can be monitored as the sector grows; and
- iv. ensuring Build to Rent showcases the best management practices in the rented sector.

B

The Mayor will work with councils and Government to provide a package of support for small- and medium-sized builders. This will include:

- i. making more small sites available through the presumption in favour of development and the new Small Sites, Small Builders programme, beginning with a pilot on TfL sites;
- ii. setting out clearer policies, design guidance, and other support for small sites and small builders; and

- iii. amending the Mayoral Community Infrastructure Levy (CIL) instalment policy so that small- and medium-sized builders can pay less upfront, and, where local CIL instalment policies exist, encouraging councils to do the same.

C

The Mayor will work with councils to support their homebuilding efforts across London. This will include:

- i. working collaboratively with councils to lobby Government to remove barriers to them delivering more;
- ii. providing a package of investment, skills, and expertise from City Hall to enable councils to build more homes; and
- iii. exploring the long-term potential of a London-wide municipal homebuilding programme.

D

The Mayor will work with housing associations to ensure that they are able to significantly increase the number of new genuinely affordable homes, including those based on social rent levels, that they deliver. This will include:

- i. providing investment and support to acquire land through streamlined funding programmes;
- ii. forming new strategic partnerships with ambitious housing associations; and
- iii. specific support for smaller housing associations, including encouraging new consortia to share expertise and development programmes.

- 3.73 We will not be able to significantly increase housing delivery in London unless more of the homes we build can be bought or rented by more Londoners, and are built by a wider group of organisations. In particular this means a focus on:
- a larger specialist Build to Rent sector that provides a more stable and well-managed supply of homes, at a range of rent levels, for the growing number of Londoners who need or want to rent;
 - more market homes for sale in outer London, many of which will be on smaller sites, which can be built out more quickly and are generally more affordable to more Londoners; and
 - a much greater supply of genuinely affordable homes to rent and buy that would unlock the substantial demand among Londoners who cannot afford open market prices.
- 3.74 The types of homes set out above do not have the same risks and market constraints that affect more expensive market sale homes. They can therefore be built at greater speed and quantity. This will require new approaches to development and financing models to complement the current major developer model of homebuilding.

SUPPORTING BUILD TO RENT

- 3.75 London has an opportunity to harness the emerging purpose-built private rental sector – or Build to Rent, as it has become generally known – to help increase housing delivery. Build to Rent can also help to support the development of a new, high quality and longer term option for private renters (see box 5), as well as constituting additional supply beyond what would be delivered through a housing market largely reliant on build for sale-led developments.

BOX 5: THE POTENTIAL OF BUILD TO RENT TO SUPPORT ADDITIONAL HOUSING DELIVERY

The Mayor believes that Build to Rent developments have the potential to:

- accelerate the pace of housing delivery on individual sites, as demand is broader for rented homes than new build sale;
- speed up multi-phased sites where Build to Rent can be delivered alongside homes for sale, increasing overall housing delivery;
- help to maintain delivery across the housing market cycle, because they are less impacted by house price downturns;
- attract new investment into London's housing market, including from investors looking for long-term, stable returns, such as pension funds;
- provide a more consistent and large scale demand for precision-manufactured homes;
- offer longer tenancies and greater security of tenure;
- ensure a commitment to, and investment in, place-making through single ownership; and
- provide better management standards and higher quality homes than much of the existing private rented sector.

The Build to Rent sector has grown significantly in recent years. In 2017, 3,500 Build to Rent homes were built – approximately double the 1,800 units that were built in 2014, the previous peak year.

This growth looks to be continuing: at the end of 2017, there were approximately 11,000 Build to Rent homes under construction in London, constituting 17 per cent of all private housebuilding⁶⁸.

- 3.76 To further support the growth of Build to Rent, the Mayor is providing more clarity about how schemes should be treated for planning purposes, including a clear definition. In return, the Mayor expects Build to Rent schemes to be exemplars for the wider, smaller scale private rented sector.
- 3.77 The draft London Plan, supported by the Affordable Housing and Viability SPG, sets out a new pathway through the planning system for Build to Rent schemes. This pathway is designed to help both applicants and councils guide Build to Rent schemes through the planning system by acknowledging their distinct economics when compared with mainstream build for sale housing schemes. This is normally taken to mean two separate but connected factors: first, Build to Rent relies on a revenue stream secured through rent rather than upfront return on sales; and, second, Build to Rent schemes often cannot therefore compete to buy land on an equal footing with speculative build for sale schemes.
- 3.78 The Mayor will encourage Government to ensure its own proposals for supporting Build to Rent through the planning system⁶⁹ are aligned with London's plans to give the industry clarity and certainty.
- 3.79 The Mayor recognises the benefit of all homes in a Build to Rent scheme remaining in single ownership and management. In some cases this may prevent such schemes from including social housing managed by councils or housing associations, or shared ownership homes that would be sold to individual purchasers. Despite this constraint, which the draft London Plan acknowledges, the Mayor wants to ensure Build to Rent developments include genuinely affordable homes, including those at London Living Rent levels.
- 3.80 Alongside requirements to include genuinely affordable housing, the Mayor wants to see more of the market-rate homes in new developments being affordable to Londoners on median incomes as the Build to Rent sector expands. This might be achieved in a number of ways, including by providers considering the amount of floorspace devoted to high-end communal facilities (such as gyms and games rooms) delivered on schemes. The Mayor will also explore how the rents charged for new and existing Build to Rent homes can be monitored, recognising that data relating to this is currently very limited.

- 3.81 In addition to the planning system, fiscal policy can also be used to support Build to Rent. From April 2016, higher rates of SDLT have been charged on purchases of private rental homes. The three per cent SDLT additional homes levy was designed to target second homes, including homes bought by private individuals and let out to tenants through Buy to Let. However, it is also applied to Build to Rent schemes, creating a substantial additional cost burden for a sector that is still in its infancy in the UK. The Mayor supports calls to exempt Build to Rent from the three per cent SDLT surcharge. This is necessary to bring Build to Rent onto a level playing field with mainstream construction for market sale.
- 3.82 The Mayor believes that Build to Rent developments should showcase the best management practices in the rented sector. In order to achieve this, the Mayor has five key management standards that should be incorporated into the policy definition of Build to Rent:
- longer tenancies (three years or more) should be available to all tenants. These should have break clauses for renters, which allow the tenant to end the tenancy with a month's notice any time after the first six months;
 - rent certainty should be offered for the period of the tenancy, the basis of which should be made clear to the tenant before a tenancy agreement is signed, including any annual increases, which should always be formula-linked;
 - there must be onsite management. This does not necessarily mean full-time dedicated onsite staff, but all schemes need to have systems for prompt resolution of issues and some daily onsite presence;
 - providers must have a complaints procedure in place and be a member of an established ombudsman scheme; and
 - providers must not charge upfront fees of any kind to tenants or prospective tenants, other than deposits and rent in advance.
- 3.83 These standards are applied through the Build to Rent pathway in the Mayor's draft London Plan and the Mayor strongly encourages councils to take the same approach.

REVERSING THE DECLINE OF SMALL AND MEDIUM-SIZED BUILDERS

- 3.84 Homebuilding in the UK, and particularly in London, has become increasingly dominated by large construction businesses. Nationally, 12,000 small- and medium-sized enterprises (SMEs) were responsible for building 40 per cent of new build homes in 1988, compared with 2,500 SMEs producing 12 per cent today⁷⁰. We need to develop more small sites for housing, and these sites are likely to be less attractive to larger construction firms, which tend to focus on larger schemes. SME builders are also more likely to keep building homes in downturns than larger volume developers⁷¹.
- 3.85 Smaller builders report three main barriers stopping them from building more homes in London: access to land; the speed and efficiency of the planning system; and access to finance⁷². The Mayor wants to take action on all three of these fronts.
- 3.86 To increase the availability of land for smaller builders, the Mayor supports a significant increase in the availability of small sites for housing development through new policies in his draft London Plan, including through a presumption in favour of such sites coming forward (see paragraph 3.21). Furthermore, the process for bringing forward small publicly-owned sites for housing-led development needs to be simplified. The Mayor has launched a Small Sites, Small Builders programme, beginning with a pilot on TfL sites, to support small builders, housing associations and community-led organisations to access publicly-owned small sites (see box 6).

70 Home Builders Federation, 'Reversing the decline of small housebuilders', 2017

71 Federation of Master Builders, 'Small is beautiful: Delivering more homes through small sites', 2016

72 Federation of Master Builders, 'House Builders Survey', 2016

BOX 6: SMALL SITES, SMALL BUILDERS

Small Sites, Small Builders is the Mayor's way of bringing small publicly-owned sites forward with smaller builders. The programme is targeted at a broad range of small organisations who deliver housing, including housing associations, private sector builders and contractors, community-led housing organisations, and self-builders. It is based on a simplified competitive disposal process, combining some of the convenience of land auctions with some of the delivery and quality control of a development agreement – but without the complication of procurement.

This will allow public landowners to select small builders capable of building high quality homes with innovative solutions for complex sites, based on their track record and background. Successful builders will be given a long lease on the sites on which they build, subject to securing planning and finance.

The GLA will support public landowners who choose to use this approach by:

- commissioning a full set of surveys to help reduce risk;
- marketing sites through a new website with clear, standardised contract terms; and
- providing capital funding to unlock otherwise unviable sites, subject to value for money in each individual case.

Landowners may also choose to include covenants restricting use of the site to affordable and/or community-led housing, and may also defer payment for the land to help builders' financing.

The GLA will also explore the opportunity to support public landowners to review their land ownerships, and will look at ways Londoners can suggest potential sites using an interactive map.

-
- 3.87 The Mayor welcomes financial support for smaller builders announced at the Autumn Budget 2017, which includes £630 million grant funding to assist developers to prepare small sites for development and an additional £1.5 billion for the Home Building Fund, to be targeted specifically at SME homebuilders.
- 3.88 Delays and financial costs associated with gaining planning permission are particularly problematic for SME builders because they mostly carry out just one or two schemes a year and cannot spread risk across a portfolio of sites like large developers can. To the extent that the costs of the planning process are fixed – such as the cost of providing an environmental impact, sunlight, or design and access statement – these will also disproportionately affect smaller schemes. To begin to address these issues, the Mayor’s draft London Plan sets out a new presumption in favour in the planning system for small sites alongside specific delivery targets for councils. The draft London Plan also focuses on ensuring smaller builders are supported through clearer policies and streamlined planning processes, including by working with councils to promote the use of Permission in Principle on small sites.
- 3.89 Delivering the large increase in new housing supply on small sites envisaged in the draft London Plan will clearly be a challenge. The Mayor therefore wants to provide design guidance and additional support for councils that are pro-actively engaging with the new approach. This will be developed in partnership with smaller builders and councils.
- 3.90 Until recently, Community Infrastructure Levy (CIL) payments were due shortly after commencement of a scheme unless the scheme was large enough to benefit from an instalments policy. In order to lower the finance costs associated with smaller scale residential development, the Mayor has amended the Mayoral CIL instalments policy so that more schemes – particularly medium-sized and smaller ones – can benefit. Councils are strongly encouraged to apply the same principle to their own instalments policies. The Mayor will work with Government to explore opportunities to further stimulate smaller builders through a more flexible approach to CIL instalments polices.
- 3.91 Finally, elsewhere in this draft strategy, the Mayor sets out his aspiration to see the VAT rate on repairs and improvements to existing properties lowered to five per cent by Government (see chapter five). This will directly benefit smaller builders, who are likely to carry out much of this kind of work, underpinning their ability to undertake new development activity that entails greater risk.

SUPPORTING COUNCILS TO BUILD MORE HOMES

- 3.92 The Mayor sees development led by councils as essential to building substantially more new and affordable homes. He wants to work with councils across London to do all they can with existing powers and resources to build more homes themselves, since they are well placed to do so through their roles as landowners and landlords. After many years when council homebuilding had been reduced to virtually zero, councils have started building homes again. This resurgence has been given added impetus by the powers granted in the Localism Act and devolution of council Housing Revenue Accounts (HRAs). London's councils have built over 2,100 homes in the last seven years, compared with just 70 homes in the preceding seven years⁷³.
- 3.93 The Mayor wants to work with individual councils who are building homes directly, and those who have, or are considering creating, companies where these are necessary to bring housing development forward. The Mayor encourages councils to bid for funding from his Building Council Homes for Londoners programme to support the delivery of new council housing. In initial allocations made under the previous round of his Affordable Homes Programme, announced in July 2017, councils were allocated almost £150 million in affordable housing grant.
- 3.94 The potential advantages of developing homes through companies is that they can undertake development more freely than councils can, and they have the scope to provide a long-term income source for councils that may be struggling to absorb reductions in Government funding. They are also often the only way to deliver certain types of homes because of the rules imposed by central Government. However, these benefits must be balanced against the need to ensure these companies are accountable to local people, and that affordable homes are maximised and retained in perpetuity.
- 3.95 To ensure that councils share good practice and go as far as they can with existing resources, the Mayor will work collaboratively with them to help develop their housing delivery plans and share expertise, staff, and resources where appropriate. Beyond the initial funding allocations from his Affordable Homes Programme, he has developed Building Council Homes for Londoners, a broader package of support, including further funding, for council homebuilding projects and for councils who want to expand their programmes.

- 3.96 While the Mayor will use all his powers and resources to support councils to build more, they continue to face financial and regulatory pressures that could be eased by Government. Measures announced to support councils so far by Government, such as additional borrowing for those in areas of high need, fall far short of what is required to enable a significant increase in council delivery. He will work with councils who are willing to support higher levels of homebuilding to make the case to Government that these barriers must be addressed. These barriers include:
- restrictions governing how proceeds from the Right to Buy scheme can be spent;
 - uncertainty about whether Right to Buy will be extended to tenants living in homes owned by council-owned companies;
 - restrictions on borrowing against councils' HRAs; and
 - restrictions on what types of homes can be built by councils directly.
- 3.97 Over the longer term, the Mayor believes that significantly more public subsidy, reform of land assembly powers, and measures to create pan-London economies of scale, are essential for the contribution of municipal homebuilding to reach its full potential. He will work with councils and other partners to explore the potential of such a programme to provide the levels of homebuilding London needs.

SUPPORTING HOUSING ASSOCIATIONS

- 3.98 The Mayor is committed to working with housing associations to deliver the objectives set out in this strategy. He encourages housing associations to bid for funding from his Affordable Homes Programme, and his expanded Homes for Londoners team will help partners to access a wider range of development opportunities.
- 3.99 The Mayor recognises the pressures housing associations face as a result of the statutory four year social rent reduction. He welcomed the five year rent settlement announced by Government in 2017, and is clear that housing associations need certainty around long-term, inflation-linked rent setting arrangements in order to make sustainable business decisions and deliver more homes.

- 3.100 In return for an ambition from larger housing associations to deliver more homes, the Mayor wants these organisations to benefit from more freedom and flexibility than that which is available through mainstream funding programmes. The Mayor is working with major affordable homes providers who commit to delivering particularly ambitious development programmes through a flexible strategic partnership approach. Each partnership will involve at least 1,000 new housing starts, with at least 60 per cent of them genuinely affordable. Partnerships could include flexibility around funding, support for land acquisitions, and other joint initiatives such as construction skills and precision manufacturing.
- 3.101 In initial allocations made under his current Affordable Homes Programme, the Mayor has announced eight strategic partnerships, which in total will aim to deliver 38,500 genuinely affordable homes. The Mayor is open to further strategic partnerships with ambitious housing associations.
- 3.102 The Mayor also wants to support smaller housing associations, which are providing some of London's more specialist homes for specific communities or needs. All smaller housing associations should be considering how they can expand their development programmes. To support this, the Mayor will provide advice, support, and assistance for smaller housing associations who have an appetite to develop their homebuilding capacity. This includes encouraging consortia of smaller housing associations to share expertise, as has happened with the North River Alliance⁷⁴ and the Connected Partnership⁷⁵. The Mayor will also provide funding to support smaller housing associations, and would welcome further discussions with partners about the additional support they would require to increase their affordable housing delivery.

74 The North River Alliance is a development partnership of 11 locally based housing associations in North and East London, led by Islington & Shoreditch Housing Association.

75 Connected Partnership is a partnership between Octavia, Shepherds Bush Housing Group and Origin Housing, which develops new homes across central and west London.

POLICY 3.4: INCREASING THE CAPACITY OF THE INDUSTRY

The construction skills gap should be addressed and construction methods modernised.

Proposals

A

The Mayor will work with partners to encourage many more Londoners to take up a career in construction. This will include:

- i. making the case for the urgent need for certainty over the rights of EU nationals to continue to work in the capital, with a focus on the importance of the UK remaining in the European Single Market;
- ii. leading a new campaign which will outline what Londoners, homebuilders and Government can do to ensure that London's construction industry can access the skills and people it needs; and
- iii. supporting a more flexible approach to local labour requirements to ensure that all London residents have access to meaningful apprenticeship and training opportunities.

B

The Mayor will work to improve London's construction skills training system. This will include:

- i. launching a Construction Academy for London to help ensure that training providers and employers are working together as effectively as possible to design and deliver approaches to training which meet the needs of employers and learners;
- ii. producing a London Skills Strategy that will set out priorities for improving education and skills provision for Londoners aged over 16, with a focus on technical skills and adult education, and supported by devolution of the Adult Education Budget; and

- iii. lobbying for further devolution, including control over the 16 to 18 Technical Education Budget and any unspent element of the Apprenticeship Levy.

C

The Mayor will support and promote the modernisation of London's construction industry through more precision manufacturing of homes. This will include:

- i. making funding available for affordable homes built using precision manufacturing approaches through the Affordable Homes Programme, including the Innovation Fund;
- ii. working with the housing industry to promote greater standardisation of precision-manufactured homes;
- iii. negotiating a share of the Accelerated Construction Fund to be used flexibly in London to support the shift to more precision manufacturing of homes; and
- iv. making the shift to more precision manufacturing of homes a key priority for investment in London's skills system, including through the new Construction Academy.

- 3.103 It will not be possible to significantly increase homebuilding in the capital without enough people with the right skills wanting to work in the construction industry. With 14 per cent of construction workers due to retire in the next 10 to 15 years, it is essential to recruit the next generation of the workforce. Furthermore, with women making up just 13 per cent of the construction workforce, compared with 44 per cent of all workers in the capital⁷⁶, attracting a more diverse range of people is essential too. Available estimates suggest that between 2,500 and 4,000 new workers will be needed in each year to meet additional demands on the industry⁷⁷. In addition, the construction industry has a poor public image and reputation, and there are considerable gaps in the skills training system. In 2016, 47 per cent of construction employers seeking to fill vacancies reported difficulties in doing so⁷⁸.
- 3.104 Brexit poses additional risks, since more than a quarter of London's construction workforce comes from the EU⁷⁹ and the proportion employed in residential construction could be almost half⁸⁰. Furthermore, the EU funds a range of skills training in London and it is currently unclear how this will be affected by Brexit. Certainty over the rights of EU nationals to continue working in London is therefore a key priority, along with greater investment in skills, and encouraging more people to consider a career in construction. The skills challenge and the poor image of construction as a career are closely linked to the way we build homes, and could benefit from a shift towards precision manufacturing.
- 3.105 There is an urgent need for greater vision and coordination of effort, to bring together the many initiatives already underway and to scale up the level of ambition. The Mayor wants to show leadership and bring partners together to achieve this.

PROMOTING CONSTRUCTION AS A CAREER

- 3.106 The Mayor will work with Government, employers, training providers and councils to attract many more Londoners into a career in construction. Data from the Construction Industry Training Board (CITB) shows that the

76 GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016)

77 GLA Economics, 'London labour market projections 2016'; CITB/Experian, 'Construction Skills Network Forecasts 2017-2021'; UKCES, 'Working Futures 2014 to 2024: main report', 2016

78 CITB, Skills and Training in the Construction Industry 2016', 2016

79 GLA, 'Housing in London', 2017

80 HBF, 'Home Building Workforce Census', 2017

overall appeal of the construction industry as a career option for young people is low⁸¹, while 35 per cent of career advisers believe a career in construction is unattractive⁸². The Farmer Review⁸³ cites the poor image of the industry as one of the main challenges facing construction, with perceptions of poor job security and working conditions commonplace. These challenges are particularly acute for housing construction and compounded by the challenges presented by Brexit. The Mayor will continue to work with business to make the case for the urgent need for certainty over the rights of EU nationals to continue to work in the capital, with a focus on the importance of the UK remaining in the European Single Market.

- 3.107 The Mayor believes that careers in construction should be promoted and celebrated, focusing on the wide variety of different careers available in the industry, the significant opportunities for progression and good levels of pay.
- 3.108 To support this vision, the Mayor will lead a new campaign, which will outline what Londoners, homebuilders and Government can do to deliver the skills and people that London's construction industry needs. It will focus on the benefits of a career in construction and the contribution that Londoners can make to the capital by building homes for current and future residents. To help increase the construction workforce above its current size, this campaign will be targeted at groups currently under-represented in the construction workforce, in particular young people, women, and those from a BAME background⁸⁴. The campaign will also promote opportunities for the construction industry to come together to support this ambition, and include working with Government to support the needs of London's construction employers and workforce. This will be linked to the London is Open campaign, highlighting how crucial skilled construction workers are to delivering London's housing ambitions, and to the Good Work Standard initiative, encouraging employers to implement the very best employment standards in London.

81 Department for Business, Innovation and Skills, 'UK Construction – An economic analysis of the sector', 2013

82 CITB, 'Educating the Educators', 2014

83 Construction Leadership Council, 'The Farmer Review of the UK Construction Labour Model – Modernise or die: time to decide the industry's future', 2016

84 GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016) shows that women make up only 13 per cent of London's construction workforce, compared to 44 per cent of all workers in the capital and London's construction workforce is older than the city's overall workforce, with 14 per cent aged 55 or over (compared to 10 per cent overall). In addition, only 19 per cent of London's construction workforce is from a BAME background, compared to 30 per cent of London's workforce overall

3.109 The campaign will be delivered in partnership with leading players in the industry and other key organisations. It will offer clear information on how to access training and opportunities by promoting the Mayor's Construction Academy (see box 7) and linking with other initiatives, such as London Ambitions⁸⁵ and the GoConstruct online portal⁸⁶.

APPRENTICESHIPS AND LOCAL LABOUR

3.110 Apprenticeships can provide an excellent route into a career in construction. However, only 500 construction apprenticeships were completed in London in 2015/16. Despite many local examples of good practice, the current approach to promoting apprenticeships on housing schemes is failing to optimise outcomes for either apprentices or the construction industry. Developers are often required to make employment opportunities available to local residents as part of planning agreements with councils. These local residency requirements can be impractical on building sites that offer inherently short-term employment and training opportunities, and can make it particularly difficult for Londoners who need to move sites part way through their training.

3.111 The London Chamber of Commerce and Industry has called for councils to look at developing a more flexible approach to local labour requirements contained in planning agreements in order to allow apprentices and workers to access opportunities across borough boundaries⁸⁷. The Mayor will work with councils, developers, construction employers, and training providers to develop a system which enables Londoners to access high quality training and employment opportunities across the capital through better coordination and brokerage. This new approach should ensure that local residents can benefit directly from development taking place in their locality, that apprenticeship and training opportunities are meaningful, and that the construction industry has access to the workers that it needs. The Mayor will work with councils to ensure that this new approach is reflected in section 106 agreements with developers, underpinned by a policy in the draft London Plan that clearly articulates the benefits of such an approach.

85 <https://londonambitionsportal.london.gov.uk/>

86 <https://www.goconstruct.org/>

87 LCCI, 'Skills to build: LCCI / KPMG Construction Skills Index (London and the South East) 2014', 2014

IMPROVING LONDON'S CONSTRUCTION SKILLS INFRASTRUCTURE

- 3.112 The Mayor wants to see the construction industry rising to the challenge of significantly increasing housing supply and recognises that, as a sector, it is highly fragmented. This both adds to the underlying difficulties in increasing homebuilding and undermines training outcomes. The Farmer Review highlighted fundamental problems in the UK's construction labour market model that, if unaddressed, will have a significant impact on the UK's ability to deliver more homes. These issues include a dysfunctional training model, a lack of innovation and collaboration, a virtually non-existent research and development culture, and low productivity.
- 3.113 To help London respond to these issues, the Mayor established a Homes for Londoners sub-group to investigate the issue of construction skills in London. The sub-group included representatives from the construction industry, housing associations, councils, and training providers. It reported its recommendations to the Homes for Londoners Board in September 2017⁸⁸. The recommendations included proposals for how to improve London's existing construction skills system, a new approach to local labour requirements, planning for future demand, promoting construction as a career, and supporting the development of the precision-manufactured homebuilding sector. The Mayor has asked a sub-group of his Skills for Londoners taskforce – a group of employers, skills experts, and London government representatives – to take forward these recommendations and they will report on their progress in summer 2018.
- 3.114 The Mayor will work with Government, employers, training providers, and councils to deliver a skills system which will mean more Londoners can play their part in building the homes they need. To drive this ambition forward, the Mayor will launch a Construction Academy for London to ensure that training providers and employers are working together as effectively as possible to design and deliver approaches to training which meet the needs of employers and learners (see box 7). The Mayor will also work with TfL to ensure its training academy in Ilford is a centre of best practice in construction skills for both housing and infrastructure needs.

BOX 7: THE MAYOR'S CONSTRUCTION ACADEMY

The Mayor is committed to working with industry to deliver the wide range of skills needed to significantly increase London's housing output. The Mayor's Construction Academy (MCA) will deliver an approach to skills and training which will help make sure there are enough people with the construction skills that London needs, including a focus on increasing the involvement of groups and communities currently under-represented in the construction workforce.

The MCA, guided by input from industry, will build on existing structures of training and skills provision, using a pan-London network to enable increased collaboration between skills training providers and construction employers who have vacancies to fill. This work will be supported and co-ordinated by a central team based at City Hall. This approach will help to ensure that local skills provision is planned according to construction employers' skills requirements, as well as facilitating job brokerage between training providers and construction employers. The development and delivery of the MCA will be driven by senior stakeholders representing the construction industry, skills providers, and local government, overseen by the Mayor's Homes for Londoners and Skills for Londoners boards.

The MCA will be supported by at least £8 million of funding, including capital investment for improvements to training providers' premises and equipment. This will ensure that Londoners have access to cutting edge training provision in the wide range of skills needed to build new homes for Londoners, including traditional trades and those required for precision-manufactured homes.

All those participating in the MCA – contractors, developers, housing associations, councils, and training providers – will be publicly acknowledged as the Mayor's partners in tackling the construction skills challenge.

The MCA programme prospectus, along with details of a new MCA 'quality mark' for training providers, was published in March 2018.

DEVOLUTION OF SKILLS PROVISION

- 3.115 The Adult Education Budget (AEB) is due to be devolved to the Mayor from 2019/20, with the aim of giving the GLA more control to ensure skills provision meets the needs of Londoners and London businesses. The Mayor will support reform of the skills system focused on helping people progress into further and higher education, apprenticeships, and employment, and helping them secure increased earnings where they are in low-paid work, as well as supporting the delivery of wider social outcomes. The Mayor will produce a Skills for Londoners Strategy that will set out priorities for improving education and skills provision for Londoners aged over 16, with a focus on technical skills and adult education, and will look at how the GLA can support a new approach to skills in the capital, taking into consideration the sectors central to London's economic success, including construction. The Mayor's forthcoming Good Work Standard will also aim to ensure that the capital's employers provide the conditions necessary to attract and keep the workforce that London needs.
- 3.116 While the Mayor welcomes the devolution of the AEB to London, current plans do not go far enough. The Mayor wants to ensure that the entire post-16 skills system in London is joined up and designed to meet London's specific social and economic needs. This includes the ability to deliver diverse and flexible construction training which provides Londoners with the right skills to move onto construction sites as quickly as possible. To support this, the Mayor is calling for the devolution of the full range of post-16 skills powers and funding, including control over the 16 to 18 Technical Education Budget. He is also calling for the Apprenticeship Levy to be ringfenced and devolved to London, to ensure that money raised in London is spent in London and is directed towards the capital's skills priorities, including construction. The Mayor is further concerned that Brexit has raised uncertainty about the future of skills and employment programmes currently funded by the European Social Fund. In light of this, the Mayor will continue to lobby to ensure that London is devolved a fair share of any future funding allocated as a replacement for European funds.

SUPPORT FOR PRECISION MANUFACTURING OF HOMES

- 3.117 The Mayor is determined to support a significantly increased role for precision manufacturing in homebuilding in London. The precision manufacturing of homes has the potential to offer greater consistency and quality control, alongside additional benefits in terms of speed of delivery, cost efficiencies,

and safety on site. An industry-wide move towards more offsite work to support additional capacity in the sector could make a career in the construction sector more attractive to a wider range of people. It could also support new jobs that require different skills in London and elsewhere, helping to strengthen and rebalance the country's manufacturing and industrial base.

3.118 While offsite construction methods currently account for less than 10 per cent of total construction output⁸⁹, there is widespread acceptance, backed up by the Farmer Review, that this new approach to construction is an essential part of tackling the housing crisis. However, in order for precision manufacturing to play a role in homebuilding at the scale required to make a difference, the construction workforce needs to have the necessary skills – and this requires a fresh approach to construction skills training.

3.119 The Mayor wishes to support greater housing delivery through additional housing construction activity in London that involves precision manufacturing. To support this, the Mayor will make funding available for affordable homes built using precision manufacturing approaches through his Affordable Homes Programme, including the Innovation Fund. He will also work with partners to help promote greater standardisation of precision-manufactured homes and components, enabling more consistency across the industry and supporting the aggregation of demand (see box 8). This work is part of the Mayor's collaboration with key partners including Government, the manufacturing industry and homebuilders, to support a step change in the approach to housing delivery.

3.120 The Accelerated Construction Fund is the Government's initiative to speed up delivery of new homes, particularly on publicly-owned land. The Mayor believes that the Fund should be tailored in London to meet the capital's distinct needs – and believes there could be a particular role for the Fund to help support and de-risk housing development built using precision manufacturing techniques. The Mayor will seek to negotiate a share of the Accelerated Construction Fund to be used flexibly in London to support the shift to the greater use of precision manufacturing in homebuilding.

BOX 8: GREATER STANDARDISATION OF PRECISION-MANUFACTURED HOMES

A lack of standardisation is a well-recognised barrier to the adoption of new technologies across different industries. In the early stages of development, the absence of common components and approaches means manufacturers waste effort duplicating work on basic design and concepts. In addition, demand for new technologies often remains small because early adopters require a high level of expertise and face high risks.

The growth of precision manufacturing in homebuilding is currently being hampered by such a lack of standardisation. Although the industry's diversity is helping to support innovation, it is also leading to the duplication of effort and undermining potential for aggregation of demand. Homebuilders risk buying into a single system of technology which is exclusively manufactured by a single company, with no or low interoperability with other technologies. The characteristics of the construction industry – such as deeply engrained working practices, very high values, and low margins – makes the adoption of precision manufacturing particularly risky. Standardising approaches will help to address these challenges, support growth in the precision-manufactured homes sector, and contribute towards the delivery of the homes that Londoners need.

The Mayor is therefore working with a range of industry partners and stakeholders to accelerate standardisation, and he has commissioned work to help develop a common framework for delivering precision-manufactured homes at scale in London. This work will involve research into the opportunities for standardisation in precision-manufactured housing, and the development of a digital toolkit to identify how different precision-manufactured housing systems could be used on specific sites. The Mayor intends this work to help enable more consistency across the industry and to support the aggregation of demand for precision-manufactured housing components – enabling it to grow beyond its current small scale, while continuing to benefit from innovation and customisation.



4. Delivering genuinely affordable homes

- 4.1 The Mayor is determined to make housing more affordable to Londoners on low and middle incomes. This chapter contains the Mayor's policies and proposals specifically in relation to affordable homes that are rented out or sold to Londoners at below market rates. Policies to make the costs of renting privately more affordable are in chapter six.

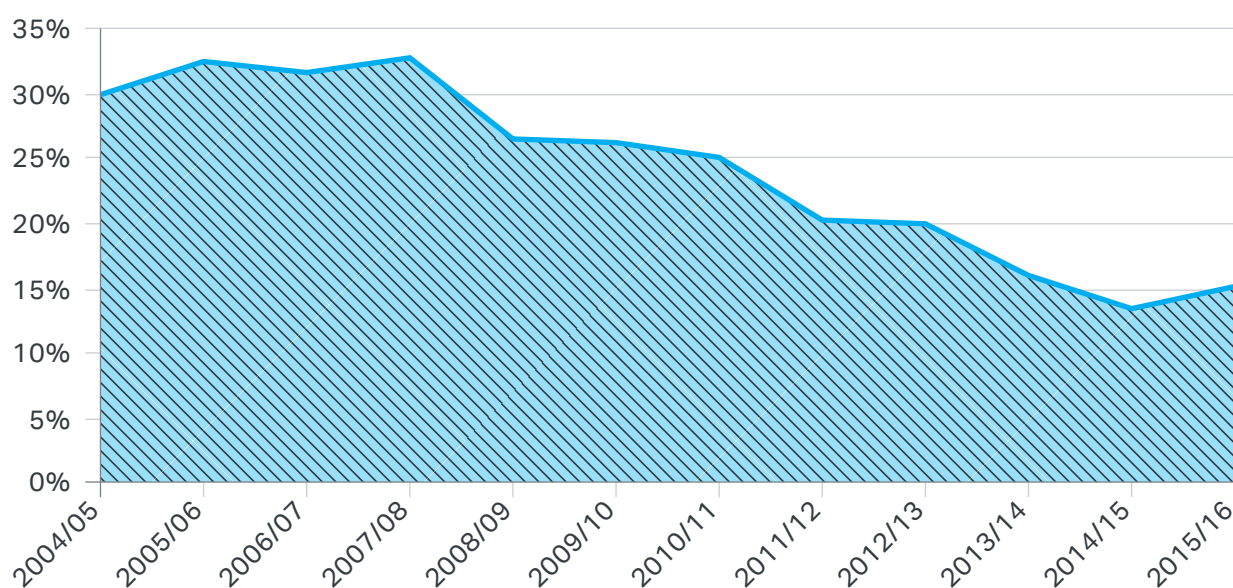
CONTEXT

- 4.2 London depends on people of many different means and backgrounds being able to live here and contribute to its vibrancy and economic success. The capital's stock of social housing, built up over many years, forms the foundation of our mixed city – and with a growing number of jobs in recent years putting greater pressure on housing, affordable homes are more central than ever to making sure all Londoners can play their part in the city's economy and society.
- 4.3 Affordable homes play a vital role in supporting Londoners on low incomes who are unable to access the private market. Many Londoners on low incomes play a crucial role in the success of the capital's businesses and public services, yet are the most disadvantaged by the rising living costs associated with that same success. A recent report estimated that around one third of London's shift workers, such as those working in caring professions and cleaners, as well as 'blue-light' workers, such as police and ambulance drivers, currently live in London's social housing⁹⁰. A shortage of affordable housing has also been linked to difficulties in recruiting and retaining public sector workers⁹¹.
- 4.4 Affordable homes can also help to support Londoners on middle incomes, particularly those stuck in the private rented sector who are struggling to save for a deposit. Addressing this need is important to avoid London hollowing out, with only very wealthy people able to afford market housing and people on relatively low incomes able to access social housing. Moreover, many of the industries that drive London's economy and our public services depend on a steady supply of highly-educated professionals who need access to homes they can afford.

90 Peabody, CBI and CEBR, 'The Business Case for Affordable Housing', 2016

91 LCCI, 'Living on the edge – housing London's blue light emergency services', 2016

Figure 4.1: Affordable homes as a percentage of net conventional approvals in London, 2004/05 to 2015/16⁹²



- 4.5 In 2015/16, the number of affordable homes funded by the GLA was just 4,880, the lowest since records began. The proportion of homes given planning approval that were affordable fell from 33 per cent in 2007/08 down to a low of just 13 per cent in 2014/15 (figure 4.1). The low level of new supply and the failure to even replace social housing sold through Right to Buy has contributed to a fall of around 20 per cent over the last decade in the number of new lettings of social rented homes available to councils
- 4.6 The declining amount of social housing has left more than a quarter of a million Londoners on housing registers (some with waiting times of up to 25 years⁹³) and more than one in eight social housing tenants living in overcrowded conditions⁹⁴. The reduced availability of social housing has also contributed to a crisis of homelessness (see chapter seven). Demand for shared ownership and other forms of intermediate affordable homes also continues to outstrip supply. The number of Londoners registered on the GLA online portal – the main way to access intermediate affordable housing – has increased from 70,000 in 2013/14 to over 210,000 in 2017.

92 GLA, London Development Database, 2004/05 to 2015/16

93 MHCLG, Local Authority Housing Statistics, 2015/16. Waiting times are not recorded consistently but several individual councils publish estimates.

94 GLA, 'Housing in London', 2017

- 4.7 The 2017 London Strategic Housing Market Assessment indicates that to meet London's needs, substantially more affordable housing should be built, and over two thirds should be for low cost rent. The Mayor is making full use of available funding to build genuinely affordable homes to rent and buy, but he believes that significantly more funding is required to help meet the shortfall. He is clear that further funding should be balanced towards delivering new homes based on social rent levels.
- 4.8 As a consequence of the shortfall of homes for low cost rent, an increasing number of Londoners on low incomes are renting privately, with rents that have risen quickly in recent years (see chapter two). In 2011, working Londoners accounted for 28 per cent of housing benefit claimants; by 2017, this had risen to 46 per cent⁹⁵. In previous decades, these are the Londoners who would have likely benefited from social housing.
- 4.9 The Mayor believes there is a clear and compelling moral case, alongside financial and economic ones, to deliver many more affordable homes for Londoners. Londoners say that making a greater proportion of new homes affordable is even more important than just building more homes⁹⁶. It is a view shared not just by Londoners themselves, but also by businesses, more than half of whom say they want the Mayor to focus on delivering more affordable homes⁹⁷. The Mayor is leading a broad coalition across London in support of more affordable housing, and is making this his top priority.

95 Trust for London and New Policy Institute, 'London's Poverty Profile', 2017

96 GLA/YouGov opinion polling on affordable housing, February 2018

97 CBI, 'London Member Survey', 2016



POLICY 4.1: GENUINELY AFFORDABLE HOMES

Supported by a series of clear affordability tests, new affordable homes should be genuinely affordable to Londoners.

Proposals

A

The Mayor will support homes based on social rent levels, allocated according to need to Londoners on low incomes. This will include:

- i. using his funding and planning powers to deliver homes based on social rent levels (which includes those for 'London Affordable Rent');
- ii. investing in councils that choose to deliver new council homes for rent; and
- iii. refusing to authorise any further conversions of social rented homes to higher rents.

B

The Mayor will support intermediate rented homes for Londoners on middle incomes who do not have enough savings to access mainstream or affordable home ownership. This will include:

- i. using his funding and planning powers to deliver new London Living Rent homes to help private renters save for a deposit to buy a home; and
- ii. supporting a range of other types of intermediate rented homes as long as they are genuinely affordable to Londoners, generally meaning that they should be accessible by those whose household incomes fall under £60,000.

C

Building primarily on the successful shared ownership model, the Mayor will support affordable home ownership aimed at Londoners who cannot afford to buy on the open market. This will include:

- i. using his funding and planning powers to deliver London Shared Ownership homes;
- ii. introducing a 'London Charter' to standardise approaches to service charges in shared ownership homes; and
- iii. supporting other types of affordable home ownership through his funding and planning powers, as long as the homes are genuinely affordable to Londoners whose household incomes fall under £90,000.

- 4.10 The Mayor wants to give Londoners confidence that more new homes will be genuinely affordable. Londoners have understandably become suspicious of the term 'affordable' in recent years, as it has included homes costing far beyond the means of most households.
- 4.11 Government sets the rules for defining affordable homes. However, the Mayor has successfully negotiated with Government to enable him to use funding for new affordable housing that better meets Londoners' needs, and he is using his planning powers to their fullest extent. The Mayor wants to see homes built that are:
- genuinely affordable for Londoners on both low and middle incomes;
 - available both to rent and to buy, meeting different housing needs and income levels; and
 - built by a range of organisations, including housing associations, community-led organisations, councils, and the private sector.
- 4.12 The Mayor is promoting three types of affordable homes in particular through his current investment programme and his draft London Plan. They are defined more fully below and comprise:
- homes based on **social rent** levels (which includes London Affordable Rent);
 - homes for **London Living Rent**; and
 - homes for **London Shared Ownership**.
- 4.13 Beyond these three types of home, the Mayor will back innovation through a flexible approach to supporting different types of affordable homes, recognising that London is a large and diverse city with many ideas for how to address its housing needs. For example, this could include live-work spaces to support London's small businesses and entrepreneurs, in particular where these can support clusters of creative industries in Creative Enterprise Zones. This flexibility will be balanced against the need to ensure all affordable homes developed in London are genuinely affordable to Londoners. In particular, any proposals seeking funding or planning support should meet three tests:
- the local council should be supportive;
 - the homes should remain affordable in perpetuity, with provision made to recycle any subsidy and reinvest it elsewhere if homes are sold; and
 - new types of affordable homes must be demonstrably affordable to Londoners with reference to the eligibility criteria for the Mayor's preferred affordable housing tenures.

- 4.14 Household income caps help set the eligibility criteria for intermediate affordable homes. They are set out in broad terms in this draft strategy, with any updates being included in the London Plan Annual Monitoring Report published annually. The draft London Plan includes a further safeguard, stating that expenditure on housing costs should not exceed 40 per cent of net household income.
- 4.15 The Mayor's Affordable Homes Programme supports homes aimed at Londoners on a range of incomes, and operates within national funding rules which have been weighted towards the delivery of intermediate homes for middle income Londoners. The Mayor will support delivery of these much-needed homes, and his new portal at london.gov.uk will make them easily accessible for Londoners.
- 4.16 The Mayor is clear that additional funding should be made available particularly to support the construction of many more genuinely affordable homes for lower income households to meet London's housing needs in full. While a welcome start, the funding announced so far is substantially below the level required. Initial GLA analysis suggests that delivering 50 per cent affordable housing with the proportion of low cost rent identified as necessary by the 2017 Strategic Housing Market Assessment (SHMA) would require around four times the funding that London currently receives (see paragraph 4.48).

HOMES BASED ON SOCIAL RENT LEVELS

- 4.17 Social rented housing forms the foundation of our mixed city, and many more homes based on social rent levels are urgently needed to help low income households who are unable to rent or buy on the open market. The Mayor is committed to using the resources available to him to deliver more homes that meet these needs.
- 4.18 Following longstanding calls from the Mayor and others, Government has now permitted some flexibility for the GLA to fund homes for social rent. The limited amount of funding available means that these will have to be delivered in combination with other types of genuinely affordable homes, but the Mayor will make full use of this opportunity to increase London's supply of social rented housing. In particular, the Mayor wishes to use these flexibilities to support and invest in councils that choose to deliver new council homes for rent.

- 4.19 Over the last few years, rents for many new affordable homes for low income households have been set at much higher levels than traditional social rents. In London, this has led to a situation where some homes have been rented out to Londoners on low incomes at up to 80 per cent of local market rents, causing hardship to households as well as driving up the cost of Housing Benefit for the taxpayer. This policy has also made it more difficult for London's housing associations and councils to build low cost rented homes for the Londoners who really need them.
- 4.20 In its agreements with the Mayor, announced at the November 2016 Autumn Statement and the March 2018 Spring Statement, Government released funding to London through its national 'Affordable Rent' programme, which it defines as up to 80 per cent of market rent. The Mayor does not consider 80 per cent of market rents to be genuinely affordable to Londoners on low incomes in most parts of London. That is why, through his Affordable Homes Programme, the Mayor has said this money should support delivery of 'London Affordable Rent' homes, which he has specifically defined as having rents caps based on social rent levels. A two-bed London Affordable Rent home would therefore have a rent of £153 a week in 2017/18, around 45 per cent of the median private rent for the same-sized home. This approach allows national funding which is only available for 'Affordable Rent' to be used by the Mayor in London to deliver homes based on social rent levels.
- 4.21 Annual increases in the caps are indexed to consumer price inflation plus one per cent to give housing providers certainty to make important further investments in new affordable homes for Londoners. The London Affordable Rent caps operate on a pan-London basis, so tenants living in higher-value areas in Inner London do not find themselves penalised through higher rents, as occurred under the Affordable Rent programme⁹⁸. More details on these homes are contained within the Affordable Homes Programme funding guidance. The draft London Plan supports this approach, setting out that homes for low cost rent should be for social rent, or London Affordable Rent based on social rent levels. Other low cost rented homes may be supported where they meet similar housing needs to London Affordable Rent homes.
- 4.22 Since 2011, the rents for some social rented homes have been substantially increased when they are re-let under a process known as conversion. This was a feature of the previous Mayor's funding programme, under which

around 19,000 such conversions were authorised in London. Under his new programme, the Mayor will not authorise any further conversions of social rented homes to higher rents.

INTERMEDIATE RENTED HOMES

- 4.23 As housing in London has become increasingly unaffordable, middle income Londoners have looked to affordable home ownership, particularly shared ownership, as a route to owning their own home. However, the requirement for a deposit for these homes means that many Londoners on middle incomes are still unable to access them immediately, and unable to save due to the high costs of renting privately. Indeed, more than half of households in London's private rented sector have little or no savings⁹⁹.
- 4.24 The Mayor will support a range of intermediate rented homes. In particular, through his Affordable Homes Programme, the Mayor will invest in new London Living Rent homes to help private renters save for a deposit to buy a home. Rents for these homes are based on a third of local average household incomes – a widely accepted measure of housing affordability (see box 9). London Living Rent is a new and innovative product, so the Mayor is keen to build on its successes and learn from its implementation to support a long-term improvement and expansion in the intermediate rented housing offer for Londoners.
- 4.25 As well as the London Living Rent homes that will receive Mayoral funding, other types of intermediate rented homes will also be supported as long as they are affordable to Londoners with household incomes of less than £60,000 and they meet the other affordability requirements set out by the Mayor. For example, the Mayor's draft London Plan supports councils, housing associations, and other developers in the delivery of homes let permanently at London Living Rent levels, as well as other discounted/ intermediate market rent (DMR/IMR) homes at a range of discounts. All intermediate rented homes should provide at least a 20 per cent discount on market rents and the Mayor will expect larger discounts in most cases.

BOX 9: LONDON LIVING RENT (AS FUNDED THROUGH THE MAYOR'S AFFORDABLE HOMES PROGRAMME)

London Living Rent aims to offer Londoners on average incomes a below-market rent, enabling them to save for a deposit. The Mayor has set out London Living Rent levels that vary by ward across London, set at a third of local average household incomes. When funded through the Mayor's Affordable Homes Programme, London Living Rent is designed to offer sub-market rents for up to 10 years, helping households to save for a deposit.

The Mayor published initial proposals for London Living Rent in September 2016, and the final details have been informed by discussions with a range of providers, councils, Government, and other stakeholders.

Eligibility for London Living Rent is restricted to households that are currently renting, with a maximum income of £60,000 and who are not currently able to purchase a home (including through shared ownership) in the local area.

Tenants' landlords are expected to actively support London Living Rent tenants into home ownership within 10 years, with tenants having 'first dibs' on buying the homes they are renting through shared ownership.

The GLA has published maximum rents (inclusive of service charges) by number of bedrooms for new London Living Rent homes in every ward in London, and will update these figures on an annual basis. Affordable housing providers are welcome to set rents below these levels if they wish.

London Living Rent homes delivered in partnership with the GLA will be let using ASTs or their equivalent, with the rent allowed to increase by up to the rate of inflation (using the Consumer Price Index (CPI) each year. The GLA encourages providers to help as many households as possible over the lifetime of each London Living Rent home, but, in order to ensure stability, does not expect tenants to be required to move for at least three years from the start of their tenancy.

All London Living Rent homes will be made available through the new Homes for Londoners online portal. Where there is more than one eligible applicant, providers will determine priority for London Living Rent homes through use of a local intermediate waiting list (if one exists), by using a priority group or groups identified by the local council, or as a last resort, on a first-come, first-served basis.

Housing providers who deliver London Living Rent homes as part of the Mayor's programme have the flexibility to choose up until the point of first sale or letting to deliver homes as London Living Rent or London Shared Ownership, depending on conditions on a scheme as it nears completion. More information about London Living Rent, including the maximum rent levels, can be found on the GLA website: <http://www.london.gov.uk/londonlivingrent>

- 4.26 These types of affordable homes are particularly appropriate in Build to Rent developments, where it is generally important that all the homes remain in common ownership. More details on how the Mayor will support Build to Rent schemes are set out in chapter three. The Mayor has set out his approach to affordable housing in Build to Rent schemes in his draft London Plan.

AFFORDABLE HOME OWNERSHIP

- 4.27 The shared ownership model allows London households earning an average of £41,000¹⁰⁰ an opportunity to purchase a share in a new home and pay a low rent on the remaining, unsold, share. It has been a success with both Londoners and affordable housing providers, and the Mayor wishes to continue this success through investment and his planning policies.
- 4.28 The Mayor's Affordable Homes Programme will therefore support homes for London Shared Ownership – based on the national shared ownership model, but with extra assurances for Londoners over service charges. A lack of transparency over service charges is a common complaint from shared owners, causing confusion and dissatisfaction for those affected. The main providers of shared ownership in London have responded to the Mayor's calls to improve satisfaction with shared ownership by producing a 'London Charter' setting out their commitment to work together to standardise approaches to service charges. Further details are set out in chapter six.

- 4.29 The Mayor will also support councils, housing associations, community-led groups, and other developers in building other types of affordable homes to buy, such as Discounted Market Sale (DMS) homes, where they meet the tests set out in paragraph 4.13. All types of affordable home ownership should be allocated on the basis of policies set out in the draft London Plan. This will include the expectation that local eligibility criteria can only be applied for three months, and that no local criteria should be applied to re-sales. All homes will be made available through the new Homes for Londoners online portal. The household income cap for affordable home ownership is £90,000.



POLICY 4.2: INCREASING DELIVERY OF AFFORDABLE HOMES

Half of new homes built in London should be affordable. To support this long-term strategic target, the number of new affordable homes built in London should be significantly increased.

Proposals

A

The Mayor will significantly increase the proportion of new homes that are genuinely affordable through his draft London Plan, which seeks to embed minimum affordable housing requirements into land values. This will include:

- i. embedding the Mayor's new approach to securing affordable homes through the planning system within the draft London Plan, including a requirement to deliver at least 35 per cent or 50 per cent affordable housing – depending on the nature of the land - in developments to benefit from a Fast Track route;
- ii. improving the way viability assessments are scrutinised, appointing an expert viability team at City Hall, and urging Government to review and reform the viability process; and
- iii. ensuring the Mayor's planning and investment powers are fully aligned, for example through the Mayor's new developer-led route for private sector schemes to access grant funding.

B

The Mayor will work with housing associations, councils, investors, and Government to increase the level of investment in genuinely affordable homes. This will include:

- i. investing £4.82 billion to support 116,000 genuinely affordable home starts by 2022;
- ii. supporting new models of affordable housing delivery through a dedicated GLA Innovation Fund;

- iii. increasing the level of affordable housing to at least 35 per cent in each Housing Zone; and
- iv. calling for a substantial and sustained increase in the supply of affordable homes through greater, more certain, and devolved investment from Government.

C

The Mayor will prioritise the delivery of affordable homes on publicly-owned land. This will include:

- i. a target for Mayoral organisations for an average of 50 per cent of homes on land brought forward under the current administration to be affordable;
- ii. strongly encouraging other public landowners to prioritise the delivery of affordable homes on surplus or under-utilised sites; and
- iii. making the Fast Track Route to planning permission, embedded in the new draft London Plan, only available to public sector sites where they deliver 50 per cent affordable housing in a development or across a portfolio in an approach agreed with the Mayor.

- 4.30 The Mayor is committed to a long-term, strategic target for half of new homes built to be genuinely affordable. This target reflects the Mayor's desire to ensure that more of the benefits of new development go to Londoners on low and middle incomes, and that a higher level of housing delivery overall is based on there being substantially more affordable products, for which demand is strong and consistent.
- 4.31 The Mayor is clear that achieving his strategic 50 per cent target from the low point of just 13 per cent of housing planning consents in 2014/15 will take time, and requires action from across the whole range of housing, planning, and development sectors in London. In particular, action needs to be taken on three fronts:
- the planning system needs to ensure that more affordable homes are provided as part of new housing developments;
 - greater investment in new affordable homes is needed from Government, the GLA, councils, housing associations, and others; and
 - London's surplus or under-utilised publicly-owned land needs to be used to support increased levels of affordable homes.

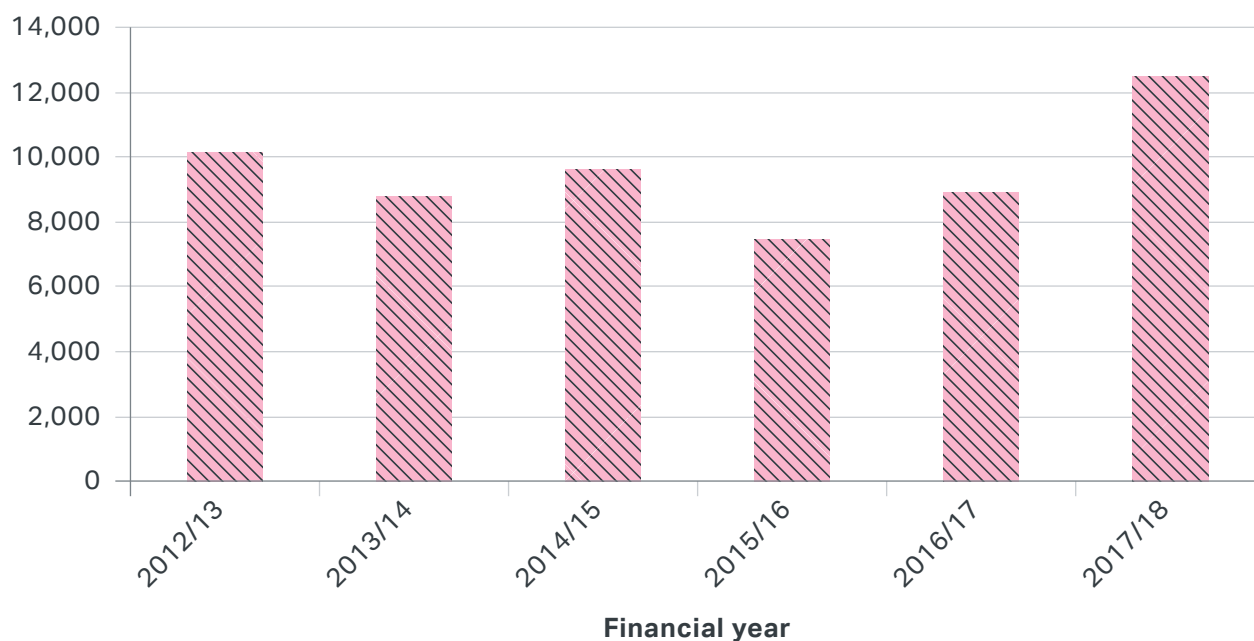
AFFORDABLE HOUSING AND THE PLANNING SYSTEM

- 4.32 The planning system plays a crucial role in ensuring that London's growth happens in a sustainable and balanced way. A key part of this is ensuring that new housing developments contain homes that are genuinely affordable to Londoners. In his draft London Plan, the Mayor sets out a new approach to securing affordable homes through the planning system.
- 4.33 The centrepiece of this new approach is a new minimum threshold for affordable housing to introduce more certainty for developers and to incentivise the delivery of affordable homes. The threshold works by providing a Fast Track Route through the planning system for developers that provide at least 35 per cent affordable homes without public subsidy, or 50 per cent on public land or industrial sites. It also incentivises applicants to implement planning permissions within two years. Financial and other support from the Mayor, councils, and housing associations can then be used to increase the proportion of affordable homes towards 50 per cent and above.

- 4.34 Schemes that do not meet the threshold are subject to a detailed viability analysis under a consistent methodology with clear review mechanisms. The approach aims to encourage landowners and developers to work on the assumption that, in as many cases as possible, their sites will need to provide at least 35 per cent affordable homes – thus embedding the cost of doing so within land values.
- 4.35 The Mayor is confident that the new threshold approach and consistent viability methodology will both increase the number of affordable homes and speed up the planning system, thereby ensuring more homes are built faster. An analysis of major residential applications (more than 10 units) across London (excluding permitted development rights schemes) indicates an average of 34 per cent overall affordable housing provision since publication of the Affordable Housing and Viability SPG. This is well over double the low point of 13 per cent residential approvals reached in 2014/15¹⁰¹.
- 4.36 There are systemic failures in the viability assessment model, providing more support for authorities that wish to move towards a more certain system. The Mayor will continue to urge Government to reform the viability process to secure more affordable homes through the planning system, alongside greater speed and certainty for applicants. As a minimum, this requires a viability assessment process which is robust and transparent (see Policy 5.3C).
- 4.37 The Mayor wishes to see London's planning system and affordable housing investment working hand in hand, with investment boosting affordable housing delivery beyond what would be achievable through the planning system alone. To ensure this happens, even when a scheme is not led by one of his Affordable Homes Programme partners, the Mayor has aligned planning and investment approaches for the first time, by providing a new developer-led route for private sector-led schemes to access grant funding. This developer-led route offers GLA grant at a fixed rate per affordable home, to increase the level of affordable housing above the level viable without grant. In cases where this grant enables the level of affordable housing to be increased to 40 per cent or more, it can be applied to every affordable home within the scheme. This creates a significant financial incentive for developers to increase the number of affordable homes in their schemes.

THE MAYOR'S AFFORDABLE HOMES PROGRAMME

Figure 4.2: GLA-funded affordable homes started since the Affordable Homes Programme was devolved, 2010/11 to 2015/16¹⁰²



4.38 Since 2011, the Mayor has been responsible for administering affordable housing investment programmes within London (see figure 4.2).

4.39 In November 2016, the Mayor secured from Government £3.15 billion to support 90,000 genuinely affordable home starts. Shortly afterwards, he published funding guidance for his Affordable Homes Programme, setting out how he plans to allocate these funds, and how London's providers of affordable homes can apply for funding (see box 10). This also set out a new and much more streamlined approach to the bidding and allocation of investment funding, including a move to fixed grant rates to provide long-term certainty for housing associations and councils, and the introduction of strategic partnerships with ambitious housing associations.

-
- 4.40 In March 2018, the Mayor secured an additional £1.67 billion to support a further 26,000 genuinely affordable home starts, creating a total funding pot of £4.82 billion to support 116,000 genuinely affordable home starts by 2022. The Mayor will announce further details on how this additional funding will be deployed in due course.
- 4.41 In the first year of the Mayor's new programme, 12,526 new affordable housing starts were recorded. This figure is more than in any other year since City Hall began its affordable housing programmes. It includes 2,826 homes based on social rent levels, up from zero the year before.
- 4.42 Within this overall funding and homes target, the Mayor will also aim to support the delivery of 2,000 specialist homes for older and vulnerable people (see chapter five), and capacity to accommodate around 800 people who are moving on from homelessness hostels and refuges for victims of domestic abuse (see chapter seven).
- 4.43 Being open to delivering homes in new and innovative ways will help us ensure that every avenue to address London's housing issues is being explored. The Mayor wishes to support innovation in affordable housing delivery through his investment programmes. The Mayor will support providers who want to innovate in the delivery of affordable homes through the dedicated GLA Innovation Fund he has established. Funding proposals must deliver types of affordable homes that meet the criteria set out in paragraph 4.13 above.

BOX 10: HOMES FOR LONDONERS: THE MAYOR'S AFFORDABLE HOMES PROGRAMME

The Homes for Londoners: Affordable Homes Programme will help housing associations, community groups, councils, and private developers to build new affordable homes in London. It explains how to seek funding from the Mayor and any rules that apply. The funding will support a range of types of affordable homes, chiefly:

- Homes based on social rent levels - for people on low incomes;
- London Living Rent homes - helping Londoners on average incomes save for a deposit to buy their first home; and
- London Shared Ownership homes - for people who want to buy but cannot afford the open market.

An important feature of the Mayor's new programme is the move to set grant rates. The rules and bureaucracy associated with bidding for funding have also been significantly reduced.

The Mayor's long-term aim is for half of all new homes built to be affordable. We expect the vast majority of the homes funded by the Mayor to be built by partners who are meeting or exceeding this target across their programmes.

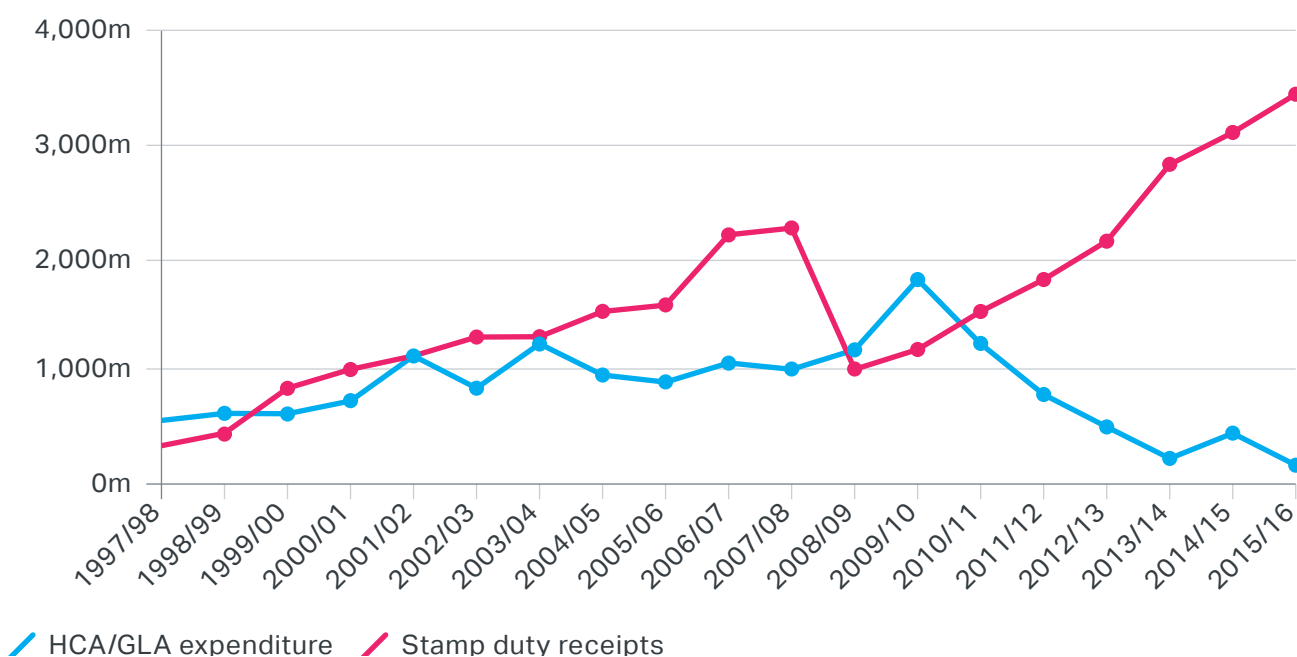
The Mayor has begun to develop strategic investment partnerships with organisations willing to commit to deliver at least 60 per cent affordable homes across their programmes, in return for which the GLA is offering more flexibility around the terms of its funding.

The Mayor's programme includes an Innovation Fund to support providers who want to deliver affordable housing using GLA investment in an innovative way. In particular, he is keen to use this funding to support community-led housing (see Policy 5.3A), precision-manufactured housing (see Policy 3.4C) and new accommodation for homeless households (see Policy 7.1B).

In July 2017, the Mayor announced allocations for around 50,000 genuinely affordable homes, a significant step forward just eight months after agreeing funding with Government. Taken together with previously made allocations this gives total initial allocations of 79,000.

More information about this programme can be found in appendix 1 and on the GLA website.

Figure 4.3: Affordable housing expenditure in London and residential Stamp Duty receipts (2015/16 prices)



4.44 Not all schemes will be viable using the fixed grant rates that the Mayor has introduced through the new Affordable Homes Programme. To address this, the Mayor will be willing to fund a small number of projects at negotiated grant rates. In particular, this approach will be taken when funding supported housing projects, which vary in cost far more than standard affordable housing projects.

INCREASING INVESTMENT IN AFFORDABLE HOMES

4.45 Some previous allocations of affordable housing investment that the current Mayor inherited have been to Housing Zones (see chapter three). Although Housing Zones are typically very challenging sites with expensive infrastructure requirements, the Mayor has been reviewing and increasing the level of affordable housing in Housing Zones above the level he inherited. He is aiming for at least 35 per cent genuinely affordable homes in every Housing Zone, and will ensure that, in all cases, the number of genuinely affordable homes is maximised.

- 4.46 The Mayor wants to see a sustainable increase in the supply of affordable housing and is calling for greater Government investment, both in the short and long term, to help achieve this. The 2017 SHMA shows a significant need for affordable homes, particularly of low cost rent homes for Londoners on low incomes. A greater proportion of this need should be met through planning contributions from private developers, and the draft London Plan builds on the Affordable Housing and Viability SPG to help achieve this. However, meeting London's affordable housing needs will also require additional public sector subsidy, as has always been the case with major new expansions of social housing.
- 4.47 The majority of the current programme agreed between the Mayor and Government has focused on providing affordable homes to buy, such as shared ownership, although the most recent tranche of funding will enable an increase in funding for homes based on social rent levels. The Mayor will make the case to Government for enhancing this programme, particularly the extra resources needed to provide additional homes based on social rent levels. While London's recent success in securing funding for affordable homes is to be welcomed, there has been a long-term reduction in the average amount of funding available to support each affordable home – the grant per unit rate. This has occurred at a time of escalating construction costs and house prices, thus leaving an even larger gap in the real costs associated with providing new affordable homes.
- 4.48 Furthermore, grant per unit rates have been kept relatively low in recent years since many housing providers – particularly large housing associations – have been able to top up public sector grants through cross-subsidy from private homes they build alongside affordable homes. While opportunities for cross-subsidy must continue to be fully explored, such a model of affordable housing delivery is sensitive to changing market conditions. More fundamentally, relying on such a model to support a significant expansion in affordable homes delivery would necessitate an unrealistic increase in delivery of market homes. A substantial expansion of new affordable housing supply, particularly homes based on social rent levels, will therefore require significantly higher grant per unit rates to be sustainable at every stage of the housing market cycle.

- 4.49 The Mayor will work with affordable housing providers to produce a clear estimate for the amount of public sector subsidy that may be required to meet London's affordable housing needs sustainably. He will use this to continue making the case to Government for a longer term, more stable, and devolved funding settlement that gives London the resources it needs to address its housing problems. Initial GLA estimates, assuming 50 per cent affordable housing, and within this the proportion of low cost rent being as set out in the 2017 SHMA, suggest that the real requirement for affordable housing funding may be at least £2.7 billion per year. The current settlement provides London with less than £700 million per year.
- 4.50 The London Finance Commission report set out how fiscal devolution to London government could support significantly more investment in infrastructure, including in affordable homes, without jeopardising the national finances or funding allocated to other parts of the United Kingdom¹⁰³. The Mayor urges Government to implement the recommendations of the London Finance Commission as soon as possible, including the devolution of SDLT – receipts of which have increased sharply in London at the same time as affordable housing expenditure has fallen (figure 4.3).

AFFORDABLE HOMES ON PUBLIC LAND

- 4.51 London's surplus or under-utilised publicly-owned land has an important role to play in tackling London's housing crisis. The Mayor is clear that publicly-owned land that is made available for new housing should meet high standards in terms of the quality and affordability of housing. That is why the Mayor has committed to ensure that delivery of affordable homes will be prioritised on surplus or under-utilised publicly-owned land that he controls. This is land owned by the GLA, TfL (see box 11), the Metropolitan Police, LFB, and the Mayoral Development Corporations at Old Oak and the Queen Elizabeth Olympic Park.
- 4.52 The Mayor has set out a target for these organisations for an average of 50 per cent of homes on their land newly brought forward under his administration to be affordable. These organisations are developing responses to this target subject to service specific statutory responsibilities.

103 London Finance Commission, 'Devolution: a capital idea: The report of the London Finance Commission', 2017

- 4.53 Most publicly-owned land in London is not controlled by the Mayor. This includes land owned by councils and by Government departments and agencies (in particular the NHS, the MoD, the MoJ, and Network Rail). The Mayor strongly encourages councils and other Government agencies to prioritise the delivery of affordable homes on their surplus or under-utilised sites. This is particularly important given the challenges some Government agencies face in providing affordable housing options for key public sector workers. Proposed reforms to improve Mayoral oversight of public land are set out in chapter three, and through planning guidance the Mayor has set out how the Fast Track Route referred to in paragraph 4.33 is only available to public sector sites where 50 per cent affordable housing is provided, or where a landowner has agreed a portfolio approach with the Mayor.

BOX 11: BUILDING GENUINELY AFFORDABLE HOMES ON TFL LAND

TfL is a significant landowner within London. TfL has committed to using more of its land to deliver housing, starting on sites by 2020/21 with a potential to deliver 10,000 homes, with 50 per cent of those brought to market since May 2016 being affordable.

The five sites that TfL released during 2016/17 are expected to deliver nearly 1,000 homes, of which 51 per cent will be affordable. Sites released during 2017/18 are expected to deliver around 3,000 homes, of which 50 per cent will be affordable.

Kidbrooke Station

The four acre site adjacent to Kidbrooke Station was the first TfL site to be released under the current Mayor. Having lain vacant for decades, the site will deliver in excess of 400 new homes, 50 per cent of which will be affordable. Planning permission is expected to be granted in early 2019 with the first homes available to buy or rent in 2022.

Blackhorse Road

Opposite Blackhorse Road station in the London Borough of Waltham Forest, TfL is looking to redevelop a 1.8 acre site currently used as a car park. The development will provide approximately 350 homes, with 50 per cent expected to be affordable, as well as ground floor commercial space and new public realm. TfL launched the site to its Property Partnership Framework in March 2017, has selected a development partner and expects to make a planning application in mid-2018.

POLICY 4.3: PROTECTING LONDON'S AFFORDABLE HOMES

Given the overwhelming need for more affordable homes, London's existing affordable homes should be protected and utilised as efficiently as possible.

Proposals

A

The Mayor will work with councils and housing associations to ensure that social tenants who wish to move are supported to do so, in order to help free up larger homes, and enable Londoners to be closer to work opportunities or to secure urgent moves. This will include:

- i. operating two schemes – Housing Moves and Seaside & Country Homes – to support social tenants who wish to move, and amending the former to prioritise tenants who are victims of domestic abuse and sexual violence;
 - ii. requiring a proportion of new affordable homes developed with Mayoral investment to be made available to Londoners on a pan-London basis; and
 - iii. strongly encouraging affordable housing providers to give priority to tenants who wish to move, in particular to downsize, while continuing to oppose the 'Bedroom Tax'.
-

B

The Mayor will respect councils' and housing associations' independence in deciding how best to manage and allocate their affordable homes, other than where there is a compelling justification for pan-London consistency. This will include:

- i. placing new conditions on recipients of affordable housing grant to protect public investment in affordable homes;
- ii. expecting councils and housing associations to consider the impact that their asset management policies will have on the ability of Londoners of different incomes to continue to live locally; and
- iii. strongly opposing moves to implement the 'Pay to Stay' policy.

C

The Mayor will work with Government and councils towards ensuring that, when homes are sold under the Right to Buy scheme, they are replaced locally and on at least a like for like basis. This will include:

- i. calling for fundamental reform of the way that homes sold through Right to Buy are replaced and continuing to make this case to Government; and
- ii. strongly opposing any plans to force councils to sell their homes in higher-value areas.

D

The Mayor will act to ensure any affordable homes that are demolished are replaced like for like. This will include:

- i. new requirements for affordable homes demolished as part of estate regeneration projects to be replaced on at least a like for like basis; and
- ii. calling on Government to fund any financial gap that arises when ensuring social housing is replaced like for like, including following demolition in cases where buildings cannot be made safe through improvements, or where other improvements cannot be made without compromising a building's safety.

- 4.54 Alongside building more affordable homes, we must also protect London's existing affordable housing, and ensure that this scarce resource benefits as many people who need it as possible. The Mayor has relatively few powers in this area, but he will do what he can to ensure that affordable homes are protected for future generations.
- 4.55 In particular, the Mayor wants to promote and support tenant mobility, where appropriate promoting pan-London consistency in how affordable homes are managed and allocated, and working to make sure effective plans are in place to replace affordable homes when they are lost.

SUPPORTING SOCIAL TENANT MOBILITY AND DOWNSIZING

- 4.56 Historically, social tenants in London who wished to move for work or other reasons have faced significant bureaucratic hurdles that have left them in properties that are no longer suitable for their needs. The Mayor operates two schemes to support social tenant mobility: Housing Moves; and Seaside & Country Homes.
- 4.57 The GLA's Housing Moves scheme gives London's social housing tenants the opportunity to move between different parts of London. It prioritises those in employment and helps to tackle overcrowding, including by prioritising tenants who are under-occupying. Since the scheme was launched in May 2012, well over 1,000 households have moved to homes across the capital. All councils and large housing associations should be contributing their full allocation of properties to this scheme¹⁰⁴. As part of his commitment to tackling violence against women and girls, the Mayor will amend the scheme to give additional priority to tenants who are victims of domestic abuse and sexual violence. This will support them and their landlords to secure safe accommodation away from perpetrators, complementing the Pan-London Reciprocal Agreement promoted by Safer London (which is part-funded by the Mayor).
- 4.58 Seaside & Country Homes is a scheme created in the 1960s that helps around 150 social tenants a year move from London to bungalows or flats in desirable seaside and countryside locations outside the capital (see box 12).

104 The Housing Moves Policies and Procedures Guide is available at: <https://www.london.gov.uk/content/housing-mobility-options>

BOX 12: SEASIDE & COUNTRY HOMES

The Seaside & Country Homes scheme was set up by the London County Council in the early 1960s to allow tenants who had reached retirement age to move out of London and release properties for families in need of housing in London. The scheme was passed onto the Greater London Council (GLC), who managed the scheme until the GLC was disbanded in 1986. The administration of the scheme returned to the GLA in 2011 and today is operated by the Mayor of London and funded by councils. It is open to households living in a council or housing association property in London, where at least one member of the household is named on the tenancy and aged 60 or above.

The scheme consists of more than 3,000 homes, mainly two-bedroom bungalows and one- and two-bedroom flats. The homes are dotted all along the south coast, from Cornwall in the south west to Norfolk and Lincolnshire in the east, and across the countryside, from Dorset to Cambridgeshire to Shropshire. Most have private gardens or outdoor communal areas and are in peaceful, purpose-built developments. They are ideal for single people or couples who have retired or wish to do so.

As well as giving older people the opportunity to move to a new area, the scheme helps homeless and overcrowded families in London. This is because it gives them the chance to move into the homes vacated by those people who move to the seaside or countryside. For this reason, priority is given to Seaside & Country Homes applicants who will free up the most bedrooms, should they move home.

4.59 The Mayor wants to ensure that the benefits of Mayoral investment are felt across London even if housing development is concentrated in areas where more land is available. To support this aim, the Mayor requires that a proportion of new affordable homes developed through the GLA's Affordable Homes Programme are made available to Londoners on a pan-London basis, and allocated through the Housing Moves scheme. As set out in the funding conditions for the current Affordable Homes Programme, five per cent of homes in schemes of less than 150 homes of any tenure and 10 per cent of those in larger schemes will be allocated through the Housing Moves scheme. This will be secured through funding conditions. For estate regeneration schemes, this requirement applies only to additional homes developed beyond those needed to rehouse existing residents.

4.60 In addition to these schemes, the Mayor strongly encourages affordable housing providers to give priority to their tenants who are under-occupying their current homes and wish to move. Legislation on social housing allocations provides a framework for enabling such transfers, but the Mayor is willing to consider asking Government to make further changes in the law if necessary. The Mayor strongly opposes the 'Bedroom Tax' but is keen to work with Government and councils to develop alternative and effective approaches to encouraging social tenants to downsize.

PROTECTING THE ROLE OF SOCIAL HOUSING

4.61 Councils and housing associations are responsible for making decisions about how affordable homes in the capital are managed and allocated. They operate within the context of national legislation and guidance, the regulatory framework set out by the Social Housing Regulator, and any relevant planning policies. These seek to ensure that homes are allocated and managed in a fair and transparent way, that tenancies are granted and rent levels set consistently, and that safeguards are in place to ensure homes are maintained and, if they are sold, replaced.

4.62 As non-profit organisations, proceeds of sales from housing associations will be used to support their social purpose. Where homes are funded by the Mayor it is important that the subsidy supports genuinely affordable housing in perpetuity. In order to ensure this, the Mayor has placed new conditions that require recipients of affordable housing grant to inform the Mayor whenever such funding becomes repayable or recyclable. This will help to protect public investment in affordable homes and ensure that it can be reinvested to support further provision of affordable homes.

4.63 Beyond this, and due to the particular challenges faced in the capital, the Mayor believes there are two further areas where Londoners would benefit from a degree of pan-London consistency. This is in addition to the Mayor's expectations for landlords to support tenant mobility, as set out in Proposal 4.3A.

4.64 First, one of London's greatest strengths is its diversity, which is reflected in the fact that all parts of the capital are home to Londoners of all backgrounds and incomes. Affordable homes play a crucial role in underpinning this diversity by enabling low and middle income Londoners to continue living in neighbourhoods across the capital. The Mayor supports the right of councils

and housing associations to make decisions about their housing stock, though any decisions should be managed extremely carefully and sensitively. The Mayor expects councils and housing associations to consider the impact that their asset management policies will have on the ability of Londoners on a range of different incomes to continue to live within the boroughs in which they operate.

- 4.65 Second, under Government's 'Pay to Stay' policy, councils and housing associations have freedoms to charge market rents for households who earn above £40,000. The Mayor does not anticipate that councils and housing associations will want to implement 'Pay to Stay', since market rents are unaffordable in many parts of London for households at the 'Pay to Stay' income levels. If the situation were to change and the policy was implemented by landlords, then the Mayor would consider using his powers to introduce disincentives, such as recouping investment in affordable housing grant associated with the relevant properties.

REPLACING HOMES SOLD THROUGH RIGHT TO BUY

- 4.66 The failure to replace homes sold through the statutory Right to Buy policy is a key contributor to the loss of affordable homes in London. Since 1980, when the policy was introduced, more than 280,000 social rent homes have been sold – the vast majority of which have not been replaced¹⁰⁵. Since 2011, Government has set out its intention for new homes to be built to replace those sold under Right to Buy.
- 4.67 However, replacements are not always in the same area, and the National Audit Office has warned that the pace of replacements will need to accelerate sharply to keep up with growing sales¹⁰⁶. One indicator that the current system needs to be improved is the fact that several councils have had to return Right to Buy funds to the Mayor because they have been unable to spend them locally: more than £50 million has been returned to the GLA since 2012. The Mayor wants to see fundamental reform of the way that homes sold through Right to Buy are replaced. He wants to see an effective approach that will enable like for like replacement, and he will continue to make this case to Government. This includes allowing councils to retain a larger proportion of Right to Buy receipts, and relaxing some of the rules such as the time period during which

105 MHCLG live table 648

106 National Audit Office, 'Extending the Right to Buy', 2016

homes must be replaced. This would support the Mayor's aim of making sure that when London's affordable homes are lost, they are at least replaced on a like for like basis. It is also part of his work to support councils to unlock significantly more housing development (see chapter three).

- 4.68 The previous Government wanted councils to sell some of their homes in higher-value areas to fund a national extension of the Right to Buy scheme to housing association tenants. The Mayor continues to strongly oppose any plans to force councils to sell their homes in higher-value areas. As well as damaging the mix of housing in local areas, such a policy would see housing resources leaving the capital and undermine councils' ability to build new homes themselves, something that many are now taking significant steps towards doing.

LIKE FOR LIKE REPLACEMENT OF DEMOLISHED AFFORDABLE HOMES

- 4.69 Regeneration of London's social housing estates can play a valuable role in ensuring existing homes are well-maintained and safe, increasing the number of new and affordable homes, and improving the environment in which those homes are located. The Mayor has been clear that any proposals must be developed with close resident involvement from the very start, and with clear guarantees for tenants, leaseholders, and freeholders. The Mayor has published 'Better Homes for Local People', his Good Practice Guide to Estate Regeneration, and this sets out his policies in this regard (see chapter five).
- 4.70 Sometimes estate regeneration schemes may entail the demolition of homes, including affordable homes. Where this is the case, the Mayor will use his planning powers to ensure these are replaced on a like for like basis, and that as much additional affordable housing as possible is delivered. The Mayor has included a specific policy in his draft London Plan clarifying that affordable homes demolished as part of estate regeneration projects should be replaced on a like for like basis, and that all estate regeneration schemes should be tested through a viability assessment. This means that homes for social rent must be replaced with homes based on the same rent levels, and that additional affordable housing beyond this must be maximised. To ensure that homes of appropriate sizes are provided, replacement of homes will be on the basis of floorspace, rather than units. In addition, in 'Better Homes for Local People', the Mayor also sets out his intention to promote the use of resident ballots in estate regeneration schemes where affordable homes are being demolished.

- 4.71 The Mayor has also made clear that, following the tragedy of the Grenfell Tower fire, it is essential to make sure all high-rise blocks are made safe for their residents. Where buildings cannot be made safe through improvements, or where other improvements cannot be made without compromising a building's safety, the Mayor has said they could be demolished and replaced. In these cases, the Mayor is calling on Government to fund any financial gap that arises when ensuring all the social housing is replaced like for like.



5. High quality homes and inclusive neighbourhoods

- 5.1 As London develops, it is vital that it remains a great place to live and work – and so new homes and neighbourhoods need to be well-designed, good quality, safe, environmentally sustainable, accessible, inclusive of Londoners' diverse housing needs, and built in partnership with local communities. Delivering high quality homes and inclusive neighbourhoods is key to achieving social integration and supporting Londoners to actively participate in their city and the decisions that affect them. This chapter contains the Mayor's policies and proposals that aim to achieve these objectives.

CONTEXT

- 5.2 Over half of London's homes were built before the Second World War¹⁰⁷. We need to work on the assumption that the homes we build today need to be fit to last for well over a century. Given that most of the homes that London will have in 2050 are already built, we also need to do more to improve the existing stock so it meets our current and future needs.
- 5.3 London's homes are increasingly of a good size and a decent quality. Those built in the last four years have an average floor area of 78 square metres – smaller than surviving pre-war homes but larger than those built between the 1940s and 1980s¹⁰⁸. The number of social rented homes in London that do not meet the Decent Homes standard has fallen from 260,300 in 2005 to 48,600 in 2017¹⁰⁹. New homes are far more likely to be accessible to Londoners with mobility issues than older homes¹¹⁰ and per capita greenhouse emissions from London's housing sector have reduced by around a third since 2000¹¹¹.

107 GLA analysis of VOA Council Tax: Stock of Properties, 2017

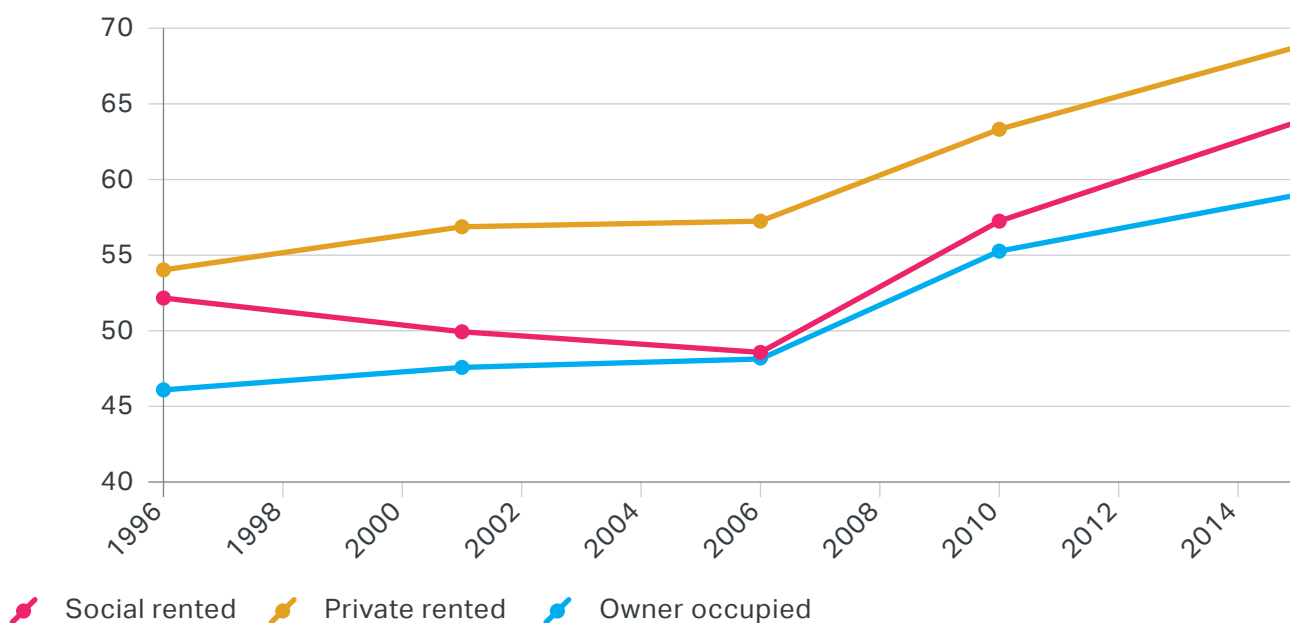
108 GLA analysis of MHCLG, Energy Performance Certificate statistics and English Housing Survey data

109 MHCLG, Local Authority Housing Statistics data returns, 2016/17

110 GLA, 'Housing in London', 2017. Building Regulations set out optional requirements for accessibility to homes for people with mobility problems, including level access, flush thresholds, sufficiently wide doors and circulation space, and WCs at entrance level. Homes with all these 'visitability' features comprise just 9% of London's housing stock, but 49% of those homes built after 1990. Source: MHCLG, English Housing Survey.

111 GLA analysis of London Energy and Greenhouse Gas Inventory statistics

Figure 5.1: Trend in median energy efficiency rating by tenure, London 1996 to 2014¹¹²



5.4 However, in some cases, poor design and quality persist. The total estimated cost of meeting the basic repair needs of London's existing housing stock is around £5.4 billion, with significant investment needed in older homes in the private rented sector¹¹³. Following the recent tragedy at Grenfell Tower, it is essential that existing high-rise buildings – particularly those built in the 1960s and 1970s that have subsequently been refurbished – are made safe. Where buildings are not safe, significant investment may be needed to improve them, and where they cannot be made safe or be otherwise improved while guaranteeing their safety, funding may be required to demolish and replace any social housing they provide.

5.5 Despite an improvement in the energy efficiency of London's homes (figure 5.1), one in 10 London households still live in fuel poverty¹¹⁴, and there has been limited take-up of energy efficiency measures in the wider housing stock too. In terms of new homes, there are growing reports of defects and poor build quality, as well as reports that design standards and building controls are sometimes poorly implemented at the local level due to a lack of resources, expertise, and oversight, and lack of clarity about how regulations are being applied.

112 GLA analysis of English Housing Condition Survey and English Housing Survey data, 1996-2014

113 GLA analysis of English Housing Survey data, 2015/16

114 BEIS, Annual Fuel Poverty Statistics, 2017

- 5.6 The quality of the environment in which homes are built is as important to our health as the buildings themselves, which is why the Mayor has adopted the Healthy Streets Approach. Our health is affected by how housing blends with the spaces around it, how it enables us to feel part of a community, and how it allows us to easily access the services we need. Neighbourhoods that are inclusive and welcoming, in which all people can get around and meet people on foot or by cycle, help to protect their residents from a range of avoidable health issues including physical inactivity, social isolation, obesity and depression. These built environments support children in their healthy development, and adults through life challenges and ageing¹¹⁵.
- 5.7 London's homes also need to meet the specific needs of the capital's diverse population. This includes an increasing number of older people (more than one in 10 Londoners is aged 65 or over, with the number projected to rise by 24 per cent over the next decade¹¹⁶), as well as disabled people (who account for around 14 per cent of the population¹¹⁷). Families, particularly those with young children, also have distinct housing needs – not least for larger homes. People who are lesbian, gay, bisexual, or transgender (LGBT+) may also have specific housing needs and experiences, given that they are more likely to experience homelessness (particularly if they are young), and may face discrimination in accessing housing¹¹⁸. There are also groups of Londoners who may need particular types of housing provision, such as Gypsies and Travellers¹¹⁹, as well as groups who wish to live together as part of a specific self-defined community, such as older women¹²⁰.
- 5.8 It is important that London's housing enables older and disabled Londoners to lead independent and fulfilling lives. There needs to be a range of options available, particularly as more older people are choosing to remain in their own homes rather than move into residential institutions¹²¹. These include adaptations to existing homes, the provision of new homes built to meet people's changing circumstances over a lifetime, and a more attractive offer to older Londoners who owner occupy and wish to downsize (over half of older

115 Barton, Grant and Guise, 'Shaping neighbourhoods for local and global sustainability (2nd edition), 2010

116 GLA, Interim 2015-based population projections

117 DWP, Family Resources Survey, 2015/16

118 Human City Institute, 'Rainbow Rising', 2014; Albert Kennedy Trust, 'LGBT Youth Homelessness: A UK National Scoping of Cause, Prevalence, Response and Outcome', 2015

119 GLA, 'Gypsy and Traveller Accommodation Topic Paper', 2017

120 A recent example of a specific scheme for older women is Older Women's Co-Housing - <http://www.owch.org.uk/>

121 Mayor of London, London Plan, 2015. See evidence supporting policy 38

home owners in London are under-occupying by two or more bedrooms¹²²). There is also an urgent need to support an increase in the number of foster carers, many of whom will require homes with additional bedrooms.

- 5.9 A range of supported housing is required to ensure that people with specific needs can continue to live independently within their communities. There is a strong financial case for investing in specialist housing¹²³, which on average saves £940 per person per year in net terms. It is estimated that the shortfall in supported housing for working age adults alone amounts to around 17,000 homes across England¹²⁴. With the outcome of Government's recent consultation on the housing-related costs of supported housing still awaited, and significant issues arising from the proposals, there is considerable uncertainty and concern around the funding for both existing and future provision¹²⁵.
- 5.10 While public support for new housebuilding in London is growing fast¹²⁶, we also know that Londoners have a range of concerns about the development of new homes that need to be addressed. For example, when asked about what was needed from new development, the most popular answers Londoners gave were new social infrastructure and local facilities, and a mix of homes for different types of people¹²⁷. The Mayor believes that these concerns are best addressed by delivering the homes that meet the current and future needs of Londoners, in ways that include and engage existing communities.

122 GLA, 'Older Londoners and the London Plan: looking to 2050', 2016

123 Frontier Economics, 'Financial benefits of investment in specialist housing for vulnerable and older people', 2010

124 Sitra, 'Strengthening the case: the cost consequences', 2017

125 MHCLG/ DWP, 'Funding supported housing – policy statement and consultation', 2017

126 There has been a dramatic increase in support for house building in London since 2010. When asked if they would support or oppose more homes being built in their local area, 67% of Londoners said in 2016 they would support or strongly support it, up from 34% in 2010 and compared to only 18% who said they would oppose it. Support for housebuilding is substantially higher in London than in the country as a whole. Source: NatCen, British Social Attitudes Survey, 2010-2016.

127 GLA opinion polling on attitudes to growth and development, March 2015

POLICY 5.1: WELL-DESIGNED, SAFE, AND GOOD QUALITY HOMES

London's new and existing homes and neighbourhoods should be well-designed, safe, good quality, and environmentally sustainable.

Proposals

A

The Mayor will work with councils and the industry to support well-designed, safe, good quality and environmentally sustainable new homes and neighbourhoods.

This will include:

- i. calling on Government to ensure the Building Regulations system has an uncompromising focus on quality and safety;
- ii. updating and consolidating London's housing design standards into a single new planning document, including examples of well-designed high density development, and maintaining London's space standards;
- iii. working closely with the Mayor's Design Advocates, exploring options for a new housing design Expo, and supporting councils through the Public Practice initiative; and
- iv. delivering the Mayor's London Environment Strategy, including a commitment to zero carbon new development.

B

The Mayor will work with councils, Government, and others to improve the quality and standards of London's existing homes. This will include:

- i. working to strengthen fire safety in existing homes, including calling on Government to make sufficient resources available to make homes safe; and
- ii. improving the energy efficiency of existing homes and addressing fuel poverty as part of the Mayor's Energy for Londoners (EFL) programme, through a world-class domestic energy efficiency programme, a Fuel Poverty Action Plan, and making it easier for homeowners and landlords to invest in their homes.

- 5.11 The Mayor believes that increased levels of homebuilding and a greater focus on the quality, safety, and sustainability of homes and neighbourhoods go hand in hand. Only with strict standards in place, properly enforced, can we be certain that our new and existing homes will meet the needs of those Londoners for whom they are built.
- 5.12 This includes a focus on ensuring that homes and neighbourhoods are environmentally sustainable, and that they are designed to meet the challenges posed by climate change. Homes are currently responsible for 36 per cent of London's total CO₂ emissions¹²⁸, but by 2050 all homes will need to have an emissions footprint close to zero. London's homes will have to become better insulated, and obtain more of their heat and power from renewable sources in order to meet this target. At the same time, energy efficiency strategies will need to be combined with strategies to reduce the risks of overheating and water shortages, in order to make homes resilient to future climate change. Many of the proposals in this section are outlined in more detail in the Mayor's London Environment Strategy and the draft London Plan.

IMPROVING QUALITY AND SAFETY OF NEW HOMES

- 5.13 The Mayor plays an important role in ensuring new homes and neighbourhoods are well-designed and inclusive by setting out pan-London requirements and expectations for all new developments. To support this, and to make the standards as straightforward as possible for the industry to understand, the Mayor will update and consolidate London's housing design standards into a single planning document. This will include examples of the kinds of development we need to support – in particular, high density schemes and those that co-locate different uses. Design standards, through a mixture of prescribed standards and more flexible guidelines, will continue to ensure that London's homes set the benchmark for design quality and support delivery of the range of new homes that London needs.
- 5.14 Good minimum space standards are important to maintain, given that new homes, particularly high density homes and affordable homes, tend to be intensively occupied. The draft London Plan strengthens the policy on London's housing space standards and, for the first time, includes minimum room sizes within policy. These standards will be applied to all self-contained housing, with clear guidance also provided for large scale non-self-contained

shared living schemes. The Mayor will work to ensure that any further national reviews of standards take London's circumstances into account.

- 5.15 The Building Regulations system is supposed to ensure that new buildings are safe and good quality, yet there continues to be concern about how regulations are written, interpreted, applied, and enforced. The Mayor supports the ongoing Government review of the system of Building Regulations and fire safety and he believes that this should not shy away from radical reform of regulations and building control if that is what is required. In addition, the Mayor has brought forward new requirements around fire safety within the draft London Plan to ensure that new buildings, particularly tall buildings, are fit for purpose and safe for Londoners to live in. These proposals are closely linked with those designed to empower social housing residents (see policy 5.3).
- 5.16 The Mayor wants to ensure that new homes maximise water efficiency, support London's green infrastructure, and contribute to improving London's preparedness and resilience to risks associated with extreme weather events, such as heat and flooding. The Mayor's policies and proposals to support these objectives are set out in his London Environment Strategy and his draft London Plan. In particular, the Mayor will use his planning powers to ensure that new homes contribute to the necessary shift towards a zero carbon future, and he has included his zero carbon target for new housing developments within his draft London Plan. The Mayor will continue to monitor how the zero carbon policy (including offsetting funds) is being implemented to ensure it is working efficiently.
- 5.17 To date combustion-based Combined Heat and Power (CHP) systems, predominantly gas-engine CHP, have been used in new development in London as a cost-effective way of producing low carbon heat. However, the carbon savings from gas engine CHP are now declining as a result of the national grid electricity decarbonising, and there is increasing evidence of adverse air quality impacts. As a result, we must now consider alternative approaches. The draft London Plan introduces a heating hierarchy that will promote cleaner heating solutions, such as those based on secondary heat. The Mayor will encourage a similar approach when existing or new plant is being replaced or installed outside the planning system. To better understand the pollution impact of existing CHP systems in London the Mayor will also develop a new CHP register, which will be reflected in future versions of the London Atmospheric Emissions Inventory.

- 5.18 The draft London Plan also sets out policy to minimise the risk of new developments overheating, and to reduce their contribution to the urban heat island effect through a 'cooling hierarchy' that prioritises design, orientation, shading and ventilation over mechanical cooling. It also requires planning assessments that consider overheating as well as energy efficiency.
- 5.19 The Mayor wants to see all new housing developments provide a mix of homes of different tenures for Londoners on different incomes, with priority for onsite provision of affordable homes rather than a cash in lieu payment or offsite provision. Onsite affordable homes not only help to build mixed communities, but can be important in gathering support for developments among local residents and in councils. Housing developments should also be designed to be tenure-blind by ensuring the external appearances and entrances for private and affordable housing are well integrated and indistinguishable from each other. Policies to ensure this is implemented are included in the draft London Plan.

GOOD GROWTH BY DESIGN¹²⁹

- 5.20 The Mayor wants to involve London's world-renowned talent in designing the future of the capital and has appointed 50 Mayor's Design Advocates to support his Good Growth by Design programme. Advocates will support City Hall to deliver the programme and to uphold the quality, inclusiveness, and sustainability of development across London. They have been appointed to support good design and add value to existing efforts, rather than creating an additional hurdle for new developments. This is part of a new approach to designing London's new buildings, which is set out in more detail within the draft London Plan.
- 5.21 The Mayor will bring forward supplementary planning guidance on housing design to support councils to implement relevant new policies in the draft London Plan. This will include guidance on optimising density, design codes for more homes on small sites, and practical guidance on how different typologies can successfully achieve high density in a range of settings.
- 5.22 The development industry also needs to show that it has potentially attractive solutions to meet the challenges of building homes in new ways, such as building sustainably at higher densities and with a mix of different uses.

The Mayor wants to support this process through highlighting solutions, potentially through a new housing Expo in London. This could harness the creativity of the architectural and construction sectors by showcasing good design – including housing that uses precision manufacturing – across a range of high density typologies, in a range of locations. These should be the typologies that are needed to support an increase in housing delivery – such as mid-rise residential, intensification of areas around town centres and tube and rail stations, and co-location of different uses (e.g. logistics and residential). Typologies that incorporate additional green infrastructure and help to tackle London’s environmental challenges will be of particular interest.

- 5.23 The Mayor believes that design and quality review is an important tool to ensure quality is achieved in an ever-denser London, and the draft London Plan places increased emphasis on its role in the planning and decision-making processes. In particular, the draft London Plan calls for all referable schemes to have undergone at least one design review if they exceed a defined height or density.
- 5.24 Alongside the Mayor and industry developing responses to the design challenges we face, councils also need to take a leading role in facilitating the delivery of well-designed and good quality homes and neighbourhoods. In many cases, however, financially pressed councils may lack the capacity and resources to do so. To address this, the Mayor is working with councils and the industry to deliver Public Practice, a new initiative to support councils’ capacity to deliver homes and growth by placing outstanding planning, design and regeneration practitioners into councils for one year placements at affordable rates (see box 13). The Mayor will also consider other ways in which he can assist councils, and he supports Government’s proposals to increase planning fees – though along with most organisations in the housing industry, he believes these proposals should go much further.

BOX 13: PUBLIC PRACTICE

Public Practice is a new social enterprise that brokers one-year placements at affordable rates for outstanding planners and place-making practitioners, cross-subsidised through public and private sector support.

This initiative, developed in conjunction with the Local Government Association, Future Cities Catapult, British Land, Berkeley Group and Peabody will:

- build the public sector's capacity to deliver homes and growth;
- support collaborative planning and sharing of knowledge and research across councils; and
- develop a new generation of planning professionals committed to shaping places for the public good.

Public Practice will address the need for better resourced planning departments, a need recognised by housebuilders and evidenced by surveys of London's councils. It will improve the speed, quality, and certainty of the planning process, and offer councils a cost-effective alternative to employing agency staff to meet temporary demand.

QUALITY AND SAFETY OF EXISTING HOMES

- 5.25 While the Mayor lacks formal powers over London's existing homes, he recognises the urgent need to improve quality and standards – both to ensure that homes better meet the needs of Londoners, and to help reduce the environmental footprint of housing. This issue has taken on new prominence following the tragedy of the Grenfell Tower fire and subsequent reports of large numbers of existing high-rise buildings containing unsafe materials.
- 5.26 The London Fire Commissioner (LFC) is the lead agency for fire safety in the capital, and will be reviewing its own approaches to fire safety, particularly in tall buildings, in light of the Grenfell Tower tragedy and the recommendations which are likely to arise from the subsequent Public Inquiry. The Mayor is clear that it is the responsibility of Government to set fire safety regulations.



- 5.27 It is also clear that urgent action is needed to ensure residents in some high-rise blocks are not at increased risk from fire where their blocks have been fitted with inappropriate materials, have been poorly constructed, or are compromised through inadequate management and disrepair. The Mayor will continue to work with councils and housing associations to understand what they need to do to meet their responsibilities around the safety of their homes. He welcomes the commitment made by Government to fully fund the removal and replacement of dangerous cladding by councils and housing associations. Ultimately, if it is not possible to safely retrofit existing buildings, the Mayor believes Government should ensure resources are made available to demolish them and replace the social housing at least like for like.
- 5.28 Action is also required to address safety issues in privately owned blocks, including to ensure councils have the enforcement powers they need. Recent tribunal decisions have suggested leaseholders may be legally liable for remediation work to make buildings safe, despite the widely-held view that this cost should lie with building owners. Whatever the legal position, the Mayor believes it is morally wrong that the leaseholders of individual flats should be forced to pay substantial costs where safety issues have arisen through no fault of their own. Where there are disputes over who should pay, the Mayor has called on Government to provide immediate funding to ensure works can be carried out without delay, and to decide how ultimately to fund this once legal cases have been heard.



IMPROVING ENERGY EFFICIENCY

- 5.29 Through his flagship Energy for Londoners (EfL) programme, the Mayor will develop and deliver a world-class domestic energy efficiency programme. This will provide support to Londoners and organisations to increase the energy efficiency of their homes, create awareness to encourage action, and accelerate the next generation of retrofitting through testing new methods of construction and technology. Further details are set out in the Mayor's London Environment Strategy.
- 5.30 While fuel poverty rates in the rest of England have reduced in recent years, in London they have marginally increased¹³⁰, due to a combination of high energy costs, low incomes, and existing homes that are not energy efficient. The Mayor has published his Fuel Poverty Action Plan to identify the scale of the problem and the roles of key stakeholders, and to focus efforts on improving the energy efficiency of existing homes.
- 5.31 Nearly half of London's homes are owner occupied¹³¹, and it is important to ensure that homeowners are motivated and able to undertake home improvements, particularly to improve energy efficiency. Although there is a

130 GLA analysis of BEIS, Annual Fuel Poverty Statistics, 2017

131 GLA analysis of English Housing Survey data, 2015/16

large number of barriers to retrofitting homes, two straightforward ways to incentivise these kinds of improvements would be to reform the way that VAT is charged on home improvements, and to reduce the planning requirements to which they are subject.

- 5.32 First, VAT on home improvements is charged at the standard 20 per cent rate, compared with a lower rate of five per cent on building a new home. Lowering the rate for home improvements would incentivise homeowners to undertake building work that would improve the environmental performance of their homes, lowering energy usage and CO2 emissions. Evidence suggests this measure would also add to employment, economic activity and tax revenues, offsetting losses from a lowered rate¹³². The Mayor will work with the industry to make the case to Government for the VAT rate on repairs, improvements, and adaptations of homes to be reduced to five per cent.
- 5.33 Second, homeowners are required to secure planning permission for many relatively simple home improvements, creating additional cost, delay, and risk, while diverting council planning department resources away from other, more strategic, considerations. In order to streamline the process for homeowners and reduce the burden on planning departments, the Mayor will seek to work with Government and councils to explore how planning requirements for home improvements and extensions could be streamlined. Where homes are owner occupied, investment in measures such as insulation, double glazing or new boilers will usually see a direct financial return to the homeowner in the form of lower energy bills. However, this is not the case for properties in the private rented sector, where the least energy efficient homes are often found. The financial benefits of investments in energy efficiency measures will generally accrue to tenants rather than landlords, and this split incentive reduces the willingness of landlords to make often expensive long-term investments in energy efficiency improvements. While some improvements might be covered by existing tax relief on repairs in properties, many will fall outside its scope.

132 Experian, 'The Opportunities and Costs of Cutting VAT: The effects of selected reductions in the rate of VAT on the labour element of housing repair, maintenance and improvement', 2010; Experian/ Federation of Master Builders, 'An estimate of the effects of a reduction in the rate of VAT on housing renovation and repair work: 2015 to 2020', 2014

- 5.34 To address this, the Mayor will seek to improve the energy efficiency of homes in the private rented sector by lobbying for tax relief on expenditure by landlords that improves the environmental performance of their tenanted properties, as is currently the case for expenditure on repairs. The Mayor supports the Minimum Energy Efficiency Standard for the private rented sector to ensure these regulations deliver meaningful benefits for renters.

POLICY 5.2: MEETING LONDON'S DIVERSE HOUSING NEEDS

New and existing homes should meet Londoners' diverse housing needs.

Proposals

A

The Mayor will work with councils, housing associations, Government and others to ensure that London's homes and neighbourhoods support London's diverse housing needs. This will include:

- i. ensuring more of London's new and existing homes are accessible and appropriate for disabled Londoners, older Londoners, and families with children, including requiring councils to provide guidance on the size mix of low cost rented homes;
- ii. increasing opportunities for older homeowners to move to accommodation more suitable for their needs, including benchmarks for older people's housing requirements in the draft London Plan;
- iii. working with the Gypsy and Traveller community to ensure their housing needs are met;
- iv. making housing provision a key part of the Mayor's strategy to support the resettlement of Syrian refugees in the capital, and improving the integration support provided for all newly recognised refugees; and
- v. expecting all social landlords to ensure their services are LGBT+ inclusive.

B

The Mayor will work with councils, housing associations, Government and others to ensure that Londoners who need it are provided with support so that they can live independently. This will include:

- i. investing at least £100 million in supported housing for older and disabled Londoners; and
- ii. making the case to Government that the new funding arrangements should meet the support and housing costs of supported housing in London.

5.35 The Mayor's vision is for London to be a city for all Londoners. That means that new homes need to be developed with the needs of all Londoners in mind, and our existing housing stock needs to be improved to support demographic change and improved accessibility. Housing options should be available to meet the full range of Londoners' housing needs, ensuring that our neighbourhoods remain diverse, inclusive and socially integrated.

FAMILY- SIZED AND ACCESSIBLE HOMES

5.36 London needs homes of a broad range of sizes and the Mayor recognises the particular challenge of high levels of overcrowding in the capital. He is committed to addressing this challenge, and his measures for doing so run throughout this strategy and his draft London Plan (see box 14).

BOX 14: ENDING OVERCROWDING IN LONDON

The Mayor is clear that overcrowding, which adversely affects hundreds of thousands of Londoners, must be tackled as we address London's housing crisis.

Lack of room to play or study inhibits children's development and educational achievement. Adult children living with parents may delay starting their own families. Overcrowding increases the risk of accidents in the home, and there is evidence it is associated with physical ill health, as well as contributing to stress and anxiety¹³³. All of these effects can exert huge pressure on families and make overcrowded conditions still harder to cope with.

The proportion of London's households living in overcrowded conditions fell continuously until 1991, but in recent decades rates have risen – particularly in outer London, which had historically seen much less overcrowding. Around seven per cent of households in London are overcrowded¹³⁴, and 22 per cent of children in the capital are growing up in overcrowded homes¹³⁵.

133 Shelter, 'Full house? How Overcrowded Housing Affects Families', 2005; Office of the Deputy Prime Minister, 'The impact of overcrowding on health and education', 2004

134 GLA analysis of English Housing Survey, 2013/14 to 2015/16

135 GLA analysis of English Housing Survey, 2012/13 to 2014/15. Data is not yet available on the number of children in each overcrowded household in 2015/16.

Rates of overcrowding are higher among those on low incomes¹³⁶, those who rent their homes, and those from BAME communities (even after allowing for variations in household size)¹³⁷. Overcrowding is therefore a key health inequalities issue, as highlighted in the Mayor's draft Health Inequalities Strategy. Around 80 per cent of overcrowded households are renters, split roughly equally between the private and social rented sectors¹³⁸. In social housing, the shortage of suitable homes for overcrowded households is exacerbated by the Government's Benefit Cap, which means families may struggle to cover the rent of larger homes, particularly of those that are newly-built.

In total, the 250,000 homes in London that are overcrowded contain around 380,000 distinct 'family units'. This suggests overcrowded homes are a mix of those with a single family who need a bigger home, and those in which overcrowding is caused by there being more than one family - for example, a grown-up child and their partner who need a home of their own¹³⁹. Homes of a range of different sizes are therefore needed to help tackle overcrowding.

Family-sized housing in the social housing sector helps those households who need a larger home – and where overcrowded families move into a bigger home, they free their existing home for another household to move into, potentially creating a beneficial chain of moves. Family-sized housing can be made available directly by building larger homes, and indirectly by building attractive one- and two-bedroom homes for those currently under-occupying family-sized homes to downsize into. One and two-bedroom homes are also what most concealed households need¹⁴⁰, and so can help tackle overcrowding in up to 30 per cent of cases¹⁴¹.

136 GLA analysis of 2013/14 to 2015/16 English Housing Survey finds that overcrowding rates among households in the lowest fifth of the national income distribution are several times higher than those for households in the highest fifth, regardless of household size.

137 ONS, 2011 Census

138 GLA analysis of English Housing Survey, 2013/14 to 2015/16

139 GLA analysis of 2012/13 to 2014/15 English Housing Survey. The estimate of family units in overcrowded households is distinct from the estimate of 'concealed households' given in paragraph 2.17, which was calculated for the 2017 London Strategic Housing Market Assessment and includes family units living in both overcrowded and non-overcrowded households

140 GLA, 'The 2017 London Strategic Housing Market Assessment', 2017

141 GLA analysis of 2012/13 to 2014/15 English Housing Survey data indicates that 32 per cent of overcrowded households contain two or more family units

Market family-sized housing often fails to help those who are overcrowded. With monthly rents for three-bedroom homes in London averaging £1,800¹⁴², they are clearly beyond the reach of the city's lower income households, who suffer most from overcrowding. Only around a third of family-sized market homes are actually occupied by families with children¹⁴³, partly because many larger market homes are bought by landlords and rented to sharers.

The Mayor is committed to doing all he can to end overcrowding as a critical strand of London's wide ranging work to address its housing crisis. We need a step change in investment and powers from Government to be able to build all the affordable homes Londoners need, and thereby be able to end overcrowding. In the meantime, the Mayor is using his existing resources to their fullest extent, as set out in a number of policies from across this strategy and the draft London Plan, including:

- **Housing targets and the level of affordable housing:** Tackling overcrowding is integral to the draft London Plan, since the principal evidence base for its housing targets, the SHMA, assumes that London needs to build enough of the right sort of homes to eradicate overcrowding. The Plan includes ambitious housing targets and strong policies to increase levels of affordable housing in new developments.
- **Low cost rented homes for overcrowded households:** As Policy 5.2 highlights, the Mayor's draft London Plan also includes – for the first time – a requirement that boroughs' planning policies set out guidance on the size mix of homes for low cost rent to be delivered in their area. Boroughs should determine local guidance by using evidence of local housing needs, including the numbers and types of overcrowded and under-occupying households. This guidance applies to all new low cost rented homes in a borough, irrespective of how they are funded or delivered, and should be used to help ensure the supply of new low cost rented homes is well-suited to helping tackle overcrowding in a borough.
- **More homes in outer London:** Both the London Housing Strategy (policies 3.1 and 3.3) and the draft London Plan encourage a shift in development towards outer London. Market homes delivered in these areas are likely to be cheaper than those delivered on larger sites in inner London, and so building family-sized homes that families can afford will be more viable.

142 Valuation Office Agency, Private Rental Market Statistics, September 2016.

143 GLA analysis of English Housing Survey, 2013/14 to 2015/16

- **Helping people to downsize:** Enabling would-be downsizers to move out of larger homes is also important, as it frees up these homes for families who are currently in homes too small for their needs. Delivering high quality specialist homes for older people (Policy 5.2) will help here, along with local authorities' and housing associations' transfer policies and the Mayor's schemes that create opportunities for social housing tenants to move (Policy 4.3).
- **A welfare benefits system that helps to eradicate overcrowding:** By heeding the Mayor's call to review its welfare reform measures (Policies 6.2 and 7.1), Government could ease the affordability pressures that are preventing many overcrowded Londoners from moving. The Benefit Cap, in particular, can leave families with just two or three children where nobody is able to work with very little money to cover housing costs.

- 5.37 Ensuring a supply of appropriate homes to meet need in London is a vital part of making the city liveable for families, helping to support mixed and balanced communities. Larger new market homes with three or more bedrooms are often bought as investment properties and rented to sharers, whereas new family-sized low cost rent homes clearly meet need as they are allocated according to household size. The draft London Plan includes the Mayor's planning policies relating to the mix of homes by number of bedrooms. For the first time, it requires councils to provide guidance on the size mix of low cost rented homes needed in their area, including family-sized housing, based on local factors such as the rate of overcrowding. In addition, the Mayor welcomes bids for funding from his Affordable Homes Programme to support the development of family-sized affordable homes, expecting providers to build homes that match local and pan-London needs, in terms of both size and typology.
- 5.38 Ensuring that new homes are accessible is essential to improving the proportion of London's housing stock that can be lived in, or visited by, disabled people, older people, and families with young children. The draft London Plan includes requirements for 10 per cent of all new build housing in London to be wheelchair user dwellings (wheelchair accessible or adaptable), and the remaining 90 per cent to be accessible and adaptable dwellings. The Mayor will also enhance the London Development Database¹⁴⁴, so that Londoners can identify homes being developed that are wheelchair accessible or easily adaptable, or designated for older people.

5.39 Many of London's existing homes need to be adapted and improved so that they are more accessible to Londoners. Government investment in Disabled Facilities Grants (DFGs) – the main funding stream available for councils to support these improvements – has increased in recent years. However, the cap on individual grants (of £30,000) has not changed since 2008. In addition, there is scope for some housing associations to invest more of their own funds in adaptations and improvements, so that more funding for DFGs is available for other homes. The Mayor will work with councils and housing associations to agree a protocol to ensure that housing associations contribute to the cost of adaptations, and he will urge Government to increase the maximum individual grant to £45,000. The Mayor expects social landlords to be well-informed about the accessibility of their stock, including through tools such as the London Accessible Housing Register¹⁴⁵. There is also scope to consider how loans and equity release could be used more effectively to fund adaptations, as well as repairs, to enable more older owner occupiers to continue to live independently in their own homes.

HOUSING THAT MEETS SPECIFIC NEEDS

5.40 While for many older people staying in their own homes is the best option, others need to move to accommodation more suited to their needs and we need to increase opportunities for them to do so. This will partly be achieved through increasing the supply of affordable homes in the capital. It will also involve planning for new homes that meet the distinct and varied housing needs of older Londoners. To support this, the draft London Plan sets out benchmarks for older people's housing requirements, and – through both the Plan and his capital funding – the Mayor will promote a range of different types of housing for older people.

5.41 There is also a need to increase opportunities to downsize, for those choosing to do so. Details of the Mayor's schemes enabling social tenants to downsize are set out in Policy 4.3. The Mayor is also using the draft London Plan to require councils, when assessing the unit mix of new build developments, to consider how well-designed one- and two- bedroom homes in suitable locations can attract those wanting to downsize from their existing homes, and the potential of this to free up existing family-sized homes. In addition, the Mayor will encourage Government to consider how incentives could be used to assist older under-occupiers wanting to downsize.

145 <https://www.london.gov.uk/what-we-do/housing-and-land/renting/london-accessible-housing-register>

- 5.42 Councils should actively plan for the accommodation requirements of London's Gypsies and Travellers. This should include the development of permanent sites, as well as improvements to and protections for existing capacity. The Mayor's planning policies to support this are set out in his draft London Plan. These include requirements for councils to: meet identified need for permanent pitches; carry out needs assessments based on a new definition of Gypsies and Travellers which, unlike the Government's planning definition, includes people who are currently living in bricks and mortar accommodation; and actively plan to protect existing capacity, including taking this into account when considering new residential developments. The Mayor will work with Gypsy and Traveller communities, and with councils, to provide funding for new sites and improvements for existing sites through his Affordable Homes Programme.
- 5.43 The Mayor also invites funding proposals for other types of housing that meets specific housing needs. This could include housing for specific BAME communities, for young people, for people experiencing mental ill health or substance misuse, for those with learning disabilities, for those leaving care or for foster carers, or LGBT+ majority extra care schemes along the lines of that currently being developed in Manchester¹⁴⁶. The Mayor expects social landlords to ensure that their services are inclusive of LGBT+ Londoners, by, for example, making full use of Stonewall's Service Delivery Toolkit¹⁴⁷ and signing up to the Stonewall Diversity Champions programme¹⁴⁸.
- 5.44 The Mayor is making housing a key part of his new city-wide scheme to support Syrian refugees to rebuild their lives in London and thrive in their local community¹⁴⁹. This will be achieved by bringing together offers of accommodation from private landlords, with rents set at the Local Housing Allowance (LHA) rates, as well as offers of sponsorship to help cover the costs of privately rented accommodation. In addition, the Mayor will lobby Government to extend the move-on period and to improve the integration support provided for all newly recognised refugees, to prevent homelessness and support social integration.

146 Manchester City Council, 'UK's first LGBT older person's community planned for Manchester' (press release), 2017

147 <http://www.stonewall.org.uk/service-delivery-toolkit>

148 <http://www.stonewall.org.uk/dc>

149 This is funded through the national Syrian Vulnerable Persons Resettlement and Community Sponsorship Scheme

INVESTING IN SUPPORTED HOUSING

- 5.45 Many Londoners need support in order to continue living independently in their communities. These include people who have developed support needs as they have grown older, disabled people requiring ongoing support to remain independent (including the increasing numbers with dementia), and people with a learning disability or autism. Support may also be required for those Londoners who become homeless, including as a result of domestic abuse (policies in relation to homelessness are set out in chapter seven).
- 5.46 Supported housing schemes, including extra care housing, are designed to provide this support. For these schemes to be financially viable they tend to require two types of public subsidy: capital funding to develop the buildings and ongoing revenue funding to provide support services and cover housing costs.
- 5.47 The Mayor will continue to play a major role in providing capital funding for new homes specifically aimed at meeting London's diverse housing needs, both through his specialised programmes and his mainstream Affordable Homes Programme. The Care and Support Specialised Housing programme is a Government fund, administered by the Mayor in London, that supports the development of specialised housing for older people and younger disabled adults. The Mayor has recently secured an additional £36m for London for this programme. Through this and his wider programmes, the Mayor will invest at least £100 million in supported housing for older and disabled Londoners.
- 5.48 The Mayor will explore ways in which his capital funding for supported and specialist accommodation can facilitate innovations in mixed housing, for example multi-generational housing. In addition, given Government's proposed new approach to the local assessment of need for supported accommodation, there is increased scope for health services, councils, and other housing providers to work more closely to jointly commission supported housing. The Mayor is keen to consider funding bids arising from this approach, for example, for schemes to prevent delayed hospital discharge or discharge from hospital to no or inappropriate accommodation.
- 5.49 A key challenge to this much-needed increase in supply, as well as to the maintenance of current provision, is continuing uncertainty over, and lack of revenue funding for, support and housing costs. This is significantly reducing housing providers' appetite for investment in new and existing supported housing schemes.

- 5.50 The Mayor will continue to make the case to Government that the new revenue funding arrangements should meet the support and housing costs of supported housing in London. This should include ensuring that these arrangements:
- do not impede the delivery of new supported and specialist housing or the maintenance of current provision;
 - are fit for purpose for accommodation in which people may stay short term;
 - meet pan-London needs for accommodation, now and in the future; and
 - provide a sufficient level of financial support to match London's needs.
- 5.51 In particular, the levels of the new Sheltered Rent proposed by Government need to reflect the actual costs of development and ongoing provision (including regional differences). The proposed localised allocations of housing cost funding for short-term accommodation need to fully reflect both current and future need (and be flexible to changes), and where needs clearly cross local authority boundaries, such as for refuge provision, a strategic, pan-London approach should be taken (see Policy 7.1).

POLICY 5.3: COMMUNITY SUPPORT FOR HOMEBUILDING

The Mayor will work with partners to encourage new housing delivery that involves communities and earns Londoners' support.

Proposals

A

Working with councils and others, the Mayor will support Londoners to be involved in planning and delivering new homes. This will include:

- i. setting a target to identify a pipeline of community-led housing schemes by 2021, with capacity to deliver at least 1,000 homes;
 - ii. supporting the expansion of community-led housing schemes through a new Community-Led Housing Hub for London; and
 - iii. investing in community-led housing schemes and lobbying Government for a share of the national Community Housing Fund.
-

B

The Mayor will work with developers, councils, TfL and other public sector service providers to ensure that new housing development is matched with the provision of new infrastructure. This will include:

- i. ensuring new development is supported by adequate social infrastructure through policies in his draft London Plan; and
 - ii. calling on Government to increase social infrastructure funding in high growth areas.
-

C

The Mayor will work to make the delivery of housing in London a more transparent and open process. This will include:

- i. reserving the right to publish viability assessments that the Mayor receives and strongly encouraging councils to do the same;

- ii. ensuring councils who take cash payments in lieu of onsite affordable housing make public these amounts and how they intend to spend them; and
 - iii. lobbying for land options agreements to be recorded with the Land Registry.
-

D

The Mayor will address public concerns about empty homes and the impact of housing being bought for investment, particularly by overseas buyers, on the availability of homes for Londoners. This will include:

- i. helping to ensure that Londoners have first dibs for more new homes, particularly those that are affordable to more first time buyers;
 - ii. addressing empty homes by encouraging all councils to levy the empty homes Council Tax premium and lobbying Government for changes to make it more effective; and
 - iii. continuing to urge Government to set new standards of transparency in the property industry and particularly for properties owned by companies registered overseas.
-

E

The Mayor will improve protections for Londoners living in social housing, including those affected by estate regeneration projects, and ensure their views are properly heard and acted upon. This will include:

- i. promoting resident ballots where demolition of affordable housing is proposed as part of significant estate regeneration schemes;
- ii. calling on Government to implement a package of reforms to support better regulation and rights for those living in social housing, including appointing an independent Commissioner for Social Housing Residents; and
- iii. implementing Better Homes for Local People - the Mayor's Good Practice Guide to estate regeneration.

- 5.52 Londoners increasingly recognise that the need for new housing means homes need to be built in every part of the capital. Over two thirds of Londoners surveyed in 2016 supported or strongly supported more homes being built in their local area – double the proportion in 2010¹⁵⁰.
- 5.53 Such support may be maintained through new developments including more homes that are genuinely affordable (see chapter four), and that are well-designed (see Proposal 5.1A). It can also be boosted by making sure that Londoners have an opportunity to shape housing delivery themselves, and that their concerns about the perceived negative impacts of new homes are addressed.
- 5.54 The Mayor considers public engagement to be vital in the process of building more new homes in London. There has been extensive public consultation on a number of Mayoral documents since his election in 2016. In particular, public consultation to support A City for All Londoners and the Mayor's Good Practice Guide to Estate Regeneration has been significantly more thorough than was the practice under previous administrations, with workshops for key stakeholders, online and social media campaigns, and specialist consultation experts engaged by the Mayor to widen the range of responses and depth of engagement by Londoners in policy-making. This kind of approach should be extended to how we deliver new homes.

COMMUNITY-LED HOUSING

- 5.55 Communities should always be consulted about new development, and in some cases communities want to take their involvement in development one step further by delivering homes themselves. Community-led housing can include co-housing, cooperative housing, and community land trusts. Schemes might be developed by Londoners who wish to live together as part of a specific self-defined community (e.g. an older people's co-housing scheme), for another purpose such as to have more control over how homes are managed (e.g. a social tenant cooperative), or to ensure that the community retains a financial stake in the homes and land (e.g. a community land trust). The Mayor will work with community-led housing organisations to identify a pipeline of schemes by 2021 that have the capacity to deliver at least 1,000 homes.

- 5.56 Although the legal form and activities of each community-led housing scheme differ, schemes that are genuinely community-led all share three common principles:
- meaningful community engagement and consent occurs throughout the development process. Communities do not necessarily have to initiate the conversation, or build homes themselves;
 - there is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship, or management of the homes; and
 - the benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.
- 5.57 Groups who wish to develop community-led housing schemes face a range of challenges. In particular, they may struggle to access suitable and affordable land, finance, and people with the necessary skills and experience to take a proposal through from conception to delivery. To help address this, the Mayor is funding a new Community-Led Housing Hub for London to provide learning, sharing and partnership brokering opportunities for communities wishing to develop their own homes (see box 15). The Mayor will enhance this by seeking additional funding from councils and others, and by linking the Hub with initiatives to make more small sites available for small scale housing developments through his Small Sites, Small Builders initiative (see chapter three).
- 5.58 Where they provide genuinely affordable homes for Londoners, the Mayor is also willing to fund community-led housing projects, as well as self-build and custom-build projects. The Mayor will use his Innovation Fund, and lobby Government to allocate a share of the Community Housing Fund, to fund community-led housing projects in London.

BOX 15: A NEW COMMUNITY-LED HOUSING HUB FOR LONDON

The Mayor has worked with the community-led housing sector to identify barriers and opportunities that prevent more community-led housing schemes happening in the capital. This work has identified the need for a Community-Led Housing Hub to unlock and support the sector to grow and deliver genuinely affordable homes that serve local needs. The Hub will:

- be a first point of contact, with an online and physical presence, for Londoners interested in getting involved in community-led housing, including signposting and information sharing;
- provide capacity-building for communities and those with a role in delivery. This could include peer- to-peer learning, site visits, and technical skills training;
- provide technical support for projects, including through surgeries, workshops, and access to technical experts; and
- broker partnerships with funders, landowners, technical service providers, mortgage lenders and others.

The GLA will provide start-up funding for the Hub and will work with councils and Government to secure further funding. In the longer term, the Hub is intended to be a sustainable support mechanism for community-led housing groups in London with a business model that does not rely on public funding.

SOCIAL INFRASTRUCTURE AND HOUSING

5.59 The Mayor's policies in relation to transport infrastructure and housing are set out in chapter three. In addition to transport, new housing development needs investment in a wide range of services and facilities providing social infrastructure such as:

- health facilities;
- education and childcare;
- community space;
- cultural facilities;
- faith spaces;
- recreation and sports facilities;
- outdoor spaces, including children's playgrounds;
- facilities for emergency services; and
- public toilets.

- 5.60 In order to ensure that new development does not result in increased car dependency, with existing streets becoming more congested, it is also important that growth is planned around active and sustainable travel, rather than car use. The Healthy Streets Approach detailed in the Mayor's Transport Strategy will be used to ensure that public space, including streets, is improved as a part of all new development plans.
- 5.61 New housing development plays an important role in funding the delivery of new social infrastructure through mechanisms such as CIL. Where the population grows without a corresponding increase in housing supply, less money is raised to fund social infrastructure. Where homes are planned and built to meet housing demand, funds can be captured through the planning system to support a sustainable increase in local populations. New development can also increase footfall in an area, making some types of social infrastructure (such as leisure centres) more commercially viable.

ENHANCING LONDON'S CULTURAL FACILITIES AND SOCIAL INFRASTRUCTURE

- 5.62 The Mayor has a clear role to ensure that new development is properly planned for and he has set out plans in his draft London Plan to ensure that new development is supported by adequate social infrastructure. The draft London Plan also includes policies relating to the protection of existing social infrastructure. These policies will need to be supported by stronger working relationships between councils and service commissioners and providers, in particular NHS Clinical Commissioning Groups (CCGs) and schools providers.
- 5.63 The Mayor recognises the particular importance of cultural facilities in bringing together new and existing communities, and in creating places where people want to live. In light of this, he will be publishing a Cultural Infrastructure Plan to identify what is needed to sustain London's future as a cultural capital, as well as supporting the delivery of diverse and vibrant new neighbourhoods alongside new housing. The evidence in the Cultural Infrastructure Plan will provide councils with the information they need to identify and map cultural infrastructure priorities and align them with their housing delivery plans. The Mayor has published his draft Culture Strategy for consultation.

- 5.64 The Mayor recognises that many Londoners are unhappy with the additional pressures placed on existing social infrastructure as the local population increases. Despite the importance of social infrastructure in supporting housing growth, it is clear that many public sector bodies with responsibilities for providing it lack the funds required to do so, especially to provide new services in a planned way alongside new homes. The Mayor is calling on Government to review and increase funding for social infrastructure and to ensure that areas experiencing high levels of housing development receive a larger share of available funds.

PROMOTING TRANSPARENCY

- 5.65 When developers apply for planning permission for housing schemes, one of the most important negotiations is over the number of genuinely affordable homes that will be provided as part of the scheme. Much of the information relevant to local communities is included in viability assessments which have not been routinely published, often on the basis of commercial sensitivity. Building on the measures set out in his Affordable Housing and Viability SPG, the Mayor reserves the right to publish these in future, allowing Londoners to scrutinise the performance of developers and councils.
- 5.66 The Mayor favours onsite provision of affordable homes. However, in some cases councils negotiate a cash payment in lieu of onsite affordable housing. These funds must be used to support the delivery of affordable homes, and currently some councils are not spending the funding quickly enough or on genuinely affordable homes. To further promote transparency in the planning system, councils should make public the amount they receive as cash in lieu of onsite affordable housing, and how these funds are spent. The Mayor will seek to ensure this happens by introducing policy in the draft London Plan and will monitor and publish this information through the London Plan Annual Monitoring Report.
- 5.67 Given the importance of land to supporting an increase in housebuilding, this approach to transparency should also be applied to land and property ownership. The Land Registry records details of prices paid in property transactions, but it does not keep a record of options agreements, whereby developers and landowners agree a future price for a piece of land. These agreements reduce the availability of land and greater transparency about them would increase public confidence in the operation of the land market. The Mayor will continue to lobby for options agreements and similar

contractual arrangements to be recorded with the Land Registry. The Mayor will also continue to oppose attempts to privatise the Land Registry.

ENSURING LONDONERS CAN ACCESS NEW HOMES

- 5.68 The Mayor recognises the role that investment from domestic and international sources plays in getting development underway in London, and is clear that London is open to people and investment from around the world. He also recognises that many Londoners are concerned about the impact of investors, particularly from overseas, on the availability of new homes for Londoners, and there have been concerns about some new homes being left intentionally empty. To ensure that any policies to address these issues are evidence-based, the Mayor commissioned in 2016 the most thorough research ever undertaken on the role of overseas investors in London's housing market.
- 5.69 The research was published in June 2017 alongside recommendations from a subgroup of the Mayor's Homes for Londoners Board asked to consider its findings and other evidence¹⁵¹. Having considered the research findings, the analysis of his sub-group, and the wider policy context, the Mayor has decided to focus his response on the following three actions.
- 5.70 First, the Mayor wants to ensure that Londoners have an opportunity to purchase more new homes before they are marketed overseas – particularly those homes that ordinary Londoners are more likely to be able to afford. He was concerned by findings in the research he commissioned that more than half of sales to overseas buyers were for properties costing between £200,000 and £500,000. The Mayor has welcomed a proposal from major homebuilders and housing associations to make more new homes available to Londoners before anyone else, through a voluntary 'first dibs' approach. This proposal ringfences new homes for market sale at up to £350,000 for UK-based buyers for three months before they are marketed overseas, with those living or working in London getting an additional period of exclusivity of up to a month at the beginning of this window. The Mayor will work with the industry to put this offer into practice, and consider how it can be expanded or strengthened.
- 5.71 Second, the research found that while the number of recorded long-term empty homes in London is at a historically low level, at 0.6 per cent of total housing

151 LSE, 'The role of overseas investors in the London new-build residential market', 2017; University of York 'Overseas Investors in London's New Build Housing Market', 2017

stock¹⁵², cases of suspected empty homes seem to be concentrated in higher-value areas such as in prime central London. Councils can levy an empty homes Council Tax premium on properties that have been empty for two years or more, set at an additional 50 per cent of the Council Tax payable for a property. Twenty-nine councils in London currently levy this. In 2017, Government announced its intention to double the premium. However, given the relatively low level of Council Tax in relation to property values, especially in central London, the Mayor does not consider that this is a strong enough incentive to ensure that homes are occupied. The Mayor will urge all London's councils to levy the empty homes premium and will work with councils to lobby Government for changes to make it more effective. In his draft London Plan, the Mayor has also set out his support for councils who choose to address 'buy to leave' properties through appropriate planning measures based on local evidence.

- 5.72 Third, in order to address public concerns about the potential for London property to be used for criminal purposes, the Mayor believes estate agents should be under a duty to ascertain the identity and legality of the purchaser, and not just the vendor, of a home. Where the purchaser is a foreign-registered company, the beneficial ownership of that company should be in the public domain, as is the case with UK-registered companies. The Mayor will continue to urge Government to set new standards of transparency in the property industry and particularly for properties owned by companies registered overseas.
- 5.73 The Mayor has limited powers over foreign buyers and empty homes, and so will look at how effective the voluntary offer on 'first dibs', and any action taken by Government to implement his suggestions around empty homes, are in practice. The Mayor will consider other options if required, including calling on Government for further change.

LISTENING TO THE VIEWS OF SOCIAL HOUSING TENANTS AND LEASEHOLDERS

- 5.74 Although the full lessons from the Grenfell Tower fire will not be known for some time yet, the Mayor is clear that resident safety is of the utmost priority, and that residents' voices must be at the heart of decision-making by councils and housing associations. This needs to happen at three levels:
- individual tenants, leaseholders, and freeholders need to have effective recourse for their complaints and concerns that are not dealt with by their landlords;
 - broader issues with specific landlords or estates need to be dealt with far more quickly and effectively; and
 - the views, concerns and interests of social housing residents need a much stronger voice at a national level, so that their interests are taken into account in policy-making.
- 5.75 The Mayor believes it is essential that, as a minimum, we ensure the system for regulating social housing is genuinely responsive to the concerns of tenants, leaseholders, and freeholders on social housing estates. He is proposing an immediate package of reform to strengthen the voices of social housing residents, including the three core elements below. He will work with Government on the detail of any reforms to ensure that, where multiple issues arise on one estate, there is a mechanism for the regulator or another appropriate body to step in to protect residents' interests; the system must not allow widespread concerns on a particular estate to go unchecked.
- 5.76 First, the Mayor considers that it is currently unnecessarily complicated for residents to access the Ombudsman, as they must first make complaints through their landlord, and if they are not resolved they must take their complaints to the Ombudsman via a 'designated person' (an MP, local councillor, or tenant panel) or wait eight weeks after the end of the complaints procedure to refer their complaint directly. The Mayor will urge Government to streamline the process for individual complaints, so that residents can take their complaint direct to the Housing Ombudsman more quickly and without having to go through a 'designated person', once they have exhausted their landlord's internal complaints procedure. A complainant could still use a 'designated person' if they wished.

- 5.77 Second, the wider regulation of standards in the social housing sector is carried out by the Social Housing Regulator. This body is responsible for regulating 'economic' standards, such as Value for Money, and 'consumer' standards, such as Tenant Involvement and Empowerment.
- 5.78 The Social Housing Regulator will only take regulatory action in relation to consumer issues if the test of 'serious detriment' is met. The Mayor is concerned this sets the bar too high to effectively consider consumer standard complaints from tenants or their representatives, meaning that vital issues such as tenant involvement get insufficient attention. Of the 1,050 consumer standard complaints received by the HCA in the two financial years to 2016, only 10 resulted in findings of 'serious detriment'¹⁵³. The Mayor is calling on Government to review the test of 'serious detriment' to ensure increased investigation by the Social Housing Regulator of resident complaints, and to ensure it increases its work on enforcing consumer regulation in the social housing sector.
- 5.79 Third, to ensure that tenants', leaseholders', and freeholders' views are heard and acted upon, the Mayor is calling on Government to introduce a Commissioner for Social Housing Residents, an individual independent of Government with a statutory remit to act as a watchdog for social housing tenants, leaseholders, and freeholders. Modelled on the Children's Commissioner for England, the key role of the Commissioner would be to champion the views and interests of social housing residents, including by making recommendations for future Government policy. The Mayor believes this individual should be a social housing resident and Government should work with communities across the country to develop the Commissioner's purpose and remit.

INVOLVING RESIDENTS IN ESTATE REGENERATION

- 5.80 Although most estates are well-built and well-maintained, regeneration may be proposed where estates need to be physically improved in order to maintain or improve the quality of the homes, and in some cases there is potential to significantly increase the number of homes. Wherever works are being undertaken to improve or regenerate an estate, the affected residents must be closely involved in proposals from the very start. While the record of estate regeneration is, in general, a positive one, and schemes usually deliver high quality new homes, an improved public realm, and new or improved facilities such as schools or community centres, the Mayor recognises the public concerns over some examples of estate regeneration and wants to use his position to help address them.
- 5.81 In particular, the Mayor is aware that while estate regeneration schemes have generally led to an overall increase in housing supply across both private and affordable tenures, affordable homes have not always been replaced on a like for like basis¹⁵⁴. This issue is addressed in chapter four. Furthermore, the Mayor believes it is essential that tenants, leaseholders, freeholders, and other residents and users of estates be reassured that, where regeneration is being considered, they will be fully involved in the process, and that councils, landlords and others will abide by a common minimum set of standards.
- 5.82 Estate regeneration schemes will be led by the landlord, who will almost always be a council or housing association. The Mayor's direct involvement in such schemes will be through the application of any Mayoral funding, through any relevant planning decisions, and through his wider influence. The Mayor has therefore consulted on a Good Practice Guide to Estate Regeneration, the final version of which was published in February 2018 (box 16). As well as setting out the Mayor's 'Better Homes for Local People' good practice principles, the Guide also sets out the Mayor's intention to promote the use of resident ballots as a condition of his funding.

BOX 16: BETTER HOMES FOR LOCAL PEOPLE: THE MAYOR'S GOOD PRACTICE GUIDE TO ESTATE REGENERATION

The Mayor's Good Practice Guide to Estate Regeneration sets out the Mayor's expectations for the way in which estate regeneration schemes should be delivered, focusing on full and transparent consultation and the involvement of those affected.

In particular, where significant regeneration is planned that involves the demolition of existing homes, the Mayor wants to see his three Better Homes for Local People principles apply. They require:

- an increase in affordable housing;
- full rights to return or remain for social tenants; and
- a fair deal for leaseholders and freeholders.

In addition to using his planning powers to ensure affordable housing is replaced like for like and wherever possible increased, the Mayor has consulted on his intention to introduce a new funding condition that requires a positive vote in a resident ballot for significant estate regeneration schemes that involve the demolition of homes and require GLA funding.

The Mayor's Good Practice Guide to Estate Regeneration was developed following extensive consultation during 2017.



6. A fairer deal for private renters and leaseholders

Figure 6.1: Number of dependent children under 19 in London by tenure, 2005 to 2017¹⁵⁵

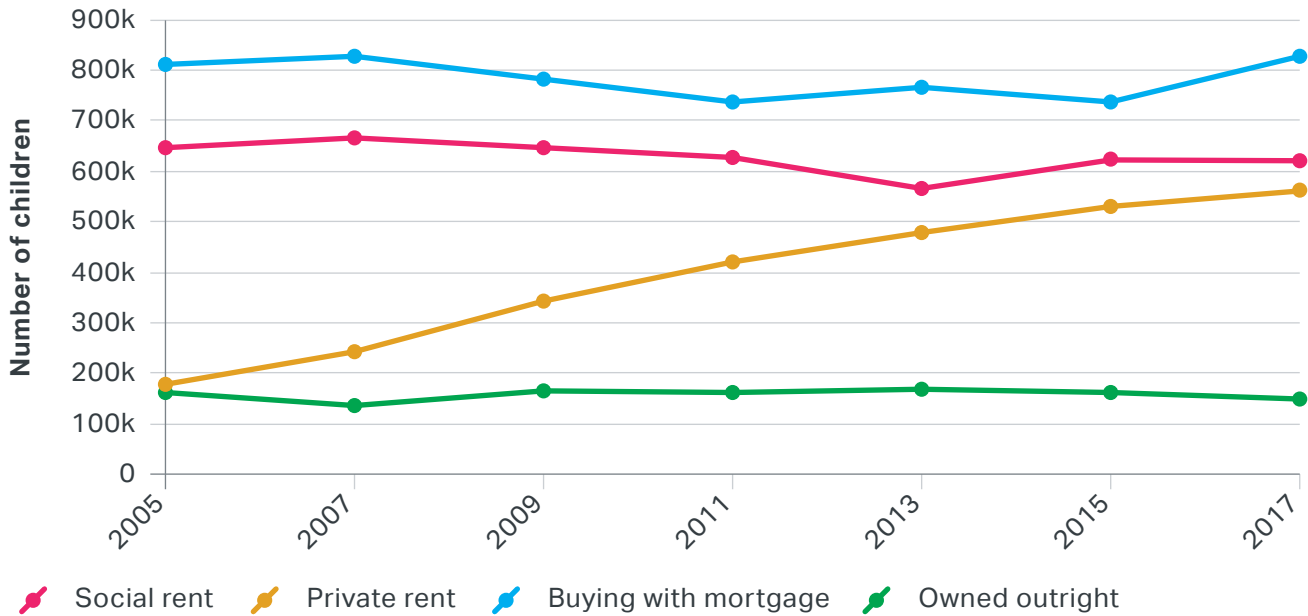
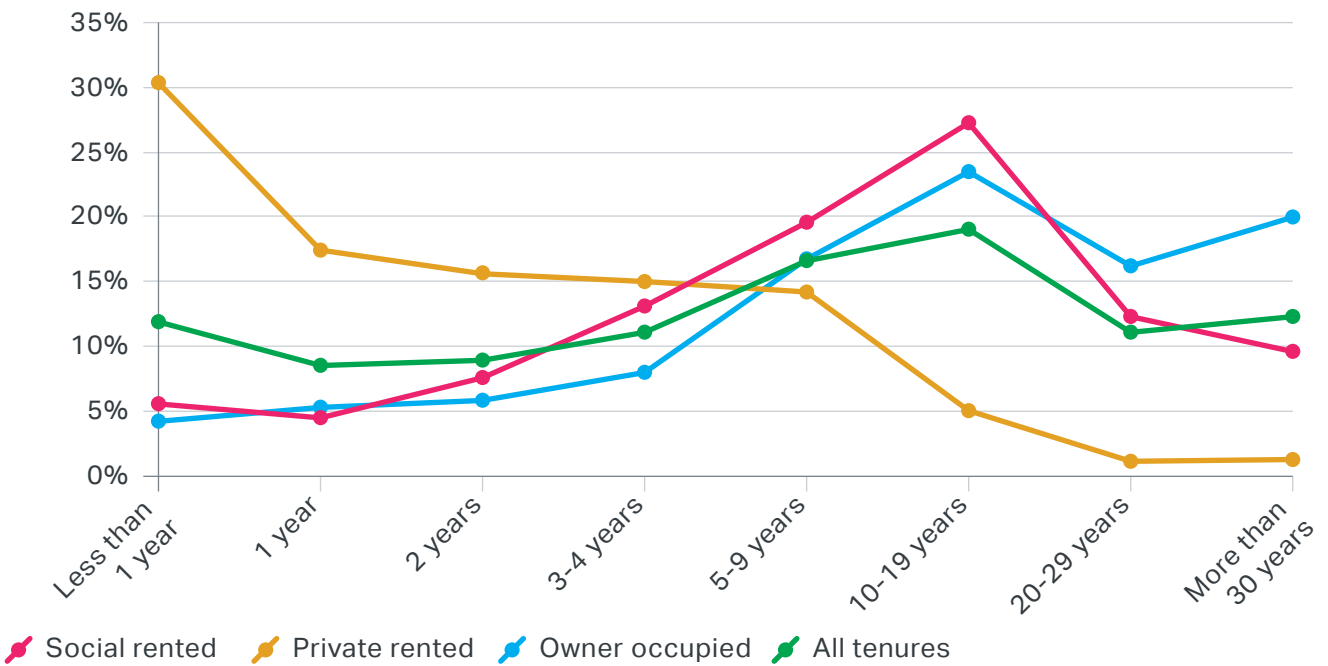


Figure 6.2: Length of time in current home by tenure, London 2013/14 to 2015/16¹⁵⁶



155 GLA analysis of Labour Force Survey data, 2005-2017

156 GLA analysis of English Housing Survey data, 2013/14 to 2015/16

- 6.1 The Mayor wants to help improve life for London's two million private renters and to get a fairer deal for the more than half a million leaseholders in the capital¹⁵⁷. This chapter contains the Mayor's policies in relation to improving the private rented sector, alongside proposed reforms and improvements to the leasehold sector. Policies in relation to newly purpose-built private rented homes – otherwise known as Build to Rent – are covered in chapter three.

CONTEXT

- 6.2 Over the last two decades, private renting in London has risen dramatically. Twenty-seven per cent of households were privately renting in 2017¹⁵⁸ – a proportion that is forecast to grow to 40 per cent by 2025¹⁵⁹. The nature of these households is changing too, with around 550,000 children now living in privately renting households in London, more than three times the figure in 2004 (figure 6.1)¹⁶⁰. At the same time people are renting privately for longer, with only a third of London private renters expecting to buy a home in the next five years¹⁶¹.
- 6.3 Despite this growth and change, London's private rented sector continues to be subject to a regulatory system that was designed for a more marginal and short-term tenure. With a standard tenancy length of just six to 12 months, renters have little guarantee of security or stability in their homes, making it hard to put down roots and causing disruption for education, childcare and employment (figure 6.2).
- 6.4 Evidence suggests that most landlords are offering a good service to their tenants¹⁶². However, almost a quarter of privately rented homes fail the Government's own Decent Homes standard¹⁶³, and a recent report indicated that almost 4,000 serious health and safety hazards, such as exposed wiring, broken boilers or black mould, were identified in homes occupied by private renters in 2016/17 alone¹⁶⁴. Although laws exist to ensure rented homes are

157 GLA analysis of English Housing Survey data

158 GLA analysis of Labour Force Survey, 2017

159 PwC Regional Tenure Projections, 2016

160 GLA analysis of Labour Force Survey data, 2004 and 2017

161 GLA analysis of English Housing Survey data 2010/11-2014/15

162 GLA, 'Housing in London', 2017

163 GLA analysis of English Housing Survey data, 2015/16

164 Pidgeon, Caroline AM, 'Rogue Landlords in London: An update on local authority enforcement in the private rented sector', October 2017

in good condition, enforcement is often inadequate against the minority of landlords and lettings agents who act unprofessionally. Some groups, such as renters living on London's waterways, are particularly poorly served by existing legislation designed to ensure homes are of a decent standard.

- 6.5 The Mayor recognises that good landlords are facing challenges too, not least because reforms to the welfare system mean that many lower income tenants find it harder to pay their rent. Alongside this, additional financial and regulatory burdens – including recent changes to mortgage interest relief rules, and the introduction of Right to Rent checks – have pushed up landlords' costs¹⁶⁵.
- 6.6 The Mayor does not believe this is how the growth of such an important part of London's housing market should be managed or encouraged. We need a better private rented sector for the growing number of Londoners who are living in the tenure for longer, while maintaining its critical role in ensuring London remains open to those who are new to our city – recognising that it is by far the easiest type of housing to move to or from¹⁶⁶.
- 6.7 The Mayor wants to see a private rented sector that offers stability to tenants who want it, with lower costs and decent standards across the board. He welcomes the growth of purpose-built, professionally-managed private rented sector housing, commonly referred to as Build to Rent, with its focus on high quality, well-designed homes with longer tenancies, stable rent increases, and high property management standards (see chapter three).
- 6.8 As the number of private renters in London continues to grow, so too does the number of homeowners with a leasehold property. Leasehold is the most common ownership structure for flats, where the block or converted house often remains under the control of a single owner who can take responsibility for common areas, major structural repairs, and block management. As we build more homes at higher densities, it is important we ensure that the tenure system for new private flats in particular is suited to Londoners' needs.

165 GLA analysis of VOA LHA rates and VOA private rental market statistics

166 85 per cent of adults who came to London from overseas in the last year are living in the private rented sector, and of all moves to and from London homes, 69 per cent were to or within the private rented sector. Source: GLA, 'Housing in London', 2017

- 6.9 While there is little data specific to London, we know that nationally there is widespread dissatisfaction with leasehold as a housing tenure: more than half of purchasers regret their decision to buy a leasehold property, and 65 per cent of leaseholders would welcome additional information on their rights and responsibilities¹⁶⁷. Key issues include high service charges, poor standards of management, and a lack of advice and information, particularly in relation to the rights of leaseholders to challenge unreasonable charges, manage their buildings, and purchase the freehold for their homes.
- 6.10 The Mayor wants to help establish a better deal for private renters and their landlords to encourage the successful growth of the private rented sector in the future. He also wants to ensure the system of ownership for flats, most of which are currently leasehold, is fit for purpose.

POLICY 6.1: IMPROVING STANDARDS FOR PRIVATE RENTERS

Private renters should benefit from decent property standards and management practices across the sector.

Proposals

A

The Mayor will encourage consistently good standards in London's private rented sector by enabling councils to make better use of their powers. This will include:

- i. support for greater collaboration between councils through a new London Borough Private Rented Sector Partnership;
 - ii. working to make best use of new regulatory powers, including for short-term lettings operators; and
 - iii. opposing the discriminatory Right to Rent policy.
-

B

The Mayor will work with councils and Government to target enforcement resources against the minority of poor quality and criminal landlords. This will include:

- i. providing strong support for well-designed and operated council licensing schemes, including calling for devolution of powers over such schemes to the Mayor;
- ii. supporting calls to establish a light touch landlord registration scheme; and
- iii. introducing a London-wide Rogue Landlord and Agent Checker to 'name and shame' landlords and letting agents who have acted unlawfully.

- 6.11 The Mayor wants London's private renters to benefit from decent, well-managed homes, irrespective of their income or background. This is already happening in much of the sector. Yet, in a significant minority of cases, poor standards persist – and in some cases tenants' lives are put at risk through unlawful practices.
- 6.12 While he lacks formal powers in this area, the Mayor's vision is for an effective system of regulation that gives councils and other agencies the tools they need to support wholesale improvements in property conditions and management. He believes such a system should be light touch for good landlords, while swift to punish those acting unlawfully, and he will be proactive in supporting councils to use their existing powers more effectively.

WORKING WITH COUNCILS TO IMPROVE STANDARDS

- 6.13 Formal responsibility for enforcing minimum standards in London's private rented sector sits with councils. Many of the powers available to them, including those through the Housing Act 2004, are not fit for purpose in the context of the modern private rented sector in London.
- 6.14 The Mayor welcomes Government's support for the Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill 2017-19. If the Bill passes, it will make landlords responsible for ensuring their rental properties meet minimum standards before renting them out – as opposed to simply dealing with health and safety hazards as they arise. However, while this represents a positive move for renters, it does not resolve the wider issue of a confused regulatory framework and councils lacking the resources they need to enforce new and existing laws.
- 6.15 A more strategic review of the regulatory framework that applies to the private rented sector is clearly needed, as the Mayor believes the private rented sector can only be made fit for purpose through fundamental reform. However, existing powers could be considerably more effective if councils had the necessary backing and resources from Government to use them. The Mayor will work with Government to achieve this, and in the meantime will support councils to make the most of the powers and resources already available to improve life for private renters.

- 6.16 To spearhead this approach, the Mayor has launched a new forum coordinated by City Hall called the London Borough Private Rented Sector Partnership. The Partnership will support councils with their enforcement work by:
- enabling them to share information about trends in criminal landlord activity across London;
 - sharing best practice approaches to enforcement; and
 - encouraging a more consistent and collaborative approach to property licensing schemes across London, to ensure they remain light touch for good landlords.
- 6.17 The launch of this Partnership recognises that councils can learn from each other and that they can work together to tackle poor standards and criminality that persist across their boundaries. Since its launch, every single council in London has joined the Partnership, demonstrating the appetite to address and improve standards. The Partnership's work has focussed on issues such as the introduction of new civil penalty powers, identifying barriers to effective enforcement, and making better use of data to target enforcement activities. The work of the Partnership is supporting a stronger relationship between City Hall and local councils, bringing together strategic vision and on the ground enforcement activity to begin to tackle the problems faced by renting Londoners.
- 6.18 The Mayor will support the Partnership's work by seeking funding from Government to strengthen capacity and skills in councils, including in Trading Standards, to improve enforcement. Nine million pounds to tackle rogue landlords has been secured by councils since 2013 and a further £20 million has been made available through the national Controlling Migration Fund. In future, the Mayor wants to be more closely involved in how these funds are spent, and to explore coordinated bids to ensure funding supports the strategic work of the Partnership.
- 6.19 Through the Partnership, the Mayor will work with councils and Government to ensure new powers in relation to the private rented sector granted through the Housing and Planning Act 2016, and any other relevant legislation, are implemented quickly and with maximum impact. This includes banning orders for criminal landlords, civil penalties and reformed rent repayment orders. The Partnership can also be used for collective London-wide lobbying of Government on issues that affect London's private renters.

SHORT-TERM LETTINGS

- 6.20 The Mayor welcomes the rise of the sharing economy, and supports the right of Londoners to use online lettings sites to rent their homes out for short periods of time. However, this right needs to be balanced against the impact that shorter-term lets can have on certain local communities and on the supply of permanent private rented housing.
- 6.21 The Mayor considers current provisions to regulate short-term lettings in London to be reasonable in principle, but difficult in practice to enforce adequately. The Deregulation Act 2015 limits most Londoners from renting their home on a short-term basis for periods that are cumulatively greater than 90 days a year. In reality, however, councils find this almost impossible to enforce, since it is difficult for them to access or acquire evidence that would prove the 90 day limit is being breached in a particular property.
- 6.22 The Mayor is pleased that the market leader, Airbnb, has taken steps to ensure its users comply with the 90 day limit and will continue to work with the wider industry to take similar measures to support council enforcement of the law, including through developing an information sharing protocol. If voluntary measures to improve the operation of the industry prove ineffective, the Mayor will consider lobbying Government to strengthen relevant regulations.

RIGHT TO RENT

- 6.23 Since last year, landlords have been required to check the immigration status of prospective tenants under the Right to Rent regulations. These checks create additional costs and delays for landlords, and they also open the door to discrimination. In one national study, more than half of landlords surveyed said the regulations would make them less likely to consider letting homes to foreign nationals¹⁶⁸. This means that some groups who have every right to be in London may find it harder to secure a tenancy. The Mayor opposes the discriminatory Right to Rent policy and has urged Government to scrap the initiative.

168 Home Office, 'Evaluation of the Right to Rent scheme: Full evaluation report of phase one', Research Report 83, 2015

LICENSING AND REGISTRATION – A TWIN APPROACH TO REGULATION

- 6.24 Most landlords in London offer renters a good service. However, a minority let their tenants down and in some cases are guilty of criminal activity. The Mayor wants to see better and targeted use of regulation to improve the conditions and standards of private rented homes, and to tackle criminal behaviour among landlords and letting agents.
- 6.25 The current system of regulation for conditions and standards is a framework with no overall strategic approach, and existing regulations do not provide a secure income for councils which they can use to fund their enforcement. The Mayor believes that an effective system of property licensing, coupled with light touch landlord registration, could provide a strategic approach. These two regulatory tools should work in tandem, performing different functions; landlord registration helps to ensure landlords are fulfilling their legal duties, while property licensing ensures the homes themselves meet relevant legal requirements.
- 6.26 Light touch registration of landlords by councils, as recommended by the Rugg Review almost a decade ago, is now widely supported across the sector, and Government has committed to exploring it¹⁶⁹. Unlike licensing, which should be focused on improving property conditions, landlord registration would help make sure landlords comply with the range of obligations the law places on them.
- 6.27 Every landlord would be obliged to register and declare themselves fit and proper. A registration number would then be required to perform all necessary landlord functions – for instance to process a tax return, to secure a Buy to Let mortgage, to register a rental deposit, to issue a tenancy agreement or secure an eviction notice, to pay Council Tax, to buy landlord insurance, or to instruct a letting agent.
- 6.28 The register would form a publicly accessible database of all legally compliant landlords. Councils would be able to access information about all registered landlords in their area. Registration would support, rather than replace, licensing by making it more straightforward to identify compliant landlords and target resources at those operating 'under the radar'. Any register should link in with

169 Julie Rugg and David Rhodes, University of York Centre for Housing Policy, 'The Private Rented Sector: its contribution and potential', 2008

tenancy deposit schemes to make registration as straightforward as possible, and could also help to address the issues associated with short-term lets.

- 6.29 Property licensing, on the other hand, would be the main tool available to councils to enforce decent standards in individual properties. Unlike a registration scheme, licensing is focused on the property rather than the landlord, and provides a means to ensure properties meet the relevant standards, such as adequate waste storage and disposal arrangements, appropriate fire safety precautions, and sufficient kitchen and bathroom facilities.
- 6.30 Under current legislation, licensing schemes with appropriate enforcement are providing a way to ensure that private renters are better protected, and rogue landlords and agents brought to justice. The Mayor believes the law should be clarified to ensure councils can use the proceeds of licensing to fund enforcement of the terms of the licence. Government should provide councils with additional funding toward enforcement capacity to ensure best use can be made of new and existing powers. In addition, councils should have more freedom to spend existing funding as they see fit.
- 6.31 The London Borough of Newham has shown that licensing can transform how a council regulates the local private rented sector. In 2013, the council implemented a borough-wide licensing scheme with a modest licence fee, which has since led to over 1,225 prosecutions of criminal landlords, the recovery of £3.5 million of unpaid Council Tax, and £380,000 of Housing Benefit being reclaimed through Rent Repayment Orders. There are also wider benefits to Government – for instance Newham has passed details to Her Majesty's Revenue and Customs (HMRC) of 13,000 landlords whom they suspect may be avoiding income tax. The Mayor joined voices from across the sector to encourage Government to allow Newham to renew this vital scheme, and he welcomed Government's decision to do so.
- 6.32 Government currently has the final say over whether new licensing schemes can go ahead where they cover more than 20 per cent of a council's area. The Mayor strongly supports councils who use well-designed and operated licensing schemes to improve standards for their private renters. He believes that all councils who can evidence the need for a scheme should be allowed to adopt one.

- 6.33 Councils should retain autonomy over the decision to introduce such schemes locally, but should be supported and incentivised to do so, as the Mayor believes there is a strong case for all privately rented homes to be licensed. At present property licensing is being applied inconsistently across London; the current system allows significant variation between how different councils approach licensing, which has led to a confusing patchwork of different schemes and conditions. As a minimum, the Mayor encourages all councils to explore introducing licensing for all Houses in Multiple Occupation (HMOs), since many of the worst issues in the sector are concentrated in such homes.
- 6.34 Devolving responsibility for considering and approving selective licensing schemes to City Hall could address some of these issues. The Mayor understands the size and complexity of London's private rental sector, so would ensure that all councils who need licensing schemes are able to introduce them. In return, the Mayor would implement a mandatory framework for licensing schemes to solve the problem of them being applied inconsistently. The Mayor's oversight could ensure a light touch and inexpensive system for good landlords and appropriate provisions for tenant welfare, while providing councils with the tools they need to tackle criminals. Such a framework would include:
- proportionate fee structures;
 - a common approach to applications, inspections and licence conditions;
 - a common enforcement approach;
 - extensive support for vulnerable tenants affected by licensing enforcement; and
 - expectations around engagement with landlords.
- 6.35 As part of the wider strategic review of landlord regulation referred to above, the 2004 Housing Act provisions that govern licensing should also be updated, improved and simplified. The Mayor will seek to work with Government to achieve this.

IMPROVING LETTING AGENT REGULATION

- 6.36 It is estimated that over 60 per cent of landlords use a letting agent to manage their properties. While the Mayor welcomes Government's commitment to ban letting agent fees (see Policy 6.2B), there are broader issues associated with this largely unregulated industry. Government should implement a clear and simple regulatory framework for letting agents, alongside efforts to review and improve landlord regulation.

6.37 The Mayor is especially concerned about the lack of accountability and consumer choice in the sector, as well as the absence of minimum entry requirements. This leaves the most vulnerable renters open to exploitation by unscrupulous agents. Organisations across the industry, including those representing letting agents, now agree that a sensible system of regulation should be introduced.

EMPOWERING RENTERS

- 6.38 When landlords and letting agents have been successfully prosecuted or incurred civil penalties, the Mayor believes that London's renters should be able to identify them. To this end, in December 2017 the Mayor launched his new Rogue Landlord and Letting Agent Checker. The Checker brings together information to 'name and shame' landlords and letting agents who have acted unlawfully (see box 17). This will help potential tenants make informed decisions about who they rent properties from, and will act as a deterrent to such activity among landlords and letting agents.
- 6.39 Alongside the public Checker, the Mayor is also making a second tier of information available to councils to support information sharing and collaboration across the capital. This will contain more details about agents and landlords who may be acting unlawfully, including past fines and convictions. This information is particularly important where landlords operate across different areas of the city.
- 6.40 The Checker initially included information provided by 10 councils, the London Fire Brigade and all three letting agent redress schemes, meaning that from its launch more than 600,000 renters were able to check information about rogue landlords and agents in their area. By May 2018, all 32 councils and the City of London had agreed to be included in the Checker, giving it London-wide reach. The Checker has been published alongside information about renters' rights and details of where they can access advice and support, and a tool through which they can report landlords or letting agents whom they suspect have broken the law.
- 6.41 The GLA will work closely with Government on the development of its national rogue landlord database, aiming to ensure that the two systems work in tandem. The Mayor has made his database available to members of the public and he will encourage Government to do the same with the national database.

BOX 17: THE MAYOR'S ROGUE LANDLORD AND AGENT CHECKER

The Mayor has launched a Rogue Landlord and Letting Agent Checker to 'name and shame' landlords and letting agents who have acted unlawfully. Modelled on a similar scheme in New York City, the Checker includes landlords and agents who have been prosecuted for offences such as renting out properties with insufficient fire and electrical safety provisions, dangerous overcrowding, pest and vermin infestations, or cold, damp, and mould.

The Checker acts as a deterrent, making it far more difficult for landlords and letting agents who have broken the rules to continue operating under the radar.

Renters can search the Checker for the address of a rental property, or the name of a landlord or letting agent, or simply scroll through the list by area. For the first time in London, tenants now have the opportunity to check whether a prospective landlord or agent has committed a relevant housing offence before signing a tenancy agreement or moving into a rental property.

Renters can also access information about their rights and report unlawful landlord and agent activity. The 'report a rogue landlord or agent' tool allows renters to submit details about their property and nature of their complaint, which will be directed to the relevant council for further investigation.

POLICY 6.2: IMPROVING AFFORDABILITY AND SECURITY FOR PRIVATE RENTERS

Private renting should be a more affordable and secure housing option for Londoners.

Proposals

A

The Mayor will develop proposals to put to Government for a new private sector tenancy model that offers tenants greater stability and helps to protect the rights of landlords. This will include:

- i. working with landlord representative bodies and groups representing tenants to explore options for a 'London Model' – a reformed tenancy model for the capital's private rented sector; and
 - ii. considering how this reformed tenancy model could enhance security of tenure for renters, reduce discrimination, improve the evictions process and dispute resolution, and ensure landlords retain their right to gain possession of the property for legitimate reasons.
-

B

The Mayor will work with Government, councils, and employers to address upfront costs and fees that private renters are forced to pay. This will include:

- i. working with Government to improve and implement the draft Tenant Fees Bill to ban letting agent fees and cap deposits, and lobbying Government to ensure its enforcement is properly resourced; and
- ii. working with employers to widen access to Tenancy Deposit Loan schemes to help renters manage the upfront costs of renting, along with other incentives to help with employees' housing costs.

C

The Mayor supports measures that would limit unacceptable rent increases without negatively impacting on housing supply, and he will work with Government to address long-term affordability for London’s renters. This will include:

- i. urging Government to comprehensively review the financial support available to private renters on low and middle incomes;
- ii. when combined with tenancy reform, properly resourcing the First-tier Tribunal system so it becomes a check and balance when landlords increase rents; and
- iii. considering what rent stabilisation or rent control measures might involve, and how they could work for London, once the new London Model of private rented sector tenancy reform is complete.

- 6.42 The high cost of renting privately impacts Londoners of all kinds – particularly families on low incomes and those affected by recent welfare reforms. The most vulnerable Londoners need stable, secure, and affordable homes, something that the private rental sector in its current form simply does not provide. Chapter seven of this strategy provides more detail on what the Mayor is doing to help vulnerable private renters in London who are at risk of homelessness, as well as those homeless households trying to access private rented accommodation. The current part of this chapter outlines the Mayor’s wider efforts to improve stability and affordability in the rental market, such as through the regulation of fees and charges. While these efforts will provide some relief, in the long run only a significantly greater supply of new and genuinely affordable homes will address the fundamental issue of rising housing costs. The Mayor’s proposals for supporting this goal are set out in chapters three and four of this strategy.
- 6.43 The Mayor also recognises that, as demand for London’s private rented sector has grown in recent years, the sector has become less dominated by relatively mobile groups like students, migrant workers, and young graduates who live in this tenure for a limited period. It is increasingly becoming a more long-term tenure where Londoners stay put and raise families. For this to be sustainable, the security of private renting should be improved. The Mayor wants to explore options for a new tenancy model for London’s private rented sector, whereby responsible landlords can easily gain possession of properties for legitimate reasons, and tenants can enjoy more stability and security in their homes.

TOWARDS A NEW MODEL OF TENANCY REGULATION

- 6.44 Much like the regulations governing property conditions, London’s existing model of tenancy regulation has not kept pace with the city’s rapidly changing and expanding private rented sector. The current system fails to offer security and stability to tenants, including to the growing numbers of those for whom it is particularly important, such as families and older people. This has been broadly recognised by all the main political parties.
- 6.45 The Mayor is offering renters more opportunities to sign up to longer tenancies through his new homes for London Living Rent (see chapter four) and through his planning policies to support Build to Rent schemes (see chapter three). However, ultimately only Government can deliver the reforms that are necessary in existing private rented homes. The Mayor will work with interested parties from across the sector to create a blueprint for a new reformed tenancy model

for private renters and landlords. This 'London Model' will balance the interests of landlords and tenants, with the aim of creating a positive vision of reform to support the sector's sustainability and growth. The Mayor's proposals will then be presented to Government for consideration. The Mayor will not be able to implement the London Model himself, but will ask Government to work with him to put it into action.

- 6.46 The London Model will focus on tenure reform – enhancing renters' security of tenure, while still allowing landlords to retain legitimate rights over their properties. Enhanced security of tenure will put renters in a much stronger position to assert their wider rights, such as challenging an unfair rent increase, or reporting poor property conditions. It will address the current imbalance of power between renters and unscrupulous landlords, while preserving the rights of law-abiding property owners. The Model will be developed in partnership with groups representing the interests of both tenants and landlords, as well as other stakeholders. It is likely to focus on the following fundamental issues:
- enhancing security of tenure for renters by considering the role that 'no fault' eviction clauses play in undermining security of tenure for renters, and how this could be reformed;
 - increasing notice periods for eviction where a tenant is not at fault;
 - reducing discrimination against renters who are receiving welfare benefits by banning the use of the pejorative term 'No DSS' or similar in property adverts;
 - ensuring that any new measures to improve security of tenure do not disadvantage vulnerable groups, such as those with uncertain or time-limited immigration status or those on short-term employment contracts;
 - working with mortgage lenders to ensure that Buy to Let mortgage clauses do not prevent landlords from offering longer tenancies or renting to those in receipt of welfare benefits;
 - introducing a new, streamlined set of possession grounds to cover all legitimate reasons for which landlords may need to gain possession of their properties;
 - securing reforms to the courts system to speed up the evictions process where a tenant is at fault; and
 - introducing a new landlord and tenant dispute resolution service to help reduce the need for 'tenant fault' evictions.

6.47 Whatever form a London Model may take, it is essential that renters should retain their right to end a tenancy at any time with appropriate notice, and landlords should retain their right to gain possession of the property where they have a legitimate reason to do so. Any steps to enhance security for tenants should be balanced so that, in addition to the existing grounds for eviction, landlords should be able to gain possession on grounds including situations where they wish to sell the property, move into it, or make major refurbishments, or where the property is being repossessed. The courts and property tribunal services have a key role to play in any eventual reforms and will be engaged as part of the process of formulating the London Model. The Mayor welcomes the recent Government announcement that it intends to consult on the creation of a new housing court.

TACKLING UNFAIR FEES AND CHARGES FOR RENTERS

6.48 The high costs of renting privately in London are not only a result of monthly rents, but also the associated upfront fees and costs when beginning a tenancy. Such costs act as a significant financial barrier for Londoners who wish to become private renters or existing renters who wish to move. A recent national report estimated that the average letting agent fee is £300¹⁷⁰, and housing charity Shelter has found that one in seven renters are paying more than £500¹⁷¹. With the additional burdens of paying a deposit and at least a month's rent in advance, it is no surprise that a recent survey found 27 per cent of renters had to borrow money to pay these costs¹⁷².

6.49 The level of competition among tenants for rental properties means that London renters have little choice about whether or not they use a letting agent to find a property. Since the agent is ultimately acting for the landlord, rather than for the tenant, the Mayor believes that letting agent fees charged to renters are fundamentally unfair. Following calls over a number of years from the Mayor and others, the Government published the Draft Tenant Fees Bill in November 2017, outlining its intention to ban tenant fees charged by letting agents. The Mayor will encourage Government to move forward with the legislation without delay and to ensure that Trading Standards is properly resourced to enforce the new ban.

170 MHCLG, 'Banning letting agent fees paid by tenants: a consultation', April 2017

171 Shelter, 'Letting agencies: The price you pay', 2013

172 Shelter, 'Letting agencies: The price you pay', 2013

6.50 The Mayor has outlined plans to launch a new Homes for Londoners online property portal. Before the previous Government's announcement on letting agent fees, it had been intended that this would tackle such fees by bringing together Build to Rent providers and councils' letting agencies who agreed not to charge fees. The Mayor has now confirmed the portal will focus on intermediate affordable homes to buy or rent and affordable homes in Build to Rent schemes. Councils who have set up social lettings agencies will be able to use the portal to advertise their properties.

HELP WITH RENTAL DEPOSITS

6.51 The Draft Tenant Fees Bill 2018 also contains a proposal to cap rental deposits, a welcome development that the Mayor has previously called for. While the practice of tenants paying landlords deposits is an important one, increasing rents mean that the size of individual deposits can cause great hardship for renters – particularly those on low incomes. The Mayor is disappointed that the cap in the Bill has been set at six weeks' rent. This goes against Government's own public commitment to cap deposits at one month's rent, and is double the three week cap proposed by the Mayor, Shelter and Citizens' Advice. The Mayor has urged Government to amend the Bill.

6.52 In addition to urging Government to set a lower cap on deposits through the Draft Tenant Fees Bill, the Mayor is also working with London employers to expand Tenancy Deposit Loan schemes. These offer interest-free loans to employees that they can use to pay deposits when they sign tenancy agreements (see box 18). The Mayor is planning to include Tenancy Deposit Loans as part of his 'Good Work Standard', a new compact being developed between City Hall and businesses across London. Finally, he will also explore incentives for businesses to provide investment in new homes which could benefit their workforce.

6.53 A related issue is that tenants must usually pay out a new deposit before an existing deposit is returned. Given that more than half of private renters in London have little or no savings, this creates yet another barrier to moving home¹⁷³. The Mayor supports proposals to initiate 'passporting' of tenancy deposits between tenancies. He will encourage and work with Government to develop this idea further.

BOX 18: WORKING WITH LONDON EMPLOYERS TO OFFER TENANCY DEPOSIT LOANS TO MORE LONDONERS

Tenancy Deposit Loans offer a low risk, low cost way for employers to help with their employees' housing costs. Operating in a similar way to season ticket loans, the employer provides an interest-free loan covering the cost of the deposit. The loan is then repaid, usually automatically through the payroll system.

The Mayor has championed the introduction of Tenancy Deposit Loans across London by ensuring the GLA, TfL, the Metropolitan Police, and the LFB are all signed up to the initiative.

In partnership with London First and their Employers' Housing Pledge campaign¹⁷⁴, the Mayor has also written to over 250 employers promoting Tenancy Deposit Loans. Around 100,000 Londoners are now employed by organisations that have signed up to support staff with housing costs, including providing Tenancy Deposit Loans. The Mayor plans to include Tenancy Deposit Loans as part of his 'Good Work Standard', a new compact being developed between City Hall and businesses across London. He will continue to work with other partners across London to extend the reach of the scheme to as many private renters as possible

ADDRESSING LONG-TERM AFFORDABILITY FOR RENTERS

6.54 The measures outlined in the section above will help reduce costs for private renters. However, the long-term trend is that rents in London have been increasing considerably faster than incomes, especially over the last five years. Around a quarter of private renting households are now spending more than half of their income on rent¹⁷⁵. Private renters are also paying considerably more on a monthly basis than those households who have secured a mortgage. While the typical monthly rent is £1,433 per calendar month, the typical monthly mortgage cost for a London first time buyer who bought in 2017 is around £1,000¹⁷⁶.

174 <http://www.fiftythousandhomes.london/pledge>

175 GLA analysis of English Housing Survey data, 2015/16.

176 CML, Mortgage lending statistics, 2017; VOA, Private rental market statistics, Q3 2017

- 6.55 For many households, the costs of renting are exacerbated by the impacts of welfare reform. Private sector rents in London have increased by 23 per cent since the start of 2011. But over the same period, the median rate of LHA available for a two-bedroom property has only risen by nine per cent¹⁷⁷. This shortfall is compounded by the Benefit Cap, as a result of which deductions have been made from the benefit awards of more than 28,000 private rented sector tenants in London¹⁷⁸.
- 6.56 While the Mayor has no powers to introduce rent controls, he supports measures that would limit unacceptable rent increases without negatively impacting on housing supply. Much of the evidence suggests the consequences of how any such measures are designed and implemented would have to be considered carefully¹⁷⁹. The Mayor also believes that rent stabilisation or rent controls need a strong system of security of tenure to underpin them. England and Wales currently lack this, so the Mayor will consider what rent stabilisation or rent control measures might involve and how they could work for London once the new London Model of private rented sector tenancy reform is complete. In the meantime, he is calling on Government to address long-term affordability in the private rented sector by doing two things.
- 6.57 First, renters already have the option of asking the First-tier Tribunal (Property Chamber) to adjudicate their rent levels to check they are fair. However, this is very rarely used, due to lack of tenant knowledge and the real risk of retaliatory eviction. If tenancies were reformed through the London Model to enhance security, First-tier Tribunals could then become an important check and balance when landlords determine rents, though further resources would be needed to ensure such a system functioned effectively. This is not a solution to rising rents, but it could help to ensure rent increases are proportionate – particularly if combined with efforts to raise awareness of this service among renters.

177 GLA analysis of VOA, Local Housing Allowance rates and ONS Experimental Index of Private Housing Rental Prices, 2011 to 2017

178 DWP, 'Capped households to date', Stat-Xplore, November 2017.

179 For example: Kath Scanlon and Christine Whitehead, LSE London, 'Rent stabilisation: Principles and international experience, a report for the London Borough of Camden', 2014; Kath Scanlon and Christine Whitehead, LSE London, 'Proposals for regulation of the private rented sector: an analysis Interim report for the National Landlords Association', 2015

6.58 Second, the Mayor urges Government to comprehensively review the financial support provided to private renters on low and middle incomes. Some recent welfare changes – in particular, the reductions in and more recent freeze of LHA, and the Benefit Cap – have unfairly penalised London private renters who have no control at all over their rent levels. More information on the Mayor's proposals regarding welfare reform are contained in chapter seven.

POLICY 6.3: REFORMING AND IMPROVING LEASEHOLD

There should be reform of leasehold, and better advice and support for existing leaseholders.

Proposals

A

The Mayor will work with Government and others to support reform of leasehold and measures to improve leaseholders' experiences. This will include:

- i. calling for wholesale reform of leasehold, including a long-term shift towards alternative tenures such as commonhold; and
 - ii. supporting statutory regulation of residential managing agents.
-

B

The Mayor will work with councils, housing associations, and industry groups to improve the quality of advice and support available to London's leaseholders about their rights and obligations. This will include:

- i. working to ensure London's leaseholders have access to high quality, accessible information on their rights and obligations, including through producing a London 'How to Lease' guide and by lobbying Government to ensure the service offered by the national Leasehold Advisory Service is fit for purpose;
- ii. publishing a Shared Ownership Charter for Service Charges in shared ownership properties in London and working to extend this to the wider leasehold sector; and
- iii. setting a clear expectation that resident leaseholders affected by estate regeneration projects should be offered a fair deal as compensation for their homes.

6.59 The Mayor believes that Londoners who purchase homes deserve a fair deal. The vast majority of new homes built in London today are sold on a leasehold basis, yet many leaseholders know little about their rights and obligations. Ultimately the Mayor supports a move away from the current system of leasehold toward fairer tenure models that are less open to abuse.

REFORMING LEASEHOLD

6.60 While reform of such a long standing tenure will be challenging, most organisations across the industry now agree that the current system of leasehold is not fit for purpose. All mainstream political parties have expressed a desire to explore improvements to the sector, with the All Party Parliamentary Group on Leasehold and Commonhold Reform stating its support for significant change¹⁸⁰, and Government making welcome announcements on the first steps it is taking to reform and improve the tenure. While recognising that leasehold can enable homes to get built that otherwise would not be, such as some community-led housing schemes,, the Mayor is supportive of leasehold reform in order to improve the experience of a significant and growing number of London's homeowners.

6.61 Over the longer term, the Mayor believes that Government should move away from the current leasehold system in favour of fairer tenure models. He will work with Government, leasehold groups, and other experts to promote options for long-term reform of the leasehold system, including moves toward fairer systems of commonhold or share of freehold, and for tackling issues with specific sectors, such as retirement housing. In the meantime, he will also work toward:

- ensuring that existing legislation and regulations are fully understood and effectively implemented;
- making it more straightforward for leaseholders to take greater control over how their buildings are managed;
- improving regulation of residential managing agents; and
- tackling abuses of service charges, ground rents and other charges.

180 All Party Parliamentary Group on Leasehold and Commonhold Reform, 'A preliminary report on improving key areas of leasehold and commonhold law', 2017

- 6.62 Ahead of more fundamental change, there is an opportunity to make some progress on reform in the short term. Most private leasehold buildings are managed by companies that are not subject to any statutory regulation. Given the lack of accountability of these companies to leaseholders, and the high number of complaints and disputes that arise, the Mayor supports calls to introduce statutory regulation of residential managing agents and welcomes Government's announcement that it intends to regulate and professionalise the sector. The Mayor urges Government to fulfil this commitment as quickly as possible.
- 6.63 The Mayor also welcomes Government's announcement that new leasehold houses will be banned and all ground rents on new long leases set to zero. However, this should be the beginning of much wider reform and the Mayor will lobby Government to ensure that this is the case, including making the case for protecting the rights of existing leaseholders who may be experiencing the impact of abuses of ground rents and leasehold houses.

IMPROVING ADVICE AND INFORMATION

- 6.64 The Mayor wants leaseholders to have access to better quality advice and support, including before they purchase homes on a leasehold basis. In particular, leaseholders need better advice and guidance on self-management options, lease extension, and options for redress when things go wrong. The Mayor will work with Government to ensure that London's leaseholders have access to high quality, accessible information on their rights and obligations.
- 6.65 The Leasehold Advisory Service (LEASE) is the designated Government agency with responsibility for providing free advice to leaseholders nationally. The Mayor welcomes Government's decision to provide additional funding for LEASE to enable it to focus on providing high quality, independent advice to leaseholders, and urges it to continue to work to ensure that it is fit for purpose for a growing sector. To further support the provision of high quality advice and guidance to London's leaseholders, the Mayor will also produce a 'How to Lease' guide for London leaseholders, setting out basic information on rights and responsibilities.

6.66 Purchasers of shared ownership properties have a similar relationship with their freeholders (normally housing associations) to leaseholders. In particular, they are required to pay a service charge to cover costs associated with managing and maintaining buildings. Many shared owners complain about the lack of transparency and information on what these service charges are, so the Mayor has published a Charter for service charges in shared ownership properties in London (see box 19). The Mayor recognises that issues with lack of transparency and unfairness in relation to service charges extend into the wider leasehold sector, and so he will work with the homebuilding industry to extend his Charter to the wider leasehold sector.

BOX 19: SHARED OWNERSHIP CHARTER FOR SERVICE CHARGES

The aim of the Mayor's Shared Ownership Charter for Service Charges is to improve satisfaction among shared ownership leaseholders by providing a set of best practice principles for housing providers to adopt when managing service charges. The Charter has been developed in close collaboration with housing providers. All those managing shared ownership properties and in receipt of GLA affordable housing grant are expected to sign up.

The Charter is structured around the following overarching themes:

- **transparency:** addressing the management of information relating to service charges and when and how this is communicated to leaseholders;
- **affordability:** focusing on measures that housing providers can use to ensure service charges are sustainable for leaseholders in the long term; and
- **intelligent design:** strategies that can be adopted before homes are built to minimise service charges in the future.

It seeks to standardise housing providers' approaches to service charges and is an important standard for consumer protection. Prior to purchase, new buyers will receive explanatory information in a format which is clear, concise and easy to understand. Housing providers signed up to the Charter will commit to setting service charges at a realistic level and reviewing them on a regular basis to ensure that ongoing costs to the leaseholder are minimised, and, where appropriate, reduced.

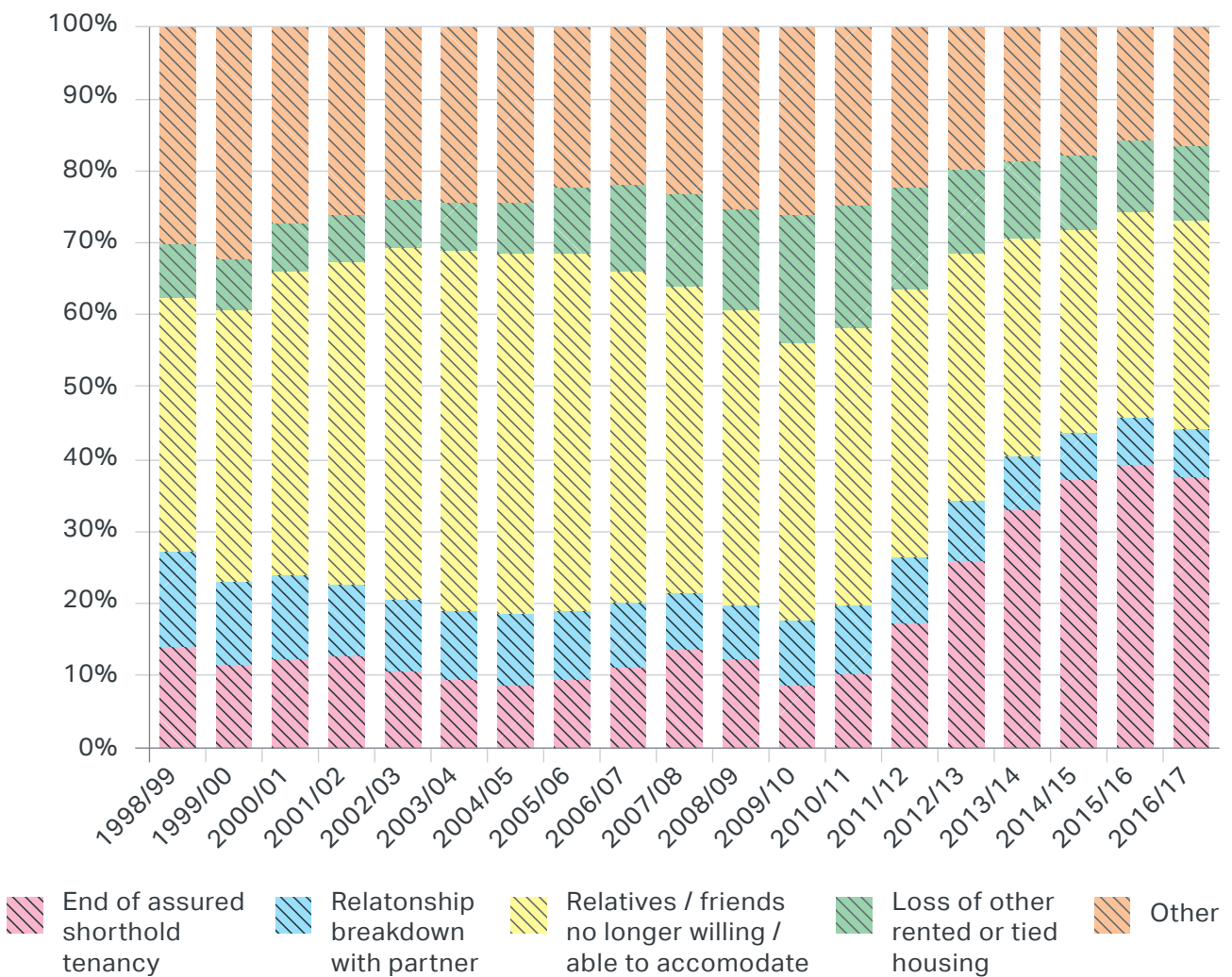
LEASEHOLDERS OF COUNCILS AND HOUSING ASSOCIATIONS

- 6.67 More than a third of leasehold homes in London are owned by councils or housing associations, largely as a legacy of the Right to Buy scheme. The Mayor wants to work with councils and housing associations to improve the advice and support available to their leaseholders. This is particularly important because of the impending need to extend an increasing number of council and housing association leases in the next decade or so. The Right to Buy policy was introduced in 1980 with 125 year leases, meaning that the time remaining on an increasing number of these leases will begin to fall towards 80 years. If the time left on a lease falls below 80 years, it can be significantly more expensive to extend the lease, and if it falls below 70 years, it can get more difficult to secure a mortgage. The Mayor expects councils to work with their leaseholders to proactively plan for this process and facilitate timely and well-managed lease extension processes.
- 6.68 In addition, the Mayor wants to ensure that regeneration of London's housing estates happens with resident support and includes a fair deal for existing tenants, leaseholders, and freeholders (see chapter five). This includes leaseholders who are resident on estates that may be undergoing regeneration. In 'Better Homes for Local People', the Mayor sets out his expectation that, where it is necessary for their homes to be acquired, all resident leaseholders should be offered market value and home-loss payments. As a minimum, they should also be offered shared equity or shared ownership housing options on the regenerated estate.



7. Tackling homelessness and helping rough sleepers

Figure 7.1: Households accepted as homeless in London by reason for loss of last settled home, 1998/99-2016/17¹⁸¹



7.1 The impacts of London’s housing crisis are felt by many, but few experience it more severely than the thousands of Londoners who have no home at all. This chapter contains the Mayor’s policies in relation to preventing homelessness and supporting Londoners who become homeless, including helping rough sleepers off the street. This chapter is closely linked with the Mayor’s policies to increase the number of affordable homes (chapter four) and to improve the private rented sector (chapter six) - objectives that are essential to tackling the long-term causes of homelessness.

CONTEXT

- 7.2 Despite London being one of the wealthiest cities in the world, the high cost of housing and the lack of support for those who need it mean that homelessness is on the rise. A recent study estimated that one in 50 Londoners is now homeless, including people who are sleeping rough and those living in temporary accommodation and hostels¹⁸². The true extent is greater, since other forms of homelessness are hidden - such as when people are staying with family and friends, 'sofa surfing', or facing eviction.
- 7.3 People can become homeless for a variety of reasons. Sudden changes in financial circumstances – such as the loss of employment – can leave people struggling to cover their housing costs. Some people need to leave their accommodation due to relationship breakdown or domestic abuse, because they are no longer welcome in their family's home (a particular issue for young people who are LGBT+¹⁸³), or because they have had to flee their home country to escape persecution or war. For rough sleepers in particular, individuals' mental health and past experiences can be important factors. Almost three quarters of those who sleep rough have issues with their mental health and/or substance misuse, around a third have spent time in prison, and one in 10 have been in care¹⁸⁴.
- 7.4 However, the overarching cause of London's growing homelessness problem is the worsening shortage of affordable homes, combined with changes to the welfare system. The lack of social housing means many Londoners on low incomes need to rent privately with the help of benefits. As welfare reform has reduced the rents that such tenants can afford, it has become increasingly difficult for them to secure and sustain accommodation. Many landlords have chosen not to renew their tenancies, instead letting to higher income households, who tend to be adult sharers rather than families. As a result, almost four in 10 cases of homelessness in London in 2016/17 resulted from the end of a private sector tenancy, up from one in 10 in 2009/10 (figure 7.1)¹⁸⁵.

182 Shelter, 'Life on the margins: Over a quarter of a million without a home in England today' (press release), 2016. In addition to rough sleeping and statutory temporary accommodation, this figure includes single people in homelessness hostels and in temporary accommodation arranged by social services, but excludes concealed households.

183 Albert Kennedy Trust, 'LGBT Youth Homelessness: A UK National Scoping of Cause, Prevalence, Response and Outcome', 2015

184 GLA, CHAIN Annual Report Greater London, 2016/17

185 MHCLG, P1E data, 2009/10 to 2016/17

- 7.5 At the same time, the shortage of affordable housing means councils increasingly struggle to find accommodation for homeless households, and particularly families. Competition between councils over a limited supply of accommodation for homeless households – most of which is privately rented flats – has further contributed to escalating costs; in 2014/15, councils in London spent around £663 million on temporary accommodation¹⁸⁶.
- 7.6 These pressures on supply and cost have meant that families are increasingly placed away from their local area, as councils are forced to look further afield. At the end of 2016/17, more than a third of those housed in temporary accommodation were living in another borough¹⁸⁷, with a small but growing number of homeless Londoners being housed outside London¹⁸⁸. While some may choose or need to relocate, such moves often disrupt childcare, education, and support networks, with serious impacts for families' health and wellbeing, and children's life chances. It can also make it harder for households to secure or sustain employment¹⁸⁹.
- 7.7 At the sharpest end of homelessness are the growing numbers of people who end up sleeping on London's streets. Rough sleeping in London more than doubled between 2009/10 and 2016/17 to over 8,000 last year¹⁹⁰. Between 2015/16 and 2016/17, the number of rough sleepers did not rise for the first time in a decade, though the number remains very high by historical standards. The recorded number may also start to rise again in the immediate future, as a number of new programmes and extra resources take effect.
- 7.8 Much of the increase in recent years has been due to a steep rise in the numbers of non-UK nationals, who accounted for over half of those sleeping rough in 2016/17 and for whom accommodation options in the UK are severely limited, as most are not entitled to welfare benefits that could be used to cover rent. Rough sleepers also often have complex support needs (figure 7.2), so funding for health and other services is vital to supporting them off the streets.

186 The Centre for Housing Policy, York University, 'Temporary Accommodation in London: Local Authorities Under Pressure', 2016. Report commissioned by London Councils.

187 MHCLG, P1E data, 2016/17

188 In the fourth quarter of 2016/17, London boroughs made 7,940 placements of homeless households placed (in prevention accommodation and by way of discharge of duty, as well as in temporary accommodation). Of those, 498 placements, six per cent of the total, were outside London. In Q1 of 2012/13, the number of placements outside London was 113. Source: London boroughs' monitoring of placements under the IBAA.

189 Shelter, 'Green Book 50 Years On: the reality of homelessness for families today', 2016; Shelter, 'Home and away: The rise in homeless families moved away from their local area', 2016

190 For 2009/10, St Mungo's Street to Home report indicates that 3,673 people were seen on London's streets. For 2016/17, GLA, CHAIN Annual Bulletin indicates that 8,108 were seen.

POLICY 7.1: PREVENTING AND ADDRESSING HOMELESSNESS

Preventing homelessness in all its forms should be a key priority, and those who become homeless should be supported into sustainable accommodation.

Proposals

A

The Mayor will work with councils, Government, and charities to support a greater focus on prevention of homelessness. This will include:

- i. supporting the Homelessness Reduction Act and pressing Government to provide adequate funding for councils to deliver their new duties;
 - ii. tackling the root causes of homelessness by investing in affordable homes, and lobbying Government to reform private renting and review its welfare changes; and
 - iii. acting to prevent youth homelessness by investing in accommodation and lobbying Government to review the impact of its welfare reforms.
-

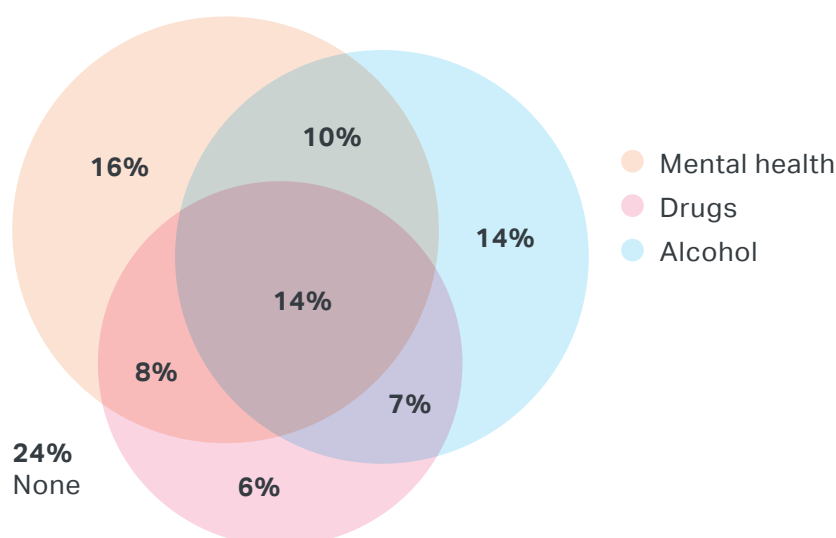
B

The Mayor will work with councils and Government to ensure those who lose their accommodation are supported into sustainable accommodation. This will include:

- i. investing in accommodation for homeless Londoners and working with councils to coordinate procurement of accommodation;
- ii. expecting councils to meet their obligations to inform other councils when they place homeless households in their areas, and to have in place clear policies around the provision of accommodation for homeless households;
- iii. working with councils to build a case for a fairer funding regime for accommodation for homeless households;
- iv. providing a package of interventions to address homelessness caused by violence against women and girls; and
- v. helping to ensure that homeless veterans receive the support they are entitled to and deserve, as outlined in the national Code of Guidance.



Figure 7.2: Support needs of people seen sleeping rough in London, 2015/16¹⁹¹



- 7.9 The Mayor sees the fact that so many people have been left sleeping on London's streets, and a rising number facing homelessness more generally, as a growing source of shame to the capital. London is a city with some of the wealthiest neighbourhoods in the world. To leave so many people with no choice other than to be homeless is a scandal. The Mayor has been clear that, as a city, we have a moral duty to tackle it head on.
- 7.10 The Mayor is determined to show leadership on preventing and effectively responding to homelessness by working with Government, councils, charities, and others. Although the Mayor's direct powers in relation to homelessness are limited, he will make funding available for homes specifically for homeless people. He will work with partners to support better collaboration and coordination of homelessness services. He will make the case for Government to address the underlying causes of homelessness – particularly the need for more affordable housing and changes to the welfare system – and for the resources councils need to be able to fulfil their increased statutory responsibilities for dealing with homelessness.

FOCUS ON PREVENTION

- 7.11 Preventing Londoners from becoming homeless in the first place should be the primary aim of all organisations that have a role in addressing homelessness. Many councils in London have a strong track record of intervening early, often through their housing options services, and many charities also work with Londoners at risk of homelessness. There are also some excellent examples of boroughs working in partnership with the wide range of other agencies that can play a part in tackling homelessness.
- 7.12 Despite this, the rising cost of housing in London and the increasing number of homeless Londoners have meant that councils have had to focus their shrinking resources on fulfilling their statutory duties to house Londoners who have already become homeless. Moreover, Government's funding mechanism for temporary accommodation has made it more attractive for landlords who work with councils to house households who are already homeless, rather than focus resources on prevention¹⁹².
- 7.13 The Homelessness Reduction Act 2017 creates a new focus on prevention and partnership. This is backed up with a range of additional statutory duties intended to ensure that those experiencing the many different forms of homelessness, including some that have largely remained hidden, are identified sooner and receive better advice and support than they sometimes have in the past. The Mayor supports this aim and is willing to work with Government on implementation of the Act. Where he considers that it would be useful, this could include helping to broker partnership arrangements with the public bodies for whom the Act creates a new duty to refer to a council those they assess are homeless or at risk of becoming so. The Mayor is also keen to support councils' plans for an academy that provides training for apprentices and council staff tasked with implementing the Act.
- 7.14 However, the Mayor is concerned that, at a time when councils already face acute financial pressures, the £30.2 million that Government has allocated to them to meet their new duties over the next three years represents less than 15 per cent of the amount that London Councils estimates doing so will

192 Local Housing Allowance (LHA) for temporary accommodation is set at the January 2011 rates, and has (until April 2017) attracted an additional management fee. This means it usually more lucrative for landlords to provide temporary accommodation than accommodation for prevention purposes.

cost¹⁹³. He urges Government to closely monitor implementation of the Act and to honour its commitment to councils to cover the costs of additional legislative burdens in full.

- 7.15 The Mayor's No Nights Sleeping Rough taskforce will continue to support opportunities to improve prevention of rough sleeping, for example, by disseminating good practice from the No First Night Out (NFNO) programme and improving the data that is collected on why and how people end up sleeping rough.

YOUTH HOMELESSNESS

- 7.16 Preventing youth homelessness is of particular importance. Disadvantaged young people are at greatest risk of homelessness, particularly in cases where they are leaving care without adequate support. 'Sofa surfing' is particularly common among younger people and can place them in risky situations¹⁹⁴. Those without stable accommodation often find it very difficult to access and maintain employment, education or training, and can fall into a downward spiral that may lead to substance misuse, crime, mental health problems, and rough sleeping¹⁹⁵. This is why the Mayor urges Government to reconsider the welfare reforms that make it harder for young people who become homeless to secure safe accommodation.
- 7.17 The Mayor welcomes Government's decision to overturn the removal of 18 to 21-year-olds' automatic entitlement to the housing support element of Universal Credit, a change that risked vulnerable young people not getting the accommodation they needed and spells of unemployment turning into loss of accommodation. This change now needs to be communicated to landlords to ensure that young people are not disadvantaged in the housing market.
- 7.18 The Mayor wants to help make sure that there is appropriate accommodation available for young people at risk of homelessness. He recognises the value

193 London Councils, 'Fully fund services to address homelessness in London' (press release), 2017

194 Centrepoin. 'Out of reach: Young people's experience of rough sleeping and sofa surfing', 2015; Depaul, 'Danger Zones and Stepping Stones', 2016; Depaul, 'Danger Zones and Steeping Stones: Phase Two', 2018

195 See, for example, Joseph Rowntree Foundation, 'Ending exclusion: employment and training schemes for homeless young people', 1999; Home Office, 'Youth homelessness and substance use: report to the drugs and alcohol research unit', 2005; Mental Health Foundation, 'The Mental Health Needs of Homeless Children and Young People', Volume 3, Issue 22, 2002; Mental Health Foundation, 'Off to a bad start: a longitudinal study of homeless people in London', 1999

that short-term accommodation can have in creating a breathing space for mediation, or addressing other issues that contribute to the risk of homelessness. The Mayor will work with Depaul and its partners in the London Youth Gateway to promote Nightstop – a service that provides young people who need it with a safe space for the night in an approved volunteer’s home. He will encourage Londoners who are able to volunteer to be part of the service to do so.

- 7.19 The Mayor will use his £30 million Platform for Life and Homelessness Change programmes to fund low cost accommodation for young people aged 18 to 24 at risk of homelessness, who would struggle to sustain work, training, or further education without access to settled accommodation. The aim is to provide a stable place to live, where residents can be supported into long-term employment, independence, and healthy living. The Mayor is also keen to fund different types of accommodation for young people through his wider Affordable Homes Programme, including through his Innovation Fund.

TACKLING THE ROOT CAUSES OF HOMELESSNESS

- 7.20 Preventing homelessness ultimately depends on tackling its systemic causes, including a shortage of affordable homes (see chapter four), an insecure and expensive private rented sector (see chapter six), welfare reforms, and successive cuts to services in the health, social care, criminal justice, and other sectors – factors which can both cause homelessness and make it more difficult to address¹⁹⁶. The Mayor urges Government to review welfare reform measures that are fuelling homelessness and the risk of it - especially in London, given its wider housing pressures. In particular, Government should review the impact of the following policies:

- the freeze on LHA rates, which has dramatically reduced the pool of London’s private rented properties that are affordable to low income Londoners, including those who are homeless;
- the extension of the LHA Shared Accommodation Rate to single claimants under 35, which has placed acute pressure on rooms in shared accommodation where rent levels fall within benefit levels, making it much harder for younger claimants to secure tenancies;

196 See the Joseph Rowntree Foundation and Crisis, Homelessness Monitor, 2011 to 2017

- the Benefit Cap, which has resulted in more than 52,000 London households being subject to deductions from Housing Benefit awards¹⁹⁷ (often already insufficient to cover private sector rents);
- the shift to Universal Credit, which, because of the presumption in favour of direct payment to claimants, its monthly cycle of assessment and award, and problems in implementation, is likely to make landlords less willing to let to homeless households¹⁹⁸; and
- the significant reduction in London's share of the Discretionary Housing Payment (DHP) budget, which has made it far more difficult for councils to offer financial support to help prevent households affected by the above measures from becoming homeless.

7.21 The Mayor also urges Government to reconsider its plans, driven by Universal Credit, to remove from the welfare system the housing costs of those living in short-term accommodation, such as hostels and refuges. Such accommodation not only provides a roof over the heads of some of those facing or experiencing homelessness, but also the support they need to get their lives back on track. The Mayor, along with many who commission and provide short-term accommodation, is concerned that Government's new funding model will leave this accommodation in a precarious position. Without greater certainty, it will be difficult for it to play the vital roles it does for a whole range of people, including young people, women and girls fleeing violence, and rough sleepers in need of a route off the streets.

TEMPORARY ACCOMMODATION AND COUNCILS WORKING IN PARTNERSHIP

7.22 Councils are at the heart of efforts to address homelessness in the capital, yet they face a range of challenges that severely limit their ability to respond effectively. Welfare reforms force many councils to house homeless households outside their borough boundaries. While every council will continue to be individually responsible for fulfilling statutory duties towards households facing homelessness, the Mayor believes that more transparency and collaboration can help improve the accommodation options that councils are able to offer homeless households.

197 DWP, 'Capped households to date', Stat-Xplore, November 2017

198 National Landlords' Association, Quarterly Landlord Panel, Q2 2017; Residential Landlords' Association Private renting Evidence, Analysis & Research Lab, December 2017 survey

- 7.23 Existing efforts to collaborate, such as the Inter-Borough Accommodation Agreement (IBAA)¹⁹⁹, and agreements to fixed rates for many forms of temporary accommodation, are positive steps, but there is scope to do more. The Mayor will work with councils and Government to help councils to take a significantly more collaborative approach to securing private rented accommodation for homeless households. The Mayor's objective is to enable councils to combine their buying power. This will leave them better placed to secure accommodation that meets the needs of homeless households within a fiercely competitive market. The Mayor has already co-funded, with Government, a feasibility study of different options. He supports councils' steps to implement the study's recommendations and welcomes Government's decision to hold back some of the Flexible Homelessness Support Grant (FHSG) budget, to ensure that funding is available to support a more collaborative approach.
- 7.24 Where councils have no choice but to place homeless households in other areas, the Mayor expects them to meet their obligations to inform other local authorities. He also expects that they will have in place clear policies around the provision of accommodation for homeless households, as recommended by the Supreme Court²⁰⁰ and in the Government's Homelessness Code of Guidance. These policies should prioritise the most vulnerable households for the most local accommodation, and ensure that households placed in other areas are provided with information and support that will help them to settle there. This is in line with the best practice that many councils already demonstrate.
- 7.25 Further changes to the arrangements for FHSG are desperately needed. In particular, the allocation formula should recognise that London councils have an ongoing – and expensive – obligation to provide temporary accommodation for large numbers of households. Additionally, it is difficult for councils to plan for the long term, because this new funding is only in place for three years. The Mayor will work with councils to make the case for a long-term funding settlement for accommodation for homeless households that reflects London's housing situation and very high costs.

199 London Councils, 'The Inter Borough Temporary Accommodation Agreement', 2013

200 Nzolameso v City of Westminster, 2015

INVESTING IN ACCOMMODATION FOR HOMELESS LONDONERS

- 7.26 To increase the supply of housing within London that councils can use for homeless households, the Mayor will make funding available to councils for affordable accommodation for this group. Such schemes will be eligible for funding through the GLA's Innovation Fund (see chapter four). The Mayor is particularly interested in funding high quality precision-manufactured homes that can be relocated on sites available on a temporary basis. As part of this work, he is assessing a request for £11 million of funding for a group of 16 boroughs to deliver precision-manufactured homes for use as temporary accommodation across London. These homes would be moved between sites where possible and necessary, and would be an alternative to bed and breakfast or other forms of emergency accommodation for households. The Mayor also encourages housing associations to consider how they might assist councils to meet rising demand for accommodation for Londoners facing or experiencing homelessness.

HOMELESSNESS CAUSED BY VIOLENCE AGAINST WOMEN AND GIRLS

- 7.27 The Mayor is committed to tackling violence against women and girls, including domestic abuse and a range of other crimes, which can result in homelessness. MOPAC has produced a violence against women and girls strategy, and a Board at City Hall will drive this forward. The London Housing Strategy will support the work of this Board (see box 20).
- 7.28 The Mayor is concerned that there remains a shortfall of refuge spaces and a need to increase the level of specialist provision. Furthermore, along with many of those who provide refuge accommodation, the Mayor is concerned that Government's plans for funding refuges and other short-term provision will leave them in a precarious position. Government is planning to remove funding for the housing costs of those who use refuges from the welfare system, replacing the current system with a localised model of funding. These arrangements may worsen existing barriers to access. They also lack the long-term certainty that providers need in order to commit to delivering much-needed new supply.

- 7.29 So that refuges can continue to play a crucial role in supporting victims of domestic abuse, and of other violence against women and girls, the Mayor will work with Government, boroughs and refuge providers to explore the scope for a London-wide approach to provision that incorporates both housing and support costs. Commissioning for the whole of London would make it more feasible to commission the specialist provision that is currently lacking. It would also create an opportunity to align the Mayor's capital investment in new and refurbished premises with revenue funding.

HOMELESS VETERANS

- 7.30 The Mayor believes it is essential that help is provided to current and former armed forces personnel in need of housing, and he wants to make sure those facing or experiencing homelessness receive the help they deserve. He supports Government's clear statement of councils' obligations towards current and former armed forces personnel who are homeless, or at risk of becoming so, in its Homelessness Code of Guidance. He made the case for these obligations to be included in the code both ahead of, and in response to, the Government's consultation on the draft version. He wants to see all councils meeting these obligations, and will work with them to ensure this is the case. He will also work more broadly to ensure personnel receive the help they deserve, including by contributing funding to Veterans' Aid's 'Welfare to Wellbeing' initiative for former service personnel who are facing or experiencing homelessness.

BOX 20: PREVENTING AND ADDRESSING HOMELESSNESS CAUSED BY VIOLENCE AGAINST WOMEN AND GIRLS

Housing is often at the heart of approaches to tackling violence against women and girls, including domestic abuse and a range of other crimes. The Mayor's London Housing Strategy will support this aim in a number of ways.

The Mayor believes that housing providers have a key role to play in tackling violence against women and girls and should therefore sign up to the Domestic Abuse Housing Alliance's National Domestic Abuse Service Standards. These reflect best practice around identifying and responding to violence against women and girls. Further information is available at www.dahalliance.org.uk

Victims should be supported to remain in their own home where this is safe. However, where it is not possible, and the victim is a social tenant, every effort should be made to help them retain social housing. The Mayor therefore supports the Pan-London Reciprocal Agreement, administered by Safer London on behalf of MOPAC, and welcomes the Secure Tenancies (Victims of Domestic Abuse) Bill 2017-19. The Mayor will also introduce a new priority in his Housing Moves scheme for victims of domestic abuse and sexual violence (see chapter four).

There is an estimated shortfall of over 320 refuge bedspaces in the capital²⁰¹, alongside other barriers to access. First, there is an uneven distribution of refuge accommodation across London boroughs. Second, there are reports that some local authorities reserve refuge spaces they commission for those with a connection to their area – something that makes little sense, given that those who have suffered domestic abuse typically need to move to another area. Third, there is a particularly acute lack of provision for specific groups (such as young people, those with complex needs, those with no recourse to public funds, and men²⁰²).

The Mayor will provide funding to develop new and refurbish current refuges. Fifty million pounds of Mayoral funding is available specifically to support development of move on accommodation, including for victims of domestic abuse currently living in refuges or hostels (see Proposal 7.2C).

201 Solace Women's Aid, calculated on the basis of one space per 7,500 population, 2016

202 Mankind, 'Briefing: Refuges and safe houses for male victims of domestic abuse', July 2016

POLICY 7.2: SUPPORTING ROUGH SLEEPERS OFF THE STREETS

Rough sleepers should be supported off the streets as quickly and sustainably as possible. The Mayor's central aim will be to ensure there is a route off the streets for every single rough sleeper in London.

Proposals

A

The Mayor will bring together Londoners and key partners involved in supporting rough sleepers off the streets to provide pan-London leadership and coordination, to identify and pursue new approaches to tackling rough sleeping in London, and to make the case for greater resources within national efforts to reduce rough sleeping. This will include:

- i. establishing and leading the No Nights Sleeping Rough taskforce to bring together key partners involved in supporting rough sleepers off the streets, and making funding available to support its work;
- ii. participating in the Government's new Rough Sleeping Advisory Panel, using this opportunity to make the case for greater resources to help tackle rough sleeping in London and for Government to address its root causes;
- iii. promoting and publicising opportunities for Londoners to make a real difference to some of the most vulnerable individuals in the city; and
- iv. working with partners to produce a plan of action that outlines comprehensively what more he and they will do to tackle rough sleeping with existing resources, as well as where additional support and action from Government is needed.

B

The Mayor will fund and commission a range of pan-London services and other initiatives to complement those provided by local councils. These will focus on identifying rough sleepers and intervening rapidly to support them off the streets, providing specialist support for particular groups, and helping rough sleepers stay off the street. This will include:

- i. allocating around £8.5 million each year to fund pan-London rough sleeping services that work in tandem with the services boroughs commission;
- ii. using additional and future funding to develop new services including a permanent base for the No Second Night Out service, a Social Impact Bond to support the most entrenched rough sleepers, services to support vulnerable non-UK nationals, an outreach service to operate on night buses and the Night Tube, and a pilot service to help rough sleepers with mental health needs; and
- iii. making available up to £1 million to promote innovative new services through a Rough Sleeping Innovation Fund.

C

The Mayor will work with councils and others to improve the provision of accommodation for rough sleepers. This will include:

- i. developing a Hostel Clearing House that helps councils and the services they commission make optimum use of London's hostel spaces for rough sleepers;
- ii. making up to £30 million funding available to support the provision of hostel accommodation for single people, including rough sleepers; and
- iii. earmarking up to £50 million funding to provide accommodation for people leaving hostels or refuges, and urging Government to provide revenue support for this type of accommodation.

7.31 It is unacceptable that anyone feels they have no choice but to sleep rough on London's streets. Rough sleeping endangers the health and safety of individual rough sleepers. The average age of death of a rough sleeper is 47, and 43 for female rough sleepers²⁰³. Rough sleepers are 15 times more likely than the general public to have been victims of violence²⁰⁴. Rough sleeping can also have impacts for local communities, particularly where people sleep in large groups in public spaces. Working with councils, Government, the voluntary sector and other partners, the Mayor will aim to ensure that there is a route off the streets for every single rough sleeper in London.

WORKING WITH PARTNERS AND LONDONERS

7.32 Supporting rough sleepers off the streets cannot be achieved by any single organisation or agency. Rough sleepers are frequently highly mobile and have a range of different and often complex needs, so a wide range of agencies – far beyond the rough sleeping services that councils and the Mayor commission – need to work together to achieve success. The Mayor welcomes the opportunities that the Homelessness Reduction Act creates for such collaboration and greater focus on preventing Londoners from sleeping rough in the first place. He has also established the No Nights Sleeping Rough taskforce to bring together key partners involved in supporting rough sleepers off the streets.

7.33 The Mayor has asked the taskforce to do three things:

- identify interventions that will contribute to tackling rough sleeping in the capital;
- implement the interventions identified or lobby for them to be implemented by others; and
- monitor the effectiveness of interventions in tackling rough sleeping.

7.34 The taskforce meets twice yearly and its core representatives are from councils, Government, and the voluntary sector. It has several sub-groups that meet more frequently and focus on specific issues. Currently, one sub-group is working on improving access to mental health services for rough sleepers. Another is working to better understand London's hostel provision, with a view to optimising the benefits it delivers for rough sleepers. The Mayor wants the

203 Crisis, 'Homelessness: A silent killer', 2011

204 Crisis, 'It's No Life At All', 2016

taskforce to address further key, complex issues, including reducing the number of people released from prison or discharged from hospital who rapidly end up on the streets.

- 7.35 The Mayor has made available up to £100,000 a year to enable the taskforce and its sub-groups to commission research and analysis, to fund specialist posts, and to support pilot projects. Other agencies and organisations, including representatives from community safety and policing, health services and TfL, are also involved in the wider work that the taskforce oversees.
- 7.36 The Mayor welcomes the GLA's inclusion in Government's national Rough Sleeping Advisory Panel, which has been established to support its new Ministerial Taskforce. The GLA will work closely with members of the No Nights Sleeping Rough taskforce to ensure that he brings insights from London's efforts to help rough sleepers off the streets to the Panel. The Mayor, working with councils, charities and service providers, will produce a comprehensive plan of action, which will set out what more he and they will do with existing resources to tackle rough sleeping, as well as where additional support and action from Government is needed to help end rough sleeping in the capital. As part of this, he will consider the case for asking Government to revisit the way in which it awards funding for assisting rough sleepers to councils, given the rise in rough sleeping seen in a number of areas of London in recent years.
- 7.37 Tackling rough sleeping not only requires different agencies to work together - it needs Londoners to play their part. The rough sleeping outreach services that locate and help rough sleepers are much better able to find and help people because members of the public take the time to alert the national StreetLink service when they see people sleeping rough. Outreach and other services for rough sleepers, including those provided by faith and community groups, also rely heavily on Londoners' generosity in donating and volunteering. The Mayor will continue to promote and publicise opportunities for Londoners to make a real difference to some of the most vulnerable individuals in the city, building on his recent campaign 'No one needs to sleep rough in London' (box 21).

BOX 21: 'NO ONE NEEDS TO SLEEP ROUGH IN LONDON' CAMPAIGN AND SEVERE WEATHER PROVISION

In December 2017, the Mayor launched his campaign 'No one needs to sleep rough in London'. The campaign, which ran through the winter, aimed to raise Londoners' awareness of rough sleeping.

Using social media and posters on the public transport network, it highlighted the Mayor's commitment to helping those who end up sleeping on London's streets.

The campaign also brought to Londoners' attention ways in which they can help ensure that there is a route off the street for every rough sleeper, particularly during the cold weather over winter. Specifically, it:

- encouraged them to use StreetLink to tell the services that locate and help rough sleepers about people they see sleeping rough. During one month of the campaign alone, Streetlink received 21 times the number of referrals received in the previous year.²⁰⁵
- provided an opportunity for them to donate to charities with extensive experience of helping rough sleepers off the streets. To enable this, the Mayor helped bring together a new coalition of 18 of these charities – the London Homelessness Charities Group. By the end of March 2018, donations to these charities totalled over £170,000²⁰⁶.

Alongside this campaign, the Mayor announced a new approach to additional emergency accommodation that he and councils provide in severe weather (Severe Weather Emergency Protocol (SWEP)). He agreed with councils to make extra accommodation available on any night when the temperature was forecast to be freezing or lower, whereas previously they had only been made available when three consecutive days of freezing temperatures were forecast. As a result of this change, additional provision was available on seven more nights over winter 2017/18 than would previously have been the case, with around 1,000 spaces available on every night when temperatures stood at zero or below.

205 11,288 referrals were received in February 2018, compared to 526 during February 2017

206 As at 17/05/2018

The Mayor's work with councils to increase and improve help for rough sleepers when there is severe weather is based on cooperation, as the Mayor has no statutory role over their services. Building on progress in 2017/18, the Mayor will work with councils to coordinate further improvements to severe weather provision ahead of winter 2018/19. He will also continue to push for improvements to the StreetLink service, which is currently commissioned nationally with a contribution from the GLA (see paragraph 7.43).

COMMISSIONING SERVICES TO SUPPORT ROUGH SLEEPERS

7.38 A range of services is provided by councils and the voluntary sector, including faith and community groups, to support rough sleepers off the streets. To complement these, the Mayor commissions pan-London services, which are outlined in box 22, in line with a published four-year commissioning framework²⁰⁷. The overarching priorities of this framework are to:

- minimise the flow of new rough sleepers on to the streets;
- ensure that no one new to the streets sleeps rough for a second night;
- ensure that no one lives on the streets of London; and
- ensure that no one returns to living on the streets of London.

7.39 In addition, it sets the following cross-cutting priorities:

- to address rough sleeping by non-UK nationals;
- to improve partnership working around enforcement;
- to address hidden or mobile rough sleeping;
- to meet the physical and mental health needs of rough sleepers;
- to help ensure the availability of appropriate accommodation, including emergency accommodation;
- to enhance the service offer from smaller organisations, including faith and community-based organisations;
- to maintain and improve the collection and use of data about sleeping rough; and
- to promote employment, training and volunteering among rough sleepers.

- 7.40 To support his commissioning framework, the Mayor has allocated around £8.5 million each year, until the end of 2020/21, to fund pan-London services. Working with the No Nights Sleeping Rough taskforce, the Mayor secured an additional £4.2 million from Government in December 2016 to develop further services and strengthen existing ones, so that they reflect the needs of rough sleepers in London. In addition, the Mayor is funding dedicated rough sleeping outreach provision on the Night Tube and night buses, and long-term premises for his No Second Night Out service.

BOX 22: KEY SERVICES FOR ROUGH SLEEPERS COMMISSIONED BY THE MAYOR

No Second Night Out is an assessment and reconnection service for rough sleepers who are new to the streets. The scheme comprises three assessment hubs plus accommodation staging posts. For more information, visit the No Second Night Out website: nosecondnightout.org.uk.

London Street Rescue provides outreach services in London boroughs where the local council that does not commission outreach services. It also focuses on connecting new rough sleepers across London to the Mayor's No Second Night Out service.

CHAIN (the Combined Homelessness and Information Network) is a database containing information provided by London's rough sleeping services.

Clearing House allocates rough sleepers to around 3,500 housing association homes earmarked for this group.

Tenancy Sustainment Teams support those who have moved into suitable accommodation to sustain tenancies and gain employment.

Routes Home supports vulnerable EU nationals who sleep rough in London and are unable to access hostels to get off the streets, either by securing work here or by accessing help in their country of citizenship, and assists non-EU nationals with complex immigration issues to get specialist advice, as well as providing short-term accommodation for these groups. More information can be found on the Routes Home website: routeshome.org.uk

StreetLink, jointly funded with Government, is a service that enables the public to alert councils in England and Wales about rough sleepers in their area. See streetlink.org.uk

Social Impact Bond provides intensive, personalised support for 350 rough sleepers whom CHAIN data and outreach workers identify as London's most entrenched, helping them to access and sustain accommodation and improve their health and employment prospects.

Safe Connections assists UK national rough sleepers who have no connection to the area and are relatively new to the streets, building on the success of the No Second Night Out service.

- 7.41 The Mayor will seek further funding to establish additional services and develop existing ones. This work will be informed by the assessment being carried out to develop his forthcoming comprehensive plan of action. In particular, he wants to ensure that non-UK nationals who end up rough sleeping in the capital get the help they need. The Mayor opposed the Home Office policy that made rough sleeping an abuse of freedom of movement laws for non-UK nationals²⁰⁸. He therefore welcomed the High Court's decision that this policy is unlawful. The Mayor believes that there should be a route off the streets for every single rough sleeper in London, including EU nationals who are not entitled to help with their housing costs, those with complex immigration status, and those with no recourse to public funds.
- 7.42 The Mayor is committed to making sure that the services he funds meet diverse and complex needs. Because mental health problems are often a barrier to rough sleepers leaving the streets – and often lead to them returning to the streets – he will invest £1.24 million in a new two-year pilot service to help rough sleepers with mental health support needs. He will also ensure that the services he commissions use psychologically- and trauma-informed approaches.
- 7.43 The Mayor will work with Government to ensure that Londoners, who have shown their willingness and keenness to help, can readily let services know about people they see sleeping rough. He wants to build on recent enhancements to StreetLink to help ensure that it provides the most effective service possible. His 'No one needs to sleep rough in London' campaign encouraged an increase in the number of those sleeping rough being referred to the service and he is committed to ensuring that they get help as quickly as possible.
- 7.44 To stimulate new and innovative approaches to tackling rough sleeping, the Mayor has made available up to £1 million for a Rough Sleeping Innovation Fund. Initial priorities for the fund include improving outcomes for groups who are hard to reach or for whom there is not currently adequate provision, as well as promoting employment, and using new technology. Three projects tailored to the needs of women who sleep rough are among those that have already received grants through the fund.

208 Sadiq Khan, 'Record Rough Sleeping Is A Scar On Our City - As Mayor I'm Determined To End It', Huffington Post, 3 July 2017

- 7.45 Initially, the work of new services may mean outreach teams are able to identify more rough sleepers, causing the number of people seen sleeping rough to rise. The Mayor is determined that all those sleeping rough are located and offered help.

IMPROVING ACCOMMODATION PROVISION FOR ROUGH SLEEPERS

- 7.46 London's network of hostels plays a vital role in providing accommodation and support for rough sleepers. However, many services are struggling to secure appropriate hostel accommodation. This is partly because bed spaces of the right sort of support are not always available in the area to which a rough sleeper is connected, and also due to a shortage of opportunities for rough sleepers to move on from hostels.
- 7.47 London needs to ensure that hostel spaces are used as effectively as possible. To support this, the Mayor will work with councils and those who provide the hostels they commission to develop a Hostel Clearing House. This will help them to swap places in different types of hostel and move on accommodation to better meet the needs of those they need to help who have slept rough.
- 7.48 Many existing hostels lack suitable facilities where healthcare, training and education can be delivered. Refurbishing existing hostels to provide these facilities will mean that they can better support rough sleepers, so that they are ready and able to move on and live more independently, freeing up spaces for those newly in need. Through his £30 million Homelessness Change and Platform for Life programmes, the Mayor has made funding available to support both the refurbishment of existing hostel accommodation for single people, including rough sleepers, and the development of new provision. He is particularly keen to support new hostels in areas where provision is limited, or for groups whose needs are not necessarily well-served by existing hostels.
- 7.49 Hostels generally provide excellent support to prepare residents for independent living. However, they increasingly struggle to secure appropriate accommodation for those ready to move on, particularly for younger people. This keeps spaces from going to those who need greater support. For this reason, the Mayor is working with housing associations to increase the number of properties available through the Clearing House. He has also earmarked up to £50 million of capital funding to provide accommodation for people moving on from hostels or refuges. This funding is intended to enable the development

of properties for people who no longer require the support offered by hostels, as well as those leaving the streets who would benefit from a Housing First approach.

- 7.50 However, this sort of accommodation requires revenue funding to cover the cost of support. It is not just those leaving the streets who need support. Many of those leaving hostels continue to need some level of help. For this reason, the Mayor is calling on Government to provide additional revenue funding to ensure that the accommodation can be developed and reduce the risk of those who benefit from it becoming homeless again. If necessary, the Mayor will explore alternative approaches to boosting the supply of desperately-needed move on accommodation.
- 7.51 The Mayor recognises that Housing First approaches can be very valuable for some rough sleepers. As well as funding the development of new accommodation that can be used in this way, he has made provision for Housing First approaches to be used by his Clearing House and Tenancy Support Teams who will provide accommodation and support for those with complex needs who are moving directly from the streets. The Mayor has also provided grant funding for a Housing First project commissioned by Richmond and Wandsworth councils through his Rough Sleeping Innovation Fund.



8. Achieving the Mayor's vision

- 8.1 The London Housing Strategy presents the Mayor's long-term vision for solving London's housing crisis, and sets out how a broad alliance needs to come together to achieve this.
- 8.2 To begin moving us in the right direction, the strategy sets out how the Mayor will use his existing powers and resources to their fullest extent, working with councils, housing associations, the private sector, and others. But it is also evident that the existing powers and resources available in London are not enough; the Mayor and a broad alliance of organisations in London are clear that substantial further reform and devolution from Government is needed to achieve the Mayor's vision in full.
- 8.3 This final chapter therefore brings together the roles that the strategy envisages the Mayor and others playing to support its delivery, alongside what the Mayor believes London needs from Government to truly deliver his vision.

THE MAYOR

- 8.4 Tackling London's housing crisis must start with using our existing powers and resources to their fullest extent. While many of the responses needed to London's housing challenges are beyond the direct control of the Mayor, he is making full use of his planning and investment powers, his influence over public sector land, and his broader remit to lead even in areas where he lacks formal powers.
- 8.5 The Mayor is using his **planning powers** to deliver more new and affordable homes. During his first year in office, the Mayor published guidance introducing a pioneering new approach to securing affordable homes through the planning system, which, for the first time, links directly with his investment powers. Through the draft London Plan, published in 2017, the Mayor is making difficult but necessary choices about what kinds of homes London needs and where these should go. He has been clear we should aim to meet London's housing needs in full, within London's boundaries, which makes development at higher densities and on smaller sites essential. To support this, he will bring forward further planning guidance, such as on housing standards and new typologies.
- 8.6 Through the **affordable housing investment** that he has secured from Government, the Mayor is enabling tens of thousands of genuinely affordable homes to be built. The Mayor's approach provides an example for the whole country by integrating investment and planning requirements, and by

substantially streamlining his funding agreements with housing associations, councils, and other providers. He is using his funding flexibly to establish strategic partnerships with major housing associations, to support innovative approaches to affordable housing delivery, and to enable councils to boost their own homebuilding programmes.

- 8.7 Through his **intervention in the land market**, the Mayor is showing what a far more proactive approach from the public sector can achieve. Land owned by City Hall is not now simply sold to the highest bidder. Instead, it is used to deliver thousands of genuinely affordable homes and to secure a long-term income for the public sector. The Mayor has established a £250m Land Fund, and begun expanding his team at City Hall, to increase his role in bringing forward land from across a range of sites in both public and private sector ownership.
- 8.8 The Mayor is making the case for **transport schemes that unlock housing growth**, such as Crossrail 2, the Bakerloo Line extension, and extending The Elizabeth Line to Ebbsfleet. By its very nature, this work is highly collaborative, with TfL and City Hall working with public and private sector organisations across London and the wider South East. One of the challenges facing these schemes is funding. City Hall and TfL are working with Government to find new and innovative ways to support the funding of these important schemes for London.
- 8.9 Running through the Mayor's approach to building more homes has been a commitment to **supporting development that involves communities and earns Londoners' support**. He is seeking to increase support for homebuilding by boosting the proportion of homes in new developments that are genuinely affordable, promoting transparency in the planning process, and making better use of public land. He is also focusing on involving Londoners in development through his approach to community-led housing, to promoting ballots for estate regeneration, and to giving Londoners priority for more new homes.
- 8.10 Beyond his core roles, the Mayor believes there is a strong case for City Hall **to lead in other areas** – even where formal powers to do so are limited. This ambition is particularly evident in the Mayor's approach to improving the private rented sector and to addressing homelessness and rough sleeping.
- 8.11 Finally, the Mayor has a clear electoral mandate to provide leadership on what is the most significant challenge facing London. He has established the Homes

for Londoners Board to ensure the key organisations are brought together to address London's housing challenges, and he will continue to hold these organisations – as well as Government – to account, on behalf of Londoners.

LONDON BOROUGHES

- 8.12 Councils in London are at the frontline of the housing crisis and they will play a central role in the delivery of this strategy. The Mayor wants to work with councils to ensure that they can support his vision through the whole range of their functions.
- 8.13 Through **delivery-focused local development plans**, councils should set out how they intend to meet local priorities while recognising that all parts of London must contribute to tackling the housing crisis. The draft London Plan provides a strong framework for housing delivery; councils must strive to meet the Plan's targets, but its policies also give councils the support they need to insist on higher levels of affordable homes, robust minimum quality and design standards, and protection of social infrastructure and green space.
- 8.14 Councils are increasingly **taking a lead to promote development** across their areas. This strategy points to the role of public land in supporting the Mayor's housing objectives, and the Mayor expects all councils to have in place credible plans for doing so with their own land. More widely, the proactive approach to supporting homebuilding outlined in this strategy applies as much to the role of councils as it does the GLA. The Mayor wants councils to not only set ambitious plans for new homes, but also to step in to unblock or lead delivery.
- 8.15 Through **council homebuilding programmes**, London's councils are getting back into the business of building genuinely affordable homes themselves. This strategy is clear that the Mayor supports this move; and moreover, he believes that a substantial increase in council homebuilding is integral to achieving the step change in housing delivery that London needs.
- 8.16 Finally, councils often take the lead role in ensuring that Londoners affected by the housing crisis are receiving the **help and support** they need. Councils are also responsible for ensuring that homes are of a good quality, that private rental homes are professionally-managed, and that Londoners who are homeless, or at risk of becoming so, receive support.

- 8.17 Across all these areas, policies implemented by London councils are legally required to conform with the framework set out in the Mayor's London Housing Strategy. It is vitally important that, as well as addressing local challenges, councils also contribute to tackling pan-London challenges. The GLA will write to all councils in London with details of the Mayor's proposed approach to assessing general conformity, seeking feedback before it is implemented.
- 8.18 The Mayor is conscious that constraints on councils' powers, and cuts to their budgets, means their capacity to lead on development can be limited even when they are keen to do so. That is why, as well as clear expectations for delivery, this strategy sets out how City Hall will support London's councils in tackling the housing crisis. This includes:
- a supportive planning framework that minimises the need for repetition of policies at local levels and speeds up the planning process;
 - access to investment and expertise to support council homebuilding efforts; and
 - coordination and leadership, for example on making best use of powers to improve the private rented sector, on supporting rough sleepers off the streets, and on making a strong case to Government for additional powers and resources.

HOUSING ASSOCIATIONS, CHARITIES AND NON-PROFIT SECTOR

- 8.19 London's housing associations are the main providers of new genuinely affordable homes and own around half of London's existing affordable homes. As such, they play a central role in the Mayor's vision for housing in London.
- 8.20 This strategy signals the Mayor's intention to provide **more support and flexibility** to help them do more. This includes a substantial share of his current £4.82 billion of investment for new affordable homes, support to access land for new homes, and, for the most ambitious housing associations, new strategic partnerships that offer new flexibilities in how funding can be used to meet affordable housing delivery targets.
- 8.21 In return, the Mayor expects **ambitious delivery of genuinely affordable homes** as part of his agreements with housing associations. Most London housing associations are now contractually committed to delivering the Mayor's policy that half of new build homes should be genuinely affordable, rising to 60 per cent for some of the largest organisations.

8.22 The wider non-profit sector also has a role to play in achieving the Mayor's housing vision. Charities, such as those supporting homeless households, play a vital role in supporting vulnerable Londoners with their housing situations, and the Mayor will support them through providing funding and leadership. The Mayor also wants to see community-led housing organisations, such as Community Land Trusts and cooperatives, play a much more significant role in developing and managing London's new homes.

PRIVATE SECTOR

- 8.23 The Mayor supports private sector homebuilders' and developers' vital role in building London's new homes. The Mayor recognises the contribution they make, and this strategy sets out how he will support the sector by increasing the supply of land, speeding up the planning system, investing in infrastructure to unlock new sites, and helping a wider range of developers and builders to play a bigger role.
- 8.24 In return, the Mayor expects private developers to help support his vision by increasing their levels of homebuilding, supporting the modernisation of their industry, and ensuring new homes are of excellent quality. Crucially, he also expects them to make their fair contribution to providing the genuinely affordable homes that Londoners need.
- 8.25 The Mayor's strategy envisages prominent and substantially greater roles for Build to Rent providers and smaller builders, who are being offered strong support in return for a commitment to significantly increase their ambition to build new homes.
- 8.26 Finally, the wider business community has a role to play in making the case for the new homes Londoners need, by publicly supporting calls for bold reforms and devolution to underpin a step change in housing delivery, and by supporting efforts to improve the housing situation of their employees.

WORKING WITH GOVERNMENT

- 8.27 Using the existing powers and resources available to the Mayor and London's councils to their fullest extent will only get us so far. Doubling the rate of homebuilding cannot be achieved within the existing homebuilding model. We cannot deliver the number of affordable homes and the infrastructure we need with the current level of Government funding on offer. Life for London's private renters cannot be transformed through existing regulations alone. And homelessness will not be solved if its root causes are ignored.
- 8.28 For these reasons, the Mayor, alongside a broad alliance of London councils, business representatives, charities, community groups, and others, is calling for a comprehensive and urgent devolution of funding and powers that would enable London to take more of a lead in solving its own housing problems.
- 8.29 The London Housing Strategy sets out an agenda for reform and devolution that would start to give London the powers and resources it needs if the Mayor's vision is to be achieved in full. Government needs to act across six areas.

1. Securing land for new homes

- 8.30 The planning system can identify capacity for new homes, and the draft London Plan shows where 65,000 homes a year could be built in London. However, there is now a consensus that planning policies and consents alone will not ensure that sufficient land comes forward for homebuilding, nor that it is built out at the pace needed, to ensure these homes are delivered.
- 8.31 This is evident when brownfield land that should be used for new homes lies boarded up because of contamination, missing infrastructure, and complex ownership. Owners of poorly used land, such as surface car parks and single storey retail sheds, lack incentives to redevelop at higher densities and with a mix of uses. There is too great a reliance on large sites in inner London, and not nearly enough on smaller scale opportunities farther out. And efforts to build genuinely affordable homes on public sector land can be missed because of the financial pressures facing public bodies and the restrictive rules they must operate within.
- 8.32 Fundamentally, the models and statutory powers relied upon to bring forward strategic land opportunities are wholly inadequate when compared with the scale of the housing crisis we face.

- 8.33 To support a true step change in homebuilding, the Mayor is calling for:
- stronger Mayoral powers over **publicly-owned land** earmarked for new homes, particularly land currently held by central Government departments and agencies, and reform of the rules governing how this land can be used;
 - radical reform of **land assembly** rules, including the reform of compulsory purchase powers and the introduction of new land assembly mechanisms and resources to support them, to ensure both that land earmarked for new homes comes forward for development quickly and efficiently, and that more value can be captured and reinvested in infrastructure and genuinely affordable homes; and
 - a long-term commitment to ensuring the **taxation of land** is more progressive and that it incentivises landowners to make better use of scarce land and build out planning permissions more quickly.

2. Funding affordable homes and infrastructure

- 8.34 London lacks the necessary resources to build all the affordable homes it needs, as well as the investment to provide the infrastructure that will ultimately enable a step change in housing delivery.
- 8.35 Building affordable homes within current levels of investment is reliant on cross-subsidy from new build market homes. While the Mayor's approach to planning and investment ensures that levels of affordable housing are maximised, building all the affordable homes London needs will require a step change in investment above current levels. Likewise, investment in infrastructure often relies on significant contributions from developments through planning agreements. Bringing forward more land for housing, and doing so more quickly, will require greater upfront investment in housing-led infrastructure, at a range of scales, than is currently the case.
- 8.36 To increase investment, however, London is reliant on negotiating periodic deals with central Government on terms that tend to change with each iteration. London government stands out from other world cities in controlling and raising a remarkably small share of its own public revenue and taxes. Government policy also constrains our ability to deliver for London's specific needs, such as for homes based on social rent levels and supported housing, and to plan over longer timescales for infrastructure investment. This situation actively prevents the kind of long-term and joined-up thinking that is necessary to tackle London's housing crisis.

8.37 The Mayor is calling for:

- a commitment to negotiating a substantial and long-term post-2022 **affordable housing funding settlement** that can underpin a significant expansion in delivery of affordable homes;
- enhanced **revenue funding** for supported housing to enable the development of new homes for Londoners with support needs;
- far higher levels of investment in **infrastructure to support new homes**, building on recent allocations of Housing Infrastructure Fund to London government; and
- building on devolution of Business Rates, a commitment to explore further **fiscal devolution** to make London government less dependent on Whitehall for its investment needs.

3. Transforming homebuilding with municipal government empowered to deliver

- 8.38 Homebuilding in London has become dominated by a relatively small number of large private sector developers who focus on building market sale homes. This model mainly builds homes that only a small segment of the population can afford and therefore it cannot support the kind of increase in delivery that we now require. We need to boost different models, such as builders delivering purpose-built rented homes, more smaller scale developments in outer London, and more delivery by housing associations. Sitting alongside this, the industry itself needs to be transformed, which means addressing the gap in construction skills and attracting more Londoners into a career in the construction industry.
- 8.39 Most important of all, we need to see more genuinely affordable homes built by the public sector. It has become clear across the post-war period, and it is truer than ever today, that London's housing needs will not be met without concerted intervention by governments at all levels. Municipal homebuilding provided nearly two-thirds of London's new homes during the 1960s and 70s. Today, many local authorities have active council homebuilding programmes, but they are severely limited in how far they can go by an array of top-down regulations and financial constraints. Ultimately, councils lack the resources and expertise they once had to be able to deliver truly ambitious plans.

8.40 Similarly, City Hall lacks the powers required to lead a city-wide municipal homebuilding programme – such as a large and flexible budget and access to borrowing, and powers to acquire land near existing values – which may ultimately be required. City Hall is also frequently unable to ensure that the interests of London are reflected in local policy and decisions.

8.41 The Mayor is calling for:

- immediate removal of rules that limit **council homebuilding**, including restrictions on Housing Revenue Account borrowing and the reinvestment of Right to Buy receipts ;
- recognition of, and action to address, the lack of resources and capacity within **council planning and housing departments**, which must go beyond minor increases in planning fees;
- agreement to **devolution of planning powers** to enable the Mayor to determine more of London’s planning policy framework, ensuring this is implemented at the local level and in individual planning applications, and that it supports diverse delivery models including Build to Rent and smaller builders;
- **certainty for EU nationals** working in London’s construction sector in the face of the UK’s exit from the European Union, and agreement to devolve the full range of **skills funding** to London government so it can develop a joined-up strategy for addressing the construction skills shortage; and
- a commitment to work with London government to explore the long-term potential for a **London-wide municipal homebuilding programme** to address the capital’s chronic shortage of homes.

4. Reforming the private rented and leasehold sectors

8.42 An increasing proportion of Londoners, and particularly those who are younger, on low incomes, or new to the city, depend on the private rented sector for their home. With the huge pressures on social housing, and with homeownership out of reach for many, a greater proportion of today’s Londoners who rent privately will, unlike previous generations, continue to do so for the long term.

8.43 Yet London’s private rented sector is among the most poorly regulated in Europe, with poorly enforced minimum standards, unstable and short-term tenancies, high upfront costs, and, most fundamentally, very high rents.

8.44 Even among those Londoners fortunate enough to own a home of their own, issues with the substantial and growing leasehold sector mean they can experience poor management standards and unfair ground rents and service charges.

8.45 The Mayor is calling for:

- a radical overhaul of regulation of **standards and conditions** in the private rented sector, starting with granting him powers to approve property licensing schemes and to introduce a mandatory landlord registration scheme;
- a commitment to work with him to develop and implement a **new model of private renting**, the 'London model', aiming to provide much more stability for tenants;
- acknowledgement that **high rents** in London's private rented sector are not sustainable, and that increasing homebuilding alone will not bring them into line with incomes – meaning that other measures, such as reversing some Government reforms to welfare provision and measures that would limit unacceptable rent increases without negatively impacting on housing supply, must be explored; and
- wholesale reform of the **leasehold** tenure, including a commitment to a long-term shift towards alternative and more progressive tenures.

5. Tackling homelessness and its root causes

8.46 The Mayor is committed to ensuring there is a route off the street for every rough sleeper in London, and he is developing a comprehensive plan of action to set out what resources he and his partners will need from Government to make sure these routes are as effective as possible. He is also working with councils as they attempt to prevent and tackle homelessness, and he is clear their efforts must be adequately resourced by Government, particularly as the Homelessness Reduction Act comes into force.

8.47 The Mayor is also clear, however, that there are structural causes of homelessness that national Government must commit to tackling too. First and foremost, the chronic shortage of affordable and secure accommodation remains the most significant long-term driver of homelessness. This is illustrated by the fact that the ending of a private rented sector tenancy is now the single greatest cause of homelessness in London.

- 8.48 Alongside this, Government's welfare reform agenda is making it harder for Londoners on low incomes to continue covering their housing costs. At the same time, successive cuts to services in the health, social care, criminal justice, and other sectors are both driving more Londoners into homelessness – particularly those with specific housing needs, such as victims of domestic violence – and making it more difficult to support homeless Londoners back into sustainable accommodation.
- 8.49 The Mayor is calling for:
- a commitment from Government to support the Mayor's **rough sleeping plan of action** to ensure a route off the street for every rough sleeper that is as effective as possible;
 - additional resources for **council homelessness departments** that reflect the scale of the homelessness crisis already facing London and the additional burdens created by the Homelessness Reduction Act;
 - an urgent review of the impact of Government's **welfare reform** measures on homelessness and on councils' efforts to address it; and
 - explicit recognition that it is the lack of affordable housing and instability in the private rented sector that are the primary **root causes of homelessness**, and that policy in these areas must therefore be changed
- 8.50 Finally, Government's wider role is also of relevance to this strategy. London's housing crisis is the sharp end of the nation's housing crisis, and London's housing needs must be addressed in the context of the whole country. Only Government can play this role.
- 8.51 The Mayor supports the goal of rebalancing the UK's economy and has been publicly supportive of initiatives such as a proposed new high speed rail line across the north of England, and locating facilities in the north that can precision manufacture new homes for the South East. Improving the whole country's economic prospects will help to rebalance demand for housing and reduce pressure on London's homes.
- 8.52 Government must look again at the role that regional planning can play in delivering the collective housing needs of London and the South East in an integrated manner. This should start with action to deliver the regional growth corridors identified in the draft London Plan that have the potential to support the building of new homes and communities, and in driving the delivery of a new generation of New Towns.



Appendix

MAYOR'S SPENDING PROPOSALS

Background

The GLA Act 1999 requires the London Housing Strategy to include "a statement of the Mayor's spending proposals for the relevant period". This must include:

- i. a recommendation to the Secretary of State as to how much of the money allocated to him during the relevant period for housing in Greater London should be made available to the GLA;
- ii. proposals as to the exercise by the GLA of its functions of giving housing financial assistance (this may include the amount for different activities or purposes, and the number, type and location of houses to be provided); and
- iii. a recommendation to the Secretary of State as to how much of the money allocated by him during the relevant period for housing in Greater London should be granted to each local housing authority in Greater London.

Where the Mayor wishes to make recommendations to the Secretary of State as to how much of the money allocated to him for housing is to be made available to the GLA or councils, this has been made explicit within the body of this strategy.

The Act also requires the London Housing Strategy to contain a statement of the Mayor's expectations as to how councils should use any money granted to them by the Secretary of State. Where he has them, the Mayor has set out these expectations within the relevant sections of this strategy.

The rest of this appendix deals with (ii) above. It will be updated and published on the GLA website to reflect future allocations of funding.

Money allocated to the GLA

The “relevant period” is taken to mean April 2015 to March 2022, which is the period during which Government has made allocations to the GLA to fund the affordable housing programme. During this period, the Secretary of State has allocated money to the GLA consisting of the following elements²⁰⁹:

- £4.82 billion to fund the London Affordable Homes Programme. This is grant funding to support 116,000 affordable housing starts by 2022. Within this target the Mayor will aim to maximise the delivery of homes based on social rent levels, and to support at least 58,500 intermediate affordable homes including those for shared ownership or London Living Rent;
- around £250 million from previous GLA affordable homes programmes that has been committed to projects but for which the spend will not occur until 2015-22 (for example, because homes have not been completed yet). This is reflected in table 1 under the ‘Affordable Homes Programme’ budget line; and
- other capital funding, totalling around £1.2 billion, to support the Mayor’s affordable housing targets and wider housing objectives. This includes funding for the London Housing Bank, Housing Zones, and supported housing, as well as the final year (2015/16) of the Decent Homes programme. In addition, a further £36 million is due to be assigned to London to expand the Mayor’s Care and Support Specialised Housing Fund.

These allocations are detailed in table 1. This is adapted from the GLA’s 2018/19 Capital Spending Plan, which is updated annually as part of the GLA’s budget setting process. It is expected that the budget detailed in table 1 will be reprofiled as allocations to providers and schemes is firmed up. The allocations and budget will also be updated to reflect the additional £1.67 billion allocated to the GLA in March 2018 and other additional funding for London.

209 Some of this funding is raised directly from the GLA’s own capital income. However, the vast majority is allocated by the Secretary of State.

Table 1: GLA Housing capital budgets spend and profile, by year and programme (£ million)

Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Affordable Homes Programme	105.6	106.9	562.6	221.8	413.0	749.6	1,240.6	3,364.2
Care & Support Programme	5.3	8.7	9.3	24.0	16.6	6.1		67.0
Custom Build		0.7						0.7
Community-Led Housing		1.0		1.6	2.1	0.3		3.1
Homelessness Change and Platform for Life		12.3	3.0	9.5	5.8			30.0
London Housing Bank		21.0	0.2	25.0	37.8	75.5		200.1
Housing Zones		94.2	106.5	181.4	134	95.9		600.1
Millennium Mills	6.2	1.5						7.7
Land and Property	8.0	29.0	13.2	31.6	6.5	2.0		90.3
Compulsory Purchase Orders		14.1						14.1
Decent Homes	154.5							154.5
Total	279.6	289.4	291.7	485.3	575.9	2,609.9	1,240.6	4,531.8

ALLOCATIONS

The Mayor launched his Affordable Homes Programme in November 2016, with housing providers able to propose bids to deliver affordable homes. Initial bids were received by April 2017 and initial allocation decisions were confirmed in July 2017. That round of allocations will support delivery of 51,551 homes to start on site by 2021 (this includes a small number of allocations that have been confirmed since publication of the draft London Housing Strategy). Combined with existing affordable home starts and allocations (approximately 30,000 homes), proposals currently being developed through the Innovation Fund, further projects to be submitted via on-going continuous bidding, and additional allocations expected following Government's allocation of an additional £1.67bn to London, the Mayor is well on track to meeting his ambitious target to start building 116,000 affordable homes by March 2022. Actual and expected starts of affordable homes against the 116,000 target are set out in table 2.

Table 2: Affordable homes starts (2015/16-2017/18) and trajectory ranges (2018/19-2021/22) by year

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21-2021/22*
Starts of affordable homes	7,467	8,935	12,526	14,000-19,000	17,000-23,000	45,000-56,000

*delivery profiles for 2020/21 and beyond are subject to ongoing discussion with Government

Table 3 shows the Mayor's allocations of 51,551 genuinely affordable homes, by type of provider. The classification used is Registered Provider of Social Housing not-for-profit, Registered Provider of Social Housing for profit, London Borough or City of London (borough), and any other type of housing provider not covered by the other categories (other).

Table 3: Affordable homes starts allocations by provider type

Provider type	Homes
Registered Provider not for profit	48,140
Registered Provider for profit	93
Borough	3,018
Other	300
Grand Total	51,551

Table 4 shows the Mayor's allocations of 51,551 genuinely affordable homes, by location. Around 23,000 of these homes are still to have the site confirmed and are therefore shown as 'to be confirmed'.

Table 4: Affordable homes starts allocations by location

Borough	Homes
Barking and Dagenham	280
Barnet	1,811
Bexley	446
Brent	1,053
Bromley	581
Camden	378
City of London	12
Croydon	998
Ealing	1,908
Enfield	553
Greenwich	1,121
Hackney	303
Hammersmith and Fulham	597
Haringey	540
Harrow	1,369
Havering	752
Hillingdon	599
Hounslow	1,140
Islington	655
Kensington and Chelsea	569
Kingston upon Thames	99
Lambeth	1,549
Lewisham	786
Merton	583
Newham	2,552
Redbridge	285
Richmond upon Thames	359
Southwark	2,497
Sutton	162
Tower Hamlets	2,293
Waltham Forest	548
Wandsworth	1,102
Westminster	139
To be confirmed	22,932
Grand Total	51,551

Delegated programmes

Homes England operates some housing programmes in London under delegations from the Mayor. These programmes, and their total London allocations as of July 2017, are:

- Build to Rent – £416.4 million
- Estate Regeneration – £56.0 million
- Get Britain Building – £125.7 million
- Large Sites Infrastructure Fund – £450.1 million
- Builders Finance Fund – £49.5 million
- Home Builders Fund – £90 million

In addition, Homes England operates the Help to Buy scheme under a delegation from the Mayor. This is a demand-led programme and so financial allocations cannot be specified.

Glossary A – Z

A

Accessible or adaptable homes

Homes which are designed to meet the needs of occupants with differing needs, including some older or disabled people; and to allow adaptation of the dwelling to meet the changing needs of occupants over time.

Affordable home ownership

A category of affordable housing to help those who would struggle to buy on the open market (predominantly would-be first time buyers) to buy a home in full or part.

Affordable homes/affordable housing

Homes for households whose needs are not met by the market. The definition used in this strategy is based on the one set out in the National Planning Policy Framework published in 2012 but with some important changes to reflect the situation in London (see chapter 4).

Affordable Rent

A national definition for a type of affordable home. Homes for households who are eligible for social rented housing, generally provided by housing associations and subject to rent controls that require a rent of no more than 80 per cent of the local market rent (including service charges, where applicable). In London the Mayor encourages rents significantly lower than 80 per cent of the local market rent.

Apprenticeship levy

A new levy on UK employers to fund apprenticeships.

Assured shorthold tenancy

The most frequently used tenancy agreement in the letting of private residential properties.

B

Banning orders

A new power for councils to ban criminal landlords from operating.

Benefit cap

The maximum amount that certain households of working age can receive from a number of welfare benefits.

Best consideration

The legal requirement for public organisations to achieve the best value that can be reasonably obtained when selling land.

Brownfield land

Previously developed land. Land which is, or was, occupied by a permanent structure.

Build to rent

Accommodation purpose-built for private renting.

Buy to let

The practice of buying a home to rent out on the private market.

C

Civil Penalty Notice

A punishment for certain offences that can be handed out by authorities instead of pursuing a prosecution. In this strategy, it refers to a new power granted to councils to issue Civil Penalty Notices to landlords who have committed certain offences.

Community Infrastructure Levy (CIL)

A planning charge on most new building projects used to help deliver infrastructure to support the development of their area.

Compulsory Purchase Order (CPO)

The process that underpins the ability of certain public bodies to purchase land or property without the consent of the owner.

Concealed household

A family unit living in a household with one or more other family unit.

Controlling Migration Fund

A Government fund aimed at mitigating the impacts of immigration on local communities, with addressing rough sleeping and tackling rogue landlords two of its priorities.

Conversion

The creation of two or more new homes out of one existing home without redeveloping the building.

D

Decent Homes standard

A nationally defined standard of housing quality that considers health and safety, the state of repair, the degree of thermal comfort and the state of facilities such as kitchens and bathrooms.

Discounted Market Rent

A type of affordable home. Homes rented at a discount of at least 20 per cent below market value, and aimed at middle income households.

Discounted Market Sale

A type of affordable home. Discounted Market Sale Homes sold at a discount of at least 20 per cent below market value, and aimed at middle income households.

Discretionary Housing Payment

A payment that a council can make, at its discretion, to people receiving welfare benefits who need additional financial assistance to meet their housing costs.

Domestic abuse

Controlling, coercive or threatening behaviour, violence or abuse between people aged 16 or over who are or have been intimate partners or family members, regardless of gender or sexuality. This includes psychological, physical, sexual, financial and emotional abuse.

E

Emissions footprint

The amount of greenhouse gas emissions generated by a home or building.

Enterprise Zones

Areas identified by Government to support businesses to grow. Businesses locating in these areas are offered tax relief and other Government support.

Environmental health

The branch of public health that is concerned with all aspects of the natural and built environment that may affect health and safety. Councils have environmental health powers to assess private rented properties.

Estate regeneration

The process of physical renewal of social housing estates through a combination of refurbishment, investment, intensification, demolition and rebuilding.

Extra care

Homes with care primarily for older people where occupants have specific tenure rights to occupy self-contained dwellings and where they have agreements that cover the provision of care, support, domestic, social, community or other services.

F**Family-sized homes**

Homes with three or more bedrooms.

First-tier Tribunal (Property Chamber)

Part of the UK court system, they adjudicate on a wide range of disputes relating to residential property and land.

Flexible Homelessness Support Grant

Government funding to councils for assisting households experiencing or facing homelessness.

Freehold

Outright ownership, in perpetuity, of a property and the land on which it is built.

Fuel poverty

A household is considered to be in fuel poverty if the cost to heat and power their home adequately is higher than the national median level, and, if they were to spend that amount, their residual income would fall below the official poverty line.

G**g15**

A group representing the largest housing associations in London.

GLA functional bodies/GLA group

GLA functional bodies are the London Fire Commissioner (LFC), Transport for London (TfL), Mayor's Office for Policing and Crime (MOPAC), London Legacy Development Corporation (LLDC), and Old Oak and Park Royal Development Corporation (OPDC). The GLA group includes the functional bodies plus the Greater London Authority (GLA).

Good Growth

Growth that is socially, spatially and economically inclusive, and which brings the best out of existing places, benefits existing communities, involves citizens in the way their city changes, and makes London healthier, safer and more prosperous for Londoners.

Grant

In this strategy, generally refers to public subsidy provided by the Mayor in the form of a one-off financial transfer.

Greater London Authority (GLA)

The top-tier administrative body for Greater London, consisting of a directly elected executive Mayor of London, and the London Assembly, made up of 25 elected members with scrutiny powers.

Green Belt

A planning policy designation, which places strict limitations on new building primarily to prevent urban areas from sprawling into open countryside.

Ground rent

Rent paid by a leaseholder to a freeholder according to the terms of a lease.

H

Healthy Streets Approach

The Mayor's approach to prioritising people and their health in decision-making to create a healthy, inclusive and safe city for all.

Homelessness

The state of a household being without accommodation that it has the right to occupy and/or that is suitable for their occupation. Homeless households can include those threatened with or experiencing homelessness which have since received help.

Home-loss payment

A payment made to a secure tenant in social housing or leaseholder/freeholder in compensation for losing their home, usually as part of an estate regeneration process.

Homes England

The Government agency that invests in new homes and land in areas outside London.

Homes for Londoners

The Mayor's programme that comprises a strengthened team at City Hall, new funding and policy approaches, and collaboration with other levels of government and the housing sector to increase the number of new homes in London. The Homes for Londoners Board is chaired by the Mayor and advises him on his work to deliver more homes.

Housing association

An independent, not for profit company set up to provide affordable homes for people in housing need.

Housing Benefit

A welfare benefit administered by councils to help renters with no or low incomes cover the costs of their rent.

Housing First

An approach to assisting rough sleepers with multiple and complex needs, whereby they move straight from the streets into independent, stable accommodation.

Housing options service

A council service providing advice and assistance to people experiencing problems with their housing, particularly those facing or experiencing homelessness.

Housing Revenue Account (HRA)

The financial account within councils that records expenditure and income relating to housing.

Housing Zones

The Mayor's programme to accelerate housing development in 30 areas across London with high potential for growth by providing investment that can be used flexibly to unlock sites.



Impact assessment

An exercise designed to understand how a policy or strategy will affect various outcomes of interest.

Inclusive neighbourhoods

Neighbourhoods that are welcoming, barrier free and inclusive for everyone, regardless of individuals' characteristics.

Inter-Borough Accommodation Agreement

An agreement between London's councils to adhere to certain conditions when accommodating households facing or experiencing homelessness in each other's areas.

Intermediate rent

A type of affordable home. Homes with rents set above those of social housing but below 80 per cent of market rent, and aimed at middle income households.



Land assembly

The process of bringing together land, often held by different owners, generally for the purposes of redevelopment or regeneration.

Land banking

The process of organisations holding back sites for a prolonged period before they are sold or developed.

Landlord

A person who owns and rents out property.

Lease extension

The right of certain leaseholders to extend the duration of their lease.

Leasehold

A form of property ownership where a property is leased from a freeholder.

Lettings agent

An individual or business that acts as intermediary between landlords and tenants.

Licensing scheme

A scheme to require private landlords to pay for a license and to adhere to a range of license conditions relating to property conditions and management standards.

Live-work space

Homes which combine accommodation for living in and space for working in.

Local Housing Allowance

A form of Housing Benefit for private tenants.

London Accessible Housing Register (LAHR)

The collection and collation by social landlords of information on the accessibility of their housing stock.

London Affordable Rent

A type of Affordable Rent home. Introduced by the Mayor, homes aimed at low income households, with rents based on social rent levels.

London Councils

A cross-party organisation that represents and works on behalf of London's 32 councils and the City of London.

London Development Database (LDD)

The system used by the Mayor to monitor planning permissions and completions in London.

London Development Panel

The Mayor's land procurement panel, which offers comprehensive development services for public landowners and housing associations through an OJEU procured framework.

London Finance Commission

The Commission that has made recommendations on the additional tax and spending powers that should be devolved to London.

London Fire Commissioner (LFC)

A functional body of the GLA, with the principal purpose of running the London Fire Brigade.

London Legacy Development Corporation (LLDC)

A Mayoral Development Corporation responsible for delivering development in the Queen Elizabeth Olympic Park.

London Living Rent

A type of affordable home. Introduced by the Mayor, homes that offer Londoners on average incomes a below-market rent, enabling them to save for a deposit.

London Plan

The Mayor's Spatial Development Strategy.

London Shared Ownership

A type of affordable home. Homes in which buyers can purchase a share and pay a regulated rent on the remaining, unsold share. There is a particular focus on making service charges for shared owners fairer and more transparent.

M

Masterplan

Proposals for delivering major regeneration or development of a defined area. Masterplans may make proposals relating to land use, buildings, public realm, the environment, transport and other forms of infrastructure.

Mayor's Office for Policing and Crime (MOPAC)

A functional body of the GLA responsible for overseeing the Metropolitan Police Service.

Mobility

Moving from one geographical area to another.

Mortgage Interest Relief

A tax relief based on the amount of interest paid in a tax year on a qualifying mortgage loan.

Move on

Accommodation, often for a fixed period, for people leaving hostels, refuges and other supported housing, to enable them to live independently.

N

National Planning Policy Framework (NPPF)

A document setting out Government's planning policies for England and how these are expected to be applied.

No fault eviction/section 21 eviction notice

The right of a private landlord to evict a renter once a fixed term tenancy has expired and with two months' notice, for any reason.

O

Official Journal of the European Union (OJEU)

The publication in which all public sector business opportunities in the European Union valued above a certain threshold must be published.

Old Oak Common and Park Royal Development Corporation (OPDC)

A Mayoral Development Corporation responsible for delivering development in the Old Oak Common and Park Royal areas.

Opportunity Area

A significant spatial opportunity to accommodate large scale development to provide a substantial number of new jobs and homes.

Overage

The principle that the seller of land can share in the potential increase in value of that land after it has been sold.

Overcrowding

When a household does not have enough space or rooms to reasonably accommodate all of its members. There is a variety of measures, the most commonly used of which is the 'bedroom standard' that compares the number of bedrooms available to a household to the number it is calculated to need according to a fixed formula.

P

Pan-London Reciprocal Agreement

An agreement between social housing providers in London to cooperate to move households living in social rented homes that need to move urgently because they are at serious risk.

Pay to Stay

A policy proposed by central Government that would have required councils to set higher rents for council tenants earning above a certain threshold.

Permitted Development Rights

These allow certain building and development works to be carried out without the need for a full planning permission.

Possession grounds

Certain circumstances under which a landlord may apply to court to gain possession of a rented property (i.e. to evict a tenant).

Precision-manufactured homes/housing

Homes built using a high proportion of components which are produced using modern and technologically-driven methods of manufacture, with this production often taking place offsite and the components then assembled onsite.

Private rented sector

Where homes are owned by companies or individuals and rented out to tenants at market rents.

Public realm

The space between and within buildings that is publicly accessible, including streets, squares, forecourts, parks and open spaces.

R

Regulator of Social Housing

The directorate of Homes England responsible for regulation of social housing. Government plans to separate the two organisations.

Rent controls

An umbrella term for a wide range of different forms of limits placed on rents that private landlords may charge tenants.

Rent repayment orders

An order that allows a tenant or council to reclaim rent or Housing Benefit where a landlord commits certain offences.

Rent to Buy

A scheme that allows would-be home buyers to rent and eventually buy an affordable home.

Residential managing agent

An agent responsible for the management and maintenance of a building containing leasehold properties.

Review mechanism

An arrangement to review the viability of a development already granted planning permission.

Right to Buy

The right of most council tenants and some housing association tenants to purchase their home at a discount.

Right to Rent

The legal requirement on landlords to carry out checks on prospective tenants to ensure that they have the legal right to reside in the UK.

Rough sleeping

Where a person (usually someone who is homeless) is bedded down or preparing to bed down in the open air, or in buildings or other space not designed for habitation, including stairwells, stations, or cars.

S**Service charge**

A fee paid by a leaseholder or a tenant to their landlord to cover the cost of maintaining and servicing a building.

Shared equity

A form of home ownership whereby the equity is shared between the purchaser and another organisation, normally Government.

Shared ownership

A type of affordable housing, when a purchaser takes out a mortgage on a share of a new or existing property and pays rent to the landlord on the remaining share.

Sharing economy

An economic system in which assets or services are shared between private individuals, either for free or for a fee, typically by means of the internet.

Short-term lettings operator

A company that provides a platform for property owners to offer their properties for short-term letting.

Social Impact Bond

A financial mechanism in which investors pay for a set of interventions to improve a social outcome. If the outcome improves, the investor is paid a return.

Social infrastructure

Covers facilities for health, early years, education, community, cultural, recreation and sports, places of worship, policing, criminal justice, play and informal recreation.

Social rent/social housing

A type of affordable home. Low cost rented homes provided to households whose needs are not met by the market, typically by councils and housing associations, with rents set within guidelines issued by the social housing regulator.

Social Sector Size Criteria (commonly referred to as bedroom tax)

A measure whereby Housing Benefit for social housing tenants of working age is reduced if they are living in a home larger than their household needs, as assessed by a national standard.

Sofa surfing

A form of homelessness, particularly common among younger people, whereby a person stays with family members, friends or others, often moving between different hosts.

Stamp Duty Land Tax (SDLT)

Tax payable to Government when buying a property or land over a certain price in England, Wales and Northern Ireland.

Strategic Housing Land Availability Assessment

An assessment of land that could be developed for housing which informs the London Plan and borough local development documents.

Strategic Housing Market Assessment

An assessment of future housing requirements in an area, typically broken down by tenure and type, carried out to inform the development of housing policies in targets in housing strategies and planning documents.

Supplementary Planning Guidance

Documents providing further guidance on policies in the London Plan that cannot be addressed in sufficient detail in the Plan itself.

Supported housing

Homes where housing, support and sometimes care services are provided to help people to live as independently as possible.

T**Tax Incremental Finance**

A tool which permits councils to borrow money for infrastructure against the anticipated tax receipts resulting from the infrastructure.

Temporary accommodation

Accommodation that a household is only able or expected to occupy for a limited period. In relation to legislation on homelessness, it is used specifically to refer to accommodation that councils provide for households for whom they have a duty to secure accommodation.

Tenancy deposit loans scheme

A scheme where employers offer employees an interest and tax-free loan for a rent deposit, which is then usually paid back in monthly instalments deducted from the employee's salary.

Tenancy deposit scheme

A Government-approved agency with whom landlords are legally obliged to lodge and protect tenants' rent deposits.

Tenancy

Possession of land or property as a tenant. The terms of possession are normally agreed with a landlord in a tenancy agreement.

Tenant

A person who occupies land or property rented from a landlord.

Tenure

The conditions under which land or property are held or occupied. Typically, London's residential housing sector is split into three tenures: social rented, private rented, and owner occupied.

Trading Standards

The service within councils that works to protect consumers and support legitimate business.

Transfer

A move from one home to another, typically used to describe moves within the social rented sector.

Transport for London (TfL)

A functional body of the GLA with responsibility for delivering an integrated and sustainable transport strategy for London.

U

Universal Credit

A welfare benefit that replaces a number of other benefits intended to cover living and housing costs, including Housing Benefit.

Upper Tribunal

Part of the justice system in England and Wales that makes decisions in legal disputes. The Upper Tribunal is responsible for dealing with appeals against decisions made by certain lower tribunals and organisations.

V

Violence against women and girls (VAWG)

This term includes domestic violence and abuse, Female Genital Mutilation, forced marriage, 'honour'-based violence, prostitution and trafficking, sexual violence including rape, sexual exploitation, sexual harassment, stalking and faith-based abuse.

W

Wheelchair accessible or adaptable

Homes which are designed to be wheelchair accessible, or easily adaptable for residents who are wheelchair users. As defined by the Building Regulations.

Z

Zero Carbon Standard

A requirement for new developments to release no net greenhouse gas emissions into the atmosphere.

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