

REQUEST FOR MAYORAL DECISION – MD1331

Title: The London Housing Strategy 2013/14

Executive Summary:

This Mayoral Decision form seeks the Mayor's approval to submit the draft revised London Housing Strategy ("Draft LHS") to the London Assembly for the Assembly to consider, in accordance with section 42B of the Greater London Authority Act 1999 (as amended), whether or not to reject that draft strategy. In the event that the Assembly does not reject the Draft LHS, this Mayoral Decision seeks the Mayor's approval to submit the strategy to the Secretary of State and, subject to no changes being directed by the Secretary of State, to publish the final revised statutory London Housing Strategy.

Decision:

That the Mayor:

1. Approves the content of the Draft LHS (as set out in Annex 1 to this form), having regard to Annexes 2 and 3, and approves the submission of the Draft LHS to the London Assembly for the Assembly to consider, in accordance with section 42B of the Greater London Authority Act 1999 (as amended), whether or not to reject the strategy;
2. Agrees (provided the Assembly does not reject the Draft LHS, and provided it is not proposed to make any material changes to the Draft LHS following the Assembly's consideration of that draft) to submit the Draft LHS (and, if required, Annex 3) to the Secretary of State together with a statement by the Mayor that he intends to publish the strategy following the Secretary of State's consideration of those documents;
3. Approves (provided the Secretary of State does not direct that any changes be made to the Draft LHS), the publication of that strategy as the final statutory London housing strategy.
4. Delegates authority to the Executive Director Housing and Land and the Deputy Mayor for Housing, Land and Property to make any non-material changes to the Draft LHS as considered appropriate following approval of this Mayoral Decision form.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:

Date:

17 March 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1 Introduction and background

- 1.1 The Mayor has a statutory duty to publish and keep under review a London Housing Strategy. This strategy is required to set out his assessment of housing need in the capital and his proposals for allocating the funding that is made available to him for housing delivery. It must also include mayoral policies or proposals for improving housing conditions in London and meeting the capital's housing needs.
- 1.2 The first statutory strategy was published in May 2010. For reasons set out in Mayoral Decision 1284, a revised draft strategy was published for consultation in December 2011, but was never finalised. Accordingly, a new draft London housing strategy has been prepared and, as detailed in MD 1284, was published for consultation in November 2013. This referred to in this form as the "Consultation Draft LHS."

2 The Consultation Draft LHS

- 2.1 The Consultation Draft LHS published in November 2013 covered the following:
1. Identifying the challenge
 - a. Housing London's growing population: Social, demographic and economic context; Affordability, housing need and a changing tenure mix.
 - b. Supporting London's economy: Housing as essential infrastructure and contributor to economic growth.
 2. Setting the ambition
 - a. Increasing the supply of new homes: Policies on overall housing supply, dedicated private rented provision, affordable rented housing (including family housing) and First Steps homes.
 - b. Improving design: Policies on housing design standards, Lifetime Homes and wheelchair accessible homes.
 - c. Improving existing homes and estates: Policies on energy efficiency and home retrofitting, bringing homes up the Decent Homes Standard and empty homes.
 3. Fulfilling the Covenant
 - a. Supporting working Londoners: Policies on re-defining need, improving access to intermediate housing, supporting home-ownership, improving standards in the private rented sector, rethinking affordable housing allocations and facilitating mobility.
 - b. Meeting a range of housing need: Policies on housing for older Londoners, overcrowding, rough sleeping and homelessness.
 4. Delivering the vision
 - a. Learning the lessons of the past: Analysis of historic under-supply of housing in London.
 - b. Financing housing delivery: Policies on housing capital investment, borrowing powers, the London Housing Bank and housing association development capacity.
 - c. Bringing forward land for development: Policies on regeneration, garden suburbs, opportunity areas, Housing Zones and public sector land.
 - d. Increasing development capacity: Policies on dedicated private rented supply, competition in the housebuilding industry, and unlocking stalled sites.
 5. About this Strategy:
 - a. Describes the statutory role of the Strategy, the process for producing a revised strategy, the devolution of housing powers in London, and how to respond to the consultation.

3 Links to other Mayoral strategies and the Further Alterations to the London Plan ("FALP")

- 3.1 The policies in the Draft LHS are consistent with the objectives set out in other Mayoral documents, including the 2020 Vision, the GLA's Business Plan 2013/14 to 2014/15 and the London Plan, including the draft Further Alterations to the London Plan ("FALP") published in January 2014. These objectives include increasing new housing supply, improving the condition of homes, reducing rough sleeping, improving the private rented sector and increasing opportunities for low cost home ownership.
- 3.2 There is a particularly strong inter-relationship and inter-dependency between the London housing strategy and the London Plan which, as a separate statutory mayoral strategy that concerns planning, land-use, and housing issues, is a related but distinct document that sits, and should be read alongside, the London housing strategy. Further to Mayoral Decision 1295, the FALP were published for consultation in January 2014. The revised Draft LHS includes a detailed explanation of how its housing targets relate to those in the FALP.
- 3.3 In preparing the Draft LHS officers have also taken into account the Mayor's other statutory strategies - to ensure that there is consistency between these and the Draft LHS - including the Mayor's Transport Strategy, Economic Development Strategy, Health Inequalities Strategy, the London Environment Strategy, and the Culture Strategy.
- 3.4 These other strategies are also considered within the integrated impact assessment of the Consultation Draft LHS, which is dealt with in sections 5 and 6 below.

4 Consultation on the Consultation Draft LHS and Equalities

- 4.1 Consultation on the Consultation Draft LHS opened on 25 November 2013 and closed on 17 February 2014. The draft was made available on the GLA website, its publication widely publicised through Mayoral statements and press coverage, and email notification sent to a wide range of key partners including boroughs, registered providers, housing developers, central government, voluntary and community sector groups, the London Assembly and the wider GLA group. During the consultation period the Consultation Draft LHS was discussed at a wide range of events by the Deputy Mayor for Housing, Land and Property, the Executive Director for Housing and Land, and senior officers from the Housing and Land department. These events included a Mayor's Housing Forum event (with over 90 invitees including London boroughs, registered providers, housebuilders and voluntary and community sector groups) and a further meeting in January 2014 with a range of voluntary and community sector groups. Over 130 written responses were received to the consultation, including responses from London Councils (as well as most individual London boroughs), the London Assembly, the G15 (a group of major housing associations), a joint voluntary and community sector coalition, Transport for London and members of the public. Many of these responses, including that from the London Assembly, have been made available online by the respondents.
- 4.2 A summary of the consultation responses and recommended changes to the Consultation Draft LHS further to consultation is contained in Annex 2 to this form. In broad terms, most changes are relatively minor cases of clarifying or updating the text, or including more analysis of issues raised by consultation respondents. The more substantial changes are as follows:
 - Updating the text and policies around the Affordable Housing Programme to take into account the publication of the FALP, to reflect flexibilities that can be negotiated under borough framework agreements and programme contracts for delivering affordable housing, and to clarify the balance between Mayoral objectives and flexibility for local authorities and providers around the mix of products and sizes;

- Introducing a policy around the ‘cascade’ of intermediate housing to match that in the FALP;
- Updating the text on Housing Zones and the London Housing Bank, two policies which have been further developed during the consultation period;
- Introducing a new policy and analysis concerning young people’s housing.

4.3 The Consultation Draft LHS was developed and drafted in consultation with the GLA’s equalities experts and, during the consultation period, the GLA hosted or attended a number of events with equalities groups to seek their views and comments on the Consultation Draft LHS. These events were as follows:

- 12 December 2013: the Mayor’s Housing Forum (to which all members of the Mayor’s Housing Equalities Standing Group were invited);
- 15 January 2014: the London Voluntary & Community Sector event (Organised by the collective LV&CS organisations);
- 22 January 2014: London’s Lesbian, Gay, Bisexual and Transgender organisations meeting (regular GLA hosted meeting)
- 27 January 2014 – Mayor’s Housing Equalities Standing Group (meeting to which representatives of all target equality groups are invited);
- 29 January 2014 – the Mayor’s Refugee Advisory Panel (regular GLA hosted meeting);
- 4 February 2014 – G320 event (London’s smaller and specialist Housing Associations);
- 5 February 2014 – Mayor’s Deaf and Disabled Stakeholders Group (regular GLA hosted meeting);
- 12 February 2014 – Mayor’s Older People’s Advisory Forum (regular GLA hosted meeting)

4.4 A range of issues were raised at these meetings, most of which were subsequently reflected in written responses to the public consultation. Issues raised at a number of these meetings included concern over the balance of tenures in the new affordable homes programme, the impact of a greater priority for working households on equalities groups, and concern over the impacts of welfare reform in London. These concerns have informed the development of the Draft LHS, which attempts to strike the right balance between meeting acute need (especially in the context of welfare reform) and improving the housing offer for a wide range of Londoners while remaining within the constraints imposed by government funding allocations. Annex 2 summarises issues raised throughout the consultation and the resulting recommended changes to the strategy.

4.5 The Mayor is asked to have regard to and take into account Annex 2 and the above when approving the content and publication of the Draft LHS, as set out in Annex 1 to this form, for submission to the London Assembly.

5 Integrated Impact Assessment

5.1 In preparing or revising the London housing strategy, the Mayor has legal duties to consider the following:

- Economic development and wealth creation (GLA Act 1999, as amended);
- Social development (GLA Act 1999, as amended);
- The Mayor’s other statutory strategies, national policies, and the strategy’s consistency with these (GLA Act 1999, as amended);
- Health inequality and promoting Londoners’ health (GLA Act 1999, as amended);
- Community safety (Crime and Disorder Act 1998, Police and Justice Act 2006); and
- Equality of opportunity, elimination of discrimination and the promotion of good community relations (GLA Act 1999, as amended, Equality Act 2010).

5.2 An Integrated Impact Assessment (IIA) of the Consultation Draft LHS, which is attached as Annex 3 to this form, demonstrates how these duties have been considered.

- 5.3 The IIA assesses the impacts of the Consultation Draft LHS's policies and proposals on equalities, health and wellbeing, community safety and the environment. In doing so, the IIA refers and provides links to assessments of other policies or strategies that also assess the substance of specific policies of the Consultation Draft LHS (relevant extracts of which are contained in Annex 3). These include the integrated impact assessment of the 2011 London Plan, the sustainability appraisal for the FALP (which included a Strategic Environmental Assessment) and government impact assessments, for example of the Affordable Rent product. The conclusions of the IIA have been reached having regard to the information, statistics, key challenges, guide questions, and conclusions set out in the other GLA IIAs referred to, particularly the IIA on FALP and the London Plan 2011. Where the IIA of the Consultation Draft LHS does not make any specific comments as to equalities, health and wellbeing or community safety, this is because the relevant policies of the strategy have been assessed as not having any significant impact on those matters. It is important that the Mayor has regard to Annex 3 when approving the Draft LHS under this Mayoral Decision.
- 5.4 The IIA of the Consultation Draft LHS was published online for consultation alongside the Consultation Draft LHS in January 2014.
- 5.5 Consultation on the IIA ran in tandem with the consultation on the Consultation Draft LHS, and in tandem with consultation on the IIA of the FALP. All written responses to the consultation on the Consultation Draft LHS were received after the publication online of the IIA on the same web-page as the Consultation Draft.
- 5.6 Few specific comments were made on the IIA in written responses to the consultation on the draft Strategy, and no substantive oral comments were made on the IIA during consultation meetings. Only two specific comments were made with reference to the content of the IIA. The first of these was that unlike previous iterations the new IIA does not specifically mention Gypsies and Travellers. However, the IIA does not specifically address provision of accommodation for Gypsies and Travellers because this issue is now covered by the London Plan and is addressed in the relevant IIA. The second point made was that the GLA should assess the impact on protected characteristic groups in London of the government's welfare reform agenda. The IIA is focused on the policies in the draft Strategy itself, a number of which either directly or indirectly respond to the government's welfare reform agenda, but a full assessment of the impact of these policies is outside its scope and is the subject of series of assessments by government departments.

6 Financial comments

- 6.1 There are no financial comments.

7 Legal comments

- 7.1 This section deals with legal issues not covered elsewhere in this decision form.

Contents of the London housing strategy

- 7.2 The Mayor is required to prepare and publish a London housing strategy under section 333A(1) of the Greater London Authority Act 1999 (GLA Act). Section 333A(2) of that Act provides that the Strategy must include 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.
- 7.3 The Mayor's evidence base for assessing London's housing needs as set out in the Draft LHS is contained in the GLA's publication Housing in London, and the 2013 Strategic Housing Market Assessment. This evidence base also feeds into the FALP, and the revised Draft LHS includes a detailed explanation of how the housing targets in the LHS relate to those in the FALP. In Mayoral Decision 1295, the Mayor was advised as to the assessment of housing need and proposed housing

targets in FALP, and their compatibility with the National Planning Policy Framework and associated national guidance.

7.4 Section 333A(2) of the GLA Act also provides that the London housing strategy must set out any proposals or policies of the Mayor to promote the improvement of housing conditions and the meeting of housing needs (as assessed by the Mayor); 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 investment round. The Mayor's spending proposals must include proposals as to the exercise by the Authority of its functions of giving housing financial assistance, and a recommendation to the Secretary of State as to how much of the money allocated by him during the relevant investment round for housing in Greater London should be granted to each local housing authority in Greater London. Under section 333A(5) of the GLA Act, the London housing strategy must contain a statement of the Mayor's expectations as to how local housing authorities will use any money granted to them by the Secretary of State.

7.5 The Draft LHS complies requirements of section 333A(2) of the GLA Act.

Matters to which the Mayor should have regard

Section 41 of the GLA Act

7.6 In preparing or revising the London housing strategy under section 41 of the GLA Act, the Mayor must have regard to the need to ensure that the London housing strategy is consistent with national policies, other statutory strategies, the resources available for the implementation of the Strategy and the desirability of promoting and encouraging the use of the River Thames safely for the provision of passenger transport services and for the transportation of freight. He must also include in the strategy such of the available policies and proposals as he considers are best calculated to promote improvements in the health of persons in Greater London, to promote the reduction in health inequalities between such persons, to contribute towards the achievement of sustainable development in the UK and to contribute towards the mitigation of or adaptation to climate change, and the consequences of climate change in the UK.

7.7 The Mayor is also required to have regard to the economic development and wealth creation, social development and improvement of the environment in Greater London as well as the effect which the proposed replacement would have on the health of persons in Greater London; and the achievement of sustainable development in the United Kingdom.

Public Sector Equality Duty

7.8 The Mayor and GLA are subject to the public sector equality duty, as set out in Section 149 of the Equality Act 2010. This replaces duties under other domestic discrimination legislation, including those under section 404 of the GLA Act. The 2010 Act included a new single public sector equality duty ("the Duty") which brings together the previous race, disability and gender duties and extends coverage to include age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment. These are the grounds upon which discrimination is unlawful and are referred to as 'protected characteristics.' The Duty requires the Mayor when exercising his functions to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act, advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.9 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; to take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and to encourage persons who share a relevant protected characteristic

to participate in public life or in any other activity in which participation by such persons is disproportionately low. The steps involved in meeting the needs of disabled persons include, in particular, steps to take account of disabled persons' disabilities. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding. Compliance with these duties may involve treating some persons more favourably than others.

- 7.10 The obligation in section 149(1) of the Equality Act 2010 is placed upon the Mayor, as decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable, and must be exercised with an open mind. The Mayor must have an adequate evidence base for his decision making, and should therefore carefully consider the equalities analyses contained in Annex 3.

Community Safety

- 7.11 Under the Crime and Disorder Act 1998, the GLA has to do all it reasonably can to prevent crime and disorder.

Integrated Impact Assessment (IIA)

- 7.12 The IIA of the Consultation Draft LHS, attached as Annex 3, focuses on the matters to which the Mayor must have regard in preparing or revising the London housing strategy – set out at paragraphs 7.6 –7.11 above.
- 7.13 The conclusions of the IIA have been reached having regard to the information, statistics, key challenges, guide questions, and conclusions set out in other GLA IIAs, particularly the IIA on FALP and the London Plan 2011. The IIA refers and provides links to these and also to assessments of other policies or strategies that assess the substance of specific policies of the Consultation Draft LHS. Where the IIA does not make any specific comments as to equalities, health and wellbeing or community safety, this is because the relevant policies of the housing strategy have been assessed as not having any significant impact on those matters.
- 7.14 Extracts of these, as they are relevant to the Consultation Draft LHS, are contained in Annex 3 (pages 1-128). To discharge the duty on the Mayor to have regard to the matters set out at paragraphs 7.6-7.11 above, it is important that the Mayor has regard to these extracts (in addition to the substance of the IIA and other parts of this form and its Annexes) when deciding to approve the contents and publication of the Draft LHS under this Mayoral Decision.
- 7.15 This is because many of the assessments referred to (such as the IIAs on FALP, the London Plan 2011, the London housing strategy 2010, and the Mayor's draft Climate Change Mitigation and Energy Strategy) include (i) a sustainability appraisal, and Strategic Environmental Assessment¹ ("SEA's"); (ii) were prepared with regards to, and in consideration of, relevant EU and national policies, and other Mayoral strategies; and (iii) also include an equalities impacts assessment; health and wellbeing impact assessment; and community safety impact assessment of those strategies. Accordingly, where those strategies contain policies that are the same as or similar to the Consultation Draft LHS – as identified in Annex 3 - they provide an assessment of the matters to which the Mayor is required to have regard (set out at paragraphs 7.6.-7.11 above) in relation to the relevant policies of the Consultation Draft LHS.

Consultation on the Consultation Draft LHS

- 7.16 When approving the contents and publication of the draft London housing strategy under this Mayoral Decision, the Mayor must take into account and have regard to Annex 2 to this form, which

¹ Pursuant to the Strategic Environmental Assessment Directive 2001/42/EC, implemented into national law as the Environmental Assessment of Plans and Programmes Regulations 2004/1633

contains (a) a summary of the responses received to consultation, (b) recommended changes to that draft further to the consultation exercise, and (c) text of Draft LHS that shows the changes made further to consultation.

Strategic Environmental Assessment and Habitats Regulations Assessment (HRA)

- 7.17 An SEA of the Consultation Draft LHS has not been undertaken because it is considered that this is not required under Strategic Environmental Assessment Directive 2001/42/EC (“the Directive,” implemented into national law as the Environmental Assessment of Plans and Programmes Regulations 2004/1633 (“the Regulations”). The Directive and the Regulations require that a plan or programme which “sets the framework for future development consent of projects” must be subject to SEA if it is likely to have significant environmental effects. As the draft London housing strategy does not set the framework for future development consent of projects, it does not require assessment on these grounds.
- 7.18 In any event, an SEA has been undertaken on FALP which contains very similar policies to the draft London housing strategy, and was consulted upon at the same time as the IIA of the Consultation Draft LHS.
- 7.19 Irrespective of whether or not a plan sets the framework for future development consent of projects, it must be subject to an SEA if, under the Directive and Regulations, it is determined that, in view of the likely effects on ‘sites,’ it requires an Appropriate Assessment pursuant to Article 6 or 7 of the Habitats Directive (Council Directive 92/43/EEC on the conservation of natural habitats and of wild flora and fauna). Having regard to the Habitats Regulations Assessment Screening of the FALP (extracts of which are contained in Annex 3), it is understood that it has been determined that an Appropriate Assessment of the draft London housing strategy was not required and that, therefore, an SEA was not required either.

Further process

- 7.20 Under section 42B of the GLA Act, where the Mayor has prepared, and is ready to publish a draft London housing strategy, he must, before submitting the draft to the Secretary of State, lay a copy of the draft before the London Assembly in accordance with standing orders of the Authority. The relevant standing order is 3.19. The Mayor must not submit the draft strategy to the Secretary of State if, within a period of 21 days beginning with the day on which the copy is laid before the Assembly, the Assembly resolves to reject the draft.
- 7.21 Under section 333B of the GLA Act, the Mayor must not publish the London housing strategy unless he has submitted to the Secretary of State a draft of the strategy he intends to publish together with a statement of that intention. Following submission of the draft strategy to the Secretary of State, the Mayor is prohibited from publishing the strategy unless the consideration period of six weeks has expired without the Secretary of State giving the Mayor a direction to modify it, to ensure it is consistent with national policies, and that its implementation would not be detrimental to the interests of a region which adjoins Greater London.

Delegation

- 7.22 Under section 38 of the GLA Act, the Mayor may delegate authority to any member of staff of the GLA to exercise any function of the Authority on his behalf. Accordingly, he may delegate authority to the Executive Director Housing and Land and the Deputy Mayor for Housing, Land and Property to make any non-material changes to the Draft LHS as considered appropriate following approval of this Mayoral Decision form.

8 Investment & Performance Board

- 8.1 The draft London Housing Strategy was considered by Homes for London Board three times: shortly after publication on 26th November 2013, on 23rd January 2014 and again on 19th March.

9 Timetable for London Housing Strategy

| Activity | Timeline |
|--|-----------------|
| Submission to London Assembly | 17 March 2014 |
| Submission of strategy to Secretary of State | End April 2014 |
| Final housing strategy published | Mid June 2014 |

Annexes and supporting papers:

- Draft LHS (Annex 1)
- Summary of responses to consultation on Consultation Draft LHS, and resulting changes (Annex 2)
- Integrated Impact Assessment of the Consultation Draft LHS and relevant extracts from other impact assessments (Annex 3)

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? No

Until what date: Until the government announces formally London's share of national housing resources.

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

James Gleeson has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Jamie Ratcliff has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date