

AGENDA

Meeting **Housing Committee**

Date **Tuesday 25 March 2014**

Time **10.00 am**

Place **Committee Room 5, City Hall, The Queen's Walk, London, SE1 2AA**

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<http://www.london.gov.uk/mayor-assembly/london-assembly/housing>

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Members of the Committee

Darren Johnson AM (Chair)
Tom Copley AM (Deputy Chair)
Andrew Boff AM
Nicky Gavron AM

Stephen Knight AM
Steve O'Connell AM
Fiona Twycross AM

A meeting of the Committee has been called by the Chair of the Committee to deal with the business listed below. This meeting will be open to the public. There is access for disabled people, and induction loops are available.

Mark Roberts, Executive Director of Secretariat
Monday 17 March 2014

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Laura Pelling, Committee Officer; Telephone: 020 7983 5526;
Email: laura.pelling@london.gov.uk.

For media enquiries please contact Alice Andrewartha, Telephone: 020 7983 4603;
Email: alice.andrewartha@london.gov.uk.

If you have any questions about individual reports please contact the report author whose details are at the end of each report.

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Certificate Number: FS 80233

**Agenda
Housing Committee
Tuesday 25 March 2014**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interest (Pages 1 - 4)

The Committee is recommended to:

- (a) Note the list of offices held by Assembly Members, set out in the table at Agenda Item 2, as disclosable pecuniary interests;**
- (b) Note the declaration by any Member(s) of any disclosable pecuniary interests in specific items listed on the agenda and the necessary action taken by the Member(s) regarding withdrawal following such declaration(s); and**
- (c) Note the declaration by any Member(s) of any other interests deemed to be relevant (including any interests arising from gifts and hospitality received which are not at the time of the meeting reflected on the Authority's register of gifts and hospitality, and noting also the advice from the GLA's Monitoring Officer set out at Agenda Item 2) and any necessary action taken by the Member(s) following such declaration(s).**

3 Minutes (Pages 5 - 54)

The Committee is recommended to confirm the minutes of the meeting held on 12 February 2014 to be signed by the Chair as a correct record.

The appendices to the minutes set out on 11 to 54 are attached for Members and officers only but are available from the following area of the GLA's website:

<http://www.london.gov.uk/mayor-assembly/london-assembly/housing>

4 Summary List of Actions (Pages 55 - 58)

Report of the Executive Director of Secretariat

Contact: Laura Pelling, laura.pelling@london.gov.uk; 020 7983 5526

The Committee is recommended to:

- (a) Note the outstanding actions arising from a previous meeting of the Housing Committee; and**
- (b) Note the letter from the Deputy Mayor for Housing, Land and Property on overcrowding statistics.**

5 London Assembly Response to Mayor's Draft Housing Strategy (Pages 59 - 76)

Report of the Executive Director of Secretariat

Contact: Lorraine Ford; lorraine.ford@london.gov.uk; 020 7983 4394

The Committee is recommended to note its response to the Mayor's Draft Housing Strategy.

6 Encouraging Diversity in London's House Building Industry (Pages 77 - 80)

Report of the Executive Director of Secretariat

Contact: Dan Maton; dan.maton@london.gov.uk; 020 7983 4681

The Committee is recommended to:

- (a) Note the report, put questions to invited guests and note the discussion; and**
- (b) Delegate Authority to the Chair, in consultation with party Group Lead Members, to agree the output from this meeting.**

7 Housing Committee Work Programme (Pages 81 - 84)

Report of the Executive Director of Secretariat

Contact: Lorraine Ford; lorraine.ford@london.gov.uk; 020 7983 4394

The Committee is recommended to:

- (a) Note the record of its work in 2013/14;**
- (b) Delegate authority to the Chair, in consultation with party Group Lead Members, to agree the Committee's contribution to the Assembly's submission to the consultation on the Further Alterations to the London Plan; and**
- (c) That the Committee agrees the initial priorities for its work programme in 2014/15.**

8 Date of Next Meeting

The next meeting of the Housing Committee, subject to the London Assembly's Annual Meeting in May, is scheduled for 17 June at 10am in Committee Room 5, City Hall.

9 Any Other Business the Chair Considers Urgent

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Subject: Declarations of Interests

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 25 March 2014

This report will be considered in public

1. Summary

- 1.1 This report sets out details of offices held by Assembly Members for noting as disclosable pecuniary interests and requires additional relevant declarations relating to disclosable pecuniary interests, and gifts and hospitality to be made.

2. Recommendations

- 2.1 **That the list of offices held by Assembly Members, as set out in the table below, be noted as disclosable pecuniary interests¹;**
- 2.2 **That the declaration by any Member(s) of any disclosable pecuniary interests in specific items listed on the agenda and the necessary action taken by the Member(s) regarding withdrawal following such declaration(s) be noted; and**
- 2.3 **That the declaration by any Member(s) of any other interests deemed to be relevant (including any interests arising from gifts and hospitality received which are not at the time of the meeting reflected on the Authority's register of gifts and hospitality, and noting also the advice from the GLA's Monitoring Officer set out at below) and any necessary action taken by the Member(s) following such declaration(s) be noted.**

3. Issues for Consideration

- 3.1 Relevant offices held by Assembly Members are listed in the table overleaf:

¹ The Monitoring Officer advises that: Paragraph 10 of the Code of Conduct will only preclude a Member from participating in any matter to be considered or being considered at, for example, a meeting of the Assembly, where the Member has a direct Disclosable Pecuniary Interest in that particular matter. The effect of this is that the 'matter to be considered, or being considered' must be about the Member's interest. So, by way of example, if an Assembly Member is also a councillor of London Borough X, that Assembly Member will be precluded from participating in an Assembly meeting where the Assembly is to consider a matter about the Member's role / employment as a councillor of London Borough X; the Member will not be precluded from participating in a meeting where the Assembly is to consider a matter about an activity or decision of London Borough X.

Member	Interest
Tony Arbour AM	Member, LFEPA; Member, LB Richmond
Jennette Arnold OBE AM	Committee of the Regions
Gareth Bacon AM	Member, LFEPA; Member, LB Bexley
John Biggs AM	
Andrew Boff AM	Congress of Local and Regional Authorities (Council of Europe)
Victoria Borwick AM	Member, Royal Borough of Kensington & Chelsea; Deputy Mayor
James Cleverly AM	Chairman of LFEPA; Chairman of the London Local Resilience Forum; substitute member, Local Government Association Fire Services Management Committee
Tom Copley AM	
Andrew Dismore AM	
Len Duvall AM	
Roger Evans AM	Member, LB Havering; Committee of the Regions; Trust for London (Trustee)
Nicky Gavron AM	
Darren Johnson AM	Member, LFEPA; Member, LB Lewisham
Jenny Jones AM	Member, House of Lords
Stephen Knight AM	Member, LFEPA; Member, LB Richmond
Kit Malthouse AM	Deputy Mayor for Business and Enterprise; Deputy Chair, London Enterprise Panel; Chair, Hydrogen London; Chairman, London & Partners; Board Member, TheCityUK
Joanne McCartney AM	
Steve O'Connell AM	Member, LB Croydon; MOPAC Non-Executive Adviser for Neighbourhoods
Caroline Pidgeon MBE AM	
Murad Qureshi AM	Congress of Local and Regional Authorities (Council of Europe)
Dr Onkar Sahota AM	
Navin Shah AM	Member, LFEPA; Member, LB Harrow
Valerie Shawcross CBE AM	Member, LFEPA
Richard Tracey AM	Chairman of the London Waste and Recycling Board; Mayor's Ambassador for River Transport
Fiona Twycross AM	Member, LFEPA

[Note: LB - London Borough; LFEPA - London Fire and Emergency Planning Authority; MOPAC – Mayor's Office for Policing and Crime]

3.2 Paragraph 10 of the GLA's Code of Conduct, which reflects the relevant provisions of the Localism Act 2011, provides that:

- where an Assembly Member has a Disclosable Pecuniary Interest in any matter to be considered or being considered or at
 - (i) a meeting of the Assembly and any of its committees or sub-committees; or
 - (ii) any formal meeting held by the Mayor in connection with the exercise of the Authority's functions
- they must disclose that interest to the meeting (or, if it is a sensitive interest, disclose the fact that they have a sensitive interest to the meeting); and

- must not (i) participate, or participate any further, in any discussion of the matter at the meeting; or (ii) participate in any vote, or further vote, taken on the matter at the meeting

UNLESS

- they have obtained a dispensation from the GLA's Monitoring Officer (in accordance with section 2 of the Procedure for registration and declarations of interests, gifts and hospitality – Appendix 5 to the Code).

- 3.3 Failure to comply with the above requirements, without reasonable excuse, is a criminal offence; as is knowingly or recklessly providing information about your interests that is false or misleading.
- 3.4 In addition, the Monitoring Officer has advised Assembly Members to continue to apply the test that was previously applied to help determine whether a pecuniary / prejudicial interest was arising - namely, that Members rely on a reasonable estimation of whether a member of the public, with knowledge of the relevant facts, could, with justification, regard the matter as so significant that it would be likely to prejudice the Member's judgement of the public interest.
- 3.5 Members should then exercise their judgement as to whether or not, in view of their interests and the interests of others close to them, they should participate in any given discussions and/or decisions business of within and by the GLA. It remains the responsibility of individual Members to make further declarations about their actual or apparent interests at formal meetings noting also that a Member's failure to disclose relevant interest(s) has become a potential criminal offence.
- 3.6 Members are also required, where considering a matter which relates to or is likely to affect a person from whom they have received a gift or hospitality with an estimated value of at least £25 within the previous three years or from the date of election to the London Assembly, whichever is the later, to disclose the existence and nature of that interest at any meeting of the Authority which they attend at which that business is considered.
- 3.7 The obligation to declare any gift or hospitality at a meeting is discharged, subject to the proviso set out below, by registering gifts and hospitality received on the Authority's on-line database. The on-line database may be viewed here:
<http://www.london.gov.uk/mayor-assembly/gifts-and-hospitality>.
- 3.8 If any gift or hospitality received by a Member is not set out on the on-line database at the time of the meeting, and under consideration is a matter which relates to or is likely to affect a person from whom a Member has received a gift or hospitality with an estimated value of at least £25, Members are asked to disclose these at the meeting, either at the declarations of interest agenda item or when the interest becomes apparent.
- 3.9 It is for Members to decide, in light of the particular circumstances, whether their receipt of a gift or hospitality, could, on a reasonable estimation of a member of the public with knowledge of the relevant facts, with justification, be regarded as so significant that it would be likely to prejudice the Member's judgement of the public interest. Where receipt of a gift or hospitality could be so regarded, the Member must exercise their judgement as to whether or not, they should participate in any given discussions and/or decisions business of within and by the GLA.

4. Legal Implications

- 4.1 The legal implications are as set out in the body of this report.

5. Financial Implications

5.1 There are no financial implications arising directly from this report.

Local Government (Access to Information) Act 1985
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List of Background Papers: None

Contact Officer: Laura Pelling, Committee Officer

Telephone: 020 7983 5526

E-mail: laura.pelling@london.gov.uk
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MINUTES

Meeting: Housing Committee
Date: Wednesday 12 February 2014
Time: 10.00 am
Place: Chamber, City Hall, The Queen's Walk, London, SE1 2AA

Copies of the minutes may be found at:

<http://www.london.gov.uk/mayor-assembly/london-assembly/housing>

Present:

Darren Johnson AM (Chair)
Tom Copley AM (Deputy Chair)
Andrew Boff AM
Nicky Gavron AM
Stephen Knight AM
Steve O'Connell AM

1 Apologies for Absence and Chair's Announcements (Item 1)

- 1.1 An apology for absence was received from Fiona Twycross AM for whom Valerie Shawcross CBE AM attended as a substitute member.

2 Declarations of Interest (Item 2)

2.1 **Resolved:**

- (a) **That the list of officers held by Assembly Members, as set out in the table at Item 2, be noted as disclosable pecuniary interests; and**
- (b) **That Nicky Gavron AM's position as a patron of the Hackney Community Law Centre be noted as a non-pecuniary interest.**

3 Minutes (Item 3)

3.1 Resolved:

That the minutes of the meeting held on 12 November 2013 be signed by the Chair as a correct record.

4 Summary List of Actions (Item 4)

4.1 The Committee received the report of the Executive Director of Secretariat.

4.2 Resolved:

- (a) That the completed actions arising from previous meetings of the Housing Committee be noted; and**
- (b) That the letter sent from the Chair of the Committee to the Deputy Mayor for Housing, Land and Property in response to correspondence received on overcrowding be noted.**

5 Old Theatre Site Visit (Item 5)

5.1 The Committee received the report of the Executive Director of Secretariat.

5.2 Resolved:

That the record of the Committee's site visit to the Old Theatre Hostel on 15 January 2014 be noted.

6 Welfare Reform (Item 6)

6.1 The Committee received the report of the Executive Director of Secretariat as background to putting questions to the following invited guests:

- Councillor Karen Alcock, Cabinet Member for Property and Housing Service, London Borough of Hackney;
- Councillor Jayne McCoy, Chair of the Housing, Economy and Business Community, London Borough of Sutton; and
- Councillor Dudley Mead, Deputy Leader (Statutory) (Capital Budget and Asset

**Greater London Authority
Housing Committee
Wednesday 12 February 2014**

Management) and Cabinet Member for Housing, London Borough of Croydon.

- 6.2 A transcript of the discussion is attached at **Appendix 1**.
- 6.3 During the course of the discussion, Councillor Alcock agreed to provide the Committee with further information on the London Borough of Hackney's indicators for the casework impact of the recent welfare reforms on housing.
- 6.4 For the second half of the meeting, the Committee were joined by the following guests:
- Richard Blakeway, Deputy Mayor for Housing, Land and Property, Greater London Authority (GLA); and
 - Jamie Ratcliff, Assistant Director – Programme, Policy and Services, GLA.
- 6.5 A transcript of the discussion is attached at **Appendix 2**.
- 6.6 During the course of the discussion, the Committee noted the following commitments from the Deputy Mayor for Housing, Land and Property to provide clarification on the following information after the meeting:
- The number of local authorities which have a housing programme with the GLA; and
 - The amount of additional assistance funding allocated to local authorities to help tackle temporary accommodation.
- 6.7 **Resolved:**
- (a) That the summary note of the informal evidence-gathering seminar held on 12 December 2013 be agreed;**
 - (b) That the report and discussion be noted; and**
 - (c) That authority be delegated to the Chair, in consultation with party Group Lead Members, to agree a short report on the impact of welfare reform on housing.**

7 Specialist Housing for Older Londoners (Item 7)

7.1 The Committee received the report of the Executive Director of Secretariat.

7.2 **Resolved:**

That the report *Homes for older Londoners: Building healthy homes for a comfortable and independent retirement* be agreed.

8 Encouraging Diversity in London's Housing Building Industry (Item 8)

8.1 The Committee received the report of the Executive Director of Secretariat.

8.2 **Resolved:**

That the outline for a short investigation on encouraging diversity in London's house building industry at the Committee's next meeting be agreed.

9 Housing Committee Work Programme 2013/14 (Item 9)

9.1 The Committee received the report of the Executive Director of Secretariat.

9.2 **Resolved:**

- (a) That the work programme, as set out in the report, be noted;**
- (b) That the first investigation topic for the forthcoming municipal year on Housing Estate Renewal be agreed;**
- (c) That authority be delegated to the Chair, in consultation with party Group Lead Members, to agree a short report on Homelessness and Rough Sleeping; and**
- (d) That authority be delegated to the Chair, in consultation with party Group Lead Members, to formally agree the Committee's response to the Mayor's Draft Housing Strategy consultation.**

10 Date of Next Meeting (Item 10)

10.1 The next Housing Committee meeting was scheduled for 25 March 2014 at 10.00am in Committee Room 5, City Hall.

11 Any Other Business the Chair Considers Urgent (Item 11)

11.1 There was no other business the Chair considered urgent.

12 Close of Meeting

12.1 The meeting ended at 12.13pm.

Chair

Date

Contact Officer: Laura Pelling, Committee Officer; Telephone: 020 7983 5526;
Email: laura.pelling@london.gov.uk.

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Housing Committee – 12 February 2014

Transcript of Item 6: Welfare Reform

Darren Johnson AM (Chair): That brings us on to item 6, where we are continuing with our investigation into the impacts of the welfare reforms on London. For our first session this morning we have Councillor Karen Alcock, Cabinet Member for Property and Housing Services for the London Borough of Hackney, so welcome, Councillor Alcock. Our second guest is Councillor Jayne McCoy, Chair of the Housing, Economy and Business Committee for the London Borough of Sutton, so, again, welcome.

We are expecting Councillor Dudley Mead, the Member for Croydon, to come along and hopefully, join us and we will bring him in if he arrives. Then we will move on to our second session for which you are free to go, but you are also free to stay if you want to hear us question the Deputy Mayor for Housing.

So thank you, I will kick off with the first question. What has been the extent of migration of households within and out of your boroughs since we have seen the changes in the welfare benefits? We can start with Councillor McCoy.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): Thank you. We have seen a fairly significant migration from inner London to outer London, to our boroughs, as a result of the lower rents in our borough. We are quite a significantly lower-rent borough, so we have seen migration even from our neighbours in outer London into Sutton, but particularly from inner London to outer London.

What we have also seen is an increase in black and minority ethnic (BAME) households moving into our borough. We have seen a particular increase in complaints from working families moving into the borough.

Darren Johnson AM (Chair): Councillor Alcock?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It is obviously a very different borough, Hackney. However, it is fair to say that certainly what we are finding is a combination of people dealing with welfare reform, some moving out of Hackney and tending to head north, even out of London. The other way people are responding to welfare reform changes, which is more difficult to track but we have certainly had some indications, is by not moving out of the borough. Particularly with the private rented sector (PRS) as I am sure you have heard in your evidence sessions, effectively making themselves overcrowded to make the rent and affordability issues work for them. There are two things happening: migration out and people rethinking their housing situations, which does lead to overcrowding and other issues which we do not really want to see.

Darren Johnson AM (Chair): Have you got any evidence on the impact on particular groups in your borough such as BAME, disabled people and so on?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It is based on economics and people's household income. Hackney is a very diverse borough, so I do not think there is anything particularly specific about a group that I am aware of. It is those on lower incomes which tend to be high BAME because we have a high BAME population in the borough, so I would expect to see that sort of follow-through.

Darren Johnson AM (Chair): Figures that I obtained through Freedom of Information requests on homeless families with children, show that since 2010 the number that have moved out of that borough has doubled, and the number being moved out of London has risen from around 21 to 222. That is in terms of homeless families with children. Do you recognise this pattern?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes.

Darren Johnson AM (Chair): Would you say a similar scale?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): Judging by the payments we have made through our Discretionary Housing Payment, we have seen 44% payments go to a claimant or their partner who has a disability and 48% go to families with children and some where there are both involved.

Darren Johnson AM (Chair): Thank you. If I can welcome now Councillor Dudley Mead representing Croydon today? Welcome. We were aware that there have been some transport difficulties. Thank you so much for being able to make it.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Thank you for inviting me.

Darren Johnson AM (Chair): What I was asking as an opening question to our other two guests was: what has been the extent of migration of households within and out of your borough, if you want to give your aspect of that?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): There is migration into Croydon because, as I have frequently said, in terms of the marketplace, the rentals are lower in Bexley and Croydon and I think Redbridge than they are in the other parts of London, so it would be an attraction.

Out of the borough, I do not think there has been a significant movement. We certainly are not forcing anybody to leave, but we are assisting anybody who wants to leave. If they have family

ties or job opportunities elsewhere, then we are very happy to assist them in going, but there is no compulsion and I have no intention of bringing in any compulsion.

Darren Johnson AM (Chair): You are seeing an influx coming into the borough?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Yes, we are seeing a definite influx, certainly.

Darren Johnson AM (Chair): Thank you. I just referred a moment ago to a Freedom of Information request that I put to each of the boroughs in terms of movements. Most were able to respond with the figures, but seven boroughs - including Croydon - said it would cost too much to actually crunch the numbers and do the calculations. Are boroughs doing enough to actually track and monitor the impact of what is happening, do you think?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): It is adequate what we are doing. You can always argue that you need to do more on certain things. We certainly have had a housing crisis in terms of just not having the accommodation, not having the supply, and we have had to put people in temporary accommodation, but that is now reducing.

I frequently have said that now that the mortgage market is improving, I am seeing more landlords prepared to come and offer their accommodation to the borough. We have many schemes to attract them to do that - Croylease [a Council-run leasing scheme in partnership with landlords] or putting landlords in touch with prospective tenants - and that is improving. That is the present situation. We are nowhere near out of it, but it is nowhere near as bad as it was 12 months ago.

Darren Johnson AM (Chair): In terms of monitoring the impact, Councillor Alcock, Councillor McCoy, do you feel enough is being done either at the individual borough level or pan-London, in terms of actually monitoring the impact?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Certainly in terms of what we have been doing, there are particular changes like the cap, where you can actually track because the number of households you are dealing with is not thousands, you actually are responding as a caseworker. You can actually track and see what decisions are being made and how people are responding to those caps. It is fair to say that some people have entered into work programmes. For some their benefits have changed, which means they have been brought back under the cap and there are those who have moved out of the borough and we are able to track that. The difficulty as all these policies come through - and obviously they keep coming - is they slip and they delay, so in a sense it is quite a difficult policy area to keep a grip on just because of the nature of what is happening.

What is more difficult to track - and we are certainly looking at some proxy indicators in the borough - is going back to that point I made earlier. People are making individual lifestyle, household decisions which are very difficult to understand, although you can use the number of

people who are using food banks, etc, again as proxies. It is an issue and people are responding to it by overcrowding, changing how they get to work, etc, which is very difficult to track. No doubt those are changing, but the challenge for London government and the boroughs is how you evidence that so you can actually understand it. Certainly my view as a councillor, and understanding voluntary organisations and other groups that work in Hackney, is that is definitely what you are seeing, rather than just the more normal indicators you would usually use.

Darren Johnson AM (Chair): Thank you.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We have been quite concerned about the impacts, particularly the cumulative impacts, so we have been keeping quite a close track. We have had updates on the impacts and how things are going across all the range - the council tax reductions, the social rent room restrictions and the benefit cap - so we have had reports to my personal committee regularly. We also keep economic indicators tracking. We do that quarterly, so that looks at employment rates as well as business impacts and obviously the housing situation, so we have been keeping a close eye on that locally.

We also liaise with our voluntary sector partners and we have been talking to the Citizens Advice Bureau about the changing inquiries they are receiving and we are seeing increases in debt arrears and complex cases. What we are finding is that it is the complexity of issues that is problematic.

I know that regionally there is work being done and we get reports back on the regional impacts of things, which is good. I am a little uncertain as to whether there is sufficient understanding of the impacts of the policies coming from different departments, for example from the Department for Work and Pensions (DWP) and Housing. There seems to be some mismatch there, particularly around rent policy and benefits policy. I am not sure if I could say that on a wider scale we are comfortable that the effects are being adequately monitored.

The other thing that we are concerned about - which is difficult to monitor but is something we are trying to do - is the social impacts. You can track the movement and you can track the arrears increases and you can track the Discretionary Housing Payments we are having to make to plug the gap. What we cannot see is the difficulties people are having maintaining employment because they have had to move, maintaining school places because they have had to move, maintaining their community support from families who are prepared to offer childcare and, the social support you get from being part of a community. We are seeing communities being broken up because people are having to move.

Then there is the impact on health and social wellbeing and mental health issues. Those impacts are harder to measure but we are keeping a close eye on them from a social services point of view, looking at whether there is an increase in instances of domestic violence and relationship breakdown. That is where it might shift on to a different area and we have to try to tie that together, but it is not easy.

Darren Johnson AM (Chair): Thank you. Before I bring in other Members, finally, in light of what we know and what we do not know - the known unknowns and the unknown unknowns, as it were - what assumptions are you making about the impacts of welfare reforms on your future housing need assessments, Councillor Alcock?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Goodness. There has always been a housing issue in Hackney in the sense that we have always had people on the waiting list and issues with overcrowding etc. Really what the welfare reform changes, is thinking through and trying to keep that longer term strategy of building the affordable homes and the intermediate projects that we want to have in the borough, which continues, and really just actually dealing with some of the immediate issues which affect how you are dealing with your statutory homeless obligations. Some of the things that we are doing are being mindful of the cost of annex and temporary accommodation, working with private landlords to try to establish that supply of private rented stock, as well as bringing back other council accommodation and bringing it forward as temporary accommodation, to try to deal with that immediate crisis of how you deal with those people who are presenting themselves as homeless. That is the big piece of work that I would say at the moment we are spending quite a lot of time, effort and money on; to make sure that we are dealing with that acute housing crisis, which I do not think we were having to do a couple of years ago. We were able to deal with the long-term, sustainable housing and we still have to do that, but we have this immediate issue and that is where we are having to spend a lot of time at the moment.

Darren Johnson AM (Chair): Thank you. Councillor McCoy and Councillor Mead, have you anything additional to add?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): The only thing I will pick up is you were talking about arrears. Our experience, certainly in terms of council tenants, is arrears are the lowest they have ever been. We have actually collected 99.1% of the rents this year. We are expecting to increase that to 99.6%.

I know we were one of the first into the changes in the benefit arrangements because we started last April. We have spent an awful lot of time and resource with council tenants in relation to it. Obviously, we have used the special housing payments where appropriate. One of the other things that we are very pleased about is that there are now 220 people who are employed this year who were not employed last year.

I have to say I take the view that these changes have had a positive influence. Perhaps they have been brought in too quickly with hindsight, but, frankly, something had to happen.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): I can foresee additional pressure on the private rented sector. We have a real disparity between the Local Housing Allowance and actual rents, which means it is harder and harder to find affordable housing for people who cannot get social housing. There is a

particular problem with three and four-bedroom families, which is where the families impact, so increased overcrowding.

It is also harder for us as an authority to try to work to maintain those relationships with private sector landlords to continue to offer places. We have to pay more money to them to try to incentivise them to offer placements. They are just not as certain about the rents that people can pay, so they do not feel able to offer accommodation to Housing Benefit claimants. We are concerned about that.

Also, it is harder and harder to find private sector landlords who will offer temporary accommodation to a local authority, so we have seen a big gap there; and it is just going to be harder and harder.

Tom Copley AM (Deputy Chair): I wanted to ask about the impact of the reforms on people who are in work because nearly 50% of people who claim Housing Benefit in London are working, but of course the Local Housing Allowance (LHA) is no longer being uprated by rents; it is being capped.

Are you already having to move people who are working or, if not, do you anticipate that you are going to have to start moving working people who are on Housing Benefit in the future? Can I start with you, Councillor Alcock?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Certainly the big issue for those who, as you say, maybe do receive Housing Benefit are those who are in work, those who are in council housing or housing association properties or in the private rented sector. That is really probably the most critical issue in the borough in terms of the affordability of the private rented sector. I certainly recognise what was just said now about affordability levels and how you effectively make sure that people find that type of accommodation in the borough?

What I think will happen and is happening is that, for those who are able to move, they are moving out of the borough and that is the general migration that you talked about at the beginning. Also, for those who are in work, they are making difficult decisions about where and how they live in their property. Rather than a three-bed where children are sharing a bedroom and the parents are in the other room, the parents are now sleeping in the living room with the children having the one bedroom. That is what is happening because there is some evidence to suggest that people, particularly those with children, are making decisions to stay in the borough rather than move out of the borough with the associated issues of school placements and all the rest of it. That is the bit that is really hard to track, but that is what is happening for those who work and who have been affected by the number of changes that have taken place.

Tom Copley AM (Deputy Chair): I would agree it would be hard to track, but do you think that actually it is potentially more likely that those who are in work would put themselves into more overcrowding within the same area than those who are out of work in order to stay where they are near their place of work, given that they might have just balanced things up in terms of where they live, where their work is, travel costs and all that kind of thing?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes, I would definitely say that.

Tom Copley AM (Deputy Chair): I just want to ask Councillor McCoy or Councillor Mead if they would like to add anything.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I have nothing to add to that.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We are seeing an increase in claims from working families. One of the key problems for low-paid workers is that they are not able to maintain accommodation close to their employment; they are having to move, certainly out of inner London, and they have to move further afield. Then the costs of travel increase, so we think that could be a long-term crisis. The DWP needs to look at some of the benefit tapers to try to address that problem because it is a significant problem for lower-paid workers. They are going to be banned from central London.

Andrew Boff AM: Bearing in mind that any configuration of Government that can be fancifully imagined would have a Benefits Cap, what are the benefits of a Benefits Cap to the boroughs, especially with regard to their emphasis on those people who are in work?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): That is quite a difficult question to answer.

Andrew Boff AM: I am sorry. I could start with the easy ones. Would you like that?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): No, do not start with the easy ones. I have not seen any evidence of anybody coming and talking either to me or to our housing officers and saying, "I have suddenly come into difficulty because of the level of pay I am getting vis-à-vis my outgoings". That is not the case. Maybe we are different from inner London boroughs but I do not see this scenario, and I have not seen this scenario, in Croydon and I cannot see that we are going to be any different to other outer London boroughs.

We have seen quite an upturn in employment. We had the biggest fall in youth unemployment and we had a significant fall in adult unemployment, if you can differentiate between the two, in the last two or three months. Frankly, we are seeing the economy turning the corner in Croydon and I have not come across this. My main problem is finding accommodation for those who are in temporary accommodation. That is where I am finding a problem.

I would like to see the Local Housing Allowance go up. I must admit I did actually curse with my colleagues here that it is getting increasingly difficult to persuade private landlords to give us their properties, but we have become a little bit innovative. In fact, sometimes we have a scheme whereby the London Borough of Croydon is the tenant and landlords like that because our covenant to pay is absolutely copper-bottomed. We pay slightly less rent than they would probably get on the open market, but they know they have it for a complete fixed period and every month that direct credit goes into their appropriate bank account. That has been extremely successful.

Andrew Boff AM: Any other comments from the other councillors? The benefit cap is here to stay in some configuration. What is its benefit?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We have seen an increase in people taking employment and I have been working very hard in Sutton to make sure that the opportunity is there for them to take up employment and to make sure that our residents are skilled up to access employment. It is hard to determine how much is the pressure from the benefits caps and how much is the work that we have done, but we have seen an increase in employment. That could be seen as a positive.

However, one of the things the caps and the reforms were introduced to address is where you have large families all living on benefits and costing a lot of money. Unfortunately, they are the kind of families that are the hardest to get into employment and in some cases we are never going to get them into employment because they are chaotic families. They are the troubled families that we are trying to address. My concern is that we might end up undermining some of the multiagency work, the support networks and the social services support, that has been done around these families if we then have to move the family. Any minor improvements that are made, they have to be broken up because they have had to move because of the caps and the welfare reforms. Actually, again, it could shunt the costs on to social services, so we do not know. There might be savings in one area but then increased costs elsewhere. That was one of the reasons the reforms were introduced - to address those large, troubled families - but they are unlikely to result in moving into employment. That is just the situation.

Andrew Boff AM: What proportion of families are we talking about?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): I do not think I have figures for the number of troubled families in the borough. I think we only have two or three key cases. We have 83 cases of families affected by the Benefit Cap with three or more children.

Andrew Boff AM: You are saying that all those 83 are unlikely to get employment?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): No, not those 83. We have 18 families with five children and two households with six or seven children. We are finding that the cases are more complex for some of these families. There are a lot of single parent families as well. That is another issue.

Andrew Boff AM: Presumably, more people are moving into work. That allows you resources to concentrate on those particular families who have particular issues. Is that correct?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We are concentrating on them anyway.

Andrew Boff AM: Of course you are, yes. In Hackney, what about the benefits of a Benefit Cap?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Certainly the Benefit Cap has probably dealt with some of the easier, solvable cases, if I can use that phrase, in the sense of those who are now in work; because there have been people who have been affected by the Cap and who are now in work. The question is whether they would have gone into work through some of the programmes that we were delivering before 2010. We had a very successful Ways into Work programme before and I would not want to state categorically that people are now in work due to the Cap given there were other ways of getting them into work.

The issue with the Benefit Cap, particularly for a borough like Hackney where our private rented stock is so expensive and in such high demand, and when that is combined with the high cost of good quality childcare, is the issue of families. Not troubled families but just working, regular families in the borough, where we are not seeing the movement. It is particularly the case for those families that have children under five. If you have two or three children and you are in the private rented sector, it is actually very difficult, particularly if you are in a job where you are doing shift work. How do you actually make that work, if you are having to pay for childcare, transport and a high rent when it is all being capped? Just looking at the Benefit Cap without thinking about some of the huge costs of actually going out to work, eg childcare and rents in the borough, if you are a single mother or even a working two-parent family is incredible. I see the Benefit Cap not really looking and understanding the reality of how you leave a house at 6am in the morning but you still have to get the children to school. If you cannot afford a nanny or someone to live in to do it or you do not have that support, however bright or clever you are, you cannot make that work for you because the Benefit Cap does not allow you to make that work.

Andrew Boff AM: I take the point but unless whoever the next Government is changes its mind midterm, we are going to have the Benefit Cap for six years at least. So it is something we are going to have to work with.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): I guess what I am saying is, to make the concept of a Benefit Cap work, you have to look at the issues of housing supply, the supply of the private rented sector and also critically, the cost of childcare. Looking at one in isolation does not deal with those families - not the low-hanging fruit that we have talked about, those who have gone into work because they can enter the job market but those - for whom actually it is just very complicated, not because they are --

Andrew Boff AM: Yes, I agree with you. I wish we could, as an Assembly, get our teeth into the concept of childcare, but unfortunately it is not actually in our remit. It would be great to do that because one of the biggest issues in London is the availability of childcare.

Nicky Gavron AM: May I ask each of you in turn what impact these welfare reforms have had? You have talked a lot about the impact on the individual groups who make up the claimant group, but what about the impact on your services, on your staffing, on your finances? As we are pressed for time, the second part of this would be: do you have any thoughts on how those burdens could be lifted or at least mitigated?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It is fair to say that local government is having huge cuts and reductions in their overall budgets and we all recognise and understand that. What we have had to do because of the particular welfare reform changes, is have a lot of senior officer thinking, to actually understand how we track and think about this. It is not business as normal. Having senior officers trying to work through and understand the implications, does have an impact on other services, without a doubt.

In terms of how you mitigate against that, it is very difficult. We are in a position at the moment in all local authorities - and certainly for Hackney - where there is a lot of firefighting going on. I talked about the temporary household issue and Croydon talked about it as well. You are actually dealing with the next immediate issue. Some of the things we are trying to do to get our head above the immediate issue, and think about how we future-proof a set of circumstances which are going to be here for a number of years, is, for example, we have just introduced a social lettings agency to deal with the concept of the private rented sector. We are taking it on ourselves that we are actually going to try to take private rented sector properties away from the lettings agencies and use them ourselves with our own stock.

There are ways of trying to map out pathways so we have some control and try to think about the right interventions to take back some control so that we can understand and do some future planning, because that is the critical thing. There is not as much time as we need at the moment to do that planning because, as I say, we are firefighting.

Nicky Gavron AM: We know there have been cuts to advice services. I had better declare an interest. I am a patron of the Hackney Law Centre. I know they are experiencing more and more people coming and needing advice and that must be true, too, of your service.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes, I do have the numbers in my notes, which I am happy to send on so I do not shuffle through now. Yes, face-to-face and telephone inquiries, and casework have gone up considerably, without a doubt; both for the council having to deal with those issues, as well as those organisations that are also trying to deal with that amount of additional support that people are looking for.

Nicky Gavron AM: What about school places?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It is not my area, but I have to say Hackney is doing a good job with school places. At the moment, we do have quite strong, robust plans for school place planning. We were lucky in the sense that we got a lot of our Building Schools for the Future (BSF) funding before it was cut. So we did an awful lot of work a number of years ago to build those schools and create those extensions on those schools. It is an issue for us, but again that is an area that we have robust planning for and we are considering and thinking about how we bring forward new school places as a regular part of the day job.

Nicky Gavron AM: It sounds as though you are managing overall very well, so there has not been a great deal of impact, then.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): There has certainly been an impact on the casework, without a doubt, in terms of the individuals who are asking for advice. If you are looking at the indicators such as those who come in, we have a duty to house them. There are certainly more people who have a duty to be housed, because of our homelessness duty and the amount of people that are being evicted from the private rented sector and presenting themselves for housing. All of those indicators are there, I have them and I am happy to pass them on later rather than using up the time here, but there are a number of indicators where that activity clearly shows there is an impact, if that is the answer. It is to the credit of local government that we are continuing to keep our heads above water, to be honest. That is not politicians, that is really good officers in local government doing this.

Darren Johnson AM (Chair): Thanks. It would be useful to get hold of that data.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I would largely agree that we have coped with it, bearing in mind we were one of the first into these reforms. We had many visits from Lord David Freud [Minister for Welfare Reform] in the early stages and I have to say we managed to extract quite a bit of recompense for the costs that we incurred.

I do actually have a briefing note from my officers in respect of the ongoing situation. Our additional staffing costs are £136,000. The running expenses are £77,000. We expect to get £75,000 back from the DWP. The net cost to us of implementing all of this is about £138,000 a year, which we are doing. I have to say officers are coping. Whereas I thought there might be some chaos in respect of it, it is not happening. As you say, very good local government officers.

Nicky Gavron AM: You mentioned temporary accommodation and you said that was an area you were having difficulty with. My understanding is you are placing people who might have gone into temporary accommodation because you cannot find it somewhere. I think it is Hull. You are placing claimants whom you cannot accommodate into accommodation in other parts of the country.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Not in other parts of the country; in other parts of London.

Nicky Gavron AM: In Hull?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): No, that was press speculation.

Nicky Gavron AM: You are not doing that at all?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): We have not sent anybody to Yorkshire, except those who want to go. Recently families have gone to Ipswich and Nuneaton and other places, but they volunteered to go because they have either family connections or jobs. We are placing some in temporary accommodation outside of Croydon, but I have to say Wandsworth and Westminster are also placing them in Croydon. So all authorities are in this market, dipping and fishing in this pool, to try to acquire temporary accommodation.

Darren Johnson AM (Chair): Councillor McCoy, have you anything to add?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): In the climate of the cuts to local government, we have seen a considerable and significant transfer of additional responsibilities from central to local government, but not with the funding following it. For example, the council tax reduction, we received only 90% of the funding to accompany that, plus some admin, and then that has been cut since then. We have taken on an awful lot of new responsibilities but the funding just is not following, or it might follow for the first year but then it gets cut. We have worked out that overall in terms of administration support in respect of welfare reforms we are down £250,000 this year. In terms of the Crisis Loans and Grants Scheme, another scheme that was transferred from central to local government, we have proved that we are managing it very effectively; much better and more effectively and more responsibly than the DWP ever did, but again our funding is now going to be removed.

The other side of it is that we have been putting more and more work into trying to prevent homelessness and trying to manage arrears; and that is only going to get worse, so we are really getting tired. We are managing. We are coping. We have an award-winning Revenues and Benefits team, but they are seriously worried about the coming impacts, particularly with Universal Credit.

As well as the shrinking funding, we have a lack of certainty of funding, so it is impossible to think ahead and plan. Things happen in very short timescales and then the introductions of these schemes are all done very, very quickly. The council tax reduction was on a very short timescale. We had to put in significant software systems to cope with it. That all had to be

done very quickly and was not very well transferred over. This has significant impacts and I can only see it getting worse.

Darren Johnson AM (Chair): Thank you.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Could I just add one thing? There is effectively a little bit of sting-taking out of the tail of some of this and it will progress because you have the Discretionary Housing Payment (DHP) at the moment; which, in effect, councils are using to try to soften the impact, but ultimately that is not going to be there, it is going to be reduced and will be stopped. You have that situation where DHP is dealing with some of this as a pot of money, but ultimately when that is no longer there, it will be difficult for authorities to find that money and to replace that money from their own pots. That is when you will start to see the impact. As I say, there is a bit of a veneer around it at the moment because of the DHP.

Darren Johnson AM (Chair): Thank you. That brings us nicely to the question that we have from Andrew on the future of DHP.

Andrew Boff AM: Councillor Adcock, you have almost answered what I was going to say, but could you add some detail? The question I had was about how you are using those Discretionary Housing Payments and what do you think the future of DHP should be in 2015/16.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): We are using DHP, particularly for those who we are trying to support into what is a more sustainable tenancy. It is at the point where they cannot cope with the rent that we are actually using the DHP; again as that buffer to keep them in their accommodation until they find a way, whether through work or through moving, to effectively right-size their budget but obviously DHP is going to reduce.

An interesting thing that will be a real issue as that funding starts to disappear is that I do not think tenants or residents understand the difference between the Housing Benefit and the DHP. Ultimately their rent is being paid so there is an issue about how people understand what has happened here. People do not understand the difference. The DHP is not the Housing Benefit (HB), the DHP is something that you can give and take away and ultimately it is not there in the same way that the Housing Benefit is. That will be an issue and it goes back to that point about that veneer that is around it at the moment, which is not going to be there forever.

Andrew Boff AM: That is quite interesting. To what extent are the tenants informed that that is a discretionary payment?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): They are.

Andrew Boff AM: They are, but they are missing it somehow?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes. It is fair to say that there are an awful lot of letters coming from an awful lot of government agencies and councillors. For the tenants I speak to, until they get that red letter saying, "We are one step away from taking court action", it is only then - and even then not always - when they actually realise this. The administration of government means that people are not necessarily picking up on the changes because there are so many changes coming in at the moment. It is hard for me to keep on top of it, let alone if you are trying to manage a limited budget and you have children and all the rest of it going on in your life. You are just trying to manage your day-to-day life.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We have been using it in a similar way to try to maintain accommodation where necessary. For example there are a lot of the cases where there are children involved and they are affected by the social rent room restriction; but in a year's time their children will be of an age where it will be appropriate for them. So it is maintaining that, or people who are approaching retirement; they might have to downsize but then they will be ineligible once they retire, so it is those transitional arrangements as well, being quite a focus.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): It is essential that there is a DHP situation continuing. We have been using it principally in two areas: firstly, where it is the cheaper option. Sometimes, if people were to be evicted, we end up with a much greater cost. Secondly, where somebody is really trying to get themselves into a job situation, they are working with Jobcentre Plus and they are on some sort of course or other, we have certainly used it in those circumstances.

I would agree with my colleagues that tenants do not really understand the difference between DHP and Housing Benefit. I can relate very briefly a case where the ostrich syndrome comes in. While it is being covered, they leave it until the very last minute. I had a lady in my ward who came to me and said, "This is going to end in ten days' time", and I said, "You have been told for the last six or eight weeks. You were told a year ago that this would happen for one year only", and they do nothing about it. That is actually a problem. They wait until the very last minute instead of trying to reorganise their situation. It is certainly a great positive, but equally it does have that negative side and it puts some tenants into a false situation. They think this is going to continue when clearly it is not. It is for a fixed period, be it 3, 6, 9 or 12 months.

Andrew Boff AM: I am hearing - and correct me if I am wrong - that you would not want to see a reduction in that level of DHP.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): No.

Andrew Boff AM: Do you think there is a role for the Mayor? The Mayor lobbied quite heavily for the allocation that London did get for the DHP. Do you think there is a role for him to continue that lobbying with Government?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): It is essential that the Mayor continues to lobby. It is very much his role. Everybody will say this, but London is a very special case where housing is concerned, simply by the sheer volume of the population and the price of it and, frankly, the lack of supply. If there is going to be a cake sliced in terms of Discretionary Housing Payments, we must have the largest slice.

Andrew Boff AM: It is likely that DHP are going to reduce at some point. Bearing in mind the nature of the DHP, should the call on that be reduced as well? Should it be reducing as a result of it being a discretionary and transitional arrangement?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Everybody wants to reduce these things, but I have to say if we are going to efficiently manage the situation in what is the largest London borough in terms of population, we have got to have some elbow room. To get us to a situation where there is not a DHP pot, then it would be extremely difficult. I do not think we have spent the whole amount in our borough. We use it with discretion and caution, frankly.

Andrew Boff AM: You do not want to go spreading that too far. You do not want to go telling people that, do you?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I am being frank. What you see is what you get. If you ask me a question, I will tell you a truthful answer as far as I see it. There might be another crisis three months away when I am in desperate shortage, but that is not the case at the moment.

Andrew Boff AM: How is it with regard to the other boroughs as well? It is supposed to be a transitional thing, the DHP. Are you seeing it as that or are you seeing it as an essential part of the actual funding stream?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): It is proving to be an essential part because some of the premises on which the reforms are based are incorrect. For example, for the LHA rates, we are seeing a huge difference between what the rates are set at and actual rents, 14% difference, so it is proving harder and harder for people to find properties that are affordable that they can live in. That is the problem, it is the affordability of properties in the private rented sector. Basing the reforms on the assumption that there are properties out there that people can afford is incorrect. They base it on a rate and say, "You can afford this amount", but if the properties are not there at that rate in London, the rents are increasing significantly. Unless we keep up with that increase, it is never going to be affordable for people. Either we have to accept that people are going to be moving out of London altogether, particularly low-paid workers, or we have to get the figures right in the first place and then it truly will be transitional.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I completely agree with my colleague, Jayne. One of the big problems with the LHA is it is set in stone; it does not react to the market. The market can move quite quickly and then you find it is completely out of kilter with the market and exactly what Jayne has just said happens. It needs to be reviewed much more quickly, more often and to reflect the market conditions.

Andrew Boff AM: How can that DHP be used for supporting people with long-term conditions? We understand the original logic behind the DHP as being a transitional arrangement, but of course they become quite important for the long-term disabled people, people who are very difficult to get into employment.

Are you finding you are using those DHP for those people? It is the attrition rate I am trying to look at for DHP. Are you paying the same people time and time again DHP when perhaps they should be moving on, or are you using it predominantly for people with longer-term conditions? Do you understand what I am saying?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): In the short-term, no. The DHP is a discretion to get somebody over a hurdle and some sort of change that is going to be a permanent sort of change, as far as I am aware.

Andrew Boff AM: Is that how you are using it, though?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): That is how we are using it.

Andrew Boff AM: It is just temporary arrangements? You are not using it for people with long-term conditions?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): No.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): No, not that I am aware of.

Stephen Knight AM: Clearly, the DHP is the biggest discretionary pot you have in terms of helping people, but there is also the Local Assistance Scheme and I know there has been some publicity around Local Assistance Scheme money either not being spent or very little of it having been spent. Secondly, the Government has said it is going to withdraw it completely.

I just wondered if you could tell us a little bit about your experience in your boroughs around the Local Assistance Scheme and whether or not that has been helpful or what the problems have been in getting it spent.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Are you talking about the Social Fund that was being managed by the DWP and has now been passed over to local authorities?

Stephen Knight AM: That is right.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes, we basically put in our own scheme in April last year and it is designed to cover for those emergencies and items that are difficult to budget for. It is fair to say I do not think it was not being particularly well used by the DWP. It was not particularly being managed in the way that as a local authority you would want to manage it in terms of thinking about how you give that assistance. There are a number of things that we are doing and it is around awareness of the scheme and making sure people understand what it is for. I do not want to give a ridiculous example, but there were examples of people losing their Oyster card and being given a new Oyster card when actually, if you register it, you do not lose your money. It was things like that and that money was being given out, so it is not for that sort of thing. It is for those emergency situations where you need it, rather than for just general white goods or whatever.

Stephen Knight AM: Did you design your own scheme in Hackney?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes.

Stephen Knight AM: You did not mirror what DWP had done?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): No, because the view from us as a council was that it was pretty badly managed, actually.

Stephen Knight AM: Hackney is one of the boroughs that managed to spend its allocation fairly well. I wonder if the other boroughs might comment on how they found the scheme.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): Like Hackney, we devised our own scheme. We have paid out 52% to date and we feel that we are managing it better than before. The majority of our scheme goes on furniture and white goods for people when their washing machine has broken down and they cannot afford to pay for it. We are giving out a lot in food vouchers, utility bill top-ups and sometimes travel and clothing for different purposes.

We might only have paid out 52%, but that is because we know there is a bigger hit coming down the road, so it is about managing it prudently. You do not give all your money away at the beginning and then be faced with somebody in a real crisis when you have no money left. It is just about managing it, in a way. We have already had a review a few months into the scheme to see how it is working and whether we needed to tweak it a bit, which we did, because certain

people were ineligible for things given we said that you could come back for food vouchers twice rather than just the once, so we think we have been managing it quite well.

The thought of it being cut is significant. We are seeing significant people coming for things like food vouchers and emergencies that they would not be able to have help with otherwise. We also refer them on to our Croydon and Sutton Credit Union schemes and we try to use that as an opportunity to give them more permanent help and support in budgeting and in managing their money longer term. If there are any other needs, if we can help them change accommodation, it is a way in for us to try to assist them. Just to be able to assist people in that first instance is important and we think it is going to get worse.

Stephen Knight AM: You see the impact of it being removed as quite significant?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We would be very worried, yes, and we would probably have to think about whether we would be prepared as a local authority to offer that ourselves without funding. We have huge amounts of demands. As I say, if we do not do it this way, we might end up paying out for it through social care.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I have never been told that we have run out, so I expect you are going to tell me what percentage we have spent because I do not actually know that. I know we have a scheme. We devise what it spends on. As far as I am aware, it is working pretty well. In years gone by there were some difficulties, but we did have Lunar House down the road and that did cause us some difficulties.

Stephen Knight AM: Thank you.

Tom Copley AM (Deputy Chair): Yes. Could you tell us if you are aware of any impact on the rent levels following the LHA reforms and specifically whether rent levels have reduced as a result of welfare reforms in the way that the Government and the Mayor said they would?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): No, they have not. I do not think they have. We have seen a significant rise in Croydon of rent levels in the private rented sector. At one time I think it went up 20% in one year, but we were one of the lowest in London so that was to be expected. No, I have not seen any reduction at all and, in fact, I cannot see any on the horizon. I did actually think that with the mortgage situation easing it might improve, but it has not. To date, I have not seen any softening of the rental market.

Tom Copley AM (Deputy Chair): Thank you. Councillor McCoy?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): No, we have seen increases in rents and also a reduction in people prepared to rent their property, not the bigger ones but certainly the smaller private landlords.

They just do not want to seem to do it anymore. That makes the market smaller, which is going to push rents up.

Tom Copley AM (Deputy Chair): Thank you. Councillor Alcock, same story?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes, rents continue to rise in the borough due to the interest of people in the borough. Obviously, the LHA was meant to do something, it has done the complete opposite. You combine it with rising values of land and all the rest of it and you have a real issue in terms of the gap between rents - I have a figure of 6% in front of me, but that is probably wrong; I think it is higher than that - compared with what benefits will pay out. It is a huge, huge gulf that continues to grow and the impact of that we understand from the problems of housing people in the private rented sector. Why would you go to the LHA when you can get four young professionals paying £200 plus a week?

Tom Copley AM (Deputy Chair): The fact is it is basically a landlord's market at the moment and they are not having to stop around for tenants?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes. In fact, they flip their properties. They have them for six months and then they flip them because they can go back to the market and get a ridiculous amount of extra money, plus all the admin charges and things like that.

Tom Copley AM (Deputy Chair): You are seeing a higher turnover?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes.

Tom Copley AM (Deputy Chair): That seems pretty unanimous. That brings us on to the private rented sector, actually, Karen. Have the LHA reforms had any effect on the availability of private rented sector accommodation in your area?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): The LHA has meant that for those on low incomes who rely on benefits to help pay their rent, even when they are working, it is just a tenure that they relied on because they were not able to get council housing and they cannot afford to buy. Those people now are either moving out of the borough or moving into cheaper and smaller, lower-quality accommodation.

Tom Copley AM (Deputy Chair): Are you having conversations with landlords about trying to get people who are on benefits into properties? Are they notably more reluctant, particularly given that direct payments to landlords have now been abolished and the money goes direct to the tenants?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It is a bit of a perfect storm in the rental market in London, I am sure that is true

in Hackney and I am sure that is true of a lot of London. You have less supply of affordable housing generally and obviously more people wanting to live in Hackney and London. The issue is, as you said, that it is a landlord's market. When you think about how the private rented sector was effectively our safety valve for dealing with our homelessness as well, you just have a situation which is not sustainable and is not tenable. The only way it is going to happen is people just have to move out of London on those sorts of incomes because they cannot compete and landlords are not interested because they have very good tenants queuing up. There are sealed bids in Hackney for rental properties now.

Tom Copley AM (Deputy Chair): Are you as a council now renting back your formal council properties at the higher rents?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes.

Tom Copley AM (Deputy Chair): Is that the same with other authorities as well in Croydon and Sutton?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I am not only renting them back, I am more actually buying them back.

Tom Copley AM (Deputy Chair): That is good to hear.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I was going to tell you about some of the things that we have done. I say we are innovative. I agree with what some of my colleagues have said. The LHA makes life difficult. It makes it increasingly difficult when the market rents rise.

One of the things we do - and it has been fairly successful because there were 100 attendees last time - is we have a quarterly conference with our landlords. We bring them in and we talk to them about problems. I am going to air it right now. I am very much against Housing Benefit being paid to the tenant. Hitherto we have always paid it to the landlord and that has been one of the great attractions for landlords to come to us. If the Mayor can lobby and perhaps make the Government think again, that would be a benefit to the housing situation.

Tom Copley AM (Deputy Chair): We shall put that to the Deputy Mayor for Housing, Land and Property in the next session, potentially.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I was going to actually say that we have currently bought and completed on 86 houses to assist the situation. They are not actually in the housing stock but just as a general fund investment. They are very successful. We bought them right in the market, so we are not going to lose a penny. The cost of so doing - because it is on borrowed money from the Public Works Loan Board - is that it is

washing its face handsomely. It is a jolly sight cheaper than many other options and I have authority to buy more, but I have certain caps on the price I will pay.

Tom Copley AM (Deputy Chair): Are you using these properties to discharge your statutory duties on homelessness? Are you using them to house people?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Yes, housing people off the waiting list. I have built 104 units and I have another 77 under construction. Frankly, you cannot just sit back and wait for the landlords to come. You actually have to get out there and I have not bought a single square inch of land. It is all on recycled land. There is plenty more to do. If that were done London-wide, I am not saying it is so easy in inner London but certainly the outer London boroughs can do it. If we can do it, they can do it.

Darren Johnson AM (Chair): You should have read our previous report on this, if you have not, about the right to build and council house building in London, so do have a look at it.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): We started four or five years ago.

Darren Johnson AM (Chair): We have taken some good ideas from the boroughs.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): I agree with my colleague's description about the perfect storm in the private rented sector market. There are pressures and the pressures have increased. People cannot get loans or mortgages to buy, so they are relying more and more on the private rented sector. We can discharge our duty into the private rented sector and then, because there is a move from inner London to outer London, we are seeing pressure on the cheaper rents in the outer London boroughs. We find it harder and harder to get to use private rented sector landlords for temporary accommodation as well as just taking benefit claimants anyway. We are having to use our own void properties to try to mitigate the situation and we are working to do a conversion to provide our own temporary accommodation in the borough. We are having to do all those measures and of course we are doing a drive to try to increase the housing market in the borough anyway with inward investment. We are trying to build our own new council housing to try to mitigate it. Yes, it is a perfect storm.

Steve O'Connell AM: We talked about the mitigating activity to date, which is around the DHP. Now we are just turning to the proposed Targeted Affordability Fund (TAF), which is a part-recognition of the London housing crisis. This is where it is recognised that 51 out of 80 of our housing area rates are capped below the 30th percentile. I have the areas within your particular boroughs. You may already have them in your briefing notes. In Croydon, in the rental market areas, inner southeast and outer south London, which is the same for Sutton, certain accommodation types have been identified that may benefit from the TAF. It is recognition of the high rental prices within London. Do you recognise or appreciate or have any

view about the impact of the TAF across the boroughs? Is it something that is on your radar or is it something further down the line that you have not quite addressed yet?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): It must be in a very distant corner of my radar because, to be perfectly honest, Steve, I have not actually come across it yet. Any assistance in this area would be very gratefully received.

All I was going to say in relation to it was I thought you were talking about the ability of people to actually go away from rented accommodation and make their own way. The problem is always to get the deposit and I would have thought the Government's present scheme was quite helpful to assist in that, if that is what you are asking.

Steve O'Connell AM: The broader debate is that the Government has allocated £45 million in recognition of London's higher market, particularly in the private housing market, so that is your view. Whether you have been briefed on this or whether you are aware of this, it may be so far down the line that it is not on the radar of the boroughs yet, Chair. It seems to recognise London's higher housing costs.

Sitting that to one side, what other support would you want from the Government if you could wave your magic wand in recognition of our particular problems within Government on the assumption that, as Andrew [Boff AM] said, we are going to have a Cap for some considerable time? Are there any measures other than the DHP that you would like to see the Government come along with?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Perhaps more basically, we had a half-day conference in Croydon some weeks ago which Richard Blakeway [Deputy Mayor for Housing, Land and Property, GLA] came to and addressed. Bluntly, I threw the hand grenade in and said, "We could do an awful lot in London housing if we actually were a bit more relaxed about some of our planning controls". That is where the problem is. I would build a lot more houses in Croydon because there is a lot of land, but there are so many restrictions on it. I get a harder time from the planners than some of the developers get.

Steve O'Connell AM: You would build houses and then put people on the waiting list into those homes?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Yes, I would build houses and take people off the waiting list. It is all fairly standard stuff. It is not reinventing the wheel. It has been going on for generations.

Steve O'Connell AM: Do you have any other radical ideas across the other two boroughs, if you could wave your magic wand?

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): Could I talk about the affordability target? The increase is very welcome. It helps plug a gap. However, actually, when we are talking about a gap between LHA rates and actual rents of 14%, it does not plug it by very much. If we wanted to see some work around this which would help London boroughs, it would be looking at how the LHA rates are set. They are supposed to be in the 30th percentile, but we are finding that they are actually nothing like the 30th percentile. The way that they are calculated on the basic rental market areas we think is fundamentally flawed because they are based on secure, long-term tenants of private rented sector properties who are low-cost to maintain and do not have significant rent increases year-on-year. They are secure tenants, so positive tenants, less troublesome tenants you might say, whereas for people who are looking for new rental properties, often when there is a change in tenancy the rents are put up. If we are looking to house people temporarily, there are more problems with that and landlords are more concerned. We do not think the actual basis for the calculation of the LHA is correct. Then, as I say, we have the gap in Sutton. In Sutton, our rents are historically low at 14%, so goodness knows what it is like for the rest of London. It would help if we had some more realistic figures on which to base the actual benefit calculations in the first place.

Steve O'Connell AM: Karen, anything else you want to throw in the mix?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It has been asked in other forums but one of the key things, bearing in mind that Hackney has built as much as we possibly can within our borrowing cap, would be to give councils more freedoms when they demonstrate they can build and build well to deliver the type of homes we need in the borough.

Darren Johnson AM (Chair): That was the number one recommendation from our previous report and we will very much press the case for that.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): I know it has been up, yes, but they need to listen and do it.

Steve O'Connell AM: Increase your capacity to borrow and, in essence, to build.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Yes.

Valerie Shawcross CBE AM: Dudley threw his hand grenade back in and it would be helpful if he said a little bit more about that. What kind of land would you like to be seen to be made available for housing? The comment you made could be interpreted mischievously as talking about building on greenbelt land.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): No, quite the opposite.

Valerie Shawcross CBE AM: Tell us exactly what kind of land you think --

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): You know Croydon not quite as well as I do, but almost as well as I do.

Valerie Shawcross CBE AM: I do. I declare an interest as a resident of Croydon.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): If you could mentally - and we share the benefit - take yourself to the Shrublands Estate in the Shirley ward, it was set up in the 1960s as a very adequate estate, but they laid it out in such a way that the use of the land was so wasteful. I get tenants coming to me and saying, "For goodness sake, please build on that piece of land", because it is either for dog-walking or for undesirable things like fly-tipping and things like that. We have a category of land called RO8, which is amenity-space land and it is not giving anybody an amenity. It is doing the complete opposite of that.

We are actually in the course of reviewing some of these things, so we need to look and review this. Croydon is blessed with vast tracts of open space, far more than other boroughs, perhaps with the exception of Bromley, but we do have that ability if we think laterally to perhaps rethink some of the categorisation of some of these pieces of land. I am beginning to run out of all the bits of brown land that the borough has not used, so I am having to say we are going to take this a stage further and raise the numbers significantly. That is what we have to look at. Those are the sorts of things.

I would not touch the greenbelt, no. I am not being mischievous but I do radically think that perhaps, in light of what has been going on in the last four weeks - I was musing this the other day - instead of on a planning questionnaire asking if it is a flood plain being the last question, perhaps it should be the first question. Maybe we should be thinking in terms of swapping some of the land that is inner flood plains being greenbelt and some of the things that are perhaps greenbelt and not of very good quality. We all have greenbelt land which is not of good quality and which might be better to be built on. As long as you keep the areas similar, the proportionality might be there. I can think of places in Croydon where it is, "No, that is sacrilege. You cannot touch that", but it is not appropriate. For 30, 40 or 45 years this has been going on and perhaps it is time to think about it again.

Valerie Shawcross CBE AM: You are talking about low-grade amenity land?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Yes, I am.

Darren Johnson AM (Chair): These are interesting questions for the future work of the Committee and we need to wrap up on the impacts of the welfare reforms before we bring the Mayor's team in.

Valerie Shawcross CBE AM: A couple of you said during your evidence that you were finding it harder to access temporary accommodation. Can you tell us a bit more about that? How has

the use of temporary accommodation been changing recently and what are the challenges you are finding in accessing temporary accommodation?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I know the price is going up. That is one thing.

Valerie Shawcross CBE AM: How difficult is it?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): Again, it goes back to a number of different factors with the wider benefits caps as people start to migrate out. For temporary accommodation we always entered into very good, long-term relationships with landlords and I have talked about the PRS and how that is no longer something that people want to do with councils anymore. It is fair to say that local authorities are, if I can use the phrase, taking things that were in your borough and it is not a party political thing but neighbouring boroughs are doing it to each other. There is actually no overview in London about how temporary accommodation is being used. It works very well for landlords because effectively each council - and there are a number of them and London Councils will be able to give you, I am sure, a bit more information on it - are effectively gazumping each other, if that is the right phrase.

Valerie Shawcross CBE AM: That is interesting.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Yes, that is quite true.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): That is the biggest issue in terms of supply because effectively we are all chasing an ever-diminishing amount of temporary accommodation (TA) --

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Fair comment.

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): -- and, again, it is a market that works very well for those. Again, that is why we are alternatively looking at how we create our own TA stock, which is a ridiculous concept in itself. By definition it is temporary, but effectively we have created that stock that we have more control over because otherwise we are in a market which is not working for the need that we have.

Valerie Shawcross CBE AM: That is very helpful.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): We are seeing increased numbers of homelessness applications, which puts increased demand on temporary accommodation. That is across London. In areas where the rents are lower, which is outer London, we are seeing boroughs block-book our temporary

accommodation that we used to rely on so there is less supply there, which then forces us to rely on things like bed-and-breakfast, which is a completely unsuitable accommodation for many. Also, the instances we are seeing are more and more families and it is harder to get them out of the temporary accommodation into family homes because there is a shortage of family homes, so it is just a cumulative impact.

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): I would just add we have to chase the London boroughs out of Croydon, so you stop them trying to, frankly, nick the accommodation that we would expect to take. I had a dogfight with Westminster over a block of flats, but we won.

Valerie Shawcross CBE AM: Do you see there needs to be some big changes for the future? Are you going to cope into the future?

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Our future is very difficult to predict. The key to all these things is just to get this increase in supply. That is far and away the most important thing.

Valerie Shawcross CBE AM: Deal with the cause, rather than the --

Cllr Dudley Mead (Deputy Leader (Statutory) (Capital Budget and Asset Management) and Cabinet Member for Housing, London Borough of Croydon): Dealing with the cause and not the consequence. The cause is a lack of supply. Get building. The Mayor's policy he is pushing absolutely fine, but we just have to get on with it and not let the planners or anybody else get in the way of it.

Cllr Jayne McCoy (Chair of the Housing, Economy and Business Committee, London Borough of Sutton): Could I just add to that? I agree that the solution really is to increase the supply and increase supply across all tenures, but particularly those that are affordable. That is the key thing.

I would disagree with my colleague about planning. I do not think planning is the problem. There is a lot of pressure being put on that. Planning is not the problem. We aim to be facilitative with planning in the borough because it is around what is right for an area and if you give too much freedom, you get the wrong kind of accommodation that does not meet the need that you want. You have to work with developers and we have proved we can do it quite successfully, so I reject the idea that planning is the problem. In fact, some of the increased freedoms we have, for example the relaxation of office to residential, can be more problematic and the assumption that it was a blockage, it can be allowed anyway, so that is just one thing.

One of the solutions would be to give more freedoms to local authorities to help to deliver the employment programmes, things like that. We are working very hard in Sutton to do that sort of thing and we think it could be done better by local authorities, and just generally more

freedom to local authorities because we can drive both in planning: house-building, development and employment.

Valerie Shawcross CBE AM: Anything else? Fixes for the future?

Cllr Karen Alcock (Cabinet Member for Property & Housing Services, London Borough of Hackney): It is repeating the obvious, but it is about supply. We have talked a lot about firefighting, how local government is firefighting, and ultimately that is the position for the next few years.

Valerie Shawcross CBE AM: OK, thank you.

Darren Johnson AM (Chair): Thank you, the three of you, for coming along this morning. We appreciate the huge challenges that the welfare reforms have been throwing up for the boroughs and will continue to do so, but we also appreciate many of the creative ways in which boroughs are working to try to actually deal with that, so we really appreciate you coming in this morning, so thank you very much.

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Housing Committee – 12 February 2014

Transcript of Item 6: Welfare Reforms

Darren Johnson AM (Chair): We will move on to the second part of our meeting today, so we welcome once again Richard Blakeway [Deputy Mayor for Housing, Land and Property, Greater London Authority] and Jamie Ratcliff [Assistant Director – Programme, Policy and Services, Housing and Land, GLA] to the meeting. Nicky is going to kick off on the questioning today.

Nicky Gavron AM: Thank you, Chair. Can I ask Jamie Ratcliff first what conclusions you have drawn from the GLA monitoring of the impacts of the welfare reform?

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): We have not been carrying out specific monitoring ourselves. We have been looking at the wealth of information that a range of other organisations have been carrying out. The main observation is that lots of these reforms have come in relatively recently and judging the impact of them is premature at the moment or to draw any firm conclusions from them. If you want to explore a specific one I could go into more detail around that, if you like.

Nicky Gavron AM: You do not have any evidence yet?

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): We do not have any evidence yet? Sorry. I am not sure I understand.

Nicky Gavron AM: No. Do you have anything to add to that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): We have analysis being conducted by a whole range of organisations but, as Jamie says, at the moment you have a very complex picture of different reforms coming in at different times and different levels of data collected by different bodies, so it is actually quite hard to draw a firm conclusion on any of this at this stage because it is an evolving picture. Just because there is a lot of evidence being collected by a whole range of bodies and a number of bodies commissioning their own studies into one particular aspect, there is lots to draw on if you want to, but it still quite early stages really in the evolution of welfare reform.

Nicky Gavron AM: Right. Originally the Mayor said - it was in answer to a question I put to him in October 2010 - that he did not expect people to be driven out of their homes, certainly not in large numbers. He never quantified how large 'large' is. What is large? Actually, do you know what he meant by what large is?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): He has always been clear that some households will be affected by welfare reform, evidently, and that some

households would therefore move. I do not think he at any stage said that no one would move as a consequence of welfare reform. However, what he was keen to emphasise was that we should not see significant numbers of households leaving the capital. So far, the evidence would suggest that of those households who have moved, we have not seen significant numbers moving outside the capital.

Nicky Gavron AM: How do you quantify 'significant'?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): We have seen 95% of moves within the capital and 5% outside the capital, so I would say that 95% was significantly most moves in the capital. That is data which comes from the - it has a wonderful name - Inter-Borough Accommodation Agreement between the London boroughs.

Nicky Gavron AM: Right, OK. He also said more recently in November 2012 that he sees that, as an actual consequence, people will move out of London or will have to be moved out of London because of these reforms.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Sorry, just to repeat, some households will move, but we have never said we want to see significant numbers move outside London. At this stage, we are not seeing significant numbers move outside London.

Nicky Gavron AM: You are tracking that, are you?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): This is the London boroughs' Inter-Borough Agreement, something which we very much support and discussed with London Councils at the time. This looks at the moves around London. The data is available and it shows that a small proportion, 5% of moves, are outside London's boundary and of that 5% almost all of them are very close to the boundary itself, so they are moves to local authorities neighbouring Greater London.

Nicky Gavron AM: How does this affect your assumptions? Just looking forward, you are now in the middle of a consultation on further alterations to the London Plan in light of the census figures and a lot of that is about housing needs. What assumptions are you making about need in light of the welfare reforms?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): I do not know which assumptions you are referring to.

Nicky Gavron AM: Assumptions for homes, for people on low incomes, the sort of people who --

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): There needs to be a significant increase. The London Strategic Housing Market Assessment (SHMA) work obviously underpins the work around the Further Alterations to the London Plan (FALP) and around the Housing Strategy. The reality is, as you know, that there is this historic undersupply

of low-cost accommodation in London and therefore there needs to be a significant increase in it. As you have seen, the targets both in the Housing Strategy and the further alterations seek to increase the proportion and the number of affordable homes.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): It is worth saying that the Strategic Housing Market Assessment has been updated using the same methodology that it was produced previously and it follows the National Government Practice Guidance and National Planning Policy Framework (NPPF) guidelines. It is a relatively technical document and it has lots of assumptions in it. I am more than happy to go through some of those now, if you want, or if you want to go through it in more detail at a later stage, I am equally happy to do that.

Nicky Gavron AM: The thing is it is very difficult from the social and affordable rent category to sort out what really is for people on low incomes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Firstly, the need to build more affordable homes has preceded any of the changes to the welfare system. This is a historic issue but, as you can see, we are seeking to increase the numbers delivered. Insofar as the composition of that programme is concerned, both in the existing 2011-15 programme but particularly the 2015-18 programme, the new capital programme, we have been very sensitive in the way that we have configured that programme to ensure that it accommodates any changes to the welfare system coming through.

You can see that with the mix of discounted and capped product, for example. You can see that from the blend we have between discounted and capped product within the 60% rented product. We can talk about that in more detail, but we are seeking to configure the programme in such a way that it helps households who are looking to downsize to move into smaller one-bed or two-bed units. We are seeking to ensure that people who may be affected by the total Benefit Cap, that the product aligns to that. There is a whole range of different ways in which we can seek to address changes in the welfare system through our capital programme, that is what we are doing and that is what our 2015-18 prospectus does.

Nicky Gavron AM: It seems to me there is quite a gap or hole in the middle because, as you have just said, you are not tracking sufficiently to have proper evidence of what the need is going to be and you do not have a SHMA which truly reflects what the need is because it does not untangle the low-income, social rent from the affordable rent in terms of need.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): I would reject that. The SHMA has been done on a very robust basis, following the process that it needs to follow and following national guidance, following the process that was followed last time and it is a robust part of the FALP evidence base. I strongly reject any suggestion that it is not following it properly. It divides the affordable housing need - the people who cannot meet their housing requirements on the open market - between an intermediate product and a social and affordable rent product. I am not sure that the fact that we are not producing exact data or carrying out our own detailed analysis on welfare reform impacts on that split at all.

Nicky Gavron AM: It is just that we have just been hearing about the unavailability of properties for people on low incomes and people who are benefit claimants, many of whom are in work. We have also heard over and over again how the answer has to be supply. Here you are talking about supply. You told me how you have done the 60:40 split between intermediate, which is part rent/part buy and affordable rent, but you have not said how much of that affordable rent is actually going to be truly affordable, ie social rent. You have not broken it down like that and you do not have the evidence of what the need will be. I will leave it there.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, Greater London Authority): Except, Nicky, we do. Firstly, prior to any changes in the welfare programme, there was still a historic need and a backlog around affordable housing. Secondly, we have configured the programme in such a way that it does seek to accommodate a whole range of different circumstances that individuals may be in. It reflects the fact, for example, that some households will be in work but still dependent on Housing Benefit to fund some of their housing costs, so we sought to introduce products that address that. We are responding to it and the SHMA responds to it. Clearly, welfare reform is an evolving picture and we are still in a stage where there is a whole range of different pilots taking place, from the introduction of Universal Credit, direct payments and so on, so we are in an evolutionary stage with welfare reform at the moment.

Nicky Gavron AM: With a lack of evidence. Chair, I am going to leave it there because we can explore it in the Planning Committee which is coming up.

Andrew Boff AM: Mr Blakeway, the Mayor fought very hard in order to get the level of discretionary payments in London that we have achieved and I just wondered whether or not the Mayor's objective of avoiding a disproportionately negative impact on Londoners has actually been achieved as a result of that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): You are right to say that we lobbied extremely hard to see an increase in Discretionary Housing Payment (DHP) as well as other transitional arrangements within London. Over the period 2010 - 2016, we have DHP of around £200 million coming into London for local authorities. We also worked closely with or lobbied the Department for Work and Pensions (DWP) around the guidance that they have alongside that to prioritise certain groups, for example disabled or kids in school and so on, so that the money was prioritised in such a way as to help those households for who we felt transitional arrangements should be prioritised.

I would just point out that according to DWP figures, spend of DHP at the moment is lagging behind the amount allocated, so across London spend for the six-month period was about 24%. Halfway through this financial year about 24% of the DHP had been spent. There were only 4 out of 33 boroughs that had spent 50% of DHP at that six-month stage, so I would just highlight that.

Andrew Boff AM: Do you have a reason? Is there an explanation for that? The boroughs would tell us there is a desperate need for DHP.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Indeed, and certainly the feedback I have is that boroughs are thinking very intelligently about how the money is spent and how that money is prioritised. However, I am conscious equally that people have said, "You need more DHP", and that the increase is inadequate. I asked specifically to look at what the spend is and the spend is about 24% across London at the six-month period. We will have to see what happens at the end of the financial year, obviously, and how much was spent, but at current spend it was on course to underspend. All I am saying is we have secured a lot of money for local authorities. Not all of that money has been spent by all local authorities against where you would expect the trajectory to be. It is probably a question for local authorities though as to how they are using DHP.

Andrew Boff AM: Can you anticipate what the view of the Government might be if it sees a budget that is underspent?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): The good news is that we have certainty on DHP going forward. In the next two years we will see another £115 million come into London and the Government has already committed to that, so regardless of where spend is currently, we have a forward commitment from the Government on this.

Andrew Boff AM: For two years?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes, until 2016. Given that DHP does not roll over, it is important that funds are allocated in full.

Andrew Boff AM: As you have alluded to and our earlier guests indicated, the DHP is treated as a transitional pot of money.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Indeed.

Andrew Boff AM: Do you think actually there needs to be some kind of discretionary offer for those who have a more permanent need, such as disabled people or people who may not realistically be able to access work?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): This probably starts to bleed into the realms of welfare reform which is broader than the housing element. There will be certain configurations of the way in which exemptions work on welfare reform that account for individual circumstances. I know some households are exempt from some element of welfare reform if they are disabled.

Andrew Boff AM: There is that category of people because rules always create people who miss those rules. It is inevitable. As soon as you put in a rule, there is going to be an exception to it. What we are finding is that some councils are saying, "Much as these rules might be

reasonable ones, we are finding certain categories of people who do need that additional support". It is not transitional to move someone somewhere else. It is actually permanent, but requires a discretion because their particular circumstances may not have a rule to cover them or a reasonable rule to cover their circumstances. I am thinking particularly if we look at somebody who has got an additional bedroom, for example, and that additional bedroom may be used for something you cannot categorise. It might be used for an ad hoc carer, medical equipment, that kind of thing. There is no rule that covers it, but there is certainly a justification for a discretionary payment to be allowed to use that room.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes. On the housing element of welfare reform, probably the most significant change for London is obviously around - and I know it came up in the previous session - the Targeted Affordability Funding, the ability for local authorities to uprate Local Housing Allowance (LHA) ahead of what is currently inflation and up to 4% compared to 1%, and that applies to 35 of the 70 broad market rental areas in London. If you were to look at additional flexibilities, I would point to that as being the most significant additional flexibility for much of London and that allows you to account for individual circumstances, I imagine, as part of that.

Andrew Boff AM: There does not seem to be a great deal of knowledge about the Targeted Affordability Fund, does there?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): That may be the case. It is significant and obviously it applies to a large proportion of London in higher-value areas, so it is something which certainly local authorities should look to use.

Andrew Boff AM: Thank you.

Darren Johnson AM (Chair): Thank you. Before we move on, the Mayor told the Assembly several times that families with children in schools would not have to move boroughs, but information I obtained from a Freedom of Information (FOI) request show that over 2,500 moved out of the borough in this financial year and over 200 have been moved out of London. Did the Mayor get enough discretionary funding to actually deal with this situation?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): As I said, there was a significant increase in DHP and, if you look at this financial year's figures, councils are not on course to allocate all of that DHP, so it would be unreasonable to say that there was insufficient DHP when the current allocation would appear not to be on course to be fully spent.

Darren Johnson AM (Chair): I also found that while most boroughs use the DHP money to keep people in their current homes, a handful have used it to actually move families out of London. Are you monitoring this in terms of how it is being used?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): There is the local authority Inter-Borough Agreement, which monitors movements of households across

borough boundaries, so that is the piece of work we would look to. That is the most comprehensive and accurate data that I am aware of.

Darren Johnson AM (Chair): Are you keeping a close eye on that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes.

Stephen Knight AM: I want to return to the issue of housing supply that Nicky [Gavron AM] touched on earlier. Clearly, we have the draft London Housing Strategy that came out last year from the Mayor. I wonder if I can ask you some questions around that in terms of how it does or does not meet the affordable housing needs in London.

The broad target in there is for something like 42,000 homes a year to be built, of which 15,000 are to be - in the broad definition - affordable, about 9,000 of those affordable for rent, and between that and that 9,000 split half-and-half between these capped, ie 4,500 capped low rents, which I guess is the closest to the existing social rent model, and the other half, 4,500 discounted, in other words 80% market rental or Local Housing Allowance, whichever is lowest. Of those 42,000, really only the 9,000 rented are likely to be affordable for people on Housing Benefit because the private sector ones are largely unaffordable. Social rented homes make up something like a quarter of homes in London at the moment. Of the new houses in the strategy, only just around 20% will be affordable rent of either of the two types of affordable rent.

Is that a reduction in the affordability of London's housing stock and the proportion of London homes which are affordable? Is that what the plan is really envisaging because it is putting in, of the new homes, a lower proportion of affordable rent homes than currently exist within the existing housing stock?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): I will start and Jamie [Ratcliff] can come in. It is hard to characterise it as a reduction because all the numbers are going up.

Stephen Knight AM: Proportionally of the housing stock, of the new homes being built, 20% will be affordable rent. With the existing homes in the housing stock, 25% are affordable rent. Can you not see that that reduces the proportion of the overall housing stock over the ten-year period of the plan? If you do not put in new homes in the proportion to the current homes, then the proportion of the housing stock that is affordable will reduce over that period, will it not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): The aim is to increase the number of homes which are classified as affordable housing. That is clearly the aim. There are a number of things which you lumped together and it is important to try to separate some of this out. Probably the first and most important thing to separate out is obviously that the 42,000 relates to what we think at least should be delivered, but clearly through the process of the further alterations and so on this year, that will be examined --

Stephen Knight AM: You are going to up that target, yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): -- so it is important to note that that is work in progress, if you like.

You then refer to some elements within the funding prospectus. You are right. The 60:40 remains. There is 1.7% of London's housing stock which is classified as intermediate housing and there is 25% of London's housing stock which is classified as social housing, so it is right to invest in that. By investing in that, households who might otherwise live in the private rented sector - and we have seen what has happened with costs in the private rented sector and the additional pressure that brings - if they can find an alternative tenure, then that is useful. Then, within the 60% which is rented, we have been very clear setting out how we think this works. The only thing which I again would caution when trying to make comparisons between affordable rent and social rent is to recognise that on affordable rent, the service charge is included and in targeted rent it is excluded or on social rent it is excluded.

Stephen Knight AM: Service charges?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes, so you are not necessarily able to make a direct comparison between costs, but we have been very sensitive to configure that programme so it meets a whole range of households. I know that people have highlighted, for example, the number of working households who are now in receipt of Local Housing Allowance. The fact therefore that we have identified product aimed at working households who would otherwise be in the private rented sector and claiming benefit in the private rented sector is firstly a new feature, but entirely the right thing for us to be doing, so I would not discount it and try to present it as a cut in some way. It is exactly the right thing to be doing.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): Building on that, I have three points. The first one: saying that social rent is the only form of affordable housing is just wrong. Two thirds of people who are currently in social rent need Housing Benefit support to pay their rent, so the Housing Benefit continues to support people in affordable rent on a range of rents and that is how people are paying it, not because they have independent incomes.

In terms of the split between capped and discounted, what we have tried to do is optimise the number of homes that we can deliver with the funding that we have, and everyone is agreed - several of you have said - that the key thing that we need to address for the housing challenge in London is building more homes and building as many more homes as we can. That is what we are trying to do. The discounted rent product is not for people not in receipt of Housing Benefit. We think the vast majority of people who go into it will be receiving some form of Housing Benefit support. What we have tried to do is balance the two different products. We have one which is targeted at a lower rent and then, in order to deliver the numbers we are committed to and maintain the 65% average that we have in the current programme, delivering some at higher rents which need to be to people who are not going to be affected by the total household Benefit Cap. The most straightforward way of doing that is nominating to

low-income working households, of which there are lots of people on borough waiting lists at the moment. They will still need support from Housing Benefit or Universal Credit when it comes in to top up their income to get to the rents and these are the people that they are helping.

My third point was around supply in the totality. Just focusing in on the affordable rent element of the programme misses out 40% of it, which is really important in terms of delivering home ownership and access to housing to a range of people where there is not an established housing offer for them. The strategy is really bold in saying that we want to see a massive expansion in the Mayor's First Steps programme, and we think that this is going to be an important part in terms of bringing forward increased numbers of homes on sites. One of the really big challenges that we have in supply are large sites, which are taking a long time to build out because of the market absorption rate of the traditional house-builder model. There is some analysis we have seen which suggests that if you deliver shared ownership you could increase your market by seven times, which means you can deliver the homes much, much quicker. Delivering homes as quickly as possible is what we want to see.

Stephen Knight AM: I do not think anybody is arguing that the shared ownership model is not a suitable product for a number of Londoners, but clearly it is not going to be a suitable product for people on Housing Benefit. Given that we have a social housing stock at the moment of about 25% of Londoners who live in social housing, if you are not building 25% of the new homes in London over the next ten years at affordable rent levels, then you are going to see an overall reduction in the number of homes available for low-income Londoners.

I wondered if I can ask Richard. You said that the 42,000 target in the initial plan is going to be increased in the alterations that are coming forward. Within that increase to the 42,000 target, is the number of affordable rent units going to rise or is the overall target going to increase merely by increasing the open market private sector assumptions?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): No. Insofar as the strategy in the London Plan is concerned, it has obviously set a target of around 60:40, which is the split between intermediate, ie to buy and rent within that.

Stephen Knight AM: No, my question is whether or not within that 42,000 the 15,000 affordable housing target, which covers all forms of affordable housing is going to increase as a result of the alterations you spoke about or whether lifting the 42,000 target is merely going to be achieved by increasing the number of private homes being built.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): In terms of the quantum of affordable housing, potentially the 2015-18 does. There is potential around that. In terms of the product mix, that is something separate and is clearly something we deal with in the Housing Strategy and, so far as the London Plan is concerned, we are looking at a 60:40 split and then, in terms of the mix of products within that, that is something for the prospectus.

Stephen Knight AM: You are looking at increasing the 15,000 target?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes. That will run its course through this year.

Stephen Knight AM: Sorry, you said you are looking to increase the 42,000 overall target. My question is: are you going to increase the affordable housing target within that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): If that 42,000 goes up - and that will be a discussion for this year - then clearly the quantum of affordable housing in that we would expect to increase as well, but that is a subject which will be discussed throughout this year. There are more fundamental issues, if you like, around how you seek to meet that, looking at the house-builder model and looking at additional things that can be brought into the market which are as important as the actual figure itself.

Tom Copley AM (Deputy Chair): Given we know from the evidence we have about the impact of the Housing Benefits cap that it is pushing people from inner London to outer London - and we heard that again from our representatives in the two outer London boroughs earlier who said they had they had an influx and the inner London borough said that they had been losing poorer families - do you think that the Mayor's affordable housing programme ought to focus affordable housing on inner London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): You have a significantly greater proportion of social housing in inner London than outer London. About 33% of inner London's housing stock is social housing compared to 18% in outer London, so you have a larger quantum within inner London already.

Tom Copley AM (Deputy Chair): Of course rents anyway are lower in outer London than they are in inner London.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Sure, but we will continue to seek to deliver a programme that works across the whole of the capital as an invitation to local authorities for them to bid, and indeed use new Housing Revenue Account (HRA) flexibilities as well as part of the current prospectus and additional work which will come forward particularly around the HRA, and that is open to all local authorities. We will have to confirm this because I do not have it off the top of my head, but my suspicion is that the majority of local authorities that currently have a programme with the GLA are probably inner London local authorities.

Tom Copley AM (Deputy Chair): Given now with family-sized housing you are going to be having a proportion of it let out at the 80% level, are you worried that is going to make it more difficult to build in inner London, given the higher level of that, and people are not going to be able to afford larger family housing let out in inner London at 80% of market rents?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): We have always been careful to configure that product in a way that ensures that households can afford

it and that is the whole purpose of the frameworks we are agreeing with boroughs and the current prospectus.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): There are two different things: what is affordable to the household and what is affordable to the developer within our constraints. What we are doing actually helps with both. By having an identified proportion of larger homes set at the discounted rent product, that means you are getting a higher rental stream for those properties and it means you need less subsidy in order to deliver them, and in higher value areas, although it obviously depends on there being land opportunities and the costs, that should make that work better.

In terms of affordability to the household, as long as they are not affected by the household Benefit Cap, and as I said, the most straightforward way of that is if they are working, then they can get a large level of support with that rent and it will take it up to an affordable level. The thing that a lot of people miss in looking at the overall household benefit cap is that once you are working 16 hours a week it does not apply to you at all and you can get far in excess of £500 in a week in assistance, so the best way to help anybody is to help them into employment and avoid that household benefit cap and then homes there can be affordable both to developers and to the household.

Darren Johnson AM (Chair): OK, thank you.

Andrew Boff AM: You almost asked it. Is one of the contributions ensuring that there are more people in better-paid jobs?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes.

Andrew Boff AM: We are doing quite well on that at the moment, are we not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): The number of jobs created in London last year was more than the rest of the UK combined, so obviously the opportunity for employment is strong in London. I know the DWP have figures which it has published which looks at the number of households affected by the total benefit cap at the outset, the proportion that are no longer affected and the number of those that are no longer affected because they are now in work. Those are figures the DWP has published.

Andrew Boff AM: Do you think that the Mayor's enthusiastic lobbying for the London Living Wage is also having an effect on making properties more affordable?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): I would hope it is helping increase household budget to afford housing in London.

Andrew Boff AM: Thank you.

Darren Johnson AM (Chair): Thank you. We will then move on to rent levels.

Tom Copley AM (Deputy Chair): We had a completely unanimous response from the boroughs that were here earlier about their view of the impact of the Housing Benefit cap on rent levels, which was that it has not reduced rent levels. Is that your view?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): My view is that there is a whole range of reasons why rents in recent years have gone up in London, so you can single out welfare reform as either contributing or not contributing to that, but there is a whole range of reasons why rents change in London. What we have seen very recently according to the data published by [Office for] National Statistics is a slowing in the rate of rent increases in London to below inflation, but that is in the last year so we will have to see what happens going forward.

Tom Copley AM (Deputy Chair): It depends what figures you look at. The figures from the Valuation Office Agency still show very large increases in rents, so I am not sure that rent increases have dropped below the rate of inflation. It is only anecdotally the case.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): What the Valuation Office collects is not comprehensive, so it is important not to solely rely on it.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): The key thing on the Valuation Office Agency is that it does not include anyone who is in receipt of Housing Benefit, so clearly any changes in the Valuation Office index cannot be attributed to any changes in benefit levels, they are entirely separate. Other statistics are showing rent increases below inflation and the causal link anyone could produce conjecture on.

Tom Copley AM (Deputy Chair): OK, but as far as you are concerned, you cannot pinpoint specifically the effect that the welfare reforms have had on rent levels?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): As Jamie rightly says, unfortunately the Valuation Office data, which is what people are using, actually does not include claimants on Housing Benefit, so unfortunately that data is not applicable in this instance. Insofar as rent increases, the very recent data suggests it is below inflation. It was 1.9%, so it increased less in real terms, but there will be a whole range of factors in that. I am not arguing that it is or is not. It is one element, but there is a whole range of different factors which will affect rents in London.

Tom Copley AM (Deputy Chair): There was the unanimous view earlier that it had not had an impact particularly because it is a landlords' market and if landlords have tenants on Housing Benefit who cannot afford to pay their rent, the landlord can kick them out. They can get - as Councillor Alcock said - four graduates in and it makes no difference to them because it is a landlords' market.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes, and given that you see more claims, therefore people are obviously accessing property. You have seen an increase in claims which would suggest that there are clearly lots of landlords letting into this sector. Insofar as assured shorthold tenancies (ASTs) being terminated, it will be cited

in some instances, but the vast majority of reasons for people ending up in temporary accommodation is not because of ASTs being terminated.

Tom Copley AM (Deputy Chair): Although there has been a significant rise in that as a reason.

Can I move on to availability of property? We heard again some of the issues around a lack of private rented sector property now being available, partly because of the cap, but also because of getting the direct payment of Housing Benefit to landlords. When the Mayor was lobbying the Government over welfare reforms, what was he saying about direct payment?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Firstly, he was saying that it is important that the vulnerability criteria remained and the regulations do still include the vulnerability criteria, which allows discretion on the part of whether the payment is to the landlord or the claimant. It is really, really important that that continues and we are pleased the Government has continued that. Insofar as housing associations are concerned, there is clearly the pilot, which is ongoing. One of the things which we were very clear about was that if there was not going to be direct payments to housing associations, then there should be some indemnity provided for them. That is something which Government has introduced called the Alternative Payment Agreement (APA).

Tom Copley AM (Deputy Chair): What about the private rented sector?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Insofar as the private rented sector is concerned, I do think the vulnerability criteria are important there.

Tom Copley AM (Deputy Chair): Is it the Mayor's view that the old system should have continued?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): I am attracted, we are attracted and the Mayor is attracted to the idea that if you could link direct payments to something like the London Rental Standard, for example - so if you are an accredited landlord, there may be an incentive there to both take tenants on who claim LHA but also have the payment direct to the landlord, but in return we expect the landlord to be accredited and so on - there might be an attractive link there. It is something which we have raised with DWP and will continue to do so.

Tom Copley AM (Deputy Chair): When he was lobbying the DWP about this, he was not saying to the DWP, "We want direct payment to continue as was the previous case". Was he saying that or was he not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): He was saying very clearly that the vulnerability criteria should remain and it does.

Tom Copley AM (Deputy Chair): Thank you.

Darren Johnson AM (Chair): We will then move on to the final area of questioning, which is on temporary accommodation and homelessness.

Valerie Shawcross CBE AM: Yes, thanks very much, Rick. You were in here and you heard the three different types of boroughs, three different political colours of borough, say quite how intense the pressure is now on temporary accommodation and it is growing. What is your analysis of the rise in homelessness and use of temporary accommodation in London at the moment?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes, the level of household in temporary accommodation is below the level it was in 2006. It is about 20,000 households lower than it was in 2006, so it is important to recognise that over a long period there have been fluctuations in the number of households in temporary accommodation. Clearly it is a challenge for local authorities and one which they are working hard around to address. There has been additional assistance allocated to local authorities to help with this. £35 million was allocated - but we will confirm that - to London local authorities to help with the officer side of it and to increase the number of officers who can go out and find and secure temporary accommodation, so some revenue support there. Whilst there has clearly been an increase in the number of households in temporary accommodation (TA), it is important to say that it is below the level in 2006, which was just before the economic downturn, so it does show that again TA is a very complex area in London.

Valerie Shawcross CBE AM: Surely some of that is because the duty to house homeless people has changed, has it not, across boroughs, so there has been some legal change that has affected the situation as well?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Do you mean around discharge direct into private rented sector?

Valerie Shawcross CBE AM: Yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): Yes. That is something that has been introduced very recently.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): It just gives boroughs greater flexibility in terms of discharging their homelessness duties and different boroughs are choosing to use that in different ways.

Valerie Shawcross CBE AM: Clearly the boroughs were saying they are finding it harder and harder to access temporary accommodation to use. They talked about being in competition with each other. Is this an issue that you find to be of concern and that you want to help with at City Hall?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): I do not understate that it is a challenge for local authorities. In recent years we have had higher levels of TA in London than we do today, but it is still a challenge. We have talked to London

Councils about it. The leadership that London Councils has shown, particularly around arrangements between local authorities when they are putting households in TA outside their borough and having a proper way of working around that and the things they have done around conditions and standards, specifically around bed-and-breakfasts, has been important. London Councils has done a lot of work on that, which we have been supportive of. It is clearly good work that they have done. They are the right vehicle on this to do that through their housing directors' group.

Valerie Shawcross CBE AM: There are some particular blockages in terms of moving people on who are in temporary accommodation, particularly supported accommodation, because it is quite difficult to place people in affordable accommodation now. What is the GLA doing about that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): It is a very fair comment. Move-on again historically has been a real challenge for everyone involved in housing and this has been a problem that precedes welfare reform. Again, in terms of how our investment programme works, we have sought to try to and configure the funding to help increase the amount of move-on accommodation and move-on accommodation specifically for single homeless people or other people. We are funding some schemes at the moment on that and it is something which we highlight in our funding prospectus, which Jamie can talk about.

Jamie Ratcliff (Assistant Director - Programme, Policy and Services, Housing and Land, GLA): Probably the other thing that is worth saying about move-on is that there was historically an attitude that all move-on from supporting vulnerable people had to be into the affordable housing sector and obviously with a constraint on the number of homes that were available. That was not possible and so there was an increased reliance on people moving to the private rented sector and looking at other options that could happen there and lots of agencies have engaged well and developed good pathways to help people move on there. We have funded a number of schemes recently working in partnership, particularly with a number of Young Men's Christian Associations (YMCAs), of targeted move-on accommodation to help people move from quite intensive supported housing into semi-independent living and they can then move on somewhere else, into probably the private rented sector. We are certainly strongly encouraging that in the 2015-18 funding prospectus, with a specific focus on types of supported housing which could help to prevent or relieve homelessness.

Valerie Shawcross CBE AM: I am told that Housing for Women are reporting that there is a particular difficulty about women who have been victims of domestic violence abuse, women who are trafficked, women who are extremely vulnerable basically being forced to stay longer in temporary accommodation than would be desirable and that the reforms have been making this worse. Is this something you are particularly looking at?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): That is the first time that Housing for Women has been raised with me, but it is something we are happy to look into.

Valerie Shawcross CBE AM: Do you think the reforms could impact on innovations in addressing homelessness such as Housing First, which tries to place people directly into private tenancies? Is that happening?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): It has led to some innovation and creativity. Jamie is absolutely right to talk particularly about the YMCA work that they are doing. Housing First, if it is the same scheme we are talking about, is actually something we funded, so I do think the sector has really thought creatively about how they address this, which has been a historic problem. Move-on has been a problem for many years.

Valerie Shawcross CBE AM: Is it not making it worse and is there not something that you should be doing to help with that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property, GLA): I would like to think that we are. We fund Housing First. We are funding the YMCA for a whole range of schemes. I am going to see one of their schemes tomorrow, for example, which they are doing around modular construction, so there is a whole range of different things which we are funding to try to address what has been historically a very, very challenging problem.

The other area which I have been concerned about for a while is around the use of bed-and-breakfasts and families staying in bed-and-breakfasts. Again, we welcome the money the Department for Communities and Local Government has made available to London authorities and elsewhere to try to address that because for me that is a particular concern.

Darren Johnson AM (Chair): OK, thank you very much. That concludes our questions today, so thank you both for coming along. If we agree to do a report, which is our next item, we will obviously want you to look closely at that, but thank you for coming in this morning.

Subject: Summary List of Actions

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 25 March 2014

This report will be considered in public

1. Summary

1.1 This report sets out the actions arising from previous meetings of the Housing Committee.

2. Recommendations

2.1 **That the Committee notes the outstanding actions arising from a previous meeting of the Housing Committee.**

2.2 **That the Committee notes the letter from the Deputy Mayor for Housing, Land and Property on overcrowding statistics.**

Meeting of 12 February 2014

Minute Number	Subject and action required	Status	For Action
6	<p>Welfare Reforms</p> <p>During the course of the discussion, Councillor Alcock agreed to provide the Committee with further information on the London Borough of Hackney's indicators for the casework impact of the recent welfare reforms on housing.</p> <p>The Deputy Mayor for Housing, Land and Property also agreed to provide clarification on the following:</p> <ul style="list-style-type: none"> • The number of local authorities which have a housing programme with the GLA; and • The amount of additional assistance funding allocated to local authorities to help tackle temporary accommodation. 	The Chair has written to guests to request the information	<p>London Borough of Hackney</p> <p>Deputy Mayor for Housing, Land and Property</p>

Actions arising from correspondence entered into by the Chair on behalf of the Committee in accordance with Standing Order 10.2 (Standing Delegation to Chairs)

Subject/action	Status	Action by
Letter to Deputy Mayor for Housing, Land and Property seeking clarification on the Overcrowding Table.	Response attached at Appendix 1	Deputy Mayor for Housing, Land and Property

3. Legal Implications

3.1 The Committee has the power to do what is recommended in this report.

4. Financial Implications

4.1 There are no financial implications to the GLA arising from this report.

List of appendices to this report:

Appendix 1 – Response from Richard Blakeway, dated 6 February 2014

Local Government (Access to Information) Act 1985

List of Background Papers: Minutes of the Housing Committee meeting on 12 February 2014.

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MAYOR OF LONDON

Our ref: MGLA220114-7023

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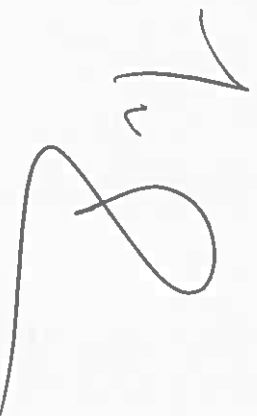
Date: 6 February 2014



Thank you for your letter of 20 January regarding our statistics on severe overcrowding in social housing.

We analyse trends in overcrowding at the London level using the same data and methodology as used by DCLG for trends at the national level. Based on the English Housing Survey data for 2009/10 to 2011/12, we estimate that 1.6% of social renting households in London are overcrowded, with a 95% confidence interval of plus or minus 0.6%. This compares to an estimate of 2.2% in the three years to 2010/11, with a confidence interval of plus/minus 0.8%.

The data indicates that the trend is downward.



Richard Blakeway
Deputy Mayor for Housing, Land and Property

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Subject: London Assembly Response to Mayor's Draft Housing Strategy

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 25 March 2014

This report will be considered in public

1. Summary

- 1.1 This report proposes that the Committee formally agree the Assembly's response to the Mayor's Draft Housing Strategy published for consultation in November 2013.

2. Recommendation

- 2.1 **That the Committee notes its response to the Mayor's Draft Housing Strategy.**

3. Background

- 3.1 In November 2013 the Mayor published his draft Housing Strategy entitled *Homes for London*. The deadline for this was consultation was 17 February 2014.
- 3.2 The Housing Committee has drawn up a response on the basis of its previously published reports and recommendations.
- 3.3 At its February meeting the Committee delegated authority to the Chair, in consultation with party Group Lead members, to formally agree the Committee's response on behalf of the Assembly.

4. Issues for Consideration

- 4.1 The Committee has submitted its formal response which is attached at **Appendix 1**. The response has also been sent out to a range of key stakeholders.
- 4.2 The Mayor is currently reviewing his consultation draft and will propose a final Housing Strategy in the Spring. At this point the Assembly will have the formal opportunity to vote to agree or reject the Housing Strategy.

The Committee's Key Messages

- 4.3 In its response, the Committee welcomes the Mayor's recognition that a significant increase in the supply of new homes is needed, as well as some of the proposals made to realise this. However, it also voices concern that the Strategy is not ambitious enough in terms of meeting evidenced need.

- 4.4 The Committee expresses concern in particular over the number of affordable homes which the Mayor proposes to build and how this may affect our ability to sustain London's mixed communities.
- 4.5 Finally, the Committee expresses a fear that in focusing on the need to increase supply the Mayor has devoted insufficient attention to other vital aspects of housing strategy such as tackling overcrowding and homelessness

5. Legal Implications

- 5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

- 6.1 There are no direct financial implications to the Greater London Authority arising from this report.

List of appendices to this report:

Appendix 1 – London Assembly Response to the Mayor's draft Housing Strategy

Local Government (Access to Information) Act 1985
List of Background Papers: Minutes from the Housing Committee meeting on 12 February 2014.
Contact Officer: Lorraine Ford, Scrutiny Manager
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London Assembly Response to the Draft London Housing Strategy

February 2014



Housing Committee Members

Darren Johnson (Chair)	Green
Tom Copley (Deputy Chair)	Labour
Andrew Boff	Conservative
Nicky Gavron	Labour
Stephen Knight	Liberal Democrat
Steve O'Connell	Conservative
Fiona Twycross	Labour

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Overview

In light of the severe housing crisis faced by Londoners, the Committee supports many of the proposals in the Mayor's Housing Strategy.

In particular, the Committee welcomes the recognition that a significant shift in supply of new homes is needed to cater for London's growing population and proposals on how to initiate this change, though it is concerned that the Strategy is not ambitious enough in terms of the need identified in the Mayor's own Strategic Housing Market Assessment.

But far more detail is required to be able to assess many of the proposed measures properly, for example on Housing Zones. The Committee looks forward to that detail being published in the near future.

The thrust of the Strategy is upon support measures for middle income families but it also needs to ensure that low-income groups are better provided for if we are to sustain London's mixed communities. This is particularly apparent in the proposals for affordable homes; the Mayor's own evidence base identifies a need for over half the new homes to be affordable, yet he proposes that almost two thirds of his targeted volume will be market homes.

And although there is a much-needed focus on achieving house-building volume, there are also omissions from the Strategy which cannot be overlooked. On overcrowding, for example, the Strategy is woefully lacking: no new proposals are advanced to tackle this most pernicious of housing challenges. On homelessness and rough sleeping, equally, encouragements to the boroughs to keep up the good work will not deliver the step-change necessary to stem the tide of new rough sleepers or turn around the lives of London's homeless population. Any new Housing Strategy must address these intractable and long-term issues in a meaningful fashion.

NB In the Detailed Response which follows, the Parts, headings and main paragraph numbering reflect that of the Mayor's Draft Housing Strategy, for ease of reference. The Response only refers to those sections of the Mayor's document on which the Committee wishes to comment.

Detailed Response

Homes for London Part 2: Setting the Ambition

Increasing the supply of new homes

2.2 An ambitious new programme for London

2.21 The Committee welcomes the more realistic approach that a doubling of current building levels (to at least 42,000 homes per year) is likely to be required to meet London's housing needs. It notes, however, that this remains a conservative estimate of need compared with those of other commentators: Savills, for example, projects a need for 50,000 new homes annually¹ whilst London Councils asserts that 80,000 homes are needed annually to meet both the backlog of housing need and the demand associated with population growth.² Indeed, the Mayor's own Strategic Housing Market Assessment (SHMA) 2013,³ published as the evidence base for the 2014 Draft Further Alterations to the London Plan, indicates a net annual level of housing requirement some 17 per cent higher (a minimum of 49,000 homes) than the proposed target over the coming twenty years to 2035. This rises to 62,000 annually if taken over the ten-year timeframe for which these 42,000 homes annually are promised (2015-2025). It is very worrying, therefore, that the Mayor's top-line house-building target should fall so short of the capital's assessed need. The Committee urges the Mayor to explain in the final version of his Strategy why this is the case and what he proposes to do about it.

2.22 The Committee notes the introduction of a target for at least 5000 long-term private rented homes to be built annually but would like clarification of how exactly a covenant mechanism will *supplement and accelerate construction activity*.

2.23 The Committee also notes the target of at least 15,000 affordable homes to be built per annum. However, it considers this worryingly insufficient in view of London's current housing crisis, noting that despite a rapidly rising population this is less than ten per cent more than the number targeted in the current investment round (2011-15). It falls well short of the 26,000 affordable homes indicated as the annual requirement in the SHMA, leading to a shortage of more than 100,000 affordable homes over the course of the decade. And perhaps more significantly, the SHMA indicates that the most pressing immediate need is for more affordable, not market, homes with some 41,000 affordable homes needed annually if taken over the ten-year timeframe used in the past and for which the Mayor's target is set. The Draft Further Alterations to the London Plan *recognises the pressing need for more homes in London in order to promote opportunity and provide a real choice for all Londoners in ways that meet their needs at a price they can afford.*⁴ But this Strategy replaces the ten-year timeframe with a twenty-year one,

¹ *Spotlight: London Demand*, Savills, November 2013

² *The London Housing Challenge*, London Councils, September 2013

³ *The 2013 London Strategic Housing Market Assessment*, GLA, January 2014

⁴ *Draft Further Alterations to the London Plan*, GLA, January 2014, Policy 3.3A p89

significantly diluting at a stroke the immediacy of those needs. If the Mayor really wishes to provide choice for all Londoners he must build more affordable homes now.

2.24 The Committee notes that although the market has, since the 1980s, provided more new homes in London than the public sector, over the last decade the market has on average, built only around 13,500 homes each year. Whether it has the capacity to double this, and whether the industry would release homes on large developments any more quickly, is questionable. And it is still less likely that it could, or would, build the more than 30,000 additional homes (whether affordable or market) which the SHMA indicates are needed in London beyond those the Mayor is proposing to part-fund from public money.

2.25 Overall then, although the Mayor's ambition to build many more homes in London is very welcome, the Committee has doubts firstly about his capacity to deliver and secondly about the adequacy of his vision in tackling our housing crisis.

2.4 The 2015-18 Affordable Housing programme

2.41 The Committee notes the prospect of a more differentiated Affordable Housing product reflecting the differing needs of London's middle to low income residents. The Committee's recent report on council housing⁵ urged the Mayor to undertake an assessment of the impacts of AR in London to inform decisions on the new affordable housing programme, as 80 per cent of market rate is unaffordable to many social tenants in London. In light of this it is gratified to note that half the new affordable rented (AR) homes (4,500) will be offered at rents below the standard AR 80 per cent of market rate. However, as noted above, the overall number of affordable homes is insufficient to meet needs and it is not clear whether the proposed mix of affordable homes is the right one to meet the needs of the targeted population.

2.42 The Strategy describes proposals to shift the emphasis for Affordable Homes towards Low Cost Home Ownership (LCHO), apparent in the ambition to quadruple the number of First Steps homes, yet the tenure balance to be funded under the coming programme for 2015-18 remains that of the current London Plan (40:60 LCHO to rent). This balance reflects the split of affordable home needs indicated over the coming twenty years in the SHMA (39 per cent "intermediate" against 61 per cent "social rent"). It would be helpful if the Mayor could confirm that the SHMA has taken into account the aspirational nature of home ownership in assessing forward tenure requirements. Assuming this is the case, the Committee would like to be clear at what point the Mayor intends to accelerate the pace of intermediate house-building and reduce that for social rent, contradicting his own evidence base which indicates that the current tenure split is the correct one over the next twenty years.

2.43 The Committee notes the Mayor's proposal to target AR homes at working households and agrees that this reflects the reality that the higher rents charged under AR are not affordable to many traditional social housing tenants in London. However, it

⁵ *Right to Build: What's Stopping Councils from Building More Housing?*, London Assembly, October 2013

is concerned again that the “affordable” homes the Mayor proposes to build will not in future match the evidenced need.

2.44 The Committee notes the intention for GLA to promote smaller homes at below 80 per cent of market rate which may help incentivise over-occupiers to downsize. The Committee’s council housing report⁵ indicated the barrier to downsizing represented by the lack of desirable yet affordable smaller properties. However, it is not clear exactly what is meant by GLA *promoting* this or the boroughs *considering* giving them priority, and will provide no comfort to the many larger London families who are living in overcrowded conditions and whose needs can only realistically be met within London if the Mayor supports the building of larger affordable homes. The Draft Strategy states that providers will be *encouraged* to make provision for 4-bed+ homes but does not identify any mechanism for this, despite this having been a key recommendation from the Assembly’s early 2011 report on overcrowding in London’s social housing.⁶ Unless providers are incentivised, they are unlikely to build homes larger than the minimum requirement as the grant rate is per unit irrespective of size and larger homes cost more to build. The report noted that building one new 6-bed home has the potential to remove six households from housing need by freeing up larger homes down the chain and therefore recommends the Mayor expressly target the building of a small number of large family homes. Moreover, the Mayor proposes to build 1,620 3+ bed homes per year to be let at up to 80 per cent of market rent. The SHMA indicates an annual need of some 4,500 3+ bed homes at social rent, of which more than half need at least four bedrooms. So again, the evidence base suggests that more needs to be done.

2.45 There are a number of areas, then, where the Mayor needs to indicate far more clearly exactly how his proposed Housing Strategy will meet the need evidenced by his own Strategic Housing Market Assessment. Clarity is particularly needed with respect to any proposed new focus on Low Cost Home Ownership, the reason for apparently targeting the mid-market over those on lowest incomes and why, yet again, the need for larger homes is being disregarded.

2.7 Upgrading the housing stock

2.71 The Committee welcomes the expectation of a further year’s Decent Homes funding (for 2015-16), though awaits confirmation of final figures. It is concerned, though that even the maximum expected grant rate per property appears to be lower than that under the previous round (around a 17 per cent cut from just over £18k per property to just over £15k). Furthermore, latest data returns from London boroughs indicate some 60,000 homes will remain non-decent in April 2015,⁷ yet funding appears to be available only for 9,500 homes. It seems that a large backlog of homes will remain non-decent even after this tranche of funding, leaving the boroughs facing the dilemma of whether to spend any available funds or borrowing capacity in their Housing Revenue Account to upgrade existing homes or build the new homes their rapidly growing populations desperately need. The Committee noted this concern in its council housing report⁵ and urged the Mayor to lobby government for an extension of this funding

⁶ *Crowded Houses*, London Assembly, March 2011

⁷ Local Authority Housing Statistics Dataset, England 2012 to 13, Department for Communities and Local Government

stream. This need is particularly pressing in view of the shortfall in social rented homes noted above and the Mayor's welcome recognition that the boroughs *should become important players in the delivery of new homes*.

2.72 The Committee remains concerned that although the Mayor drew up and costed an enhanced Decent Homes Standard in 2010-11, no further funding has been forthcoming to support the implementation of this standard.⁵ The Draft Strategy indicates that boroughs receiving Decent Homes funding must have detailed plans for environmental improvement, a measure the Committee welcomes, but the Committee is concerned at the Mayor imposing this condition without offering any associated funding to support its fulfilment.

2.73 The Committee notes the Mayor's intention to look at supporting private landlords to improve the quality of their properties. The Committee welcomes this; its report last year on the private rented sector (PRS) recommended that the Mayor negotiate with government and the banks to establish a Decent Homes Fund for the PRS in London which would allow landlords to access low cost loans to improve their properties. It recommended that government review the viability of tax incentives to support condition upgrades. Other recommendations were that the Mayor identify properties in the PRS which could benefit from the Green Deal energy efficiency programme and inform landlords once offers become available and that the Mayor should ensure landlords have access to ECO funding streams.⁸ The Committee therefore looks forward to seeing how the London Rental Standard will take these ideas forward.

2.74 The Committee is pleased to see that the Mayor will consider contributing towards estate regeneration projects where this is deemed a better solution than refurbishment work. This was a recommendation of the Housing Committee's council housing report which noted that in some circumstances this would prove the best way to improve tenants' quality of life as well as forming part of a sound asset management strategy, providing a lasting solution instead of a sticking plaster. The same report also noted that demolition should only be pursued after full consideration of the wider social and environmental implications, and that the Mayor should complement this with lobbying for adequate funding to renovate and maintain existing buildings.⁵ The Committee awaits further detail on the mechanics of this regeneration work, funding levels and any associated conditions. It encourages the Mayor to include in any proposals the thrust of policy 1.4B from the 2011 Revised Housing Strategy (consultation draft) advocating that residents be empowered to play an active role in the design of new homes and spaces in their neighbourhoods.⁹

2.8 Empty Homes

Despite the Mayor's stated commitment to bring more empty homes back into use, only eight empty London homes were brought back into use through the Mayor's programme in 2012-13 and a further 11 by December 2013. The Committee would like clarification therefore of how the Mayor proposes to turn the Empty Homes Programme around to

⁸ *Rent Reform: Making London's Private Rented Sector Fit for Purpose*, London Assembly, June 2013

⁹ *London Housing Strategy (consultation draft)*, GLA, December 2011

meet its target that over 1,000 empty homes be brought back into use by March 2015. Although accurate data is difficult to collect, some 72,000 London homes were thought to be empty during 2012 of which around 24,000 were empty long-term (for more than six months),¹⁰ more than half of the Mayor's new annual home-building target. The Mayor needs to do better on this issue, not just to meet his target but to ensure that this wasted resource is brought to bear in tackling our housing crisis. In order to do so, he should reinstate in this Strategy his policy 1.4E from the 2011 Housing Strategy (consultation draft) which stated that *the involvement of the community, for example self-help organisations, in bringing empty homes back into use, should be promoted.*¹¹

Homes for London Part 3: Fulfilling the Covenant

Supporting working Londoners

3.2 A more structured intermediate market

The Committee welcomes the Mayor's commitment to reinvesting returns from the Housing Covenant into affordable home ownership.

3.3 Supporting home ownership

The Committee welcomes the Mayor's commitments both to amending the 50 per cent threshold to gaining a leaseholder right to manage and to change the treatment of mixed use buildings to permit the residential part to acquire the right to manage. These are both recommendations which the Committee made to the Mayor in its 2012 report on service charges.¹² In view of the large recent increase in the number of Londoners who are leaseholders (2011 Census data suggest this may have doubled from the 500,000 indicated in the 2001 Census), it would urge the Mayor to leverage the lobbying power of the many independent leasehold groups seeking to effect change on these issues. The Committee also reminds the Mayor of recommendations 2 and 3 of its 2012 report, relating to resolving issues around the impacts on leaseholders of Decent Homes funding and housing improvements without delaying the relevant programmes, neither of which he has addressed so far.

3.4 Recognising the importance of the private rented sector

3.41 The Committee notes the introduction of the London Rental Standard but questions how realistic the target of accrediting 100,000 landlords can be in such a highly buoyant private renting market, and whether 100,000 landlords is sufficient. There are an estimated 250,000 private landlords in London. Those who seek accreditation will inevitably be those least likely to operate sharp practices, leaving a long tail unaccredited, among whom many will be the rogue landlords London most needs to root out. The Committee also needs clarification on what discounts or incentives are actually to be offered to landlords in order to assess the merit of this proposal.

3.42 The Committee warmly welcomes government plans to improve the lettings agent market along with the Mayor's proposals with regard to longer tenancies within

¹⁰ Empty Homes Statistics 2012, Empty Homes Agency Ltd

¹¹ *London Housing Strategy*, GLA, December 2011, p29

¹² *Highly Charged*, London Assembly, March 2012

the Assured Shorthold Tenancy framework, and improving fee transparency and means of independent redress, but again considers that this will not go far enough to curb the excesses of London's worst landlords, nor to provide adequate security and protection for all private tenants in London. As noted in the Committee's report on the private rented sector,⁸ the Mayor should lobby government to ensure that the implementation of the new Enterprise and Regulatory Reform Act ensures letting agents are subject to regulation that will lead to longer tenancies and reduce the cost of renting – see section 3.7 below for more on this. The Committee supports, though, the Mayor's intention to encourage major employers to invest in subsidised housing products to reduce the costs of renting for employees.

3.6 Facilitating mobility

3.61 The Committee recognises the need to encourage appropriate mobility within the social sector, including discussing housing options with tenants subject to fixed-term agreements at the conclusion of their tenancy. However, it would not support any obligations imposed on social landlords associated with this proposal.

3.62 The Committee welcomes and supports the proposal that between five and ten per cent of all new GLA-funded rented homes be let on a pan-London basis. This measure should help social landlords to tackle their problem with overcrowding and may facilitate some inter-borough moves.

3.7 Towards a London rental policy

3.71 The Committee warmly welcomes the Mayor's suggestion that private sector landlords consider the use of longer tenancies tied in with greater certainty over rents. However, it fears that for this to become reality, a more forceful approach will be needed than simply inviting landlords' consideration. The Committee therefore urges the Mayor to elaborate in detail the measures he will adopt to enable this to happen and suggests that he base these measures on the Committee's own blueprint, as detailed in its 2013 report on the private rented sector.⁸ It recommends that the Mayor expand social lettings agencies to incentivise landlords to provide stable rents and longer tenancies in return for access to measures that can lower their costs, such as reducing voids, guaranteeing rent payment and giving access to repairs services at advantageous rates. It also advocates that the Mayor lobby Government to increase the penalties for landlords who breach existing regulations governing private rented housing, which are, furthermore, an insufficient deterrent and too time-consuming to issue. And the Mayor needs to work in partnership with other stakeholders to strengthen tenants' rights, for example as regards tenant complaints procedures, promoting 'know your rights' information sources and cracking down on the scope for retaliatory eviction.

3.72 The Committee also reminds the Mayor that affordability was a key issue in its private rented sector report. The Draft Housing Strategy identifies the Get Living London development in the new East Village as a positive example of an arrangement combining longer tenancies with certainty over rent increases. The Committee supports this arrangement as a model of best practice and notes that other similar models were also advocated in its report on the private rented sector.

3.8 Housing for older Londoners

3.81 The Mayor's published Draft Further Alterations to the London Plan¹³ make a number of welcome references to measures advocated in the Housing Committee's November 2013 report on homes for older Londoners,¹⁴ in particular setting out indicative annual targets for specialist housing for older people at a borough level and the promotion of the significance of decent housing for older people as a strategic health issue through the Health and Wellbeing Boards and the London Health Commission. The Committee is delighted that the Mayor has taken up its recommendations on this topic and urges him to reflect them in the final version of the London Housing Strategy too.

3.82 The Committee advocates that the Mayor also act on a number of further recommendations from its report, namely that:

- a) he should start work now on identifying how new supply of both affordable and market homes for older people can be stimulated after his current Care and Support Specialised Housing Fund ends in 2017-18. The Mayor should ensure his Housing Covenant with older Londoners is reflected in the final version of the Housing Strategy and develop policies to ensure the supply of homes is adequate to meet projected demand
- b) given the positive benefit that specialised homes for older Londoners provide in freeing up larger affordable and private housing, as well as the cost savings generated by residential care preventing future reliance on the health service, and given the flexibility the Mayor has to transfer funds between his housing budgets, the Mayor should consider allocating future underspends in existing budgets towards homes for older Londoners on low to middle incomes
- c) the Mayor should lobby Government for changes to Planning Use Classes that will prevent retirement housing from being treated in the same way as conventional housing in terms of liability for CIL and section 106. This might involve considering changes that would incentivise low- to mid-value market retirement homes – for example by exempting the communal floor area from a range of planning obligations.

3.83 The Committee welcomes the funding already allocated to housing for older Londoners (through the Care and Support Specialised Housing Fund). Phase Two of this programme was intended to stimulate the supply of private market housing for older people through innovative approaches. The Committee is concerned, however, that this second phase has not yet delivered any commitments. The Committee would wish to see the Fund's objectives documented in the final Housing Strategy as well as an update on the Mayor's delivery intentions. As advocated in its report, it recommends that the Mayor engage actively with the community housing sector and its partners to co-design policy initiatives and project delivery arrangements, as well as considering funding a capacity-building programme for potential providers of innovative schemes.

¹³ *Draft Further Alterations to the London Plan*, GLA, January 2014

¹⁴ *Homes for Older Londoners*, London Assembly, November 2013

3.84 The Mayor should also review his Property Asset Strategy to establish whether any GLA land holdings would be suitable for innovative specialist housing, including the scope for models such as Community Land Trusts. The Assembly's Budget and Performance Committee will be investigating the disposal of GLA land during its March 2014 meeting, considering whether the GLA Group is getting best value from its disposals and examining whether disposals are aligned with wider Mayoral objectives, such as making land available for the delivery of specialist retirement housing.

3.9 Alleviating overcrowding

The Committee is very disappointed by the lack of new proposals in the Draft Housing Strategy on overcrowding. Overcrowding has been a persistent blight on London's housing provision. The Mayor has set himself the ambitious target of halving severe overcrowding in London by 2016. The latest GLA data published in the Draft Housing Strategy indicate a small drop in levels of overcrowding in London's social housing and the Deputy Mayor for Housing, Land and Property has indicated that he believes the change is statistically significant – even though DCLG does not accept that a similar drop at the national level is significant.¹⁵ Furthermore levels of overcrowding have been on a steady upward trend since 2005¹⁶ and none of our expert guests, except for the Deputy Mayor for Housing, Land and Property, reported that the situation is improving. The Mayor's London Overcrowding Board did not meet at all for a whole year in the period preceding our Autumn 2013 hearings (only finally convening again on 5 December 2013), suggesting that the Mayor is not according this vital issue the priority it deserves. The Committee therefore considers that the Mayor needs to redouble his efforts in this area to deal with overcrowding in a more robust manner. Supporting downsizing will go some way towards freeing up the larger homes London's families need, but the key to resolving the problem must involve the building of larger affordable homes. The Draft Housing Strategy notes that the Mayor *encourages providers to make provision for much larger homes*, but the Committee must stress once more that without the capital grant required economic realities dictate that this will remain a pipe dream. It reminds the Mayor particularly of recommendation 6 in its 2011 report on overcrowding, that he should revise his target for family-sized housing to reflect actual need, increasing it from 3+ to 4+ bedrooms.⁶

3.10/3.11 Tackling rough sleeping and Addressing statutory homelessness

The Committee is currently drafting a report summarising outcomes from its recent investigation into rough sleeping and homelessness. Experts at our meetings have welcomed the support provided by the *No Second Night Out* programme, primarily for its approach which is strategic, immediate and holistic. The Committee acknowledges the relative success of this programme, but is very concerned that this should not disguise the fact that the number of rough sleepers continues to rise in London. Reflecting the concern of all our expert guests, the Committee also warns that people sleeping on the street are only the tip of the homelessness iceberg. The Draft Housing

¹⁵ *English Housing Survey Households Report 2011-12*, Department for Communities and Local Government, July 2013, para 3.6

¹⁶ Indeed, the GLA's 2012 Evidence Base for the Housing Strategy notes that since the 1990s the trend in overcrowding has been upwards after falling for most of the 20th century

Strategy itself notes the steady rise since 2010 in London's statutory homelessness figures. Evidence submitted to the Committee consistently reports that changes to funding arrangements surrounding homelessness services, including the fragmentation of provision borough by borough, mean that London is not providing the range of services in the right places or the consistency of approach required to make an impact on the homelessness problem. The roots of homelessness extend well beyond a simple housing remit so an effective response needs equally to take a cross-cutting approach. The Mayor must confront this issue head-on and act more strategically, ensuring that we make best use of limited resources London-wide. This will require active management and some tough talking with the boroughs but it is the only way to make the necessary step change. The new Housing Strategy must detail how the Mayor plans to do this, reinstating and building upon the policies that were included in the 2011 Revised Housing Strategy (consultation draft).⁹ The Committee will publish the full findings of its work on rough sleeping and homelessness in Spring 2014.

Homes for London Part 4: Delivering the Vision

Financing housing delivery

4.1 A long-term financial settlement for housing

The Committee supports the findings of the London Finance Commission and would greatly welcome the long-term financial settlement for housing it seeks to achieve.

4.2 Further borrowing reforms

It warmly welcomes the Mayor's agreement with the Committee's unanimous recommendation from its council housing report that prudential borrowing for housing be treated differently from mainstream public borrowing and that the local authority borrowing caps be revised or preferably removed.⁵ Research underpinning the report demonstrated the boroughs' appetite for developing new homes and the Committee applauds the Mayor's recognition that they should become key players in their delivery. We look forward to receiving further details on the Mayor's proposal to manage the approval process for additional borrowing.

4.3 Devolving property taxes

The Committee supports the devolution of property taxes to London, noting that most capital cities have far greater financial autonomy than London. In its recent council housing report it supported the proposal of the London Finance Commission that stamp duty be retained in London to be used for the delivery of more affordable homes.⁵

4.5 London Housing Bank

The Committee is interested in the London Housing Bank proposals. It notes that a discussion paper is to be published and looks forward to contributing once this is available. In the absence of further detail at this stage, it would caution, though, that the considerable risks associated with public subsidy of private developers would need to be carefully assessed before any such arrangements are entered into and robustly managed during operations.

4.6 Making affordable housing assets work harder

4.61 The Committee wholeheartedly supports the principle of ensuring that public money invested in social housing is put to best use. It agrees that there may be scope to

assist smaller housing associations to realise latent development potential perhaps by pooling assets. However, the Committee would not wish to see all providers required to offer market housing, considering a mixed economy of provision to be beneficial.

4.62 The Committee agrees that providers may be encouraged to consider targeted disposals or lettings at market rent but would strongly oppose any attempts to micro-manage their asset strategies by obliging them to make disposals or further constraining their rent-setting policies.

4.7/4.8 Regenerating the capital and Estate regeneration

In its report on council housing the Committee proposed that the GLA should develop its proposals to take an investment position to cashflow associated land assembly and infrastructure costs for council housing⁵ and it would also support this principle in respect of other affordable housing developments, subject to the caveat noted in 4.5 above. The Committee expects to undertake an investigation into estate renewal over the Summer of 2014.

4.9 Twenty first century garden suburbs

In the context of our current housing crisis, the Committee welcomes the use of London's public sector-owned land for housing development. It cautioned, however, in its council housing report, that price should not be a barrier to local authorities or registered providers developing homes, including family-size properties, which will be truly affordable to their local communities.

4.11 Housing Zones

The Mayor's proposal on Housing Zones is an interesting one and the Committee looks forward to responding to the discussion paper when it becomes available. However, it would be concerned if planning restrictions were further relaxed. The GLA's Draft Further Alterations to the London Plan¹³ indicate that translating capacity into completions represents the greater challenge. Indeed, Molior's 2012 report for the GLA identified four key factors constraining development, including land availability, finance, the industry's own capacity and consistency and speed in planning.¹⁷ This suggests that factors other than planning should be targeted for intervention in the proposed Housing Zones.

4.12 Bringing forward public sector land

The Committee welcomes the principle of the Mayor taking a longer-term partnership approach to the development of public sector land and the establishment of an exit strategy for inherited sites. However it is concerned that too sharp a focus on ease and speed of disposal may ultimately trump the quality or type of homes built. It is essential that London realise best public value from its land disposal, which means building the homes the capital needs rather than simply those which are most expedient or which will achieve the highest financial return. The Committee will be undertaking a short piece of work which bears on this in March 2014, looking at the concentration of the house-building industry in London and the Assembly's Budget and Performance Committee is also considering land disposal strategies in the same month.

¹⁷ *Barriers to Housing Delivery*, GLA, December 2012

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Arabic

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Subject: Encouraging Diversity in London's House Building Industry

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 25 March 2014

This report will be considered in public

1. Summary

- 1.1 This report sets out the background and context to the Committee's meeting on London's house building industry. The meeting will explore barriers to entering the market and how the Mayor and others can improve competition in the sector.

2. Recommendations

- 2.1 **That the Committee notes the report, puts questions to the guests and notes the discussion.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree the output from this meeting.**

3. Background

- 3.1 London's house building market is more concentrated than ever. The GLA-commissioned report *Barriers to Housing Delivery* found that only 23 builders accounted for 70 per cent of private sale housing starts.¹ The report highlighted that more new entrants to the market might lead to increased housing development. However, three key barriers currently deter new entrants from entering London's market: the cost of land, access to finance and complexities in the planning system. Despite these barriers, the Mayor's draft London Housing Strategy aspires to develop a programme to encourage and support small and medium sized builders to enter the London market, including for custom and self-build – for example by offering payment of the Community Infrastructure Levy (CIL) on completion of sale rather than upfront.² The Mayor has also previously pledged to support Community Land Trusts across the capital using public assets.³
- 3.2 Land is expensive and prices continue to rise. In the 12 months to September 2013, the cost of prime central London residential development land increased by 14 per cent, more than four times

¹ [Barriers to Housing Delivery](#), GLA, December 2012.

² [Home for London: the draft London Housing Strategy 2013](#), GLA, December 2013, page 50.

³ Boris Johnson 2012 manifesto, *Growing the London Economy*, page 38.

the increase in the Retail Price Index.⁴ The IPPR argues that control of land is a key inhibitor to a more diverse, competitive housing market.⁵ However, much of London's land with planning permission is not currently owned by builders. Around 45 per cent of schemes with planning consent are on land controlled by firms that do not build, including owner-occupiers, investment funds, historic land owners and government.⁶ Encouraging a change of ownership from non-builders to builders could increase the pipeline of new housing in London.

- 3.3 Encouraging new developers to bid for public land could also improve competition. On the continent there are examples where public land is parcelled up and sold to many small developers.⁷ This has helped small private developers and community-led or self-build initiatives. But the GLA appears to be taking a different approach. It recently set-up the London Development Panel – a framework agreement between 25 developers, enabling public land owners, including London's boroughs and government bodies, to award individual contracts without having to go through a full and expensive procurement process each time.⁸ The GLA hopes that the new panel will speed up the disposal process. However, it may also have other effects, such as further reducing competition in London's house building market and providing little scope for new entrants or community-led initiatives to acquire GLA Group-owned sites.
- 3.4 Whether purchasing public or private land, small builders and community-led initiatives need access to finance. Accessing long-term finance has been difficult in the last few years. Both the cost of debt (i.e. interest payments) and the availability of debt are a barrier, particularly to developers. The result of demanding lending criteria from banks and other financial institutions is development without scheme-specific debt: large developers are able to use their strong balance sheets to secure funding, rather than doing so on a scheme-by-scheme basis using a Special Purpose Vehicle (SPV). This means that smaller, less well capitalised developers find it harder to fund development in London.⁹
- 3.5 Finally, the planning system, as well as complex building regulations and standards, may also be deterring new entrants to the market. Planning applications for some schemes can now run into hundreds of thousands of pounds.¹⁰ This could prevent smaller developers without the resources to invest up-front from entering the market. Moreover, understanding complex building regulations and standards may require legal expertise that smaller developers do not have.

4. Issues for Consideration

- 4.1 At the meeting, the Committee may wish to ask the following questions about improving competition in London's house building market:
- Is London's house building market constrained?
 - What are the greatest barriers that prevent new entrants to the market?

⁴ Sources: [Residential Development Land Index](#), Knight Frank, September 2013; The Retail Price Index rose by 3.2 per cent in the 12 months to September 2013 ([UK \[CPI\] inflation rate unchanged at 2.7% in September](#), BBC, 15 October 2013).

⁵ [We Must Fix It](#), Institute for Public Policy Research, December 2012.

⁶ [Barriers to Housing Delivery](#), GLA, December 2012, page 9.

⁷ For example, in the Netherlands (see [Public land development as a strategic tool for redevelopment: Reflections on the Dutch experience](#), Land Use Policy 30 (2013) 774–783, June 2012).

⁸ [London Development Panel](#), GLA website.

⁹ [Barriers to Housing Delivery](#), GLA, December 2012, page 17.

¹⁰ [Barriers to Housing Delivery](#), GLA, December 2012, page 11.

- What can be done to encourage smaller developers and community-led initiatives to build in London?
- What specifically can the Mayor do to help new developers and community organisations acquire land and build homes?

4.2 The Committee has invited a number of expert guests to discuss these matters, including:

- Paul Rayment, Senior Surveyor, Affleck Property Services, Member of the Federation of Master Builders;
- Sarah Monk, Deputy Director, Cambridge for Housing and Planning Research;
- Tim Craine, Director, Moliior;
- Stephen Hill, UK co-housing network; and
- David Lunts, Executive Director – Housing and Land, Greater London Authority.

4.3 The Committee may wish to delegate authority to the Chair, in consultation with Party Group Leads, to agree an appropriate output following the meeting.

5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

6.1 There are no financial implications to the GLA arising from this report.

List of appendices to this report: None

<p>Local Government (Access to Information) Act 1985</p> <p>List of Background Papers: None</p> <p>Contact Officer: Dan Maton, Budget & Performance Adviser</p> <p>Telephone: 020 7983 4681</p> <p>Email: dan.maton@london.gov.uk</p>
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Subject: Housing Committee Work Programme
Report to: Housing Committee
Report of: Executive Director of Secretariat Date: 25 March 2014
This report will be considered in public

1. Summary

- 1.1 The Committee receives a report monitoring the progress of its work programme at each meeting. This document reviews work undertaken in the municipal year 2013/14 and notes the first proposed topic planned for 2014/15.

2. Recommendations

- 2.1 **That the Committee notes the record of its work in 2013/14.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree the Committee's contribution to the Assembly's submission to the consultation on the Further Alternations to the London Plan.**
- 2.3 **That the Committee notes the initial priority for its work programme in 2014/15.**

3. Record of work in 2013/14

- 3.1 The Committee has undertaken a wide range of investigations in 2013/14:
- **Housing Associations and the Delivery of Affordable Housing in London** considered the risks that housing associations face as they adapt to a new business model and changes to the welfare system. The final report (*Housing Associations and the Delivery of Affordable Housing in London: An Issues Paper*) was published in June. The Committee will continue to keep the role of housing associations in affordable housing delivery under review.
 - **London's Private Rented Sector** examined reforms to help banish rogue landlords from the capital's rental market. Measures set out in the report included stabilising rents, enforcing landlord registration, higher penalties for breaching regulations and issuing longer tenancies. Measures to support landlords in improving their properties were also included. The final report (*Rent Reform: Making London's Private Rented Sector Fit for Purpose*) was published in June.
 - **Council Housing in London** focused on methods boroughs are using to develop new council homes. The Committee heard from 28 of the 33 boroughs either via written submissions or

responses to the quantitative survey commissioned to underpin this work. The Committee identified steps the Mayor could take to support more council building such as pressing government to relax the borrowing caps imposed on boroughs' Housing Revenue Accounts. It also recommended a renewal of the Decent Homes Programme and that the Mayor review the impacts of the Affordable Rent policy in London. A final report (*Right to build: What's stopping councils from building more housing?*) was published in October.

- **Single Homelessness and Rough Sleeping** reviewed the progress of the No Second Night Out programme, hostel provision and services for single homeless people in the capital. In its October meeting the Committee heard about the challenges faced by those seeking to support London's single homeless people. A site visit to a homeless hostel for entrenched rough sleepers was arranged in January. The final report is being prepared and will be considered by the Committee in Spring 2014.
- **Specialist Housing Options for Older People** considered how the housing needs of older Londoners are being met and the challenges faced for increased future provision, particularly examining options for Mayoral support to deliver new homes in this sector for different client groups. The Committee visited Peabody's Darwin Court facility which has been hailed as among the best housing schemes for older people in Europe. A final report (*Homes for Older Londoners: Building Healthy homes for a comfortable and independent retirement*) drawing on best practice from across London was published in November 2013.

3.2 Other work carried out by the Committee in 2013/14 has been:

- **Mayor's Housing Commitments.** In November 2013 the Committee held a meeting with the Deputy Mayor for Housing, Land and Property to monitor the Mayor's housing commitments and consider out-turn data. The number of affordable housing starts achieved in September 2013 was well below that needed to meet the Mayor's target. The Committee will be keeping progress under review as the target deadline approaches.
- **Overcrowding.** In November 2013, the Committee held a meeting with the Deputy Mayor for Housing, Land and Property to discuss the Mayor's progress in reaching his target to halve severe overcrowding by 2016.

3.3 The Committee has undertaken two site visits during 2013/14:

- **Investigation into specialist housing for older people** (4 June 2013, Peabody's Darwin Court, Walworth)
- **Investigation into rough sleeping and homelessness** (15 January 2014, Old Theatre Hostel, Hammersmith and Fulham)

3.4 No expenses were incurred by the Committee on these visits.

3.5 On 15 January 2014 the Mayor published Draft Further Alternations to the London Plan for public consultation, which closes on 10 April. The London Assembly's Planning Committee is the lead Committee which will respond to this consultation. As part of their deliberations, the Housing Committee has been invited to submit contributions in so far as the proposed changes apply to housing in London. To this end, the Housing Committee is recommended to delegate authority to the Chair, in consultation with party Group Lead Members, to agree the Committee's contribution to the consultation.

4. Work programme priorities for 2014/15

4.1 In January 2014 party Group Lead Members of the Committee met informally to consider priorities for the Committee's work programme in 2014/15 and the Committee agreed at its February meeting that the first topic for the coming municipal year would be Housing Estate Renewal.

Housing Estate Renewal

4.2 A wide range of factors come into play when deciding whether to refurbish or demolish and rebuild. These include financial considerations (sources of finance, amount available and when), environmental considerations (carbon emissions and energy use associated with new build, the wasted carbon embodied in existing homes, compared with the ongoing environmental efficiency advantages of new build), and people considerations (what do current and future residents want, how are they involved and consulted, how are the rights of leaseholders protected). The investigation will explore these issues, to understand current practice in London and good practice at home or abroad, with a view to making recommendations to the Mayor and the boroughs.

4.3 The Committee's June and July meetings will be devoted to this investigation. A site visit is also planned for July.

4.4 A formal proposal regarding further topics will be made to the Committee at the first meeting of 2014/15.

5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

6.1 There are no direct financial implications arising from this report.

List of appendices to this report: None

Local Government (Access to Information) Act 1985
List of Background Papers: None
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