

Subject: Overview of the Housing Committee's Work 2013-15

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 17 March 2015

This report will be considered in public

1. Summary

- 1.1 This report provides a summary of the work and investigations the Committee has undertaken over the last two Assembly years.

2. Recommendation

- 2.1 **That the Committee notes the report.**

3. Background

- 3.1 Housing is now viewed as the key policy priority for Londoners. The Housing Committee tracks the changing trends in tenure and monitors the role of the Mayor in supporting Londoners into affordable, quality accommodation.
- 3.2 Home ownership is becoming an increasingly difficult goal for Londoners. Owner occupation, which had been rising steadily since the 1940s, flat lined in the 1990s and has been declining steadily since 2001. In parallel with this decline in private home ownership, the private rented sector grew substantially: by the mid-2020s the proportion of Londoners renting privately is expected to equal the number of those who own their own homes.¹
- 3.3 The London Assembly Housing Committee's work programme has sought to reflect the priority issues of increasing supply at a time of falling grant levels, providing a variety of tenures, adequate protections for those that rent and the impact of welfare reform on the housing sector.

¹ Homes for London: The London Housing Strategy, Mayor of London, page 5

4. Issues for Consideration

- 4.1 This paper provides an overview of the Committee's work and impact over the last two years, broken down into three central themes.

Theme 1: The Mayor's Housing Strategy

- 4.2 Over the past two years, one of the key pieces of Committee work was the scrutiny of and response to, the Mayor's draft Housing Strategy. The Mayor published his draft Strategy in November 2013, following which the Committee held a meeting to examine its response to the draft, led a Plenary session of the Assembly in April 2014 and used a follow-up meeting in November 2014 to examine further issues arising from the final draft.
- 4.3 Although the Housing Committee supported a focus on house-building, given the substantial shortfall in supply that London faces, a key concern from the Draft was the lack of policy proposals relating to other areas of housing policy such as overcrowding and homelessness. With regards to supply, the Housing Committee considered the Mayor's proposals to deliver some 42,000 homes per year as not ambitious enough, in view of the evidenced need for between 49,000 and 62,000 per annum. The Committee reiterated particular concerns over the number and definition of affordable homes for those on low and modest incomes, noting that the focus of the Strategy is substantially upon homes for working households.²

Impact

- 4.4 Responding to the concern about numbers of affordable homes, the final version of the Strategy increased the annual delivery of affordable homes from 15,000 to 17,000. Issues remain over who will be able to afford these homes, which have been taken up in a subsequent investigation into Affordable Home Ownership in London. This final version of the Strategy also placed greater attention on the subject of overcrowding and under-occupation, including commitments to review and promote good practice in addressing overcrowding and plans to expand the Housing Moves and Seaside and Country Schemes. At a follow-up meeting in November 2014, the Committee had the opportunity to question several policies which had been highlighted in the Strategy but lacked sufficient information for detailed scrutiny. This includes the key policy of Housing Zones, the London Rental Standard (which the Committee argued for in a previous investigation into the private rental market in December 2012) and community-led development.

Theme 2: Supporting Disadvantaged Londoners

Welfare reform

- 4.5 A seminar was held in December 2013 to allow Members of the Committee to hear from experts about some of the early monitoring of the impact of the Government's welfare reform package on the housing sector. The seminar featured presentations from the Department of Work and Pensions, the G15 group of housing associations, London Councils and the homeless charity Broadway, while other attendees included representatives from local authorities, housing associations and developers and third sector groups.

² www.london.gov.uk/sites/default/files/London-Assembly-response-to-Draft-Housing-Strategy-FEB14.pdf

4.6 Key information provided by these speakers included:

- Almost half of all households affected by the benefit cap are in London;
- The changes to growth of Local Housing Allowance (LHA) claims in different parts of London and the high growth of in-work LHA claims in outer London. That 49 per cent of LHA claimants in London are in work, and that 95 percent of the growth of LHA claims in outer London is amongst working households;
- Over four times as many households in London than the rest of Great Britain are affected by the new size criteria in the social sector have lost at least £25 per week (21 percent compared in London to 5 percent elsewhere); and
- London is the only area to have seen a reduction in the proportion of lone parent LHA claims.

4.7 These findings, as well as other topics raised in the meeting were put to the Deputy Mayor for Housing, Land & Property during a committee meeting in February 2014. Following the meeting, a report³ was published which identified the following key actions for the Mayor and other organisations:

- To collect and publish regular monitoring data on the impact of welfare reforms in London, including household movement within and out of London;
- To ensure that additional support to London in recognition of its higher housing costs are regularly reviewed and adequate; and
- To work with boroughs to ensure they are allocating discretionary housing payments in an effective and sustainable way.

Impact

4.8 The December seminar brought together various strands of on-going research to give a more strategic picture of the various impacts of welfare reform in London. However, the Mayor's response to the Committee's recommendations claimed that current monitoring regimes, albeit not undertaken by the GLA, were sufficient to allow for a strategic overview, while recommendations concerning the need for additional transitional financial support offered to Londoners were largely rejected. The Committee has continued to monitor the effects of welfare reform throughout the year and will once again question the Deputy Mayor for Housing, Land & Property one year on from the publication of the report. Further information can be found at Agenda Item 4.

Homelessness and rough sleeping

4.9 The Committee has returned to the issue of rough sleeping and homelessness at several points over the last two years, reflecting the emphasis that the Mayor has placed in tackling the issue, and the growing nature of the problem in London. The Committee's meeting in May 2013 established that the Mayor had failed to meet his 2012 target for ending rough sleeping, but also highlighted the success of the innovative No Second Night Out policy programme. A second meeting held in October 2013 heard from service providers who support London's homeless people. The Committee completed its evidence gathering with a site visit to a homeless hostel in Hammersmith. The Committee heard first-hand about the importance of key workers in facilitating recovery and the need for bespoke support to deal with clients' complex needs.

³ www.london.gov.uk/sites/default/files/Assessing%20the%20consequences%20of%20welfare%20reform.pdf

- 4.10 In *No Going Back: Breaking the cycle of rough sleeping and homelessness*,⁴ the Committee recommended to the Mayor, London Councils and the London Health Commission to:
- Begin discussions with the Government and London Councils to establish pan-London and sub-regional commissioning arrangements for services supporting single homeless people;
 - Assess how health services can be made to join up with, and complement, other services which support rough sleepers;
 - Write to the Ministerial Working Group on Rough Sleeping to highlight the need for greater flexibility in the design of JobCentre Plus and NHS systems; and
 - Press hard for at least a proportionate share of Department of Health (DH) hostel funding for London and request Department for Communities and Local Government (DCLG) to clarify what revenue funding will be available to support homelessness projects in London for 2015/16 and beyond.

Impact

- 4.11 The Government responded to the Committee's recommendation that more should be done specifically for single people to help them avoid homelessness and announced an extra £8 million for a 'Help for Single Homeless' fund to aid local authorities on this issue. Lord Freud, Minister for Welfare Reform outlined a recent commitment to an easing of benefit sanctions for those recently made homeless, which is in line with one of the recommendations from the Committee. The main recommendation on pan-London commissioning was supported in principal by the Mayor who already commissions some services on that basis. A new pan-London framework will be brought in 2016 which establishes new guidelines for commissioning. £15.5 million has been made available by the DH and DCLG, to which the Mayor will add a further £15.5 million from the Affordable Homes Programme to finance hostel places in London. The Mayor also committed to working with London councils and boroughs to help achieve the Gold Standard for housing services.

Gypsy and Traveller Sites

- 4.12 The issue of providing the appropriate level of accommodation for Gypsy and Travellers was investigated by the Committee in September and October 2014. The Committee visited two Gypsy and Traveller sites; an authorised site in Southwark and an unauthorised site in Greenwich. A meeting was then held in City Hall at which members of the Gypsy and Traveller communities were invited to discuss the difficulties they face in locating appropriate accommodation and the ongoing prejudice they felt. The Committee also heard claims that some boroughs are using the Localism Act 2011 as a way to reduce the number of pitches available. Innovative approaches to supporting these communities were discussed with, amongst others, Leeds City Council.
- 4.13 As a result of the meeting a letter⁵ was sent to the Mayor outlining the following actions he should undertake:
- In light of the success of Leeds Council's toleration sites, the GLA should work with the boroughs on a pilot scheme for London to make land available for short-term Gypsy and Traveller sites modelled on the toleration scheme in Leeds;

⁴ www.london.gov.uk/sites/default/files/London%20Assembly-Rough%20Sleeping-report-July%202014_0.pdf

⁵ www.london.gov.uk/sites/default/files/Gypsy%20and%20Traveller%20site%20provision%20-Letter%20to%20Mayor.pdf

- The GLA should encourage the boroughs to adopt robust and fair waiting list procedures, taking into account Gypsies and Travellers involuntarily residing in social housing. These might be based on Kent County Council’s approach; and
- The GLA should ensure that Boroughs are equipped to regularly engage with their local Gypsy and Traveller communities, providing an accessible frontline point of contact in each borough. Consideration should be given to the possibility of using any underspends from the Traveller Pitch Fund to finance a support system on which the boroughs could draw.

Impact

4.14 The Mayor responded to the Committee’s letter in February 2015. While rejecting a more robust pan-London approach to estimating traveller pitch sites, believing instead that boroughs were still best placed, the Mayor did commit to considering at bids from boroughs for toleration sites based on the Leeds model and to encourage fairer waiting list practices.

Theme 3: Construction and Regeneration

Homes for Older Londoners

4.15 As part of its work on measures to boost supply, the Committee investigated for the first time the number and quality of homes for older Londoners being built in the capital. At this time, there are around 60,000 such specialist housing units in London and experts predict a further 80,000 could be needed over the next thirty years as London’s post war ‘baby boom’ generation reaches retirement age. The report found that specially designed housing – combining self-contained homes with access to on-site support and care – improves independence and quality of life for residents, reduces costs to the NHS of avoidable accidents and frees up much needed family homes. It also identified a disparity between inner and the outer London, and highlighted four outer boroughs currently accounting for a third of privately owned retirement homes. The report was the result of evidence gathered by the Committee including a site visit to the Peabody’s Darwin Court in Walworth which gave Members the opportunity to discuss the issue with centre managers, care workers and residents.

4.16 The Committee’s report⁶ included the following recommendations:

- The Mayor should start planning for what happens after his Care and Support Specialised Housing Fund ends in 2017/18;
- The new Health and Wellbeing Boards include local authority housing directors to ensure they help champion joint planning and commissioning; and
- The report also calls on the Mayor to lobby government for changes to planning regulations to free developers of specialist housing from costs like the Community Infrastructure Levy and Section 106.

Impact

4.17 The Mayor’s published *Further Alterations to the London Plan* made a number of welcome references to measures advocated in the Homes for Older Londoners report. Of particular note is the setting of 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 also

⁶ www.london.gov.uk/sites/default/files/Final%20draft%20report%2026%20November%20%28Recovered%29_0.pdf

used the evidence gathered to successfully lobby the Mayor to make specific changes to the then Draft London Housing Strategy to provide further detail on how supported housing would be developed.

Diversity in the construction industry

- 4.18 The issue of how to encourage more small- and medium-sized enterprise (SME) construction companies to deliver housing was the subject of the Committee's meeting in March 2014. Members heard from experts including Molior, the Cambridge Centre for Housing and Planning Research, the Federation of Master Builders, the UK Co-housing Network and the GLA. It heard that the house building industry is dominated by a small number of large developers that alone do not have the capacity to build the number of homes that London requires. The recent recession has exacerbated this, the number of SME contractors has reduced at a faster rate than larger companies. The main reason given was the high cost of land in the capital which made it much harder for SME contractors to compete. This problem is likely to get worse for SMEs in the medium term if the GLA ignores the problem. Since sites available on the open market are so highly priced, and since access to finance remains difficult for SMEs, the release of public land over the next few years is going to be an increasingly important factor in whether or not new entrants emerge in London.
- 4.19 A letter⁷ outlining the Committee's concerns was sent to the Mayor, and asked him to:
- Parcel public land into smaller sites prior to disposal, with some sites specifically reserved for small builders;
 - Be open about the framework GLA is considering to help small builders; and
 - Ensure greater transparency to see who is buying land in London through the London Development Panel - where and for how much.

Impact

- 4.20 The Mayor welcomed the Committee's work and said that the issue of parcelling land into small units had merit but said that it was not practical at this stage due to the rapidly decreasing number of hectares available to the GLA. He would, however, continue to examine any further land releases to see if SME activity can be encouraged. While the Mayor could not impose a duty on future Housing Zones to ensure that SMEs are included in development plans, he would look for opportunities to include and promote the use of SMEs. Plans for a framework for SME developers was examined but ultimately rejected by the GLA as being impractical but the Mayor would support boroughs establishing such frameworks at sub-regional level, while also encouraging members of the London Development Panel to use SME construction companies wherever possible.

Councils constructing Affordable Homes

- 4.21 In November 2013, the Committee published its report examining the issue of local authorities and their ability to increase the levels of affordable housing in the capital. The Committee considered both the current state of the council housing sector in London (including the number and quality of council homes) and the prospects for renewed council building programmes to address the problem of insufficient supply. As part of this investigation the Committee commissioned a piece of primary research from the University of Westminster. The research project included a survey of the London boroughs, analysis of relevant borough policy and project documentation and additional desk research. The report's recommendations and conclusions drew on input from 28 of the

⁷ www.london.gov.uk/sites/default/files/London%20Assembly-Letter%20to%20the%20Mayor-diversify%20housebuilding%20industry_0.pdf

33 boroughs, arising either from written submissions or responses to the survey.

- 4.22 The report, titled *Right to Build: What's stopping Councils from building more houses?*⁸ encouraged the Mayor to join with London Councils and others in a coordinated lobbying campaign to ensure that the borrowing caps are lifted and in pressing for housing investment to be removed from the measure of government debt. It also recommended that the Mayor should lobby government for an adequate renewal of the Decent Homes funding stream after 2016, undertake an assessment of the impacts of Affordable Rent in London to inform decisions about the planned successor programme post 2015 and continue to lobby government for more house-building funds for London (for example through the retention of stamp duty raised in London) some of which should be spent on new council homes.

Impact

- 4.23 The Assembly, Mayor and London Councils have repeatedly called for increasing the ability of councils to borrow in order to build new housing, and seen the issue move up the national agenda as a result. Following the report, the Mayor's Housing Strategy stated that the Mayor intends to offer a more differentiated programme of Affordable Rent housing during the coming investment round, and stated his support for renewal of the Decent Homes funding.

Estate Regeneration

- 4.24 The question of how councils and developers should approach regenerating estates was the subject of two meetings held by the Committee in summer 2014. Central to the issue of regeneration was the question of whether a particular run-down estate should be knocked down or whether refurbishment was a better option. Guests who appeared before the Committee included representatives from Publica, Arup, the London Tenants Association, University of York as well as boroughs such as Brent and Lewisham. Members also visited an example of estate regeneration at Clapham Park Estates, which gave them the opportunity to discuss with senior representatives of the housing association and the borough their vision for the estate and how this has been shaped by funding opportunities and Government/Mayoral policy.
- 4.25 The report based on the Committee's investigation, *Knock It Down or Do It Up? The Challenge of estate regeneration*⁹, found that estate regeneration had reduced the number of social housing dwellings by up to 8,000 over the last decade, and in many cases has led to continuing bad blood amongst residents and councils. Released in February 2015, the report is designed to provide a guide for community groups, councillors and housing professionals to some of the best ways to work together to regenerate estates. The tips include:
- Putting energy into early and comprehensive engagement with residents, as well as the physical build and finances
 - Holding an independent ballot on any final decision to demolish an estate
 - Creating a steering group of residents and securing the enthusiasm of community leaders and influencers.

⁸ www.london.gov.uk/sites/default/files/Council%20Housing%20Report%20If%20template%20version%204.pdf

⁹ www.london.gov.uk/sites/default/files/KnockItDownOrDoItUp.pdf

Impact

- 4.26 The Committee's report was widely commented on in the media and through social media. A report on the impact of its recommendation will be produced in early summer 2015.

Theme 4: Ongoing monitoring work

- 4.27 In addition to these main three themes of work, the Committee also undertook a number of meetings to follow-up on past work or to provide additional background on major issues. These included:
- 4.28 **Affordable Home numbers and ownership:** The Committee continues to monitor the number of affordable homes being built in London as part of the Mayor's Affordable Homes Programme 2011 - 2015, as well as interrogating the proposals for the Programme's next period in 2015 - 2018. Committee Members continue to hold the Mayor to account for any perceived delays in delivery through questioning at Mayor's Question Time meetings or through his Deputy Mayor for Housing, Land and Property at Committee meetings.
- 4.29 The Committee has used this ongoing scrutiny as the basis for an investigation into affordable home ownership in London, using meetings in earlier part of this year to examine the issue in detail. The investigation is looking at the Mayor's First Steps Programme which provides funding for affordable homes in the capital, as well as targeting intervention to make the market work more effectively. In particular, the Committee focused on Shared Ownership as the Mayor substantially increased the funding for this type of ownership in the 2015 - 2018 Affordable Homes Programme. A report will be released in early summer 2015.
- 4.30 **Overcrowding:** Following up recommendations from previous Assembly work on overcrowding in the social rented sector, the Housing Committee held a meeting in September 2014 designed to update its evidence base on what progress the Mayor had made to meet his target to end severe overcrowding by 2016. A further Committee meeting in November 2014 provided an opportunity to discuss with the Deputy Mayor for Housing, Land and Property what further steps are planned or deemed necessary.
- 4.31 **London Plan:** In April 2014, the Housing Committee contributed formally to the Planning Committee's response on the Mayor's Draft Further Alterations to the London Plan. It reinforced messages from its response to the Draft Housing Strategy, notably the need to explain how the gap between the 42,000 homes planned for in the Draft Housing Strategy and the minimum of 49,000 identified within the evidence base will be closed. It also called for greater numbers of affordable homes and family homes.

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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