

Housing Committee – 17 March 2015**Transcript of Item 4: Questions to the Deputy Mayor for Housing, Land and Property**

Darren Johnson AM (Chair): Then we come to Item 4, which is our main discussion item today. We have a few areas that we are covering, beginning with homelessness and rough sleeping, moving on to welfare reform and then moving on to affordable housing numbers.

If I can welcome formally all of our guests, both internal and external, and if I can put the first question to the Deputy Mayor for Housing, Land and Property, Ric Blakeway: do you expect the Combined Homelessness and Information Network (CHAIN) data for this year to continue to show a rise in the number of people sleeping rough in London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I suspect the CHAIN data, which is the most comprehensive data looking at homelessness, could show a slight increase. What we have found in recent years is that the numbers have stabilised. In the last full calendar year there was a 1% increase but an increase nonetheless. I would not be surprised if something similar happened this year and certainly the first-quarter set of data would suggest that that is likely.

What the CHAIN data is also likely to suggest, though, is that the number of people who spend four quarters on the street, who are seen in each quarter, is proportionally very low. Last year, it was 3%. This year, to date, what we have found is that fewer people are moving from being seen on the street to what we term 'living on the street', which means they are seen in consecutive quarters. That has reduced and so I suspect again we are likely to see that even though the overall number of people seen on the street is high, the actual number of people staying on the street is very, very low.

Darren Johnson AM (Chair): You were previously worried, obviously, about the increase that we were seeing. Is it your understanding that that is stabilising now, although numbers are still relatively high compared to previously?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): In many ways, what the numbers show - and what the benefit and value of the CHAIN data is - is that people are not spending a significant length of time on the street. As I say, last year we saw a 1% increase. This year we might see something similar, something higher, but we will have to see what the data says. What you are likely to see, though, is that only 3% of people, as it was year and as is likely this year, are being seen on the street and recorded by CHAIN in each quarter.

Darren Johnson AM (Chair): I will bring in other guests. Matt, have you anything that you wish to comment on in terms of rough-sleeping numbers?

Matt Downie (Director of Policy and External Affairs, Crisis): Yes, we are expecting to see an increase. The causal factors that are behind homelessness are not abating: the impact of welfare reform and the impact particularly of things like conditionality and sanctions. We know that the main reason for homelessness now is people coming from the private rented sector and being evicted. That certainly shows no sign of slowing. Therefore, whilst it is absolutely right that we need to recognise the success of No Second Night Out and ensuring that people do not spend a longer period of time on the streets, it is not tackling the causes of homelessness.

Darren Johnson AM (Chair): We will obviously come on to that in more detail. One of the things that we identified when we did our investigation into rough sleeping a year or so ago was the lack of move-on hostel beds and move-on accommodation. Is the Mayor doing enough to tackle that and to ensure an increase in both short-term hostel accommodation and move-on accommodation?

Matt Downie (Director of Policy and External Affairs, Crisis): Certainly more can be done. There are a couple of things to say about hostel accommodation. The first is that the number of beds is important and we have seen a decrease in the number of beds.

The second is that it is also important what happens within those settings and it is not just beds themselves: it is the wider support that is offered to people in hostels. What we have seen is that the first step in budget cuts for hostel accommodation is not of beds; it is of the support services within. For example, we are seeing fewer people referred to us and our services - which provide employment, skills and various other types of support - because some of that expertise within hostels is being lost. Some of that referral and some of that key-working, which would traditionally happen in the best of hostels, is being stripped back and they are more likely to be just a traditional bed for the night.

Darren Johnson AM (Chair): The evidence that we had when we did our investigation suggested the only real way to actually tackle rough sleeping and homelessness is to provide a package of support, not simply to see it about accommodation.

Matt Downie (Director of Policy and External Affairs, Crisis): That is right. We know through the success of our services that the best way to help people is to get alongside them and understand the individual and personal circumstances that brought them to homelessness so that you can work back and understand how you can help people to social and economic integration from that situation. It is a concern that hostel bed numbers continue to decrease, but it is also a concern about what is not happening within hostels.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Matt makes a really important point and he raises a really important issue around the support as well as the accommodation. It is worth just being clear on the data. At the moment, there are just over 13,000 hostel beds in London. The Greater London Authority (GLA) provides tenancy support teams to 1,800 places in the private rented sector.

In addition to that, we have something called Clearing House, which has just over 3,000 accommodation places. Importantly with that, when we inherited Clearing House from the Department for Communities and Local Government (DCLG), some of the accommodation had haemorrhaged from the system and we worked very closely with providers - in particular, I remember Peabody - to try to make sure that we had access to all the beds.

If you look at that spread, there are also the traditional hostel beds, the tenancy support teams working in the private rented sector and also Clearing House. There is quite a broad range of options there for people.

Move-on has always been a big challenge. I remember one of the first things I learned in this job around this issue was people saying, "Look, we have a real issue with silting-up in hostels. We have a real issue with accessing the private rented sector". The CHAIN data - and it is important to stress this - shows that more people now are accessing the private rented sector directly. That first stage getting into the private rented sector is about 12% compared with 4% about seven or eight years ago. Therefore, counterintuitively, it does appear that people are entering into the private rented sector.

Nonetheless, I recognise that this is an incredibly difficult area. Whether there is more we can do with the Social Impact Bond, which helps around this with a more holistic approach, or whether there is more we can do with St Mungo's Broadway around the Real Lettings project, which is trying to find move-on accommodation: we definitely need to do more. However, it is important to recognise there is quite a lot out there already.

Darren Johnson AM (Chair): Kate [Webb] and Sue, do you wish to come in on anything at this point in terms of what we have heard about hostel beds and move-on accommodation?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Just to back up the point about move-on, it is key in terms of the availability of beds at any one time.

Just to add a point in terms of this Committee looking to the future, we have talked about the funding that is available for support services within hostels. There is the issue of the funding that is available, which currently comes through Housing Benefit, to pay the rent, in effect, for somebody living in a hostel. With Universal Credit coming in, that housing cost will not be included within Universal Credit. In the short term, people will continue to claim Housing Benefit. However, in the longer term, the Government will set up a completely new system, potentially localised, in terms of determining what somebody's entitlement is to help to pay the rent, in effect, of their hostel bed. Obviously, for providers, that is a long-term insecurity in terms of that revenue stream. Previously, that has been a solid, dependable revenue stream if you are running a hostel: while support money has fluctuated, it has given you your core funding and the knowledge that you can continue to manage that building.

Therefore, how providers will react to that long-term insecurity - and obviously some of these buildings are very valuable buildings in terms of where they are in London - and the speed at which any new Government will make a decision around any long-term funding stream for supported housing are key variables in terms of this Committee looking forward.

Kate Webb (Head of Policy, Shelter): I would echo Sue's [Ramsden] points about the viability of long-term funding. One of the advantages of Housing Benefit at the moment that we often tend to overlook is that it is extremely flexible and it can expand to meet increased demand. We understand that the Department for Work and Pensions (DWP) wants to look at funding for supported accommodation and other forms of accommodation in the long term, but the key thing is not getting us into a system where we lose the ability to flex to meet increased demand in the future.

Darren Johnson AM (Chair): So you need the flexibility on a year-to-year basis as well as longer-term certainty in terms of funding.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Just very briefly, on the capital funding side, obviously, we have had various programmes: Homelessness Change, for example - Places of Change previously - has sought to provide capital funding for either building new or refurbishing existing hostels. It is polite to give the Committee a heads-up that we will be launching the next round of funding for capital improvements or providing new hostels next week. We have secured £15 million from the Government. What we are going to do is match that with a further £15 million here and so there will be a £30 million package.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It has been announced. We announced it last week.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Do you know what? We launched it last week. It is something else next week. Do you want to hear about that?

Darren Johnson AM (Chair): All right. Can I just ask, was all of the £30 million allocated in the 2011-15 Affordable Homes Programme (AHP) to the Homelessness Change programme spent?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Just where we are at the moment, it is about £11.5 million.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Yes, there were initial allocations for £12.76 million and the current allocations are expecting to deliver £11.6 million.

Darren Johnson AM (Chair): What will happen with the underspend?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): We have been using that as part of the overall affordable housing budget to deliver more affordable homes.

Darren Johnson AM (Chair): It is actually going from homelessness support to wider –

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Yes, to the main programme, but it is worth noting that the main programme does also deliver a range of supported housing in the other programmes, not including homelessness. In the National Affordable Housing Programme (NAHP) there were 840 completions since 2011 for supported housing not including older people, 191 in the AHP, 161 in empty homes and 165 to date in the *Mayor's Housing Covenant: Building the Pipeline*. Therefore, we are funding supported housing outside of the specialist programmes.

Darren Johnson AM (Chair): In terms of what we have heard from various witnesses about the issue of the lack of hostel beds and move-on accommodation and also the issues around the support package that is needed, does the Mayor need a better strategic overview of provision in the capital so that we have a more joined-up approach pan-London and cross-borough?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is merit in that. We have to recognise, though, that for those individuals, there are a number of statutory services that are accessed in the local authority and you do not want to undermine necessarily the link between that individual and the other services they could access in an area. Clearly, the work that we have done more generally around rough sleeping has sought to try to bring a pan-London element to it by either co-ordinating existing services – co-ordinating outreach, for example – or filling gaps.

There is merit to looking at hostel accommodation, but I would stress that for many, many years people have said that the traditional hostel has not necessarily been the most appropriate place and that actually you do not want an individual spending a significant amount of time in those hostels. What has happened in recent years is that we have more hostels that provide very specialist accommodation. For example, you have the facility that St Mungo's provides in the City that looks to work with people who have slept rough for a very long period, a minimum of at least five years. For those individuals, it almost acts like a bed-and-breakfast (B&B). They have their own keys, for example, and they have their own rooms and their own facilities. We have much more specialist hostels now.

We are also looking at how we can provide different types of accommodation to support people so that they do not end up in an environment that is not necessarily healthy in the long term.

Darren Johnson AM (Chair): When we did the original exercise, it was clear that the old type of hostels were no longer really meeting needs as we know them now. Is there a need for a pan-London review of hostel accommodation, both in terms of the numbers and in terms of the quality of the provision, echoing some of the things you were saying?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I am conscious that Jamie [Ratcliff] wants to come in and so I will just be very quick. We had a very difficult period a few years ago and we sought to work with a number of local authorities on the London Delivery Board to make sure that we did not just have the decommissioning of hostels without any kind of strategic approach. It was a very difficult period.

Now, probably the role for us is to say, "How we make the best out of that accommodation? How do we provide more specialist accommodation?" How do you get accommodation, for example, that works for people who have mental health issues? Some of them will not necessarily have acute mental health issues? How do you work with them? We know they have a vulnerability to return to the street.

What you have to overcome, though, is the local connection issue if you are going to be moving people away from a borough where they have a local connection and that is not straightforward. It is really important to recognise that those individuals will need to access other statutory services, not just accommodation. I know Jamie wanted to come in.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): The revenue provision for these services, where it is providing detailed support, is really important. In that case, it really needs to be a local priority that is identified and then we can help to fill it. It would not be for us to say, "This is what we need. You need find space in your revenue budgets to do it, local authorities", because it is not going to work that way. I am very keen for us to make available capital funding to improve hostels and it is very important that it is changing some of the dorm-type accommodation with lots of people living in the same room, which clearly is not appropriate now, as well as looking at a range of new services.

The £30 million of funding that has been made available - and it is worth being clear that that was £15 million that the Department of Health gave us and we have added to that with an additional £15 million of budget to make the provision twice as large in London - has this new concept of a Platform for Life, which is about a new type of accommodation offer for young people with fairly low support needs and which therefore needs very low levels of revenue support. It is something that could be delivered at a larger scale without impacting upon local authority budgets.

Darren Johnson AM (Chair): Given that there is this programme and funding being made available - and there is still a year left in this term - would linking that with a review of existing hostel accommodation and future needs be useful as part of that funding programme?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): We are keen to get on and do this and we want to get people coming back to us with bids that we can deliver as soon as possible. I would not want to delay the implementation of improving existing provision and building new to carry out a strategic review.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is also worth highlighting that - particularly with the largest hostel provider, St Mungo's - one of our expectations when they are bidding for money is for them to tell us what they are doing with the hostels that they own across a whole range of different local authority areas. There is a kind of --

Darren Johnson AM (Chair): You are expecting them to have actually undertaken a strategic review across their existing estates, basically?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Absolutely. In a sense, you will end up with everyone who bids for this funding explaining exactly how this funding complements what they are doing. Is there accommodation fit for purpose? Are there gaps in provision in certain parts of London and so forth?

Darren Johnson AM (Chair): Then there may still be a need to look at the gaps in terms of who is not coming forward.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, but let us see where we get to. We know, for example, because we seek to provide the hubs through No Second Night Out, how hard it is to actually access buildings. It is really, really difficult. One of the things that we do want to do is to find a permanent home for one of the No Second Night Out hubs.

However, this is not straightforward in actually trying to work with the existing facilities we have and making sure that those facilities are targeting the very specific needs that people have. The nature of people and the reason why they are homeless is changing and you are finding proportionately more women, for example, and mental health issues, as I have talked about. How are you addressing things like tuberculosis and so forth? It is looking at those facilities and that accommodation as much as at how many beds there are in a particular part of London.

Matt Downie (Director of Policy and External Affairs, Crisis): I just want to say that that sounds positive. Just to step back from it slightly, we do know that people gravitate towards central London and they do that because there are more services. If you look at the pan-London approach to homelessness, there are certainly gaps in homelessness provision. However, as we started with this discussion, you cannot look at that alone. You have to look at whether there is realistic access to the private rented sector and what other support mechanisms are available in those areas. It is right to look at whether hostel accommodation is there where it needs to be and whether we get over the mess of local connection, but also you have to look at those other things, too.

Where in London is there simply is not the development of affordable private rented accommodation and where is there no social housing left? You will find some of those areas and it is really good that those people who are coming forward for funding are being asked to give a strategic overview of what is available, but, as you have said, Darren, it has to be everyone. That is what a pan-London approach is: to make sure that there are no big gaps where it is just not possible for homeless people or potentially homeless people to exist.

Darren Johnson AM (Chair): Certainly, you have people gravitating to central London because it is where the immediate support services are, but then in terms of move-on the private rented sector accommodation on an affordable level is far more likely to be in outer London. That would show that you needed a more strategic approach.

We will move now specifically on to No Second Night Out. Andrew?

Andrew Boff AM: Mr Blakeway, could you provide an update on the No First Night Out pilot and how it is panning out?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure. It is early days. As you know, most of the services we commission, rightly, are around a response to people who are on the street who we know have a history of rough sleeping and are potentially vulnerable. I have talked about the tenancy sustainment teams (TST), for example. Most of the prevention work is done by local authorities.

One of the issues that we have been concerned about, though, is particularly around housing options. The aim of No First Night Out is to work with housing options. There is a trio of housing option teams - Tower Hamlets and the City of London, for example - where we will review the services and will look at how those options could be provided to try to prevent homelessness. One of the things, for example, we have been looking at is whether housing option teams can actually go to people rather than people necessarily turning up to housing options.

However, we have only just allocated the money. It is partly us and there is funding from DCLG as well. The total pot is £330,000. The project will formally start in the next few weeks and so there is not an update I can provide yet because the programme has to get underway.

Andrew Boff AM: Have you already identified partners in organisations?

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

Andrew Boff AM: How many organisations have been awarded funding?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is a consortium of three local authorities.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Yes, Tower Hamlets, the City and Hackney, as Ric said.

Andrew Boff AM: Forgive me. Just local authorities have been awarded the funding so far?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Looking at housing options, which they are obviously responsible for.

Andrew Boff AM: You say it is early days, but have you made any kind of evaluation as to how it is going at the moment?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, we have not because the project is yet to formally start. However, there is a good reason to look at it because we know from the experience of No Second Night Out that a significant proportion of the people who go to No Second Night Out - as many as a third - have previously been to housing options. Therefore, there is definitely a problem there that we need to address about the level of advice and quality of advice that single homeless people are receiving.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It is worth saying that what we have commissioned is a two-stage process. The first is some research to look at the problem and to look at people who, as Ric said, have experienced rough sleeping and have fallen through the gaps with the housing advice that they have received for local authorities. What could have been done to help them and prevent their homelessness? They will use that experience and research to then design some different services that can offer additional options to people either coming to housing options or about to experience rough sleeping.

The research is just about to start and we do not anticipate that the services are going to be in place until the autumn. Therefore, it is far too early to have any evaluation because we have not started yet.

Andrew Boff AM: No evaluation and so it is probably a bit too early to say whether the pilot will be extended beyond its target date of 2015/16?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is too early to say and clearly it would be a decision for the next Mayor. What I would say, though, is that it is quite pioneering stuff for the GLA to go in and look at how some housing option services are operating. Clearly, if there is to be a fundamental change around how housing options work, it is something that really is a matter for the Government and local authorities. What we are seeking to do here is to review how it is working and build on some of the great work that Crisis and others have done. Clearly, this is a pilot and we need to see what the results are.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): We have a clear focus at the end of carrying out an evaluation and sharing the good practice and things that work. Because it is a pilot, I am sure there will be bits that work less well than others and we will be keen to see what we can do to get maximum traction from the things that do work and do help to prevent rough sleeping.

Andrew Boff AM: There has been some criticism of the Gold Standard of housing options and that it is actually quite complex to achieve. I wonder what support the Mayor would be giving to providers to help them achieve that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The Gold Standard is set by the Government and the support and facilitation of that is by the DCLG, not the GLA. We are supportive of the Standard. The idea that people reach a high standard of performance is obviously something we support. However, the administration of that is clearly one that the DCLG undertakes. All we know is that all 33 local authorities in London are signed up to it, as far as I am aware.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): As far as I am aware - and I am only aware from an Inside Housing report a couple of weeks ago - no one has actually achieved all ten elements of the Standard so far. However, there are two local authorities in London that have a bronze level, which is doing five of the ten. All 33 have committed to doing at least one of them and are at various stages through it. There are also two clusters of nine London local authorities that are working together to peer-review their services.

Andrew Boff AM: You are saying this is a work in progress. What we have been told is that only about 10% of those authorities are actively pursuing the Standard.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is important to distinguish between No First Night Out, which is a GLA project, and the Gold Standard, which is set by the Government. Whilst we are supportive of the Gold Standard, we do not administer the Gold Standard and so I am afraid that, unfortunately, we are not really furnished with all the detail on it. It is a national standard that we support in principle. We are conscious that there is strong participation amongst London boroughs. However, in terms of whether you think it is a success or not, it is probably a question more for the Government than for us.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): There are things that accord with what we are doing. If you look at the ten different elements of the Gold Standard, at least five of them are very close to things that we are looking to do through No First Night Out.

Andrew Boff AM: I take the point that this is not your scheme. However, your objectives are going to be met by that scheme being met. Therefore, is there not some advantage in the Mayor being supportive of those councils in order to meet the Gold Standard?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, we are supportive. The Mayor's Rough Sleeping Group consists predominantly of local authorities with high levels of homelessness acceptances and rough sleeping. We have facilitated the meeting between them and the DCLG to talk about the Gold Standard and to encourage participation in the Gold Standard. That was done through the Mayor's Rough Sleeping Group a few months ago. It was done last year.

However, on the day-to-day administration and in terms of the teams from the DCLG who go into local authorities, it is not something we participate in. We can be supportive, but we simply do not have the capacity to duplicate what the DCLG is doing through the Gold Standard.

Andrew Boff AM: I get it, yes.

Darren Johnson AM (Chair): Matt, does Crisis have a view on this?

Matt Downie (Director of Policy and External Affairs, Crisis): You are right that the Gold Standard is obviously a DCLG thing. It is voluntary and there are no real teeth behind it. It is one of those things where the good local authorities are more likely to do it, although, as you have said, Andrew, it is quite cumbersome and some doubt whether it is actually worth it in the end.

The thing I wanted to say is that we can seek to incrementally improve housing options for single homeless people and it is right that we do so through the Gold Standard and through No First Night Out. However, right at the heart of the problem is the homelessness legislation for single homeless people. As identified in a previous report from the Committee, single homeless people are very unlikely to be considered a priority need unless they are extremely vulnerable and that vulnerability level is going up and up, which is why Shelter and Crisis have challenged that in the Supreme Court. It is obviously not --

Darren Johnson AM (Chair): That is where we made the comparison with Scotland?

Matt Downie (Director of Policy and External Affairs, Crisis): Yes. Obviously, it is not a matter of Mayoral responsibility, but it must be a matter of Mayoral opinion about something that is standing in the way of assistance and accommodation for vast numbers of single homeless people in the capital. Yes, we need to get that right and we need to make sure that any change does not disadvantage people who are currently in priority need, but we --

Andrew Boff AM: Can you just outline that for me? I get the point, but in the context of the availability of housing in London - and there is not a lot - what is the argument for increasing the priority to single people when there are families and children who are also under housing stress and who are competing for the same kind of housing? What is the argument for saying single housing --

Matt Downie (Director of Policy and External Affairs, Crisis): There is a chicken-and-egg to this, isn't there?

Andrew Boff AM: Yes. This is not a zero-sum game. When I did my report on overcrowding, we made some very strong recommendations on that overcrowding group, but ultimately there were recommendations about taking from one group in need and giving to another group in need.

Matt Downie (Director of Policy and External Affairs, Crisis): In fact, it is already happening. Under the priority legislation as it stands, there are people who used to have more of a priority need and who are deemed to have less. The question is how we make sure there is a provision of rights and entitlements for vulnerability so that at that stage we are allocating and planning for affordable housing going into the future. We simply will not do that if we continue to say that this is a group of people that will never be housed or have access to affordable accommodation.

Of course, it is very, very hard and we need to make sure that any change in the law does not make families in priority need now not so, but we cannot not take a view on that. As we have seen, the numbers are going up and up. Housing options services are getting more and more squeezed. We have to do something about the underlying framework.

Kate Webb (Head of Policy, Shelter): There are two questions that flow from that. Shelter's position around priority needs is slightly different because of the pressures on the existing supply of both temporary accommodation and permanent housing. We would be in absolute agreement that there are big problems at the moment around single homeless people who should be a priority need because of their vulnerabilities and that system not functioning at the moment. That is why we were very happy to support the Supreme Court challenge.

There is a separate question then of whether the existence of priority need *per se* is still appropriate and there we are very mindful of the pressures on supply. However, that in turn is why it is completely appropriate to be looking at this in the round, including whether housing options and local authorities are actually doing what they should be doing at the moment. There should actually be the strategic duty to prevent homelessness and to have a strategy around that and there should be advice and assistance for single people. It is quite clear from the work that Crisis and others are doing that that is not happening at present.

The second point is about how you evidence housing needs so that you are making sensible strategic decisions around the supply. I would say there that we have to be mindful that the statutory homelessness figures actually are not a good proxy for housing need anymore anyway. Far more people get assisted through housing options than the homelessness legislation, even if actually they have a very good case to be accepted under the legal definition. It is time for a far more general conversation in the round about how we actually recognise the level of housing need and direct supply accordingly.

Andrew Boff AM: That is quite comprehensive. Can I ask Mr Blakeway about the progress with regard to the housing of homeless veterans, for which there is an amount of money? How are we doing on that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are right, Andrew, that that is obviously an important area. Whilst we have seen a substantial decline in the proportion of homeless veterans on London's streets compared to the situation in the early 1990s or late 1980s, we are still looking at about 3% of people recorded on CHAIN having an armed services background. Nonetheless, it is an important cohort of people whom we must help.

There are a number of ways in which we are seeking to do that. The first is helping those people through some of the services that we run like No Second Night Out. The other is providing support directly to organisations

specialising in the support of homeless veterans. In particular, what we have done is recently allocate £300,000 to help with the hostel in Stepney that Veteran Aid provides. They are clearly going through their redevelopment plans at the moment and that is progressing, but we are proud to be part of it.

Murad Qureshi AM: Just before I go on to the question I have down, can I just go back to the Gold Standard? I just want some comparative information about how Greater London compares to other regions in the UK. Darren mentioned Scotland. I particularly want a comparison, if it is possible, with the northwest. I am certainly of the view that there seems to be more rough sleepers in the city of Manchester than in the centre of London. Is that a fair comment or observation or is that solely baseless and only on my own observations? Sue, do you have anything?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): I am not in a position to say. I do not have –

Murad Qureshi AM: What I am saying is that, yes, we have a particular London problem but are there any lessons nationally from all --

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): There is one thing I would say maybe while other people are thinking. The thing that is really powerful about the provision of services that we have in London is the CHAIN data and that we are able to track individual rough sleepers and their circumstances and how that changes over time. London has that data and Oxford has something similar, but no other local authority area across England, as far as I am aware, does collect that data and so it is slightly harder. I certainly have not done any research into rough sleeping in Manchester, but perhaps others have.

Murad Qureshi AM: The impression that you always get from reading about it is that this is solely a London issue. It is not, is it?

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

Murad Qureshi AM: That is the point I am trying to make and also --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are absolutely right. The best data is the estimate provided by the Street Count. That will be less about housing options and more about contacts or people seen bedding down on the street. The Street Count data is national. Most local authorities provide a return to that. There is always some slightly odd stuff in there. I remember there was some rural part of Devon that I think I am right in saying recorded a higher number of rough sleepers than Westminster or something like that.

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Cornwall. It was a bit of Cornwall.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That did not seem plausible. There is also an issue and it has not come up but it is important to recognise – and I know certainly in Peterborough – amongst those sleeping rough the high proportion of foreign nationals, which is very similar to the situation we see in London where now the majority of rough sleepers are non-UK nationals.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): The other thing to say is that people whom you perceive to be sleeping rough might often be in secure accommodation but begging. Just because you are walking around in the day and some people are sitting around, it does not mean they are

actually rough sleeping. There is a service that we fund in London called Streetlink, which also operates nationally. If you want to get support services to rough sleepers, rather than just giving them some money that they might not use to the best of their health, you can report them to Streetlink and get services to go and access them. That works in London and across the rest of the country.

Andrew Boff AM: Murad [Qureshi AM] raises a really good point, actually. Is there an international comparison? I was in Stockholm last week and I was absolutely struck by it. I do not know if it is just the fact of going to another city and seeing it in another city that you do not see yourself, but it seems to me that most big cities have a worse issue than we do.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Andrew, you are so right.

Andrew Boff AM: I do not know. I would not mind seeing some figures. You think everything is done well in Sweden --

Tom Copley AM (Deputy Chair): Brussels is awful.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. We will provide a table that Thames Reach has put together. What it does is compare the number of rough sleepers against the population of the city. In Los Angeles, it is absolutely staggering: you are up to 20,000-odd people who are seen sleeping each night on the streets – each night. If you compare that to the population, it is a significant chunk. I am sure it is --

Darren Johnson AM (Chair): We look forward to getting those figures. I am keen that we move on now.

Murad Qureshi AM: It was just interesting to tally my own personal observations of another city I know fairly well.

Just moving on to the next area of questioning, Ric: when can we expect a new Pan-London Commissioning Framework and is that something you are actively working on at the moment?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are correct, Murad. We are working on it. At the moment we are in consultation with various bodies - local authorities, providers and others - around the shape of that Framework. We had a discussion last month at the Mayor's Rough Sleeping Group around the Framework. At the moment what we have done is we have extended current contracts for an additional year and so this Framework will come in place looking at the services we need to commission in the future.

Much of it will look broadly as it is now because we think many of the services and the balance of where our funding goes is right. It is right, for example, that we continue to focus on things like No Second Night Out when we have a high number of people on the streets. However, there are some things that we might do in addition. I am quite keen on a discretionary fund that we are able to put in place when an issue arises. For example, you will see that recently there has been an issue around Heathrow with rough sleeping. Could we have a discretionary fund that could go in and target that as and when issues appear?

Otherwise, the Framework will look broadly as it is at the moment. We will shortly go out for further discussion on it with providers. We have provided them with the draft of it and we will look to get approvals for publishing the framework in May 2015.

Murad Qureshi AM: You have highlighted some of the complexity and scale of the problems since 2011. What particular emphasis will you put on move-on accommodation? You touched on capital funding in a few comments previously. You may want to come back to that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): For move-on, it is right that we continue to support the kinds of services we have like the TSTs, for example, and the Clearing House that we provide. In total, you are looking at circa 5,000 accommodation places there. You might do things slightly differently within them. For example, you might look at how the TSTs are provided and there are lots of ideas. This is an old model going back several years now and so you might refresh that. However, broadly speaking, providing some level of support is absolutely right.

I am also particularly interested in how we expand the Social Impact Bond model that we have where, rather than prescribing exactly how the service is provided, instead we agree an outcome with the provider, which then has the discretion to tailor the service depending on that individual. You set several milestones - not sleeping rough, improvement around health outcomes, possibly progressing towards employment - but then you tailor it to that individual rather than expecting that individual to fit the fixed criteria that the service has prescribed. It is a model we feel is working quite well. It is helping about 600 individuals at the moment and it will also help with their accommodation as well as just getting them off the street. I am sure there is more that we could do around that that is much more flexible and holistic.

Murad Qureshi AM: In this consultation, what kinds of stakeholders are you going to be touching base with? You mentioned St Mungo's earlier. Who are the other players, in your mind?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is very broad. Obviously, the local authorities are critical. Many of the providers are critical, not just St Mungo's Broadway but also Thames Reach and others, and also some of the representative bodies here. For example, I know that Crisis has been engaged as part of the discussion.

Murad Qureshi AM: It is just interesting, actually. Some of the stakeholders that often are not taken on board are the residents of central London. For example, in the neighbourhood I live in, we have three hostel schemes. I know why that has happened. Historically, it was a cheap bit of central London and for hostel providers it was a cheap place to provide the accommodation in central London. Are you mindful of those kinds of concentrations? In some ways, if we are going to provide hostel accommodation, we need to move away from particular bits of town that already have quite a bit of hostel accommodation.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is a really good point. There are probably two separate things. There is the hostels money that we have out to market at the moment and how those hostels operate, and then there is the Commissioning Framework, which is a separate revenue-based pot of funding. The service that will be a particular issue there, I would have thought, is No Second Night Out. Whoever the No Second Night Out provider is, it is absolutely critical that where they have those hubs there are not issues around the local authority, there are not issues around antisocial behaviour, they have a strong relationship with the National Health Service Trust - particularly the mental health trust - in the area and so on. That is what happens at the moment with No Second Night Out. St Mungo's Broadway is the provider and that would be an expectation going forward when we retender the project.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): In fact, we should improve that because we are looking at providing at least one permanent hub for No Second Night Out. It will be a building that is either acquired or purpose-built to provide that service in an appropriate location with an appropriate range of facilities available.

Murad Qureshi AM: For this commissioning timetable, Jamie, you will be around and, Ric [Blakeway], you may not be, given that we will have a new Mayor in 2016. How is that continuity continued on this front?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): There are a couple of things. One is that we are assuming that tackling rough sleeping is going to be a continuing priority regardless of who the Mayor is and it is clearly a big issue that is going to face London.

We are keen to gather as many views as possible on the shape of the framework, which in itself is quite flexible, and we definitely appreciate the views of this Committee. In terms of the timetable for that, as Ric said, we probably need to have our work finalised by May. Probably by the end of April we would need views from the Committee, if that is possible.

Going forward, it is about building some flexibility into the programme. There will be things around the contracts that would allow them to be ended, given a certain amount of notice, and also that would provide the ability to renegotiate the contracts if we wanted to change them slightly or significantly. Also, it is building in some kind of responsive element to the fund so that when new areas arise, either because of market issues in relation to different things happening with rough sleepers or because of different mayoral priorities, you will be able to respond to that.

It is a tricky thing to balance because obviously, to get the effective outcome from the services that we want, we need to offer a relatively long-term procurement or people will not want to sign up to it. Equally, we need to be mindful of being flexible enough to respond to whoever is the Mayor in 2016.

Murad Qureshi AM: Just one final thing. Ric has accepted the point I made about the concentration of hostel schemes in particular bits of central London. It is actually not just central London, but particular bits of central London. To what extent will that be taken on board and progressed in future by a new incumbent who may well be another advisor to another Mayor?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): As Ric said, there are two elements to it. On the revenue side of things, we are not providing revenue funding to specific hostels in central London and so there is little that we can do to influence that. We certainly cannot tell providers to shut them down and move them. What we do have is that capital funding, which could help improve facilities if it is appropriate for that to be done or to help build new provision elsewhere. If there is a valuable building in central London that could be used to build better accommodation and more of it elsewhere, it might be a sensible thing that that provider wants to do and we can offer a carrot of funding to help them with it.

Murad Qureshi AM: I am hoping that the good folk of Richmond will take some responsibilities on this front.

Darren Johnson AM (Chair): We look forward to being formally consulted as the Committee on that because this is an area that we have done some work on. Thank you.

Let us move on to housing impacts of welfare reform. Andrew, you are going to lead off on this for us?

Andrew Boff AM: Just as a very quick aside on what went on before, you talked about the Social Impact Bond that you were talking about implementing. I would be very grateful if you could apprise me or James Cleverly [AM] with the details because of course he published a report last month with regard to Social Impact Bonds and how they can play a bigger part in providing and solving social problems in London. I would be very grateful if you could share that information, particularly the details of how the bond is structured.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Just on that, there is also an event on Friday when we are giving out some more information on the Social Impact Bond. It might be something that some people are interested in attending.

Andrew Boff AM: I certainly would be.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): That is at 2.00pm on Friday.

Andrew Boff AM: Could you provide us with the details on that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, it is here and so we will be.

Andrew Boff AM: Thanks. With regard to the impact of the welfare reforms, are the reforms to the Local Housing Allowance (LHA) reducing private rents at the lower end of the housing market, as is the intention? There are tumbleweeds at the moment there.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): The data that is available in relation to private rents is pretty hard to base anything on. There are quite a lot of measures that are produced by estate agents and letting agents, which tend to tell you that rents are increasing a lot as part of their businesses getting more landlords involved.

The only official measure is produced by the Office of National Statistics (ONS), which recently revised its methodology. It shows that rents have been rising slightly higher than had previously been expected and above inflation over the last ten-year period. It does not produce information on lower-quartile rents and so it is difficult to say whether that slight rise overall is a result of some significant rises in expensive properties and drops in cheaper properties or vice versa.

Andrew Boff AM: Ultimately, the reforms are not achieving the aims, surely, which were to reduce the overall rental burden on local authorities.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Jamie is right about the comprehensive data on this particular point. There is some. There has always been an issue with the Valuation Office Agency (VOA) data, which is our main source, not necessarily including Housing Benefit claims and so you do not necessarily get what is happening in the lower quartile.

However, if you accept that there is an increasing rent market and there are increasing rents in London, which broadly I am sure commentators would accept, and that you also have a cap applied through the LHA, it is a reasonable assumption that therefore there has been through LHA caps a reduction in what would have been spent on rents had there not been those caps.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Just the other thing is perhaps there was an aim to reduce rents and also an aim to reduce the overall expenditure on benefits. Obviously, the two things that impact on that are the number of people claiming and the rents overall. The number of people claiming in the private rented sector has risen by 18.3%. Therefore, there are more people claiming, which will put more pressure on the Housing Benefit bill.

Kate Webb (Head of Policy, Shelter): There is some data available on what is happening to rents at the lower quartile. The DWP commissioned a study into the first two years of the LHA changes and drew out VOA

data at the median and the lower quartile. It found that both sets of rents were rising whilst at the same time LHA rates were falling.

Certainly we have seen no evidence that contradicts the Institute of Fiscal Studies (IFS) assessment that the reduction in LHA has been borne by tenants. What we have found both by qualitative research that we have commissioned and by our experience through our services is that actually people place a huge premium, understandably, on maintaining their accommodation or, if that is not tenable, maintaining their locality. That means that people are choosing to reduce spending on other areas or rely on short-term coping strategies like borrowing from friends and family. That means that the loss of LHA is being absorbed by households, but it is not having the ability to control rents, which was perhaps the intention initially.

Andrew Boff AM: The Mayor has been supportive in the past of lobbying the Government to continue to provide the Targeted Affordability Funding (TAF) and the Discretionary Housing Payment (DHP). Is that support going to continue?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There are allocations made going forward. There is an allocation of DHP and other monies for 2015/16 and there has been a commitment to continuing the targeted funding that you refer to, which is very significant in London. Currently there is £51.6 million being allocated through DHP.

Andrew Boff AM: Will the Mayor continue to make the case for London to receive those amounts of money?

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

Andrew Boff AM: This is to Shelter and Crisis. Is there more the Mayor should be doing?

Kate Webb (Head of Policy, Shelter): There is obviously a continued need for the DHP and the TAF. There is more the Mayor could potentially be doing around both encouraging local authorities to promote the DHP - because we know particularly with private tenants that there are still barriers with people just actually not being aware this source of support is available to them - and encouraging boroughs to make sure that they spend their allocations.

Around the TAF, it is obviously very welcome. Frankly, the system would have been completely broken without it. However, it is important to note that even in those LHA areas that have received the uplift from the fund, you still see an often unaffordable shortfall between what the LHA rate actually buys you and where the thirtieth percentile of rents now is. Therefore, TAF has been welcomed, but it is effectively pouring money into a bathtub with the plug out.

Matt Downie (Director of Policy and External Affairs, Crisis): The thing the Mayor could do is to be more specifically seeking to support the elements of the DHP that are most relevant for London. The DHP pot that relates to the LHA is very, very important and the proposed cuts to that. Kate is right. We are looking at a funding stream that has really worked and has helped people and so let us look at where there has been success and back up the argument not to cut those things which are success and are most relevant to London. The DHP is allocated in different ways and the bits that are most relevant particularly to the very squeezed private rented market in London need to be maintained.

Andrew Boff AM: Is it true to say that some local authorities are not spending the full DHP and at the same time complaining about the 'bedroom tax'?

Kate Webb (Head of Policy, Shelter): I would not want to link that because we have not done the analysis of people lobbying around the benefit changes and their actual use of DHPs. It is certainly true that some local authorities are not spending their full allocations.

However, we have to remember there are valid reasons for that because the funding is strictly limited through the year. It has always been the case with the Housing Benefit changes that, because of the way they take effect, the impacts become more aggressive over time. Therefore, as a local authority, it might be very sensible to hold money back in anticipation of increasing demand to come.

The problem of course is that if, say, your DHPs are not correctly promoted or people are discouraged from applying because of the perception that it is not a viable source of funding, then you end up with an underspend at the end of the year.

Andrew Boff AM: It makes it a difficult ask of Government, does it not, for the DHP to be protected if we are not actually spending it all?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It is worth noting that London authorities spend 90% of the funding they had available. I am not sure how that compares to the rest of the country, but I can see interim numbers that suggest that some are going to spend significantly less than that. In terms of the breakdown on what has been used, the number one thing that London authorities have used it to mitigate is the household benefit cap with almost 40% of the funding being used for that.

Stephen Knight AM: I just wondered if I can come in on this issue of the LHAs and in particular the way in which they have been not quite frozen but uplifted by only 1% or even 4%. Can anyone tell me what the inflation rate in private sector rents has been in the last year? In order to judge what the impact of the 1% or 4% uplift in LHAs has been, understanding what rents are doing is rather significant. Does anyone know?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It depends which source of data you use. The last set of data I saw suggested it was about 2.7% or 3%. Is that right?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It is 1% above inflation and so it depends on what inflation you use.

Stephen Knight AM: Private sector rents have gone up by 1% above inflation in the last year? Is that right?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It was over the last - whatever the time period was. We would have to check the data with the ONS. My view would probably be that rents in London have risen by more than 1% but less than 4% and so it is in that range. Obviously, the 4% was only applying to --

Stephen Knight AM: I have to say it feels like they are going up much faster than that. Matt?

Matt Downie (Director of Policy and External Affairs, Crisis): I will give you a slightly different answer to the question. In more than half of the London LHA rate areas, the LHA rate is 5% or more lower than the estimated thirtieth percentile of local rents and so you are seeing a growing disjuncture in terms of affordability. That does not tell you what the overall inflation is, though.

Stephen Knight AM: That is really what I am getting at because my concern is, if private sector rents are going up much faster than the LHAs are going up, then the thirtieth percentile will soon become the twentieth

percentile, the fifteenth percentile and the fifth percentile. How long is it before effectively the Housing Benefit is at such a level that nobody will be able to afford to live in the private rented sector in London and we will end up merely with social housing and owner-occupiers who are wealthy and nothing in the middle?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Another way of answering that question is with the point I made earlier that between 2011 and 2014 the number of claimants in the private rented sector actually rose 18%. People are saying it is no longer possible to access private rented accommodation on LHA rates, but it just is not true. It is actually going up. There are more properties being rented out to people in the private rented sector on LHA than there were in 2011 by quite a significant degree.

Stephen Knight AM: That is an indication perhaps of rents rising because, if rents are rising, more people are going to need benefits to be able to afford them.

Kate Webb (Head of Policy, Shelter): The caseload is rising overall nationally and it is rising in parts of London, but it is very stark that it has actually been falling in inner London where obviously the LHA caps fall the most.

On LHA affordability, there are only two LHA rates where the actual rate is now in line with the thirtieth percentile. Everywhere else, you have a shortfall. That is not just a result of the LHA caps. It is because you have had rents rising above LHA inflation for the past few years.

On what people will do and what this means, it is important to remember that there is a huge amount of flexibility that households have. Certainly what we have seen is that on paper a household classed as needing a two-bedroom property cannot afford a two-bedroom property in their locality with LHA but it can afford a one-bedroom property. What we are seeing among our services is an aggressive ability to tolerate overcrowding or incredibly poor conditions, which has big challenges if local authorities are being asked to do more to tackle rogue landlords. We have clients coming to us who are saying, "Our rogue landlord has become the lesser of two evils if the alternative is to have to move quite some considerable distance".

Andrew Boff AM: To Mr Blakeway, what assessment have you made of the number and type of London households that are moving to London's outer suburbs or indeed leaving the capital entirely because of the effects of benefit reductions?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is an important question. There is obviously data produced by the DWP on household movements. At the moment, the latest data would suggest that 31% of placements are out-of-borough, but that does not necessarily mean out-of-London.

You then move into anecdotal evidence. Anecdotally, the distinct impression that we have from local authorities and others is that, when it is out of London, it is on the boundary of London in the Home Counties rather than a significant distance from the capital. It is also worth observing that under all types of welfare system there have been movements out of borough for decades.

Andrew Boff AM: Sometimes it genuinely has been the best choice. Boroughs have been moving people out of London for decades, to my personal knowledge.

What more can we do to ensure that London families are not uprooted from their schools and communities, however? What strategies can be employed to ensure that the disruption is minimised?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Again, it is important and it was an important feature of the discussions we had with the DWP and the Government around the proposals and the transition proposals that there should be a period of relief, for example, before different elements of welfare reform were implemented to allow people, particularly children, to finish the school year and so on. It is an important part of the DHP again and how the DHP is prioritised. If there are circumstances that mean that household should stay in an area for a period, then the DHP is the first call, if you like, to ensure that.

We have also been keen that there is a significant reduction in the number of households, particularly with children, that are placed in B&B accommodation and certainly that remain in B&B accommodation beyond six weeks. That should be reduced as well. It is welcome that in the last quarter there has been a significant reduction in terms of both the households placed there and the period of time households have spent in B&B accommodation. If you want me to elaborate, the figures suggest that of the households including dependent children in B&Bs for more than six weeks, there were 18% fewer compared to the previous quarter and 54.3% fewer than the same period in the previous year. In terms of those households, it is both ensuring that the DHP is prioritised where there is an issue and also ensuring that when households are placed in accommodation, particularly when there are children, they are not staying in B&Bs for a disproportionate length of time.

Andrew Boff AM: It looks like DHPs are going to be even more important as the years go on if we have a housing market that is going to continue in the way it has continued, surely.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They are an important feature of the way in which welfare reform is operating in London and that is why we will continue to argue for the presence of DHPs. We argued very strongly for those in previous years.

Andrew Boff AM: Do you see DHPs as surviving? I am asking you to speculate. I am sorry.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is hard to speculate an answer to that question.

Andrew Boff AM: Have Shelter or Crisis - or indeed the National Housing Federation - seen any data suggesting anything different from what Mr Blakeway has said?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Can I just mention the position of temporary housing and go back to the previous discussion about LHA rates? The supply of temporary housing is dependent on the benefit money being there to pay for it, by and large. Temporary Housing Benefit rates are set at the fiftieth percentile. They were not reduced down to the thirtieth percentile, which at the time was intended as a measure to protect temporary housing. It recognised the importance that temporary housing played particularly in London around housing statutory homeless people.

However, because of rising private sector rents, the 2011 figure is now in many areas below the thirtieth percentile figure now that we are in 2015. We had asked the DWP to look at resetting that rate. Obviously, there was additional money needed. The DWP has just made a decision that that is not something that is going to happen prior to the election, but obviously there is a very strong case, given the original Government intention in setting the rate at the fiftieth percentile, for increasing that rate for temporary housing.

The social housing providers who provide temporary housing, which are only a part of the market but a very significant part of the market in London, are looking to withdraw and we have seen a number of big providers withdraw already. It is just not viable in many parts of London anymore, particularly the west and the north.

Therefore, there is a particular issue around the ongoing supply of temporary housing in order to keep people within London and how that is funded through the benefit system.

Stephen Knight AM: I will move on to the impact of the Shared Accommodation Rate changes and the move in the threshold from 25 years old to 35. We have had a few years of this now and I wonder if particularly Matt or Kate [Webb] might want to comment on what the impact has been. Where are 25-to-35-year-olds now living?

Matt Downie (Director of Policy and External Affairs, Crisis): That is a great question. That is a really good question. There has been a 39% drop in single 25-to-34-year-olds claiming LHA and a drop of 35% for those under 25. Meanwhile, the increase in rough sleeping in under-35s is going up faster than other age ranges. That is not a direct link between the two, but it gives you some suggestion of the concerns. We have said for a little while that these things cannot be entirely separated and we need to see some more robust data about where those people have gone, but there are significant concerns that they will be rough sleeping or sofa-surfing or disappearing from the system.

Stephen Knight AM: For 25-to-35-year old rough sleepers, you have seen an increase?

Matt Downie (Director of Policy and External Affairs, Crisis): We have, yes. Rough sleeping is increasing anyway.

Stephen Knight AM: Yes, but a bigger increase amongst that age group?

Matt Downie (Director of Policy and External Affairs, Crisis): Yes, it has gone up by 20%.

Stephen Knight AM: That is very interesting. Presumably if they are not rough sleeping, they are in unsuitable accommodation, overcrowded and all the rest of it. Kate, do you have anything to say about this?

Kate Webb (Head of Policy, Shelter): Yes. It is instructive to remember that when the DWP introduced this change, it was very aware that there was not at the time sufficient supply of shared accommodation, which is the concern that we and others raised. The aspiration at the time was that the market would respond and there would be more shared accommodation created. That just has not happened. It is important that we all acknowledge that that flexibility and responsiveness in the market just did not occur.

There is a question then to be asked about what we do either to encourage the supply of shared accommodation or to just accept that the aspiration to have such a large proportion of the Housing Benefit market living in shared accommodation just is not going to be feasible given the balance of accommodation we have available.

Stephen Knight AM: There are not enough places for 35-year-olds to live. Ric?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The only observation I would add to what has been said is that the proportion of DHP that has been spent to mitigate any impacts around shared accommodation is difficult to tell because it is not itemised amongst the items that the DHP is being spent on. However, assuming it is part of LHA changes, we are broadly looking at about 3.1% being targeted at that, which gives you a sense of how local authorities are responding and how they are prioritising the DHP.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): There are two other things I would add. One is the statistic that Ric used earlier in terms of the number of people who were rough sleeping

and then accessing the private rented sector. It trebled from 2009/10 to 2013/14 to 12% of people who were found rough sleeping and directly accessing the private rented sector. I do not know how many of them are under 35, but that is showing that there is a route into the private rented sector for those rough sleepers.

The other thing is our Platform for Life funding. This is creating shared accommodation for those young people from 18 to 24 who would be affected by being able to claim only the Shared Accommodation Rate. Hopefully, we will get a good take-up of that fund and produce some high-quality homes for those people to live in.

Stephen Knight AM: That is 18 to 24, though. It is the 25-to-35-year-olds who are affected by the most recent change. I do not know if anyone else has any questions in this area.

Matt Downie (Director of Policy and External Affairs, Crisis): We cannot really have this conversation without talking about how the rate is calculated and the nonsense of how particularly the Shared Accommodation Rates online are not taken into account when these figures are arrived at by the VOA. We do know that that is where people go. If they are looking to access shared accommodation, they go online and the prices are different. That needs to be reflected.

Tom Copley AM (Deputy Chair): I was going to raise precisely that point and I was going to ask Ric if he would take up with the DWP this whole issue of how the Shared Accommodation Rate is calculated.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We have regular discussions with the DWP and I am sure we can raise that particular problem.

Tom Copley AM (Deputy Chair): It is clearly an issue.

I did want to ask something just going back to the monitoring of people. I know that the GLA, as you said, is not going to monitor this directly but presumably you are monitoring the monitoring, as it were, that other organisations are doing. How is that feeding into your housing policies and indeed the discussions that you have with the Government about this?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): As you know, there is a significant amount of data out there. The GLA is best placed to assimilate that data rather than try to commission its own data because we do not necessarily have access to the information that would add anything.

Insofar as our policies are concerned, as you know, the primary issue that the GLA's housing responsibilities are aimed at, and the primary response that we are seeking to achieve is, a substantial increase in housing and in particular a substantial increase in affordable housing and the amount of housing being built. That is why we are working incredibly hard in particular this year to build more affordable homes than at any point since 1981.

Tom Copley AM (Deputy Chair): This is of course what you say in response to absolutely anything, but if you are looking at the research that other organisations have done on the impact this is having, it must be feeding into the discussions you are having, for example, with the DWP about the levels of caps and things like that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Certainly the case we have always strongly made is how DHPs operate and the quantum of DHP. We saw a substantial increase in the amount of DHP not just for the country but also the proportion that London was able to access and so that will continue to be the primary conversation with DWP. In the broader responses, our contribution is to make sure that the

framework is there to build as many homes as possible and as many affordable homes as possible and it is right that we focus on that.

Stephen Knight AM: In particular, direct payment of Universal Credit: is it working and what are the impacts?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Universal Credit is being paid to about 10,000 people with housing costs at the moment, who are a very particular group in that they are nearly all single people without any dependants. We are not in a position to say what the impact will be in terms of a full rollout. There are about 2.4 million people in social housing who will be affected by Universal Credit in terms of covering their housing costs. There is a lot of evidence there though in terms of showing what the potential impact could be --

Stephen Knight AM: There have been some pilots, have there not?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): There is the Southwark Family Mosaic Direct Payments Demonstration Project, which tested Housing Benefit, not Universal Credit. It did not replicate the conditions of Universal Credit but did test direct payments in terms of a significant number of people. The evaluation of those direct payment projects across the country showed overall a 5% drop in rent collection and so there was 5p-in-every-£1 less rent collected than a housing association would have expected to collect. That obviously is a very dramatic change in terms of reduced revenue for the association and what that means then in terms of ability particularly to deliver new affordable homes.

Obviously the other side in terms of costs is the increased cost to the association of collecting that rent. It is much, much more expensive to collect rent.

Stephen Knight AM: Your organisation has estimated that housing associations are spending on average £100,000 a year on effectively dealing with rent collection now.

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): That is just to prepare for Universal Credit. Again, the people are not there and the claimants are not there in terms of actual figures, but certainly the associations have estimated - and obviously people plan long-term in terms of increased costs - and so people are anticipating a combination of reduced revenue in terms of reduced rent collection and increased costs to collect that rent.

Stephen Knight AM: Is that likely to have an impact on your ability to borrow for new development?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): It will have an impact. Obviously it is an issue that the lenders and rating agencies are very aware of and it is a market you adjust according to risk. It is an increased risk.

Stephen Knight AM: Are you seeing that impact the actual cost of borrowing so far?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): It has not happened yet.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): In fact, the cost of borrowing is at a record low.

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): The cost of borrowing is affected by a range of other factors.

Stephen Knight AM: In a sense, lenders will see this change coming, presumably, and it will start to impact the security of your revenue.

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Certainly that is our fear. There is an awful lot that can be done within the way that Universal Credit is administered that will reduce that risk. Those are the kinds of issues that we are working with the DWP on now, in terms of how it is implemented: what support people are given; how people are able to prepare; the particular issue around existing claimants and how they are migrated on to the existing system; and the system by which a tenant can pay the money direct to the landlord. There is an awful lot of very hard work going into that detail and certainly an awful lot of improvements that can be made in terms of the landlord position and in terms of the way that the system is administered.

However, at the moment, the system is not a digital system. It is a digital claim form and behind that digital claim form sits a whole series of manual processes. We will not have a digital system until at least 2016, although that is being tested in Sutton and is about to be tested at the back of London Bridge in SE15 [Peckham]. We will see evidence coming through from that in terms of the difference a digital system makes as opposed to what is a very clunky letters-in-the-post system at the moment.

Stephen Knight AM: At the moment, your main message is it is really too early to tell what the overall impact of direct payment as part of the system will be?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): It is an unrepresentative sample in terms of the existing claims. That does not mean that those people have not had problems. There are particular problems with monthly payments and people having to wait five weeks before they receive their first money, and so the difference between budgeting on a monthly basis from budgeting on a weekly basis - and the majority of people on a low income budget week-to-week - and the single payment to the household, whereas a number of households are used to juggling money between two adults, a couple, rather than receiving it as one single payment at one point in the month.

Stephen Knight AM: OK, that is interesting. Thank you very much.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Just three points, if I may. First, it is just worth noting that the direct payment benefits to recipients has been an apolitical thing that has been in existence for quite some time and there is thinking in the benefit policy 'wonkery' field that there are considerable benefits in people managing their own money. You have seen that happen over a long period of time, just to note that as a thing.

The second one is absolutely as Sue said - there are increased administration costs for a landlord in collecting money from 10,000 different tenants rather than getting a lot of money just straight from one source, but there are also some benefits to tenants in terms of financial inclusion. If they get a bank account and have a direct debit, it will help them get a credit rating and improve their access to employment, credit and all sorts of other things.

Then thirdly - just anecdotally because I am not sure there is hard evidence to support it - there are definitely providers I have spoken to who have recognised that there are some significant improvements they can make in their rent collection process and are implementing them before the rollout of direct payments. They are

considerably improving their collection rates so that then the result of moving to direct payments is actually that they could end up in a similar position or even slightly better. There are things that landlords can do.

Stephen Knight AM: We have heard potentially there might be some positive benefits for tenants in terms of having money through their bank accounts and so on, but is it too early to tell what the upsides and downsides are?

Kate Webb (Head of Policy, Shelter): The first thing to say is that is not a change for a huge number of tenants. Private tenants under the LHA had their payment paid to them directly and so it is important that we learn the lessons of how that was implemented because there was an awful lot of very good research done about the risk factors and the trigger points you should have for reviewing the support of tenant needs.

There is also an important message for us to be aware that we are sending out to private landlords. We have become increasingly frustrated with private landlords who are actually already operating under this system getting very alarmed about Universal Credit and threatening to pull out of the market. It is completely unnecessary given that they are already operating within the system and so there is just a caution to be noted around how we talk about this.

Stephen Knight AM: Are there really private landlords threatening to pull out?

Kate Webb (Head of Policy, Shelter): There are, but then you can be oversensitive in reading information into what landlords tell you in surveys. They will always tell you that they do not receive enough money and they are about to pull out of the market. That said, we are definitely finding it increasingly difficult to find accommodation for people on Housing Benefit not just because of affordability but also because of landlord preference. However, there is a basic communications point about how we talk about this and how not to alarm what is a very fragile private rented market.

The second point around the impact on tenants is that I would agree with what Jamie [Ratcliff] said. There is a reason why a lot of the policy thinking in this area has actually pointed to the positive impacts for tenants of direct payments. There is particularly something about Universal Credit, the logic of which does not really facilitate direct payments as the norm, and so the question then becomes how we make sure that we get the system as robust as possible in terms of identifying those people who really will struggle or who are already running into arrears. Actually, there are grounds to be encouraged by the DWP's approach. Universal Credit will have a one-month trigger for a conversation about people's financial capability if they run into arrears, as opposed to two months under the current system. Given the very small number of claimants on it, it is hard to say how the safeguards are working in practice, but we have been somewhat reassured that the intention is certainly there to have some safeguards which are at least, if not more, robust than the current system.

Matt Downie (Director of Policy and External Affairs, Crisis): Yes, I agree with all of that. I would just say that for those people who are not currently under those arrangements where there will be a lump sum on a monthly basis - and it brings together a number of different elements - we just need to be clear that those most vulnerable, perhaps those with financial literacy and other myriad problems, are those who are directly accessing support and we are not waiting for the system to fall over before we say, "OK, there is a problem here".

However, the point around the landlords is absolutely right. There is a strange atmosphere out there around landlords getting increasingly edgy about this system when they do not need to be in a lot of cases.

Stephen Knight AM: No private sector landlords currently get money directly from local authorities?

Kate Webb (Head of Policy, Shelter): Some of them will. If you have a tenant who is eight weeks in arrears or falls under the safeguarding criteria around the fact that they have a clear demonstrable situation where they are going to struggle to manage their money, then those landlords will currently receive LHA direct. The intention is that that will continue to be the case under Universal Credit. The question mark that there is some legitimate need for reassurance around is the migration of that minority of households because the DWP argues that just because someone has moved to a landlord payment two years ago does not mean that their circumstances are still the same. However, I would argue that the presumption should be if someone is currently struggling or has been struggling, as Matt [Downie] says, let us not put them in the system and wait for it to fall down before we bring them back into the landlord payments. Let us have a bit more support from the outset.

Stephen Knight AM: Effectively, if the landlord has not had rent for a certain period, then they start getting the benefit direct?

Kate Webb (Head of Policy, Shelter): Yes.

Stephen Knight AM: I suppose missing out on that period, whether it is eight weeks or whatever it is, is presumably enough for some private landlords to be concerned about?

Kate Webb (Head of Policy, Shelter): Undoubtedly, but that is why it is very welcome that on Universal Credit the trigger has been reduced to four weeks to begin to have the conversations about what support is needed.

Stephen Knight AM: Actually, landlords ought to feel more reassured having that four-week trigger rather than an eight-week trigger?

Kate Webb (Head of Policy, Shelter): Yes.

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Can I just come back on a point about what people have under the current system being a choice? They can choose to have their Housing Benefit paid direct to their landlord and that is a choice that about 92% of people exercise. We have surveyed tenants over the last four or five years and asked them about whether they would like to choose to have the money paid direct to the landlord or not. Those figures come back consistently at around 91% or 92%. People are having that choice are removed and, as a consequence of that, what you then have to do is construct a very complicated and quite expensive system of determining that this person has to have the money direct to the landlord and this person does not.

While everybody recognises the importance of financial inclusion, actually the number of people without bank accounts is a tiny, tiny number. What people tend to have are bank accounts they do not use because money is instantly swallowed up by the debt in the bank account. There is a huge amount of investment going on there already around financial inclusion work from social landlords. What social landlords would like to see is that element of choice in terms of being able to pay the money direct to the landlord being part of that social inclusion package. It is a very sensible budgeting decision in the same way that I pay my mortgage by direct debit. Interestingly, within Universal Credit --

Andrew Boff AM: It is not really the same, is it?

Stephen Knight AM: It would be the same as your employer paying your mortgage, would it not?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Actually, to be honest, I used to work for the council and lived in a council flat and my money was paid direct, deducted off my wages. These are sensible budgeting decisions for people.

Andrew Boff AM: Yes, but hold on. When I rented, I could not get my employer to pay direct my rent. I had to pay it myself. That analogy does not work.

Stephen Knight AM: Perhaps if people were given that choice, maybe they would choose it.

The question is, if we are to believe all this stuff about the benefits of having the money through your account in terms of your credit rating and all the rest of it, why are nine out of ten people saying they do not want it?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): Your credit rating is based on your level of debt and, again, landlords have done a lot of work around using the data from a good in-credit rent account to contribute to having a good credit rating. Whether you pay that money yourself or whether you pay it --

Stephen Knight AM: This is very important, is it not, because if this is something that is good for people in receipt of benefits to actually get the money themselves, why is it that nine out of ten do not want it?

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): It is an area that people have selected bits of the evidence and taken them to support an argument.

I am not going to say that there has not been huge benefit from particularly the extra contact that landlords have with tenants in terms of picking up other problems.

Darren Johnson AM (Chair): Is there any evidence that when the social inclusion work takes place and people have some direct mentoring one-to-one on the financial inclusion work, people then may opt for direct payment personally rather than --

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): You can look at the evidence from the other demonstration projects in terms of people being given the choice to continue. The demonstration project came to an end after two years. In some areas people were given the choice to continue and substantial numbers went back to the old system --

Stephen Knight AM: How many? Sorry, you said "substantial numbers". I do not know what --

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): I cannot remember the exact percentage. On the evidence, there are very well-documented evaluations done independently of the demonstration projects.

Darren Johnson AM (Chair): Let us have a quick final response on this point and then I am keen that we then make some time for affordable housing.

Stephen Knight AM: Is this something we are doing to people against their wishes because we think it is good for them?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): There are two things that it is worth being aware of. The people who currently opt to have their Housing Benefit paid direct to their landlord do tick a box on it, but a lot of them are strongly encouraged to do that as part of a tenancy sign-up. The fact that nine out of ten people do that is not necessarily the same as saying that nine out of ten people definitely want that as it is something that they are encouraged to do. In terms of the data, I have not seen the National Housing Federation's research in terms of asking people, but obviously it is quite sensitive to how you ask the question, the other questions that are in relation to the survey at the time and whether people fully understand the implications of working in different ways.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Look, there is clearly a big cultural change happening here and actually it would be brilliant if the Committee spoke to people who were on different parts of the system - residents, tenants - and asked them directly what their experience was. My sense is that, as I say, there is a big cultural change here. At the moment, landlords in the private rented sector are being spooked and Kate [Webb] is absolutely right that there is a risk around that. However, given that we have seen an 18% increase in the number of people claiming LHA within the private rented sector, it is not that bad.

I completely understand everything that the providers say around credit rating and the rest of that, but none of that has materialised at the moment. Indeed, although we need to clarify this, it is also worth adding that the DWP offers lots of indemnities and insurances to some of the providers. I think I am right in saying that on the Family Mosaic pilot, arrears had gone down. I need to absolutely double-check that but, if that is the case, it suggests that this 'Armageddon' is not happening.

Darren Johnson AM (Chair): Do check that. That is a possible line of investigation for future work by this Committee and so I note that. Let us move on to affordable housing numbers.

Tom Copley AM (Deputy Chair): Yes, Ric, can you tell us how many affordable housing completions you are forecasting in this financial year and how many still need to be completed by the end of March 2015?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is obviously a huge amount of work going into this at the moment. In terms of the data that I can give you for the number of completions achieved so far, I can only give it to you up to the end of February 2015, which is that 8,808 completions were achieved, based on the data we have just published. The forecast is about 10,000 more than that. There are two figures. There is the 18,500 number, which will include some non-grant funded housing, and on our system that is at about 17,500 or 17,302, I think.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): That 17,890 is our programme target and then we think about another 700 from the DCLG tables, which are additional to that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is the 17,000 figure which we are going for and so we are left with circa 10,000 completions to do.

Tom Copley AM (Deputy Chair): That is the total for last year?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): With the AHP, what we are funding, yes. What I would say--

Tom Copley AM (Deputy Chair): Sorry, hang on. You are saying that from the end of February to the end of March you need another 10,000 homes?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It is 9,082.

Tom Copley AM (Deputy Chair): OK, we have the precise figure: 9,082.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Exactly. Do not exaggerate, Tom!

Tom Copley AM (Deputy Chair): That makes it all sound much more plausible!

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are right. It is epic! You are absolutely right, Tom, and unfortunately --

Tom Copley AM (Deputy Chair): Sorry, 9,082 homes in the space of one month?

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

Tom Copley AM (Deputy Chair): Is this going to happen?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, currently. From where we are at the moment - and the teams are working unbelievably hard on this - everything is looking positive. I have to have a caveat that there could be a fire on a scheme, a contractor go bust or something could happen between now and the end of the financial year over the next couple of weeks, but where we are at the moment -- each day I get my update first thing in the morning and there are staggering numbers of completions and new starts.

Tom Copley AM (Deputy Chair): How many have you --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I cannot give you the data under the rules that we agreed with the Assembly about the release of data. All I will say is that obviously we publish at the end of the month the figures.

Darren Johnson AM (Chair): You are confident that in two weeks' time the Mayor's original 2012 manifesto commitment will be met and delivered?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We know that at the moment we have just over 85,000 completions met against the manifesto commitment of 100,000 completions. From where we stand at the moment, the number of completions each day coming through on the system is incredible. Where I am sitting now, things are looking very positive. A huge amount of credit goes to the team, particularly someone called Tajmina [Jetha, Senior Manager - Program Management, Housing and Land, GLA], who works unbelievably hard on this. It looks incredibly positive. It is, as we have said, more completions that you have seen since 1981. February and January 2015 were unbelievably strong. You would have to go back ten years to see as good a February and January probably back to 1981 as well.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): There is a very, very high level of back-loading and in any sensible programme you would not want to be delivering 9,082 homes in one month, but that is the structure of all of these programmes of work.

Tom Copley AM (Deputy Chair): Why did that happen?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): In 2013/14, 52% of the completions in the year happened in March and this year it is only 51%. Therefore, we have proportionately a slight improvement in the proportion of homes that are going to be delivered.

In terms of why so much is stacked up, part of it is the hard end date - quite a lot of these completions are due to the AHP and everything had to complete by the end of March - and part of it is the annual cycle of trying to hit annual completion targets as hard as possible and so you do everything you can to bring things forward from the first part to the following year, which means not much is delivered in the first part of the year and then it all stacks up at the end of the year again.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I would say, Tom, that the hockey stick is typical. It was typical under the Homes and Communities Agency (HCA) and typical under the Housing Corporation before that. You will remember; it is not a surprise. This is unbelievably sharp. The benefit and ultimately the decision that was made by a combination of GLA/HCA was, "How do we maximise the number of homes being built and how much risk are we willing to take?" It is fair to say that a lot of risk was taken to have this very high number of completions at the end of the fiscal period. We did a tremendous amount of work, as you know, in the last couple of years or about 18 months ago to de-risk that programme and to chuck out anything which we did not think was going to deliver by the deadline - some things that may deliver by March 2016, I should add, but not necessarily deliver against this deadline. On the 17,890 target, I cannot describe the amount of attention that has been applied to this. Also, as things look at the moment it is positive, but there is a long way to go. And the starts are looking good as well.

Tom Copley AM (Deputy Chair): The manifesto commitment of 55,000 affordable homes there was some confusion about and whether or not this was a March deadline and then suddenly it became a December deadline. The 55,000 --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It was very clear.

Tom Copley AM (Deputy Chair): It was not a while ago. The Mayor changed his mind and he said -- I have the quotes here somewhere --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I will tell you what he said. His manifesto said we would deliver around 55,000 homes by the end of the year. We will certainly deliver around 55,000 homes by the end of the year; we will probably exceed it.

Tom Copley AM (Deputy Chair): On several occasions it was put to you, and in fact Darren [Johnson AM, Chair] asked you at a Committee meeting in November 2013, "Is the Mayor still on target to deliver 55,000 affordable homes by March 2015?" You said, "Yes". There was certainly some confusion because we were under the impression it was by the end of March and then suddenly it became December.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): For me, if we do achieve more affordable homes completed at any point since 1981, it is a staggering achievement and all the credit should definitely go to Tajmina [Jetha], Jamie, David [Lunts, Executive Director, Housing and Land, GLA] and the whole team there, who have done a tremendous job on it.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): And our partners.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): And of course our partners who actually built the homes! The 100,000 target looks very, very good as well. For me, the 100,000 target is the absolute priority.

Tom Copley AM (Deputy Chair): Are you anticipating making any adjustments to the drop-dead date within the March --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No. It was absolutely clear to providers. We had this conversation 18 months ago or so. Providers who could not complete within the period, we asked them to find substitutions or we reclaimed the grant, but we were also equally keen that those homes were completed and still built and so some of those homes will be built in the next fiscal year with a difference, in some cases, of a couple of months. So far as what is committed now on the system, it is meant to be delivered by the end of the financial year. That is what our partners are working very hard towards doing.

Tom Copley AM (Deputy Chair): Are you going to hit 55,000 by the end of March?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No. Come on, Tom. In this year, 55,000 will be delivered, as the manifesto said. The 100,000 homes will be done by the end of the mayoral term. We will do 17,890. That is our forecast. That is what we are working towards. Things can happen, but the reality is that where we stand at the moment a staggering number of completions are coming through each day and a really good number of starts as well. Therefore, we are not just looking at this moment in time but we are trying to build more affordable homes in years to come.

Tom Copley AM (Deputy Chair): It is specifically the homes with the AHP, is it not, that the March deadline applies to? How many homes are outside of the AHP within the overall target?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is a tiny amount; 18,590 is overall what we might expect. Sorry.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): Tom is meaning what is not in the AHP, what is in the NAHP, the various --

Tom Copley AM (Deputy Chair): Yes, because this is where the confusion seems to come from.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is not very much left in AHP.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): You have to look back. The NAHP has been the largest one to date and there were 15,000 in 2011/12; 6,000 in 2012/13; 4,000 in 2013/14 and 762 so far this year in NAHP. We also see the ramping up of the various Mayor's Housing Covenant Programmes and making over 1,000 unit contributions so far in the data to the end of February, and so there is a mix. We started off with allocations of about 22,000 - I think it was 21,536 in the AHP in London - and through reclaiming some grant and through some providers not being able to deliver their overall allocations, it has gone down to about 19,000 and that has been moved to other programmes to deliver more affordable homes.

Tom Copley AM (Deputy Chair): Finally, how do you define a 'housing completion'? At what point is it complete?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is practical completion. It is a contractual commitment. The definition has been around since the Housing Corporation.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): It is a certificate that you get from the contractor who is delivering the homes and it is set out in the contract what you have to do to claim it. There are things in relation to snagging, and you can accept a handover and still have those to do, but we are using the definition set out in the 2011-2015 contract and it is also in the Capital Funding Guide.

Tom Copley AM (Deputy Chair): Is this when the home becomes habitable, essentially?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Essentially, that is it.

From where we are at the moment, it looks really good. Things can happen with two weeks to go, but from where we are at the moment it is a really, really strong position. However, there is still a lot more to do.

Tom Copley AM (Deputy Chair): Good luck.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Thank you.

Murad Qureshi AM: It is just funny. I am very tempted to suggest we should have had the first Chief Executive of the GLA, Anthony Mayer, in front of us on this one because he regularly signed off the whole national programme in the dying days of the financial year when he was Chief Executive of the Housing Corporation.

The contractual thing is quite interesting. I have a bit of an appreciation. Let us be thankful that most people who are getting these homes are not going to turn them down because they are late. That I do know is a reality. What concerns me is that given we have had the drop-dead date, should we not have had contractual arrangements that made that quite clear to the contractor so that they could have priced that into their bills? We did that with the Olympics, did we not? We told everyone who was going to build the Olympics, "That is it. We have to have it then and we have to make sure the whole show is ready for the Olympics in 2012". If that deadline is so critical, should we not have set up contractual arrangements so that the contractors knew from the outset that with these programmes they cannot expect a penny more after the end of the financial year?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is a really fair comment and we will do a little bit of work looking at the relationship with contractors and so on after we have got past the end of March. For our part, we could not have been clearer as an organisation - and consistently clearer - that we expected this stuff done by the end of the fiscal year. In absolute fairness to the vast majority of our 60-odd providers, that is what they focused on. There were some instances where things were difficult, which meant that the tenders for contractors probably did not happen in as timely a manner. You have also seen a general uplift in the market in the last 12 or 18 months, which has meant there is more work out there for contractors and clearly inflationary pressures around contractor prices.

Whilst there may be some mitigating circumstances around particular schemes, whether it was a delay in planning or so on that meant contractors were not in place in time, overall this is something that the providers themselves have to manage and it something which we are very, very, very clear about. There are a couple of contractors where actually the way they worked with the programme has not been brilliant. This is an issue between them and the providers. I have observed some things that I do not think are brilliant, but overall there has been an understanding of that target.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): I would just add that quite a number of providers do have penalty clauses or similar in their contracts. If they do not deliver on time, then effectively the contract price would reduce by the amount of grant that they do not receive. Not everybody was able to get those into contracts, in part because of some of the pressure of tendering and wanting to get a reasonable starting price. Obviously if you put that risk in, particularly for things that are really tight against the deadline, some contractors would price that in with quite a big margin. However, you are right that it is sensible.

Murad Qureshi AM: Indeed. Actually, the critical role, as you mentioned, is actually the architect and if they are prepared to sign it off on their professional indemnity or what-have-you. That will be interesting.

Are there any particular big schemes that we have to be concerned about? One of the things that has historically happened is that these schemes get bigger and bigger and the units involved because of the way they are stacked up. It is a bit like how we have waited ten years in the City of Westminster for Chelsea Barracks to get onsite and I went to the site yesterday and mercifully we have got there - after the unhelpful intervention of Prince Charles on the planning front, but nonetheless it is there. I am just wondering if in that 10,000 completion there are any 'mega-schemes' in there that you have concerns about?

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): We are not as exposed to that as we were last year. Last year we had 1,500 completions coming in on the [Queen Elizabeth] Olympic Park, which out of a total of 9,000 was pretty significant. It was split into something like 150 different schemes to process on our system and so there was a hell of a lot of work with that. We have been monitoring the large schemes carefully and the largest completions that are due to come in - and I do not know if I am allowed to say, and they may have been claimed recently or may be about to be claimed - are Barking Riverside, where there is a large number of homes that L&Q Housing Association are producing, and a good range of family-sized homes there as well.

Murad Qureshi AM: Just finally, what checks are you keeping on the housing associations? They are reassuring you on the phones, presumably.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We visit the site.

Murad Qureshi AM: You do site inspections? That is what I wanted to hear, yes.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): They submit self-certification on the Investment Management System that they have met all these stages and then we have a compliance audit process that spot checks 10% of the completions and goes through their file to check that they have all the audit information to support all the statements they have made online in relation to dates, costs and rents all the way through the process.

Murad Qureshi AM: Whilst I did say earlier that no one was going to turn their property down at this late stage, it does cause inconvenience to those future tenants coming in. To what extent are you helping them out? Ideally, they would like these new homes before the Easter break because that gives them a bit of time to move in.

Jamie Ratcliff (Assistant Director, Programme, Policy and Services, GLA): We have been pushing as hard as we possibly can to get these completions in as early as possible and we will continue to. The further we can bring these completions forward in the month helps us and providers in terms of administration etc and so we are pushing for that and hopefully that means that homes will be let as soon as possible.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is true. As much as there are some homes against the wire, there are also some homes that are completing ahead of forecast. Yesterday, for example, we were at the end of Commercial Road where Telford Homes, together with Eastend Homes, have completed that scheme a couple of weeks early and I was there on Monday watching people move in. It is fantastic that over the lifetime of this Mayoralty 250,000 Londoners at least will benefit from a new home through this programme.

Murad Qureshi AM: It is critical. Of that 10,000 that you are expecting, I suspect most of the residents want to move in and ideally want it before the Easter break.

Darren Johnson AM (Chair): We will conclude with any final comments from Sue, Matt [Downie] and Kate [Webb] on the issue of the Mayor's affordable housing numbers and delivery.

Sue Ramsden (Policy Leader (Welfare Reform), National Housing Federation): My comments would relate to the next programme rather than in particular what is going to happen in the next two weeks or the consequence of a drop-dead timetable. That is around the ongoing ambition of housing associations to deliver what is needed in order to deliver that ambition, obviously issues around what we are asking for in terms of more flexibility around rent and more flexibility around the way that the sector is regulated. Also, it is around the key issue of benefit reform and the benefit cap in particular given the current system of funding new development through on the back of affordable rents - up to 80% of the market rent - and the prospect of those rents no longer being affordable even for smaller properties for people, given the fact that the £26,000 benefit cap is not increasing. Obviously we have a prospect of a potentially lower benefit cap and so it is around how that all stacks up and how you continue to deliver social housing with that combination of a smaller amount of grant money released through affordable rents and borrowing.

Darren Johnson AM (Chair): Yes, that point is well made. Matt?

Matt Downie (Director of Policy and External Affairs, Crisis): No, I will leave it there. I totally agree with that point.

Kate Webb (Head of Policy, Shelter): I agree with the last point. Another point - the Mayor obviously wears several hats and we are increasingly interested in, as Transport for London moves into building and becoming a developer, how we can ensure that opportunity is used to ensure they are actually delivering affordable housing as part of that because there is a lot of land there --

Darren Johnson AM (Chair): That is something that this Committee will be wanting to keep a close eye on as Transport for London takes on that direct property role in terms of housing. I would like to thank each of the guests for your contributions today.