

# MAYOR OF LONDON

**Rt Hon Jeremy Corbyn MP**

Leader of the Opposition  
House of Commons  
London SW1A 0AA

**Date: 25 SEP 2018**



I welcome the chance to respond to the Labour Party's Green Paper on affordable housing, and I enclose my response.

I know what a crucial role social housing can play in supporting Londoners, giving them the chance to fulfil their potential. I want to make sure that all Londoners have the same opportunities that I had having grown up on a council estate in the capital.

The publication by the Labour Party of a Green Paper dealing specifically with affordable housing is very welcome. I am pleased to see that many of its ideas align with the work that my team and I have been doing in London for the past two years, such as its support for overhauling the planning system to boost affordable housing, and for introducing a national Commissioner for Social Housing Residents.

In my response, I highlight areas where we would be particularly keen to share our experience of developing policy in London with you and the next Labour Government, such as my approach in *Building Council Homes for Londoners* – the first-ever City Hall programme dedicated to council homebuilding – and my funding condition requiring ballots for estate regeneration schemes.

I have also highlighted suggestions where I believe some proposals in the Green Paper could be strengthened even further. These include further reforms to support land assembly; increased levels of funding for affordable housing and supporting infrastructure; and policy areas where flexibility for London must be maintained or strengthened.

I am pleased that my team at City Hall, through my Deputy Mayor for Housing and Residential Development, James Murray, has been meeting your shadow housing team to ensure they have an overview of my approach in London. As the party begins to develop more detailed policy on the basis of the Green Paper, I would like to suggest our teams convene a series of further meetings, each of which can focus on a specific area of policy.

In the first instance, I would like to suggest a detailed discussion on my work around land assembly, and how I believe that the resources and powers available to me and others could be reformed to enable us to build more social rented and other genuinely affordable homes. This discussion would include a detailed run-through of research I commissioned into international examples that proposes a better land assembly model for London. I will ask James's office to contact John Healey's with a view to setting up a meeting to discuss this in October or November.

City Hall, London, SE1 2AA • [mayor@london.gov.uk](mailto:mayor@london.gov.uk) • [london.gov.uk](http://london.gov.uk) • 020 7983 4000

## MAYOR OF LONDON

I am clear that what we have begun to do in London over the past two years shows what a difference we can make. I am also clear, however, that if we are to truly take on the challenge of the housing crisis, London – and indeed other parts of the country – will need significantly more powers and resources to be created by, and crucially devolved by, central Government.

I am very encouraged by the proposals set out in the Green Paper, and I look forward to working with you and your team to develop them further.

Yours sincerely,



**Sadiq Khan**  
Mayor of London

Enc.

Cc: Rt Hon John Healey MP

### **'Housing for the Many' – Labour Party Green Paper**

Response from Sadiq Khan, Mayor of London, September 2018

#### **About the Mayor of London and Greater London Authority**

The Greater London Authority (GLA) is the top-tier administrative body for Greater London, consisting of a directly-elected executive Mayor of London, and the London Assembly, made up of 25 elected members with scrutiny powers. Responsibility for affordable housing investment was devolved to the GLA in 2012 and since then the Mayor has taken direct control of Government funding for affordable housing. Since taking office the Mayor has negotiated over £4.8bn to spend in London from the Government's Affordable Homes Programme through to 2022.

This funding has begun to be invested in affordable housing across the city, and the Mayor has managed to secure the flexibility to invest in new homes based on social rent levels. The Mayor's approach has already been paying dividends: in the financial year 2017/18, 12,526 genuinely affordable homes were started across London, which is more than in any year since powers for housing delivery were devolved to London. This included more homes based on social rent levels than in the previous four years combined, and an increase from zero social rented homes in the year the Mayor inherited from his predecessor.

Two of the most important statutory documents the Mayor produces are the London Housing Strategy and the London Plan. These documents set out in more detail the steps the Mayor is taking to build more affordable housing in London, with the latter setting out how this interacts with other priorities such as the environment, transport, and economic development.

The Mayor's vision and policies for housing are set out in the London Housing Strategy. The Mayor has established a Homes for Londoners Board which brings together other agencies and organisations that have important roles to play – including London's councils, housing associations, Transport for London (TfL), and the development industry – to help oversee and give advice on housing delivery and policy in the capital.

London has an acute housing crisis that is ultimately caused by a severe shortage of homes, particularly those for social rent and other genuinely affordable tenures. As of 2017, there were 394,000 local authority-owned dwellings and 407,000 housing association dwellings in London<sup>1</sup>. This represents around a fifth of all local authority and housing association stock in England, but the number of local authority dwellings has fallen significantly in the past 15 years, down from 515,000 in 2002.<sup>2</sup> The need for more genuinely affordable housing, particularly homes based on social rent levels, is the overriding concern for the Mayor in the delivery of his housing ambitions.

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<sup>1</sup> DCLG Live Tables 115 and 116

<sup>2</sup> DCLG Live Tables 115 and 116



**1. Do you agree with Labour's new affordable housing definition? What weight should a Labour Government give to the components of our programme: social rent, living rent, and homes for low-cost ownership?**

The Mayor is broadly supportive of the types of affordable tenure outlined in the document which align with the tenures he has defined and promoted in London in the past two years.

The new draft London Plan identifies capacity for total supply between 2019/20 and 2028/29 of 65,000 homes a year. This number was based on evidence from our land capacity assessment, the Strategic Housing Land Availability Assessment<sup>3</sup> (SHLAA), and our housing needs assessment, the Strategic Housing Market Assessment<sup>4</sup> (SHMA). The SHMA sets out that the majority of these new homes need to be affordable, to accommodate household growth, affordability issues and a backlog of unmet need. The Mayor's draft London Plan strategic target is for 50 per cent of all new homes delivered across London to be affordable.

London's housing market functions differently to much of the rest of the UK, and affordability issues are more acute. Since taking office, the Mayor has been clear when speaking to Government that London requires a tailored approach that is best delivered at a local level by the GLA and its partners, with flexibility around the types of affordable housing that are funded. The Mayor does not believe the Government's definition of 'Affordable Rent' is genuinely affordable to most Londoners, and he has chosen to fund only those tenures which he believes are genuinely affordable to Londoners. He believes it is important that the GLA is allowed to operate with some flexibility relative to national policy, given the unique affordability and market context in London. For example, the GLA will shortly begin a review of its intermediate housing policy to ensure the types of homes we support are as effective as possible in helping those at whom they are targeted. The outcome of this kind of review is likely to be very different in London than it would be in another city, let alone a more rural area.

In London, affordability issues affect households in a wide range of circumstances. Those in the most acute need include rough sleepers, homeless households living in temporary accommodation, people at imminent risk of homelessness, overcrowded households, and those who urgently need to move to accommodation more suited to their needs (for example due to a disability). Many of these households would benefit from increased investment in social rented homes. The Mayor funds social rent, as well as London Affordable Rent (LAR) homes. LAR homes are Affordable Rent homes for which the Mayor has set rent caps based on social rent levels; it has been specifically designed by the Mayor to allow him to use national funding which is only available for Affordable Rent to deliver homes based on social rent levels. The SHMA indicated that within the proportion of homes which should be affordable, close to three quarters should be homes based on social rent levels. As such, the Mayor is clear that in any new Government affordable homes programme, the proportion of affordable homes built should be heavily weighted toward social rent.

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<sup>3</sup> [London Strategic Housing Land Availability Assessment 2017, Greater London Authority](#)

<sup>4</sup> [London Strategic Housing Market Assessment 2017, Greater London Authority](#)



## MAYOR OF LONDON

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Alongside investment in homes for social rent, the Mayor also believes that providing intermediate housing can help people struggling to afford private sector rents and unable to buy on the open market in London. He funds two main types of affordable intermediate homes, which are reflected by those outlined in the Green Paper. Details of these tenure types are set out in the London Housing Strategy.

The Mayor therefore welcomes the proposals for living rent homes outlined in the Green Paper. He recognises there are many Londoners, generally living in the private rented sector, who want to buy a home but are unable to afford even shared ownership due to high prices and/or high deposit requirements. The Mayor therefore introduced a new type of rented home, London Living Rent (LLR), upon taking office. Rents are based at one third of local earnings, calculated at ward level. London Living Rent helps middle income earners by providing them with an affordable home, enabling them to save money for a deposit if they wish to. It is targeted at those who are currently renting privately, with a maximum income of £60,000 and who are currently not able to purchase a home in their local area. When funded through the Mayor's programme, London Living Rent homes are, in line with his agreement with Government, able to be converted to shared ownership over time, meaning people can remain in the same home they have been renting. He also supports homes at other rent levels as long as they are affordable to those whose household incomes fall under £60,000 per year.

While the Mayor would support an initiative that sought to build more living rent homes, it should be recognised that the level of subsidy required for this type of home is likely to be significantly higher than for alternative intermediate products (such as shared ownership) when offered in perpetuity. Although the Mayor's programme offers the same tariff rate of grant for shared ownership and London Living Rent, this is based on an assumption, arrived at through negotiation with Government, that the home will transition to shared ownership within a set number of years. Given the need for social rented housing outlined above, it is important that any increased spending on living rent homes does not displace spending on homes based on social rent levels.

The principal type of affordable home to buy that the Mayor supports is shared ownership. Whilst not without its limitations, particularly in high value areas, it has a key advantage of requiring a significantly lower deposit than many other alternatives. In London, the typical deposit required to access homeownership is now 1.4 times the annual income of a typical first-time buyer household. These historically high deposit requirements restrict households' ability to access home ownership, and many without access to the 'Bank of Mum and Dad' unable to put together a sufficient deposit. The detail of the proposed 'FirstBuy' policy is therefore crucial; we would welcome the opportunity to discuss this proposal further before it is introduced in London.

More broadly, the Mayor would support an updated and clear legal definition of affordable housing in legislation. This would help to reverse the dilution of the meaning of 'affordable' that has happened in recent years, which he has sought to tackle through focussing his funding on homes that are genuinely affordable to Londoners. Such a definition must protect social rent as a tenure, and he agrees it could also involve caps that are based around rent or mortgage payments being no more than a third of after-tax household income. The Mayor believes that all types of

social or affordable housing should remain affordable in perpetuity, with provision made to recycle any subsidy and reinvest it elsewhere if homes are sold. A new definition should also seek to reverse the Starter Homes initiative, and enshrine the established role of sub-national authorities, such as the GLA, in tailoring the definition locally.

**2. Do you agree with our proposal to scrap public funding for so-called 'affordable rent' homes priced at up to 80 per cent of market rents?**

Yes. The Mayor believes that rents at up to 80 per cent of the market price are not genuinely affordable to most Londoners. He would support an end to homes at such rent levels being funded, and prohibiting partners from converting additional social rent homes to Affordable Rent, as he has done through his new affordable homes programme.

As outlined above, since taking office, the Mayor has chosen only to fund homes that are genuinely affordable to Londoners. He has developed London Affordable Rent caps that are based on social rent levels; this approach has been specifically designed to enable him to use national Affordable Rent funding for homes based on social rent levels well below 80 per cent of market rents. He has also made it a condition of his new affordable homes programme that housing providers cease the conversion of existing social rented homes to Affordable Rent at up to 80 per cent of market rates when they are re-let. He would welcome the funding for Affordable Rent being redirected and increased, with higher grant rates per unit, going toward homes for social rent instead.

**3. Are there specific steps beyond those set out in this Green Paper that could deliver an even higher level of Labour's affordable housing?**

The Mayor strongly welcomes the commitment to build one million genuinely affordable homes over 10 years, a majority of which will be for social rent. As outlined above, the significant need for affordable homes in London, particularly those at social rent levels, has been identified through the GLA's 2017 SHMA.<sup>5</sup> The Mayor also welcomes the commitment to increase the level of affordable housing grant, initially to the level seen before 2010. In 2009/10, £1.75bn of grant funding was provided for affordable housing delivery in London and returning to this level of funding would be a helpful step towards building 65,000 new homes year, 50 per cent affordable, for which the new draft London Plan identifies the capacity.

However, GLA analysis suggests that building that number of new and affordable homes, in proportions that are appropriately weighted towards homes based on social rents, will require annual investment around £3bn. Initial GLA analysis estimate the requirement to be at least £2.7bn a year, and the research consultancy Savills have calculated a comparable figure of £3.4bn a year.

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<sup>5</sup> [London Strategic Housing Market Assessment 2017, Greater London Authority](#)

The GLA therefore questions whether £4bn a year of national funding is sufficient to deliver the number of genuinely affordable homes required, both nationally and in London. Given the great need for homes based on social rent within the capital, London requires sufficient grant funding to have an affordable homes programme that is appropriately weighted towards homes based on social rent, unlike the current programme which is more weighted towards intermediate housing due to funding restrictions applied by central Government.

To adequately meet need in London, the GLA is clear that as well as the sum of total grant increasing, the level of grant per unit must rise too. Housing associations currently rely on heavily cross-subsidising new affordable housing from homes for private sale; this approach is pro-cyclical and not sustainable in the long-term as it has been pushed close to its limit. It cannot successfully develop the tens of thousands of new affordable homes London needs each year.

As outlined in response to question 5, the Mayor believes that agreeing funding for new affordable housing and the associated infrastructure over a longer term basis would help increase delivery. The next Labour government could increase delivery by providing certainty to the GLA by moving to 10-year affordable housing investment programmes.



**4. Do you have any other comments on our proposals in section three?**

No.

**5. How can Labour ensure appropriate powers and funding to build more affordable homes in all parts of the country?**

The Mayor believes that to double the rate of homebuilding a new vision and investment regime is required from central Government. This includes a change in the way that housing is funded, and the devolution of powers to enable London to take more of a lead in solving its own housing problems.

Greater stability in affordable housing funding

The Mayor supports the long-term target to build one million affordable homes across the country over 10 years, but remains concerned about the impact of very short term affordable housing investment settlements on affordable housing delivery in the capital. This kind of long term ambition should be matched by practical changes in how investment in affordable homes works.

Currently, London is reliant on negotiating periodic deals with central Government on terms that tend to change with each iteration, meaning that long term planning becomes almost impossible. In the context of development, where some schemes can take decades to deliver, this lack of certainty is very damaging. Likewise, investment in infrastructure often relies on significant contributions from developments through planning agreements. Bringing forward more land for housing, and doing so more quickly, will require greater upfront investment in housing-led infrastructure than is currently the case. The Mayor would therefore suggest that the next Labour government moves to 10-year affordable housing investment programmes through the GLA in London and Homes England in the rest of the country. This could also align with a 10-year rent settlement with social landlords.

As noted earlier, the GLA estimates that it would require £2.7bn of affordable homes funding a year to reach its housing targets – four times what is currently receives from central Government. This direct investment in affordable homes should be accompanied by far higher levels of investment in infrastructure to support new homes, building on recent allocations of the Housing Infrastructure Fund to London. Providing these allocations available in one single, unified pot is crucial to ensure that the Mayor has maximum flexibility to unlock development opportunities, regardless of size or existing constraints.

As part of this process, a future Labour government should explore further fiscal devolution, building on devolution of Business Rates. For example, Stamp Duty Land Tax receipts from residential property transactions in London have totalled £3bn in each of the last two tax years, more than the estimated level of affordable homes funding required annually. Finally, London would benefit from enhanced revenue funding for supported housing to enable the development of new homes for Londoners with support needs (discussed further in answer to Q15).

### Empowering municipal government to deliver

London's housing needs will not be met without concerted intervention by governments at all levels. Municipal homebuilding provided nearly two-thirds of London's new homes during the 1960s and 1970s. Today, many local authorities have active council homebuilding programmes, but they are severely limited in how much they can achieve by an array of top-down regulations and financial constraints.

Similarly, City Hall lacks the resources and powers required to lead a city-wide municipal homebuilding programme – such as a large and flexible budget, access to borrowing, and powers to acquire land near existing values – which may ultimately be required. To go much further and truly transform homebuilding in the capital, the Mayor requires a package of legislative change, devolution and further funding to meet the scale of the housing crisis.

In the short term, this should mean the removal of rules that limit council homebuilding, including restrictions on Housing Revenue Account borrowing, and the reinvestment of receipts from Right to Buy (including those in the pipeline if the Right to Buy were suspended). This includes lifting the cap on the percentage of total development costs of replacement homes which can be covered by Right to Buy receipts, and returning the full receipt to councils, rather than HM Treasury retaining a proportion of it. Furthermore, to allow councils to reach their full potential in delivering homes, there should be action to address the lack of resources and capacity within council planning and housing departments, which must go beyond minor increases in planning fees.

The Mayor wants to help local authorities to start building homes at scale again, which is why in May he launched his *Building Council Homes for Londoners*<sup>6</sup> prospectus, giving councils the opportunity to bid for a share of the £1.67bn recently secured from Government. This funding, combined with expertise from specialists at City Hall and across the sector, aims to help local authorities across the city start delivering 10,000 council homes in the next four years, the highest level of council homebuilding since the 1990s. As the first ever City Hall programme dedicated to building council housing, it signals the Mayor's intent to ensure that more homes at social rent levels are built and that councils taking a lead in doing so. Initial reaction to the prospectus from councils has been overwhelmingly positive, and we would be keen to share the experience of developing our approach with the next Labour government as it seeks to boost council homebuilding through support from Whitehall.

In the medium term, the next Labour government should agree to devolve a package of planning powers to enable the Mayor to determine more of London's planning policy framework, ensuring this is implemented at the local level and in individual planning applications. The GLA would also seek a commitment from the next Labour Government to explore the long-term potential for a London-wide municipal homebuilding programme to address the capital's chronic shortage of homes.

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<sup>6</sup> [Building Council Homes for Londoners Funding Prospectus](#), Greater London Authority

### Land assembly

Finally, a step-change in housing delivery will also require fundamental reform of land assembly rules and legislation. The models and statutory powers relied upon to bring forward strategic land opportunities are wholly inadequate when compared with the scale of the housing crisis we face. The compulsory purchase regime must be reformed to make it quicker and less complex, including by devolving the power to confirm compulsory purchase orders in London (when exercised by bodies other than the GLA) to the Mayor. Government should also amend the Land Compensation Act 1961 to enable land acquisition at closer to existing use value. This would enable a greater proportion of the land value increases that result from development to be reinvested – including to speed up build out rates by delivering a more diverse housing offer with more affordable homes.

### **6. Do you agree with our proposals to stop the loss of affordable homes through right to buy, conversions to 'affordable rent' and the forced sale of council homes?**

The Mayor agrees with these proposals. The low level of new supply and the failure to replace social housing sold through Right to Buy has contributed to a fall of around 20 per cent in the number of new lettings of social rented homes available to councils in the last decade. By stemming the loss of social housing, there would be an immediate positive upward effect on net housing supply in London.

As such, the Mayor also supports the proposals to end conversions to Affordable Rent, as set out in answer to Question 2. He is also strongly opposed to plans to force councils to sell their homes in higher-value areas, as well as the 'Pay to Stay' policy put forward in the Housing and Planning Act 2016.

In London, the Mayor has sought to implement further measures to stem the loss of affordable homes, which may be of interest to the Labour Party. For example, the Mayor's draft London Plan is explicit that, in estate regeneration schemes involving a loss of existing affordable homes, 'the existing affordable housing floorspace should be replaced on an equivalent basis'<sup>7</sup> – which means homes based on social rent levels should be replaced by new homes based on social rent levels. It also states that, wherever possible, estate regeneration projects should deliver an uplift in affordable housing, and it should be verified through transparent viability testing that a scheme is delivering as much extra affordable housing as possible.

The Mayor expects all schemes which he funds to follow the principles set out in his good practice guide to estate regeneration *Better Homes for Local People*<sup>8</sup>, which includes a full right to return or remain for social tenants, and a fair deal for leaseholders and freeholders. The Mayor is also calling on Government to fund any financial gap that arises when ensuring that social housing is replaced like for like, including following demolition in cases where buildings can't be made safe through improvements, or where improvements can't be made without compromising a building's safety.

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<sup>7</sup> Policy H10, The Draft London Plan, Greater London Authority, November 2017

<sup>8</sup> *Better Homes for Local People: Good Practice Guide to Estate Regeneration*, Greater London Authority



**7. What additional measures could a Labour Government take to get councils, housing associations and others building more genuinely affordable homes?**

Securing more affordable homes through the planning system

The Mayor supports the proposal to consider a wide range of reforms to the viability system, as he calls for in his London Housing Strategy. He has overhauled London's approach to affordable housing planning policy since taking office, by introducing a new minimum threshold for affordable housing that introduces more certainty for developers and that boosts the proportion of affordable homes. The pioneering threshold approach works by providing a Fast Track Route through the planning system for developments that provide at least 35 per cent affordable homes without public subsidy, while making schemes that do not meet the threshold subject to a detailed and transparent viability analysis with a late-stage review. The threshold figure rises to 50 per cent on sites including public land. He has appointed a team of viability experts to support councils in negotiations with developers over and to assess major schemes when they are referred to him. The reaction from industry so far suggests developers are accommodating this clear approach from the Mayor, with a recent Savills report highlighting that his clear stance has led to 35 per cent affordable housing being factored into land transactions.

Strategic Partnerships

The GLA has also pioneered the use of strategic partnerships to drive forward housing delivery in London. The partnerships are struck with housing associations who are prepared to build homes at scale and will deliver at least 60 per cent affordable housing across their portfolio of sites. These partnerships have allowed the Mayor to gain certainty over the delivery of homes within programmes, whilst giving partners more flexibility. The use of these partnerships has been well received by housing associations, and the Mayor would recommend the use of this model nationwide.

**8. Do you agree with Labour's proposal to set up an English Sovereign Land Trust? How else might Labour make more land available, more cheaply, to build genuinely affordable homes?**

The Mayor has established a £250 million Land Fund to invest in buying and preparing land for affordable housing, and is expanding his Homes for Londoners team so that he can take a more proactive role in bringing forward land for housing. He recently agreed the purchase of the St Ann's Hospital site in Haringey through this fund; when resold to a provider it will seek to nearly double the number of homes and secure 50 per cent affordable housing on a site where the original planning permission would only have delivered 14 per cent.

The Mayor will continue to use this Fund and his expanded team to unlock further opportunities to deliver more genuinely affordable housing. However, he agrees that the cost and complexity of assembling land for development can be a major barrier to the delivery of affordable homes, and he believes the limited powers currently available to him are at odds with the need for a substantial increase in the delivery of housing in London. Going substantially further will require a

## MAYOR OF LONDON

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step-change in investment from Government, reforms to land assembly rules, and greater public sector capacity and expertise in the area. These changes would help achieve his vision for stronger, more effective land assembly powers, on both public and private land, backed up by the resources from Government needed to implement them.

First and foremost, the Mayor would like to see a radical reform of land assembly rules, including the reform of compulsory purchase powers, and the introduction of new land assembly mechanisms and resources to support them. This will ensure both that land earmarked for new homes comes forward for development quickly and efficiently, and that more value can be captured and reinvested in infrastructure and genuinely affordable homes. This is set out in his London Housing Strategy and is informed by recently published research<sup>9</sup> commissioned by the Mayor to explore international models of land assembly, and how these could support housing delivery in London.

The Mayor supports approaches that initially incentivise landowners to assemble their land on a voluntary basis. This includes the introduction of statutory mechanism by Government to underpin and incentivise voluntary land assembly (or 'land pooling'), with the objective of minimising the number of landowners 'holding out' for an increase in land values.

Where attempts to assemble land by voluntary means have not been successful, compulsory purchase powers may need to be used. To support this, there should be reform of the compulsory purchase regime to make it quicker and less complex. In line with this, the Mayor supports calls for the devolution of powers by Government so that he can confirm compulsory purchase orders himself in London, in line with powers of the Secretary of State, where they are not promoted by the GLA. To truly meet the scale of the challenge in housing delivery that London faces, however, will require fundamental reform of land assembly legislation. Government should amend the Land Compensation Act 1961 to enable land acquisition at closer to existing use value. This would enable a greater proportion of the land value increases that result from development to be reinvested – including to speed up build out rates by delivering a more diverse housing offer with more affordable homes.

The public sector has a role in directly coordinating land assembly, as few other agencies have the capacity to take on this complex work. However, this is an expensive and time-consuming process. To enable land assembly efforts to work at scale, GLA-commissioned research<sup>10</sup> recommends that the public sector is adequately resourced with access to funding, appropriate powers to use actively or have in reserve, and the capacity to be able to quickly and credibly intervene in complex long-term land assembly projects. The research suggests public sector resources could be prioritised in designated 'Land Assembly Zones' – areas in which the planning status of land, and the rules governing its value and ownership, would robustly support effective interventions around land assembly.

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<sup>9</sup> [Capital Gains: A Better Land Assembly Model for London, Greater London Authority/Urbed](#)

<sup>10</sup> [Capital Gains: A Better Land Assembly Model for London, Greater London Authority/Urbed](#)

## MAYOR OF LONDON

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In any future legislative reform, the Mayor would want to see more land value increases that result from development reinvested in infrastructure and genuinely affordable homes. He would also seek from the next Labour government a long-term commitment to ensuring the taxation of land is more progressive, to incentivise landowners to make better use of scarce land and build out planning permissions more quickly.

Finally, the Mayor should be granted stronger powers over publicly-owned land earmarked for new homes, particularly land currently held by central Government departments and agencies. The rules governing how this land can be used – particularly the current statutory general consents to dispose of land, and the requirements to achieve best consideration – should be reviewed alongside this.

The Mayor would welcome further discussions to develop the proposal for an English Sovereign Land Trust, and to consider how this might operate in London. It will be critical that such a Trust, and the councils it would work with, are appropriately resourced to deal with the complexities, risks and cost of land assembly. This is particularly relevant in urban areas, where there are few 'empty' development sites of the kind that may support New Towns or urban extensions in other parts of the country.

### **9. How can Labour ensure that estate regeneration maximises affordable housing and improves local areas, including in low demand areas?**

The Mayor welcomes Labour's proposal to make resident ballots a condition of public funding for estate regeneration schemes. The GLA is pioneering this approach in London, by making resident ballots a condition of Mayoral funding for strategic estate regeneration schemes involving the demolition of social homes. We would be keen to share our experience of developing this policy with the next Labour Government as it seeks to mandate the use of ballots nationally, for instance around what levers can be used to ensure a ballot's outcome is honoured and how the franchise can be defined.

The Mayor considers that several other elements of the Green Paper – notably plans to fund the delivery of more genuinely affordable homes and to remove the viability loophole in planning policy – will help maximise the supply of affordable housing delivered through estate regeneration schemes. As outlined earlier, this reflects his approach in Policy H10 of his draft London Plan<sup>11</sup>, whereby any proposal involving the loss of affordable housing should not be approved unless the housing is replaced by equivalent or better quality accommodation, providing at least an equivalent level of affordable housing floorspace. He considers that framing this requirement in terms of floorspace rather than numbers of units will help ensure estate regeneration schemes meet local needs, including the needs of overcrowded families for larger homes and would-be downsizers for smaller local homes.

### **10. Do you have any other comments on our proposals in section four?**

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<sup>11</sup> Policy H10, The Draft London Plan, Greater London Authority, November 2017



## MAYOR OF LONDON

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The Mayor believes that the homebuilding industry needs to be diversified and its capacity increased to deliver the number and range of homes that meet Londoners needs. He supports and would welcome further discussion on proposals set out in the Green Paper to do this.

Promoting modernised construction methods through the precision manufacture of homes has the potential to offer greater consistency and quality control, alongside additional benefits in terms of speed of delivery, cost efficiencies, and safety on site. The Mayor is supporting precision manufacturing by making funding available for these developments through his £4.82 billion Affordable Homes Programme, including his Innovation Fund. He is also working with the housing industry to promote greater standardisation of precision manufacture components and approaches and would welcome the next Labour government adopting similar practices across the country.

The Mayor wants Londoners to have the opportunity to play a role in building their own communities. He has set a target to identify a pipeline of community-led housing schemes by 2021, with capacity to deliver at least 1,000 homes, and has established a Community-Led Housing Hub<sup>12</sup> to support the expansion of community-led housing schemes. The next Labour government should support the growth of the community-led housing sector by providing the Mayor with adequate resources to do so as part of a new long-term settlement. In addition, the Mayor is working to support an increase in the skills and capacity of the construction industry. He is achieving this by taking steps to address the construction skills gap in London by providing leadership and coordination, including through the launch of his Construction Academy Scheme to ensure a planned and joined-up approach to meeting the capital's construction needs. Full devolution of the range of post-16 skills powers and funding would ensure London's skills system can meet the capital's specific social and economic needs.

The Mayor recognises the vital role that can be played by small sites in meeting housing need. In his draft London Plan, the Mayor sets out a presumption in favour of development on small sites, and has set specific small sites targets for councils. His Small Sites, Small Builders programme will also make more small, publicly-owned sites available to small developers, housing associations and community-led organisations to play a bigger role in building the homes that London needs. The initial pilot of 10 TfL sites has received substantial interest, and the Mayor hopes to further expand this programme in the future. The next Labour government could support further building on smaller sites by providing funding for a nationwide rollout of the Small Sites, Small Builders programme. They could also look at overhauling the rules about best consideration, which are currently complex and can stifle development on public land. The Mayor's team would be happy to engage in conversations about what this reform should look like.

### **11. What more could a Labour Government do to make affordable housing a first choice, not a last resort?**

In 1981, over one third of households (35 per cent) in London lived in social housing. Due to decades of underinvestment in new housing supply, and a failure to replace over 300,000 council

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<sup>12</sup> [Community led housing London](#)

homes sold through the Right to Buy in London, that percentage has fallen to just one in five (21 per cent).

This residualisation means social housing cannot currently offer homes to Londoners beyond those in greatest need and is unable even to act as a safety net for all Londoners; over 50,000 London households currently live in temporary accommodation, of which just one in five are able to move on from this type of accommodation each year. The reduction in the number of available social homes has contributed to increased stigmatisation of social housing and its residents. This stigmatisation is borne out in recent Government housing policy, with social housing funding becoming an easy political target for central Government budget cuts, as occurred under the Coalition Government in 2010. The Mayor wants to see the next Labour government build enough social housing, first to ensure that it provides an adequate safety net for all who need it, and then that its supply is great enough for it to become a mainstream choice for more Londoners.

Although building more social housing is the key to tackling its residualisation, the Mayor also believes social housing can be improved by making sure the service residents get from their landlords is high quality and responsive to their needs. He has therefore proposed the Government establish a Commissioner for Social Housing Residents (see Question 14), who would act as positive voice for social housing tenants and leaseholders and should seek to influence Government policy to ensure it is responsive to their needs.

### **12. What more can we do to make affordable housing more energy efficient?**

The Mayor published his London Environment Strategy in May 2018, setting out his vision to make London the greenest global city. This includes making London a city that is zero carbon, zero waste and has a zero-emission transport network by 2050.

The Mayor's draft London Plan<sup>13</sup> sets out how the Mayor will use spatial planning powers to build zero carbon homes and commercial buildings in London. The Mayor also has plans to retrofit more of London's homes with energy efficiency measures and cut fuel poverty, including through more solar installations, and ongoing support for low carbon heating solutions such as replacing inefficient boilers and increasing district heating.

#### Energy efficiency

We fully support proposals to make affordable housing more energy efficient. Whilst social housing tends to be more energy efficient than private sector housing, low incomes amongst social housing tenants means that levels of fuel poverty are higher. Research for the Mayor's Fuel Poverty Action Plan revealed that 14.2 per cent of council tenants in London were fuel poor, compared to 8.1 per cent of owner-occupiers.

Setting a clear trajectory for energy efficiency improvements in affordable housing is essential. The Minimum Energy Efficiency Standards that came into force in April 2018 prevent landlords

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<sup>13</sup> The Draft London Plan, Greater London Authority, November 2017

from renting out homes if they are below Energy Performance Certificate Band E, yet there is currently no trajectory beyond this. We welcome the proposal in the Green Paper to ensure that all social housing reaches EPC Band C and propose that this is achieved by 2030.

### Low carbon development

Developers should be required to construct housing that is high quality and easy to heat, protecting customers from high running costs. Ensuring that it is low carbon will be vital to meet carbon targets and will avoid costly retrofit in the future. New buildings also need to be future proofed, such as by including measures that reduce the risk of flooding and avoid over-heating for residents.

Since 2016 all major residential developments referred to the Mayor have had to comply with a zero-carbon standard. This includes minimising carbon emissions resulting from the operation of buildings. The draft new London Plan proposes to introduce a requirement of on-site carbon reduction of at least 35 per cent beyond Building Regulations. This includes a minimum target of 10 per cent of these savings coming from energy efficient measures.

### **13. What measures should form the basis of the fire safety criterion as part of a new 'Decent Homes 2' standard?**

Currently the Decent Homes standard is met, when a home:

- is free from category one hazards (as determined through HHSRS);
- is in a reasonable state of repair;
- has reasonably modern facilities; and
- has efficient heating and insulation.

Recent challenges in forcing private building owners to remove unsafe cladding has highlighted the deficiencies of HHSRS in identifying fire safety hazards. The Mayor would therefore support a separate category for fire safety within a Decent Homes 2 standard.

In creating a new standard, the following measures of fire safety should be considered:

- automatic fire suppression systems, including sprinklers;
- building materials, in particular ensuring non-combustible materials on the external walls of high rise blocks;
- fire doors;
- means of escape;
- firefighting lifts;
- ability of fire fighting vehicles to access the building; and
- firefighting apparatus such as wet risers.

### **14. Do you agree with our proposals to increase social landlords' accountability to tenants? What further measures could a Labour Government take?**



## MAYOR OF LONDON

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The Mayor agrees that the voice of residents should be at the heart of decision-making for social housing; their voices should be heard and their concerns dealt with swiftly. Following the tragedy at Grenfell Tower this is more important than ever. The Mayor welcomes the approach to accountability set out in this Green Paper.

The London Housing Strategy calls on Government to appoint a Commissioner for Social Housing Residents, who should be a social housing tenant themselves, to ensure the interests of tenants and leaseholders are represented in national policy-making that affects their homes and communities. The Mayor's introduction of resident ballots as a condition for his funding going toward significant estate regeneration schemes involving the demolition of any existing social housing is an important step in ensuring local residents have a clear say over whether plans should proceed.

The Mayor believes that the mechanisms available to residents who wish to raise concerns about their homes do not always work effectively. As a first step, his London Housing Strategy calls for the removal of the designated person filter so that residents can access the Housing Ombudsman more easily. Similarly, the Social Housing Regulator will only take regulatory action in relation to consumer issues if the test of 'serious detriment' is met. This sets the bar too high meaning that vital issues get insufficient attention, and so he wants to see the test of 'serious detriment' reviewed to ensure increased investigation by the Social Housing Regulator of resident complaints.

More broadly, the Mayor is supportive of a single ombudsman or redress scheme for people living in all housing tenures. This should be an overarching scheme which routes people into distinct pathways to redress for each housing tenure. The scheme should offer consistent service standards across all tenures, and be predicated on distinct, tenure-specific, legally enforceable codes of practice. Redress should cover all aspects of the process of seeking accommodation as well as problems people encounter once they have secured a home. The new approach should also include provision of dispute resolution and adjudication services.

### **15. What more could a Labour Government do to ensure there is sufficient specialist affordable housing for groups including those who are elderly, disabled or homeless?**

The Mayor believes that a needs-based approach to provision of supported and specialist accommodation is essential, as well as oversight that helps ensure its quality. The draft London Plan sets out that councils should undertake assessments of the short and long-term needs for supported and specialised accommodation within their area. Existing accommodation options available should be audited, identifying any shortages in capacity or potential extra capacity within schemes, as well as accommodation in need of refurbishment. Councils should then use this information to plan to meet identified need, working with relevant authorities, such as children's and adult services, the NHS and relevant charities. For some groups, need may be best met on a multi-authority basis. Joint commissioning is, however, challenging and there need to be mechanisms in place to make this a more straightforward process.

For older people's specialist housing, both investment and clear benchmarks for provision are needed. There needs to be a range of options available for older people, particularly as more people are choosing to remain in their own homes rather than move into residential institutions<sup>14</sup>. These include adaptations to existing homes, the provision of new homes built to meet people's changing circumstances over a lifetime, and a more attractive offer to older Londoners who are owner occupiers and wish to downsize (over half of older homeowners in London are under-occupying by two or more bedrooms<sup>15</sup>).

The draft London Plan contains benchmarks for specialist older persons housing in each London borough, and the Mayor is providing investment for specialist affordable housing (for both older and disabled people), particularly through his £111m Care and Support Specialised Housing Fund. This funding comes from the Department of Health and Social Care, and it is vital that it continues – and is boosted – after the end of the current phase in April 2021. In addition, all Department of Health allocations of funding for London should be fully devolved – on the same terms as funding through the Affordable Homes Programme. There is a strong financial case for investing in specialist housing<sup>16</sup>, which on average saves £940 per person per year in net terms.

Sufficient and sustainable revenue funding needs to be available to support current provision of specialist older persons housing and enable the delivery of new provision – both to cover housing-related support costs and the cost of wider support.

Specialist and supported accommodation can also play an important role in helping rough sleepers off the streets and preventing those at risk of homelessness, such as victims of domestic violence and young people leaving care, from ending up without accommodation. This type of accommodation can support these groups of people to live independently and avoid homelessness in future. In this context, 'move-on' accommodation is also a priority, and helps to ensure the availability of specialist housing by preventing it from becoming full. Both specialist

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<sup>14</sup> London Plan, Greater London Authority, 2015. See evidence supporting policy 38

<sup>15</sup> 'Older Londoners and the London Plan: looking to 2050', Greater London Authority, 2016

<sup>16</sup> Frontier Economics, 'Financial benefits of investment in specialist housing for vulnerable and older people', 2010

and move-on accommodation must be adequately supported with sufficient capital and revenue funding.

The next Labour Government could also help those at immediate risk of rough sleeping by funding the provision of more emergency accommodation and by extending Clearing House.<sup>17</sup> Labour may wish to look at innovative approaches to accommodation for homeless households, for example using meanwhile sites to house demountable temporary accommodation, such as the PLACE Ladywell scheme, and the GLA funded pan-London PLACE scheme, which is currently seeking a supplier of precision-manufactured homes. These schemes make efficient use of temporarily vacant land to house those at risk of homelessness in precision manufactured housing that can be moved once the site is no longer vacant.

Finally, to support housing that is accessible to disabled people, the next Labour Government should promote requirements such as those in the draft London Plan for:

- 10 per cent of new build homes to meet Building Regulation requirement M4(3) 'wheelchair user dwellings', i.e. designed to be wheelchair accessible, or easily adaptable for residents who are wheelchair users); and
- all other new build homes to meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'<sup>18</sup>

### **16. Do you have any other comments on our proposals in section five?**

The Mayor is clear that every step must be taken to ensure a tragedy like the fire at Grenfell Tower never happens again. He strongly supports the London Fire Brigade's campaign to increase sprinkler systems across all building types, and especially high-rise buildings and those with more vulnerable occupants. This campaign extends to retrofitting within existing tower blocks. One of the most significant barriers to retrofitting is the cost to landlords. As such, the Mayor welcomes the proposal in this Green Paper to make £1bn available to achieve this in the social sector.

In his submission to the call for evidence for the Hackitt Review, the Mayor highlighted the problems with a market approach to building control. He was pleased to see that the final recommendations included a restriction of the role of Approved Inspectors through the Joint Competent Authority. The removal of the competitive approach to building control will ensure decisions are made based on safety, rather than market share. He is concerned, however, that the review's focus on high-risk residential buildings over 10 storeys does not go far enough to protect Londoners and he will call on Government to consider whether this should be extended to other buildings. He is therefore supportive of the Green Paper's proposal to make the system of building control and fire safety publicly accountable.

The Mayor welcomes the principles of Karen Buck's Fitness for Human Habitation and Liability for Housing Standards Bill and would support Labour's proposal to fast-track its implementation.

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<sup>17</sup> [Rough Sleeping Plan of Action, Greater London Authority, June 2018](#)

<sup>18</sup> Policy D5, The Draft London Plan, Greater London Authority, November 2017



## **MAYOR OF LONDON**

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Placing duties on landlords to proactively ensure homes are fit for habitation, and giving renters the right to take action against them if they do not, is a positive step. The Government should ensure that eventual legislation is part of a wider strategic approach to improving the rights of private tenants – rather than the piecemeal and outdated regulatory framework that is currently failing to protect London's renters.