

Housing Committee – 12 November 2013

Transcript of Item 7: Mayor's Affordable Housing Commitments

Darren Johnson (Chair): Thank you and welcome, David [Lunts], for this next item on the Mayor's affordable housing commitments. I am going to start off with the first question. Is the Mayor still on target to deliver 55,000 affordable homes by March 2015?

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

Darren Johnson (Chair): It seems quite a mountain you have to climb yet, given it takes 18 months to get a property built on average and you are still several thousand off target. Can you tell us how close you are to the target now?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are right to say that the 55,000 target is a stretching target and a challenging target, and an enormous amount of work is going in from the teams to meet that target. It is right that we have stretching targets. Since City Hall inherited the programmes, you will have seen significant progress against that target. You will have seen the doubling of starts in the last financial year, for example. A huge amount of work has been put in by the teams and David [Lunts] can talk more about this to de-risk the programme and to focus in particular on larger schemes, which, as you rightly say, are more complex and therefore will take longer to build. Therefore, the focus, particularly in the last few months, has been around those schemes that contain 30 or more homes to make sure that they are onsite, are being built and are happening.

We now have a couple of schemes which are in excess of 30 homes which have yet to start onsite and that is partly because they are a couple of schemes where section 106s are being talked about and so on, so they are in the final knockings of post-planning obligations being finalised. Otherwise, what is yet to start onsite is below 30 units and some of those are very small schemes. You are talking about five or six homes and they therefore can be built far faster than your 18 months.

I would have said that overall what we require now is roughly around 5,000 starts to deliver the programme.

Darren Johnson (Chair): We were told in the summer 9,500 starts were outstanding, so your estimate now is that that has come down to 5,000. Some you may get some completed quicker than others, but that is still quite a mountain to climb, is it not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is not fair to characterise it as a mountain. It continues to be a challenge but one which we are very alive to and I do not think I could overstate the amount of work and effort and attention which is applied to this. The approach and our focus during the first six months of this financial year has

been on the larger schemes, as you rightly highlight, because they take longer to build. Now we are hopefully a very short period away from all of those schemes now being under construction and we are down to very, very small schemes which can be built more quickly.

Darren Johnson (Chair): These 5,000 are all smaller schemes?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Almost. Not all, but the vast majority are.

Darren Johnson (Chair): What is the average build time for a small scheme?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Some of it can be done within 12 months.

Tom Copley (Deputy Chair): You are saying we need roughly 5,000 starts. In July, I think it was at the Budget Monitoring Sub-Committee, we were assured that by September we basically had 9,500 starts. What is the reason for the slippage on that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We have always been very clear with providers that they should focus around the status of schemes for September. We have been very clear about that. I do not think you should look at it as a kind of guillotine in September, though.

Tom Copley (Deputy Chair): It was more the fact that there was a lot of emphasis placed by your own officers on this end of September date.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That was the right thing to do, absolutely. It is a complex and difficult programme to manage. It is the right thing to have pressures and milestones like that, but it is also right to look at the overall number and then to take it scheme-by-scheme and look at what the level of risk is on each of those schemes. Is it a section 106 contribution or is the housing association or the housing provider the actual developer? Do they have planning? Is it in a rentable consent? Have they done tenders for contractors? A huge amount of work has gone on.

We have two systems, one which is the Information Management System (IMS), which are the figures which are reported to you, which is when everything is done and it is onsite, and those are the figures which the Budget Monitoring Sub-Committee will get and we publish, as you know, on a monthly basis. I would like to highlight that we have gone from a position prior to devolution where figures were published only twice every year and there was a lag usually of about six weeks before figures were published, to figures being published monthly and only two weeks after the end of the calendar month. We are being very transparent on where we are in all of this. An enormous amount of work has gone into the planning status, incremental consents, where they are on contractors. You will get the figures from IMS.

The offline system is more subtle. For example, we know whether schemes are onsite and works are actually happening but they have not signed an agreement with a contractor on it. So they

are still doing the enabling works, however the contractor who is going to do a specific piece of work on that, that cannot be put on IMS but there is still activity on the scheme.

David Lunts (Executive Director for Housing and Land, GLA): Just perhaps to add to that, the focus and the effort that went into trying to identify as many starts as possible by the end of September was something that we put out, as Richard said, very clearly to partners very early on in the programme. The reason for that was because, as you probably know, the new Affordable Housing Programme is effectively a series of programme-level contracts with providers. Unlike the old system, under the National Affordable Housing Programme (NAHP) it is not project-by-project, so if you run a housing association, we give you a load of grant and in return you deliver 500 or 600 units. In theory, that is a nice, neat system but, as we all know, in the real world inevitably you have to drill down scheme-by-scheme, project-by-project, to satisfy yourself that they are going to deliver their targets.

The reason we set the end of September was because, frankly, if everything in our programme had started onsite by 30 September, both myself and Richard and the rest of my colleagues could relax because, with 18 clear months, you could be pretty confident that everything would be delivered in bags of time. I think we always knew that that was unlikely to be the case for the reasons that Richard has described. What it has enabled us to do, though, is bear down on providers so that we now have absolute detail scheme-by-scheme, provider-by-provider, because we have said, "If you cannot give us a start date by 30 September, we certainly need to know precisely where your project is and precisely why it will still continue to deliver a completion by March 2015". At the end of the day, what we are really interested in, of course, is the completions, not the starts by the end of September.

I accept that we are not exactly where ideally we would like to be, but I think we have a much closer picture now, scheme-by-scheme, on what we have and we are still on target to deliver 55,000 --

Tom Copley (Deputy Chair): The target is rated amber, so there must be some concern about the ability to deliver.

David Lunts (Executive Director for Housing and Land, GLA): Of course.

Tom Copley (Deputy Chair): Do you have any targets going forward?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We will have targets going forward. Do you mean for the next programme?

Tom Copley (Deputy Chair): Yes, for the next, so how many you would expect to see started within the next quarter.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, we have quarterly profiles and that operates for both starts and completions and it runs beyond 2015.

Tom Copley (Deputy Chair): Yes, but do you have a target for the next quarter as to how many you would expect?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, we have a forecast for what we would expect.

Tom Copley (Deputy Chair): You have a forecast. Is that available for us?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We provide the information. We have got into a system now of providing the projections for the year to the Budget Monitoring Sub-Committee and then reporting monthly on progress. I do not think we will adjust the information we are providing because this has been through a discussion with the Budget Monitoring Sub-Committee.

Andrew Boff (AM): Can I just ask? You are asking for one thing but you are answering another thing. Mr Copley is asking for a target but you are talking about a forecast. They are not the same thing.

Tom Copley (Deputy Chair): Yes. That is true.

Andrew Boff (AM): You have a forecast of how many you will have, but do you have a target of how many you want to build beyond March 2015?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Beyond March 2015, we have allocated funds, as you know, through the Housing Covenant work. The main prospectus of funding for that and the target which will be associated with it will come later this year with the new monies for --

Andrew Boff (AM): Effectively no target at the moment beyond March 2015?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Post 2015, we have not set a target. We obviously have ideas but we have not set a target.

Andrew Boff (AM): Thank you.

Fiona Twycross (AM): I am not sure this was something you were going to come back to, but it was on what you were going to do to get away from the amber status and whether you thought it was amber going up back to green or whether it was amber going down back to red, which clearly would be quite concerning. What is one thing you would be doing to get that back on track?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): "Back on track" is overstating it. What we are being very cautious about is that this is an enormous programme. We have a lot of work to do. Frankly, when every start is achieved on this programme, the nature of construction is that things can happen and we have to be very alive to that.

Our focus at the moment is going scheme-by-scheme, provider-by-provider, to look at where they are, what the status of that is and to monitor their progress against that. They have all signed contracts and they all have obligations to deliver against. We are, as the client, monitoring that incredibly carefully. At the moment, we will continue to focus to make sure that everything is started onsite and that will clearly be our priority at the moment.

David Lunts (Executive Director for Housing and Land, GLA): Can I just add a word on that as well? Obviously, what constitutes a red, amber or green is two things: risk around the delivery and the importance of the target. In other words, there is a weighting and obviously the achievement of the affordable housing targets for the Mayor is a very important commitment. Frankly, it is unlikely that the status will change from amber to green and I think that was always the case because we always knew that it is a very back-loaded programme anyway.

Fiona Twycross (AM): I have always interpreted amber as being something that could move back on track, so that if you have saying that is amber status you can take measures to get it back to green. If there is no possibility of that getting back to green, then actually it is red.

David Lunts (Executive Director for Housing and Land, GLA): No, I do not think that is quite right. The point I am trying to make is that the very nature of the 2011 to 2015 programme is that an awful lot of the completions are loaded into the final year and, indeed, a lot of completions into the last part of the final year. In terms of giving it a green status to say everything is on track, we really will not know that until very near the end.

Fiona Twycross (AM): No, I am not saying that it should have a green status. I am just saying that amber sounds a little bit optimistic given that you are not prepared to suggest that it might get back to green at some stage.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Ultimately, the completions will run until March 2015 and we will know whether it was green in March 2015 in some sense. What I am trying to say is that at the moment our focus is on all the starts and that is absolutely right and we will continue to do that. However, for a target which is measured against completions, clearly those completions will come in 2014/15 and a lot of them will come in the second half of 2014/15.

Fiona Twycross (AM): When you come back in a year, will it be green, amber or red? You must have a view on that now.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): In a year's time, I think clearly everything will be onsite and we will be seeing a lot of completions coming in against the 55,000 target. What is profiled for that year, as you know, is a significant number of affordable completions. We had a bumper year. We have done this before, so we had 16,000 completions in 2011/12, which was the most number of affordable completions at any point since the early 1990s. Clearly, we are going to have another significant amount of completions.

Stephen Knight (AM): You said that you were hoping that some of the ones that have not yet started will take less than 18 months and therefore finish by the deadline.

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

Stephen Knight (AM): Clearly, not all schemes are likely to be that quick. I just wonder, do you have any schemes at the moment you are looking at for which it is already clear because they have not started and they are likely to take 18 months to build that they are not going to be delivered within the target timeframe or, alternatively, any schemes which have started recently but it is still clear that they are not going to complete? Do you have any schemes that fall into that category at this stage?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is important to be clear that nothing will go on IMS that we do not expect to be completed within the timeframe set because these are contractual obligations which providers have. If it starts onsite, it is anticipated to complete within the timeframe required. On the larger schemes, yes, there are about three schemes which will fit into your category or our category of in excess of 30 units, which are not yet on IMS.

Stephen Knight (AM): They have not yet started?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There may be some enabling works that have, but they are not on IMS yet.

Stephen Knight (AM): No main contracts?

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

David Lunts (Executive Director for Housing and Land, GLA): Just to be clear, things obviously move around a lot and we have taken schemes that were showing March 2015 completions quite recently and taken those out of the programme because they clearly will not.

Stephen Knight (AM): You have taken some schemes out of the programme already, have you?

David Lunts (Executive Director for Housing and Land, GLA): Let me just be clear how this works in some cases, where schemes are either going to fall away or they are not going to deliver until after March 2015. If they have fallen away, then obviously they have gone. In some cases, they have been reprofiled so they will complete a year later, in which case the partners have been encouraged to rebid for money to build the programme beyond March 2015. What we have sought to do, usually successfully, is that where partners have reforecast or taken schemes out, they have brought additional schemes in that can complete by March 2015.

In other words, what I am saying is that because programmes as complex as this are always moving about, what we will not do is log schemes on the system as March 2015 completions

when we know very well that they will not complete by March 2015. We have to be confident that they are programmed to complete within the timeframe. Otherwise, we will not include them.

Stephen Knight (AM): Chair, one final point. When we get to 31 March next year, we will be a year to the deadline. Will your assumption be that anything that has not started by 12 months before completion, no matter how small, is not going to be completed and therefore would be removed?

David Lunts (Executive Director for Housing and Land, GLA): Not necessarily. We would take a view. For instance, there are something like 600 units due to complete by March 2015 which are included in the empty homes programme. The empty homes programme, in some cases, are units that can be delivered in --

Stephen Knight (AM): I am talking about new build.

David Lunts (Executive Director for Housing and Land, GLA): -- well under 12 months, so we will take a view.

Stephen Knight (AM): Yes, I appreciate that, but in terms of new build schemes, will 31 March next year be an absolute cut-off, no matter how small the schemes are, if things are not started by then? No?

David Lunts (Executive Director for Housing and Land, GLA): Not necessarily.

Tom Copley (Deputy Chair): What is the quickest time you can build a home in? What is the absolute? You say 18 months is the average. What is the shortest amount of time?

David Lunts (Executive Director for Housing and Land, GLA): The shortest amount of time is probably someone using an offsite modular unit that can be craned onto a site, erected and the utilities provided, which can be done in eight weeks at one extreme. That is very, very unusual and we do not have a lot of that.

Tom Copley (Deputy Chair): That is not within your programme.

Stephen Knight (AM): If you are doing those, you will know about them within your programme, will you not?

David Lunts (Executive Director for Housing and Land, GLA): Yes.

Tom Copley (Deputy Chair): An ordinary home, say, not one of those. What is the quickest? What is the minimum time you would expect?

David Lunts (Executive Director for Housing and Land, GLA): A conventional build, brick and block, onsite, people are going to struggle to do that in less than 12 months.

Tom Copley (Deputy Chair): All right, so I think that answers the question that Stephen gave. It would be very difficult after 31 March next year if these homes have not been started, so from our point of view in terms of scrutinising the programme --

Stephen Knight (AM): In order to get to 55,000, if you have not started the outstanding ones by 31 March next year, it seems pretty clear to the Committee, I think, that you are not going to reach the target. Is that a fair assumption?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is not an absolute guillotine, as we have stressed.

Darren Johnson (Chair): You have set a target.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, but there is not an absolute guillotine.

Darren Johnson (Chair): You are basically telling us you are confident that you will get started in four and a half months 5,000 homes?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is absolutely what we are working on.

Darren Johnson (Chair): In other words you will miss your target. If you do not get those 5,000 homes started in the next four and a half months, you will miss your target, will you not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): On the new build element, clearly, our expectation is for it to start in this financial year and we have always been clear about that on the new build element.

The other thing which I would just say is very important, though, what we are also doing here is looking at building the pipeline beyond 2015. We are being very careful to make sure that stuff that will not deliver by March 2015 is not lost completely and instead it can be put into future years so that future Mayors can also have homes being delivered and that is what we are being very careful to do.

Tom Copley (Deputy Chair): What will happen if providers cannot meet their Affordable Homes Programme commitments by March 2015?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): If they cannot meet, then they have site contracts to say that they will meet. Some of them have come forward - and this has happened over the last couple of years - to say that what they envisaged they would be able to deliver they will not be able to deliver. There is a whole range of different reasons for that. We are very clear that we take the money away and we reallocate it to something else.

Tom Copley (Deputy Chair): There is no extension. You reallocate to a different provider who says it can or will you reallocate it to a different programme?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Against the 2015 target, clearly we would substitute to deliver against that. It is perfectly possible that there are some good schemes that for a range of complex reasons would not deliver by March 2015 and therefore, given that we have funds that go beyond March 2015, it is right to look at whether those programmes and those important schemes can be supported through other programmes. Clearly, if a provider is unable to deliver against a 2015 target, then we will look to reallocate elsewhere.

Tom Copley (Deputy Chair): Are you worried that having this sort of very extreme cut-off point will discourage some providers from being able to deliver? Are you worried you are restricting your ability?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is a four-year programme which has had a very clear deadline of March 2015. It is important that programmes run that go beyond 2015. We were the first in England to come out with a programme that ran beyond March 2015, so it is important that providers who have important schemes that would see stuff delivered beyond that timescale are able to access funding. That is something that we have done and encouraged and have been very proactive around to build a pipeline. If you are addressing housing supply, particularly affordable housing supply, what you need is a trajectory of homes and that is what we have done.

Clearly, if the Committee wants to say, "You should move the deadline", that is a matter for the Committee, but we will remain focused on March 2015.

Tom Copley (Deputy Chair): I am just asking for your logic behind this. Finally, if providers who have had upfront tranche funding cannot meet their commitments, will the GLA be reclaiming that money?

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

Tom Copley (Deputy Chair): Thank you.

Nicky Gavron (AM): Just a question really on the back of this. Are there circumstances in which section 106 affordable homes are counted in your affordable housing target?

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

Nicky Gavron (AM): Any section 106 agreements?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): What do you mean by "any", sorry?

Nicky Gavron (AM): A lot of them are outside of any housing association deals. Private developers who might be within section 106.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, and for the system of counting affordable homes, we use the same system that was established when the GLA was first set up a decade or so ago, so the same approach is applied.

Nicky Gavron (AM): Then the fact that there are so many of them that are being renegotiated, and renegotiated to not be affordable homes, must be affecting you and your programme. There are existing schemes now where social housing is being renegotiated out of them, for instance.

David Lunts (Executive Director for Housing and Land, GLA): I am not sure how much evidence there is that there is a vast amount of renegotiation downwards in London. There is certainly evidence that amounts of affordable housing being negotiated in new schemes is sometimes struggling because there are Community Infrastructure Levy (CIL) payments and other viability issues, but we certainly include them with the proviso that whatever is negotiated through a section 106 that is not attracting grant is genuinely an affordable housing product and is identified as such and recognised as such by the London Plan. As long as that is the case, yes, we would score them.

Nicky Gavron (AM): If it is a social rent, you do not count it?

David Lunts (Executive Director for Housing and Land, GLA): Yes, we do. Social rent is recognised by the London Plan.

Nicky Gavron (AM): It is genuinely important?

David Lunts (Executive Director for Housing and Land, GLA): Yes.

Nicky Gavron (AM): I see what you mean. All right. It is just that I am aware of existing schemes being renegotiated, which will mean that you will lose the affordable housing element. Perhaps it is only affecting the pipeline beyond 2015.

David Lunts (Executive Director for Housing and Land, GLA): Yes. Where that is the case, clearly we will not be able to score those numbers.

Darren Johnson (Chair): You would track that in monitoring your delivery?

David Lunts (Executive Director for Housing and Land, GLA): Yes. We will only account for those that are completed, not those that are in section 106 agreements that are then negotiated away. It is only the completions that will count.

Darren Johnson (Chair): Thank you. Are there plans for the Mayor to move any more unspent monies from the Affordable Homes Programme to the Mayor's Housing Covenant?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): In terms of the Housing Covenant paper that we published a few months ago, we have been through the bids process and have allocated money to that. In terms of continuous market engagement, which is something that we run, that is open so new monies will be allocated to organisations that come forward with projects. I think everyone welcomes the fact that we do not just have bidding rounds like the Housing Covenant but we have continuous market engagement.

Darren Johnson (Chair): We could well see more of those underspends going into the Covenant?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The Covenant is a long-term thing and we will certainly be publishing another prospectus before the end of the year which will be taking some of the principles from that Covenant that we first outlined a year or so ago.

Darren Johnson (Chair): Obviously, if you set targets for different types of housing in your overall strategy, when you are moving underspends around, that is going to have an impact on the type of affordable housing that is delivered, is it not? When we are then seeing a move from funding going into social rent to funding going into the home ownership money, and if we are seeing underspends on the social housing and money being moved into the Housing Covenant, for example?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The important thing is that we are supplying a range of products which are sub-market within the affordable housing envelope to meet the needs of a range of households, so the average income of someone on the rented products will be around £14,000. The average income of someone purchasing the low-cost ownership will be around £33,000. It is important to recognise both client groups.

Darren Johnson (Chair): Obviously, you do recognise both client groups, but if you sit down and draw up these targets and these allocations and then have to move the money around because you have not met those targets, you are moving the goalposts, are you not? You are changing the mix of housing.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are seeking to deliver 55,000 affordable homes.

Darren Johnson (AM): If you cannot do it through the more difficult social rent model, then you will go for the easier low-cost home ownership model, even if that contradicts the allocations that you had originally decided upon in your strategy?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is probably unfair to characterise social rent as easy compared to doing some of these other products.

Darren Johnson (AM): No, it was the other way around. The social rent is more difficult to deliver. If you cannot deliver that, you are then using the underspend to put in the easier models, which are the low-cost home ownership models. Is that fair?

David Lunts (Executive Director for Housing and Land, GLA): Just to be clear, certainly the first round of the Mayor's Housing Covenant was geared towards affordable home ownership. That was quite a specific thing. It is important to note as well, though, that subsequent Covenant distributions and indeed the work that goes on more regularly through the continuous market engagement process is not simply funding affordable home ownership. It is funding affordable rent products and other things. Through the last Mayor's Housing Covenant issue, we have funded things like extensions and deconversions, very specific programmes, in fact, to try to deal with some of the issues that you were discussing just before this session. The point about the Covenant is that it gives us the opportunity to target, in quite a flexible way, opportunities to do not just affordable home ownership products but innovative rent products, as well as mainstream rent products, too. I do not want the Committee to think that the Covenant is all about affordable home ownership.

Darren Johnson (Chair): No, but if you are moving underspends around, then the end result of that is going to be that you end up with a different mix of housing than you set out in your initial Housing Strategy.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, we have broadly looked to deliver the 60:40 mix that is set out.

David Lunts (Executive Director for Housing and Land, GLA): That is a possibility and obviously it is a very complicated programme and things do move. However, I do not think there is any inevitability in the fact that you redistribute some of your slippage or underspend and give it to other providers. There is nothing inevitable in that process that means that you move away from the tenure split that was originally set. We may do, but I think broadly speaking, as Richard says, it will come out broadly where it started.

Darren Johnson (Chair): OK. We will continue to monitor this.

Andrew Boff (AM): Just to say that I do not wish to appear to ooze complacency, but I seem to remember having these arguments four years ago when we were told similarly that you would never achieve your target and of course you did. It is the same team, so I must admit I am quite confident that you will deliver the target that you have committed to.

Within that, the profile of that target is slightly different from what it was four years ago. Within the Affordable Homes Programme, is the target for 16,000 rented homes still on track?

David Lunts (Executive Director for Housing and Land, GLA): Yes, it relates to the last point, does it not? Broadly speaking, you are right. When we set the programme out, it was something like 76:24 in favour of rent. That was the Affordable Homes Programme (AHP). We will end up somewhere close to that. I would not necessarily say it will be absolutely down to the last percentage point, but it will be broadly in that range, yes.

Andrew Boff (AM): The Mayor also has a target that 36% of affordable rent homes that he allocates funding to will be family-sized. How many of those affordable rent homes have been completed so far? What proportion of those have three or more bedrooms?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Specifically of the affordable rent homes?

Andrew Boff (AM): Yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The profile for affordable rent will be largely 2014/15 completions. That is when you will see a significant number. On three beds plus, you are looking at 6,194, which is 37% of the total.

Andrew Boff (AM): A little bit more. Will you publish statistics on housing completions by rent tenure in the future so that the Committee can monitor the Mayor's target for family-sized affordable rent homes? Is that something that you can put up on the website or deliver to us?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We publish an enormous amount of data and we publish it very regularly and very speedily, as I have been keen to point out. This has been by far the most transparent programme that has ever operated in London. We have had many requests through Mayor's Question Times (MQT). We can obviously look at what additional data we publish and we are always looking at what tables we can publish. We can certainly consider it amongst that.

Andrew Boff (AM): One of the problems is that granularity of data because one of the things you do is you do bring family-sized properties of three, four and five together. Could you undertake to look to publish that so that we can see three, four, five and possibly six-bedroom properties?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Obviously, I am happy to consider it. I will not give an absolute commitment that we will do it. I am happy to consider it. One of the things I want to be very alive to is that what we have sought to do is publish a lot more data a lot more quickly and a lot more frequently. The more data there is required, the more pressure that is on the team.

Andrew Boff (AM): The trajectory is right. You are absolutely right and it is to be commended. Bearing in mind the argument or the debate or the exchange we have had with regard to definition, family housing can be three or four. It helps that transparency if we do know what is being built under which programme. One of the things that we talked about is affordable rent being a difficult model with which to deliver larger properties.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I do recognise why you want that data. In particular, when we are looking at the 2015 - 2018 programme, the new programme, there is potential to include more of the granularity of bed spaces and unit sizes that we could publish. We could certainly look at that. I recognise what you want and I will take that away with me.

Darren Johnson (Chair): Richard, we completely understand your point that you do not want the team tied down with producing ritualistic data for the sake of it, but this 36% figure is in the Mayor's Housing Strategy and as a Committee we do need to monitor the delivery of that.

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

Darren Johnson (Chair): This is not just idle speculation that we are asking for this. That figure we do need to be able to monitor delivery on.

Andrew Boff (AM): I will do a deal with you. If you can publish that breakdown of bedrooms, I will stop asking questions that you publish how many properties have gardens. You do not publish that, either.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): For example, I think we were asked recently for the name of every scheme under the NAHP. I think, Chair, you asked this question for every single scheme and its location under the NAHP. I said we will publish that data on the internet. I think that is by far the first time. You would never get this data out of many organisations. It was for every scheme being funded. You can go and look and see whether they have gardens or not.

Andrew Boff (AM): No. It may have escaped your notice. I quite support your programme. It is a good one, but I do think that we need some more granularity. How many affordable rent conversions do you expect by March 2015?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It will be a very minimal number. The figure we have is 15,000 were agreed in London as part of the 2011 - 2015 programme.

Andrew Boff (AM): Is that enough to provide cross-subsidies to boost the number of affordable rent properties that are being built?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It will depend, provider-by-provider. Lots of providers have taken a different approach, so some providers have been very clear that they will not charge rents above a certain level or providers who have said that they will not have any conversions as part of their programme. That will really depend on the level of risk which individual boards are willing to take and the capacity of different providers, what their gearing is and so on. It really differs between providers, so it is difficult for us to give a hard and fast rule for all of them because you have 60-odd providers doing slightly different things.

Andrew Boff (AM): On the whole, has the introduction of the affordable rent model made it easier to deliver new affordable housing?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It has been a significant shift, which we all recognise, from a situation where the average grant rate was often

in excess of £100,000 to an average grant which is roughly a quarter of that. There has been a significant shift in total scheme costs being met by providers through their own resource. In terms of programme leveraging, a significant amount of investment and resource from elsewhere, including within housing associations, then you could say that, yes, it has been successful at doing that. Probably for every £1 we spend we are leveraging something like £3, so that ratio looks very good and continues to be able to deliver a significant amount of affordable housing.

One thing, now you have prompted me on this, which is just worth observing is that the global accounts show that the surpluses of housing associations increased by £400 million in the last year to £1.8 billion, so I would just like to get that figure out there before someone comes back at me and says, "You cannot continue to do this". The surpluses have increased significantly amongst housing associations.

Andrew Boff (AM): Do we need to ask them what they are doing?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You could do. I would just highlight that I do not want it to be seen as if for every £1 you are spending you are leveraging £3 or £4 and therefore housing association's resources have been squeezed up and gobbled up in this. The surpluses have gone up by £400 million in the last year.

Andrew Boff (AM): Thank you.

Nicky Gavron (AM): It was stimulated a bit by Andrew saying that you will reach your target. I just wanted to say that you did reach your last target, the investment target for three years during the Mayoral period, the four years. You did reach it by bringing forward a certain amount - I think about £900,000 - of the 2011 to 2015 investment round. Correct?

David Lunts (Executive Director for Housing and Land, GLA): Again, it is one of the challenges with the new programme, as you know. Before the current Affordable Housing Programme, previous programmes always operated on the basis that you knew you had a programme the following year and then there were adjustments within the programme period, so some schemes slip and other schemes are brought forward and that is traditionally the way --

Nicky Gavron (AM): You did bring forward a significant sum from this investment round. Correct?

David Lunts (Executive Director for Housing and Land, GLA): It is true. We did bring completions forward, but --

Nicky Gavron (AM): No, I am talking about the money.

David Lunts (Executive Director for Housing and Land, GLA): And the money that went with it, yes.

Nicky Gavron (AM): Sorry, it is just slightly going back, but is that not affecting, then, how you are going to reach your target figure?

David Lunts (Executive Director for Housing and Land, GLA): Clearly, yes, in the sense that if we managed to achieve earlier completions that meant that they scored in the last round, we cannot count those completions in the current round, so you are starting from a slightly lower base.

Nicky Gavron (AM): You will not be counting the completions in 2011/12 under this investment round and under the target of 55,000 affordable homes? You will not be?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The investment round is 2011 – 2015, so it will include 2011 and 2012 completions because that is the first year of the investment round.

Nicky Gavron (AM): You have counted those in the previous target, too.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No.

Nicky Gavron (AM): You are counting the 54,000 in 2012 that the Mayor announced?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I think you are conflating two things. We have been very clear what is delivered in each investment round. The first investment round was 2008 – 2011 and the second investment round is to 2015 and that is determined by comprehensive spending reviews by Government. The 50,000, which was obviously exceeded, relates to what was delivered in the first Mayoral term, but that is the Mayoral term and not the investment round.

Nicky Gavron (AM): It is using £900,000 or so from the second investment round.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The length of Mayoral terms is set down in statute. The length of investment rounds is a decision for the Chancellor [of the Exchequer]. If you have one investment round plus the first year of the next investment round in a Mayoral term, then clearly, when we are talking about what was delivered in your four-year Mayoral term, we will refer to the three-year investment round and the first year of the next investment round. Otherwise, we would be excluding a year, which would be curious.

Nicky Gavron (AM): You cannot count the homes from that year in both those targets.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We cannot count the homes in both investment rounds because they are obviously two different investment rounds, but we certainly can count the homes in a Mayoral term because they all occurred within the four-year Mayoral term. You can. It is right, Nicky. I do not know what the challenge is.

Nicky Gavron (AM): It is double counting, is it not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is not double counting. You have a three-year investment round plus the first year of the next financial year, all of which occurs in a four-year Mayoral term. It is perfectly legitimate to include them. The next Mayoral term will include two years of the next investment round, but obviously one year of that investment round will have started in this Mayoral term. Until we end up in a perfect world of Mayoral terms and spending reviews being synchronised and the Chancellor synchronising his spending plans for the GLA's tenure with the Mayoral terms, we will always have some degree of difference.

Stephen Knight (AM): I wonder if I can move us on to the next spending round, the 2015 - 2018 programme. I wonder if you can tell us where discussions are with the Government in terms of that programme and what you think the settlement will look like for London.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are now very, very close to finalising the spending settlement for London. We are awaiting an exchange of letters, essentially. It is there in principle. Obviously, that will be reflected in the prospectus which we look to publish before Christmas. We will see what that looks like, but we feel we have done a good deal.

Stephen Knight (AM): All right. Do you have a view of what a good deal looks like and what a bad deal looks like for London? In other words, leaving aside that we cannot know what the deal is going to be before the Minister announces it, would £400 million, let us say, for London be a good deal or a bad deal?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): With respect, I am not going to exchange numbers on it. We have reached a settlement, although there has to be an exchange of letters. We feel it is a good settlement and when the numbers are published - and it is right to respect that the Ministers and the Mayor have to announce this - I think people will judge it a good deal.

Stephen Knight (AM): You think we will judge it a good deal and I can take that, I suppose, as being --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There may be a range of views amongst this Committee.

Stephen Knight (AM): There is bound to be a range of views on anything, but a good deal implies no worse than the last deal, let us say.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The last deal was a good deal.

Stephen Knight (AM): Let us benchmark it as the same sort of proportions that London got last time. Would we be far out if we assumed that we would be getting a similar proportion of the national cake as we received last time?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The last deal was a good deal. We think this deal is a good deal. It illustrates the Mayor's continuing success at securing significant investment for London's housing.

Stephen Knight (AM): I do not think you are going to give us any hints as to how good a deal it really is. It is under wraps.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It will all be announced before Christmas.

Stephen Knight (AM): We look forward to being pleasantly pleased, I suppose, with the announcement.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It will be announced before Christmas.

Stephen Knight (AM): Good. You said earlier that the registered social landlord (RSL) surpluses were all up, so does that mean that you are confident that providers will be able to deliver against whatever volume of houses that you expect to put into the new programme?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We hope to have a really good response to it, obviously, and I would say two things. Firstly, we have managed to encourage providers to come forward who have not delivered a number of their own programmes for a number of years to start doing so. We have seen a particular increase in the number of local authorities of all political control coming forward and actively looking to establish a programme and sign a contract with the GLA. About two thirds of London boroughs now have their own programme. That is a really positive thing if you compare that to local authority-commissioned building previously.

We have also been very keen to encourage new providers to come forward. We would encourage providers from outside London who deliver affordable homes outside London to consider increasing their development in the capital. Amongst those who will be seen as the traditional providers, I hope there will be a significant appetite and we will see it from their response but all the soft testing that we have done suggests that there will be. I also think it is a really fundamentally important point for London's future and housing supply that we encourage many, many more players to come into the London housing market to deliver homes.

Stephen Knight (AM): The issue is with the level of grant being much lower, of course, as we move forward in the affordable rent model. In a sense, the incentive for providers to engage is perhaps less than it was. Also, the leverage that you have to get the kind of affordable homes you want when you are only providing a small proportion of the funding as opposed to a much

bigger proportion presumably is that much smaller in terms of being able to dictate to providers what kind of affordable homes you want them to build.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Ultimately, they sign a contract and therefore they have contractual obligations. Regardless of the quantum of funding compared to the overall scheme cost, they sign a contract. They are obligated, therefore, against that contract and that is a lever. There are other things which you can do as well to get leverage, as you describe it, which obviously we actively look to do where necessary.

However, I would hope that providers would enter into the spirit that we are continuing to invest sums into housing and work proactively with providers to deliver homes. Clearly, an important element of this will be the resource that they can bring. In particular, the reason why we have housing associations is their ability to access cheap borrowing and so forth. It would be amiss to not consider that.

Stephen Knight (AM): I have come across very large providers who are now talking about entirely self-funding their schemes on the basis that the amount of money available is not worth it given all the strings attached. Actually, they are funding a lot of schemes out of building private homes alongside their affordable homes. Is that an increasing trend amongst RSLs?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is frequently referred to by housing associations, although experience illustrates that they will still bid for funding. What is said and whether they bid or not, it is not necessarily certain that they will not come forward for funding.

That said, what we should do is look at our funding and look at what additionality it can present. Actually, if a housing association says, "I am going to use more of my own resource and capabilities to deliver homes", so either our resource goes to other providers who are not in that position because they do not have the same asset base or credit rating and who are more reliant on public funding, or our resource goes to those providers and is additional above what they could do themselves without grant in their own resource, is that a bad thing? I personally do not think it is.

Stephen Knight (AM): Just finally, are you actively considering other options outside of the direct Government-funded programme for how you can boost the supply of affordable housing in London in the next period through perhaps a greater use of GLA-owned land, for instance, on a subsidised basis to provide an indirect subsidy or, indeed, through extra borrowing of the GLA group itself?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We look at a number of options and it is right to reflect that this is not just about affordable housing. You have seen, for example, a number of financial transactions coming from the Treasury which is not conventional grant, if you like, to support construction and boost construction, so you are right. There are a number of different things which we are exploring other than conventional grant, although conventional grant remains an important element and has been demonstrated over many years to be successful at stimulating development. There are other things you can

do and we will certainly actively look at those and pursue them. As I say, you have seen some of that with financial transactions, for example.

Stephen Knight (AM): On the specific point of the GLA-owned land, is that something you can give us any more information on? The Mayor has a target for the number of homes or has had targets in the past for the number of homes to be built on GLA-owned land and we have not actually seen many of them delivered.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I am not sure that is fair. We have a very, very explicit target that there should be an exit strategy on all sites by 2016, so by the end of this Mayoral term. We have worked incredibly hard against that and you have seen a significant number of deals signed on sites which have often been vacant for a number of years.

For example, last week I was at Queen Elizabeth Hospital, a site which has been vacant since the mid-1990s. It has not necessarily garnered support from across the Committee. Nevertheless, Family Mosaic, a housing association, is the provider and it is delivering a significant number of homes on what has been a vacant hospital for 17 years. You have Queen Elizabeth Hospital. You have St Clement's coming forward. You have the deal with Newington Butts. You have Catford Dogs. There is an enormous amount of work going in to get homes delivered on our sites.

Stephen Knight (AM): I believe that so far you have only actually delivered about 5,000 homes built on GLA land against a target of 39,000. Is that right?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I will look at that 39,000 target, but I suspect it is including some sites which are not necessarily suitable for housing.

Stephen Knight (AM): That was the Mayor's own manifesto target for the previous term, 39,000, and that related to London Development Agency homes between 2008 and 2012. Only 5,000 were built against that 39,000. That is looking back. Now the question is, looking forward, there is a significant amount of GLA-owned land. Can you do rather better than --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, I really do not accept that we are not doing well on this one. The 39,000 is a figure which the GLA produced prior to 2008 and it may have been a London Development Agency (LDA) figure.

Stephen Knight (AM): That was a manifesto commitment, the 39,000.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It was a figure which was produced by the GLA prior to 2008. From recollection, it referred to sites which, when an assessment by us was taken, we decided that their use was more employment-led or they had a significant level of contamination. It would have included, for example, industrial sites in Dagenham, which are not necessarily suitable for housing.

Whilst it may be referred to in the manifesto, it was actually a figure which was produced by the GLA then and you have to look at the detail of what those sites are, which we are able to do because we transferred all of this land into the GLA. Since it has been transferred into the GLA, we have been extremely active, setting up a framework panel to fast-track disposals, which saw, for example, the Metropolitan Police Service training ground procured within three months and one day, so fast-track the release of land, as well as make sure that schemes are happening. That is why we have been entering into a number of development agreements, where necessary going through planning, which we are doing. Queen Elizabeth Hospital was the last scheme of ours that got planning consent, not necessarily supported by everyone on the Committee, but nonetheless we think an important scheme which will deliver almost 200 homes. I think we are doing incredibly well against the target now.

Stephen Knight (AM): Are there any GLA-owned plots of land which are being dedicated to 100% affordable housing schemes at the moment that you know about?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Broadly, we would say that schemes should deliver a mix of tenure and I think it is the right thing that schemes deliver a mix of tenure, but there are certainly some schemes which are delivering a significant proportion of affordable housing. Trenchard House, for example, around about 80% of it is affordable housing.

Stephen Knight (AM): There are none at all that you know of that are dedicated to 100% affordable housing?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I will have to come back to you. There are none that come to mind immediately, but that is partly because we would not necessarily pursue a policy of having 100% affordable housing on a scheme unless it was a very small scheme. Most of our schemes tend to be quite large schemes. I am not sure, if you are talking about a scheme delivering either thousands of homes or several hundred homes, it would be appropriate that it is all mono-tenure.

Stephen Knight (AM): Clearly, you would have a mixture within affordable housing, intermediate and everything in between.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is what planning would require. Sure, but private sale is important as well. It is important for the viability of that development and, indeed, it will be important from the planning authority's perspective. Ultimately, all our schemes obviously go through local planning. Particularly on very large schemes, which is mostly what we have, it is not really suitable.

Stephen Knight (AM): I take the point that it may not be suitable in every location, but as a general rule, particularly for smaller schemes, presumably 100% affordable would be one way of delivering more affordable homes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, of course, if that was appropriate. Certainly, we can look to see if there are any very small schemes which have delivered all mono-tenure.

There is a scheme I know that we are taking through procurement at the moment but it has not, obviously, started onsite yet. It is at Branch Road, which is about half an acre. It is a very small site in Tower Hamlets. Our expectation is that probably it is a small number of units, 40 units or something like that, maybe. That probably will all be affordable housing, but it has to go through procurement and it will go through our panel. That might be an example, but it is not currently onsite.

That would be exceptional. We do not own many half-acre plots. I know that would be exceptional.

Darren Johnson (Chair): Those sorts of small-scale housing schemes, if they are 100% affordable, would actually add to the housing mix rather than detract from it in terms of just balancing the overall provision within the wider community.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Possibly, but it depends where it is. It has been a long-accepted principle now that you should seek to have mixed tenure on large developments and that is what we will pursue with our land holdings as well.

Darren Johnson (Chair): Small developments could actually add to the mix rather than make it mono-tenure.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It depends what it is adjacent to. It depends what the housing mix is in the area where that site is. The point I am trying to get across is we do not have very many very small sites which are suitable for housing.

Fiona Twycross (AM): I just wanted to move on to talk a bit more about affordable rent and wondered if you could both let us know what you think the future for the affordable rent model in London is after 2015.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You will see our future plans in the prospectus published later this year.

Fiona Twycross (AM): All right. Are you going to share anything with us now or wait until then?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is certainly a future for affordable rent within that prospectus.

Fiona Twycross (AM): Good. Would you like to see affordable rent housing targeted at working households in the future, as suggested by Future of London in its recent report?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. That has to be balanced against the responsibilities under law that local authorities have for allocations, but it is absolutely fair to say that we would want to see affordable housing seeking to meet the needs of low-paid working Londoners. I think that is absolutely the right thing to do. Roughly, about a third of households allocated to affordable housing are in work. Obviously, that number will change as household circumstances change after allocation, but at the point of allocation it is roughly a third at the moment.

Fiona Twycross (AM): Do you think it would be possible to link affordable rents to average incomes as opposed to local market rates, which obviously causes some problems with people genuinely not being able to afford affordable rents?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): As you know, we have been very clear that Local Housing Allowance caps should be applied to rent levels which are set. Different providers take different approaches. I think I am right in saying that London & Quadrant (L&Q) have an approach where they say that the rents they charge will not be more than 35% of the income of households being allocated to the homes and they obviously have a contract with us. Within the affordable rent programme, there is enormous flexibility to take different approaches depending on who the provider is and what approach they want to take.

Coming back to your point on working households, I really do think it is important to prioritise them, though, and ensure that they can benefit from low-cost housing through our programmes.

Fiona Twycross (AM): OK, but in terms of linking affordable rents to average income, would this be something that the Mayor might be interested in promoting, for example, given that obviously it is possible? Is it something that he might promote?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We have talked openly about a whole range of different models which look at the relationship between incomes and rents, and on affordable housing it is certainly something which we have talked about and will continue to look at.

Fiona Twycross (AM): There is a lack of research in the area, as highlighted by Future of London. I wondered if you had any plans or if the GLA had plans to commission research into the attitudes of affordable rent tenants, as Future of London suggested?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are the Chair of Future of London, David.

David Lunts (Executive Director for Housing and Land, GLA): I should probably declare an interest and say nothing here. I would say this, would I not? I think that was a fair conclusion that Future of London drew, but the only caveat I would enter is that it would have been very early to have done that research because there were so few affordable rent completions at the time that that piece of research was done, so it was more a pointer to the future.

It is absolutely right, though, that we should review and take stock of affordable rent and its impacts in London. It would be very odd not to, given that it is such a major change to the way affordable housing is being provided. We will need to think about the best way for us to do that. Currently, we have, as you know, contracts with around 60 providers, so we can organise the feedback from them. As Richard says, many of those providers take slightly different approaches to rent levels, conversions and other things, but certainly before we settle the account for the 2015 - 2018 programme we will want to undertake a fairly comprehensive feedback and review from our partners as to how the programme is working and whether we need to recalibrate any of it before we start issuing money for the new programme that begins in 2015.

Nicky Gavron (AM): Is the GLA contemplating building new social-rented housing, which is something that has been suggested by some of the housing associations?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are keen that the affordable rent programme continues as it does to deliver a range at different levels and that is something, obviously, which we will say more on in the prospectus that we will publish towards the end of this year.

Nicky Gavron (AM): You are going to bring out a prospectus which is going to say something about delivering social rented homes?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We will bring out a prospectus for 2015 - 2018 and, again, that prospectus will recognise that within the affordable rent model a range of different rents are delivered. Social housing is obviously something which is recognised within the London Plan. I will not say any more than that because obviously the prospectus needs to be published first.

Nicky Gavron (AM): Can I just quiz you a little bit? You are not going to tell me the scale of it, presumably, but I just want to ask about social rent. The Mayor talks about meeting social rent levels. That is not the same as social-rented housing because there is no real security in it. Are you talking about social-rented housing? Are you talking about delivering more homes at a social rent level?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Target rent is obviously relevant in this conversation rather than social housing. Social housing and length of tenure is something entirely separate to our programmes and it is not governed by our programmes.

Nicky Gavron (AM): You are not talking about that. You are talking about --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Length of tenure is entirely separate.

Nicky Gavron (AM): You are not talking about a tenure. You are talking about a level of rent.

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

Nicky Gavron (AM): Tell us what you mean by “target rent”.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The target rent system, which was set up under --

Nicky Gavron (AM): Yes, but just tell us how you interpret that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There was a formula which was published in the last decade --

Nicky Gavron (AM): David, could you tell us?

David Lunts (Executive Director for Housing and Land, GLA): If I can let you have a note on it, it is quite complicated. It relates to earnings levels. It relates to property values. There is a set of metrics that determine target rents. I am happy to let you have a note on it.

Nicky Gavron (AM): A rate?

Darren Johnson (Chair): If we can have that circulated in writing, that would be helpful.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Target rent, I thought, was a generally understood and acknowledged contribution to housing. It has been around for a number of years.

Nicky Gavron (AM): I know, but it is bandied around a bit.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It has been around since 1999 or 2000, something like that. It has been around for about 12 or 13 years.

Darren Johnson (Chair): If we could have a note on the GLA’s interpretation and implementation of that, it would be helpful.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure. Of course. I just wanted to be very clear that social housing in terms of tenure - because you referenced tenure, Nicky - is entirely separate. Tenure and length of tenancy, fixed tenancy and all of that is entirely separate from our programmes.

Nicky Gavron (AM): You are really talking about a social rent level under affordable rent?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are, as you know, delivering a whole range of rents within affordable rent.

Nicky Gavron (AM): Yes, but now in your prospectus.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is something we have been keen to impress upon everyone, as you know.

Darren Johnson (Chair): On that note, we will conclude the session. Thanks to Richard and David. We do look forward to following some of those points up in writing with you. Thank you.