

AGENDA

Meeting **Housing Committee**

Date **Thursday 16 July 2015**

Time **10.00 am**

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

Copies of the reports and any attachments may be found at www.london.gov.uk/mayor-assembly/london-assembly/housing

Most meetings of the London Assembly and its Committees are webcast live at www.london.gov.uk/mayor-assembly/london-assembly/webcasts where you can also view past meetings.

Members of the Committee

Tom Copley AM (Chair)

Darren Johnson AM (Deputy Chair)

Andrew Boff AM

Nicky Gavron AM

Stephen Knight AM

Steve O'Connell AM

Fiona Twycross AM

A meeting of the Committee has been called by the Chair of the Committee to deal with the business listed below.

Mark Roberts, Executive Director of Secretariat
Wednesday 8 July 2015

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Ed Wise, Committee Officer; Telephone: 020 7983 4619; Email: ed.wise@london.gov.uk.

For media enquiries please contact: Ash Singleton; Telephone: 020 7983 5769; Email ash.singleton@london.gov.uk. If you have any questions about individual items please contact the author whose details are at the end of the report.

This meeting will be open to the public, except for where exempt information is being discussed as noted on the agenda. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available at www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

There is access for disabled people, and induction loops are available. There is limited underground parking for orange and blue badge holders, which will be allocated on a first-come first-served basis. Please contact Facilities Management on 020 7983 4750 in advance if you require a parking space or further information.

If you, or someone you know, needs a copy of the agenda, minutes or reports in large print or Braille, audio, or in another language, then please call us on 020 7983 4100 or email assembly.translations@london.gov.uk.

Si usted, o algùn conocido desea recibir una copia del order del dia, acta o informe en Braille o en su propio idioma, y gratis, no dude en ponerse en contacto con nosotros llamando al teléfano 020 7983 4100 o por correo electrónico: assembly.translations@london.gov.uk.

Se você, ou algüem que conheça precisa uma cópia da ordem do dia, anotações ou relatorios em prensa grande ou Braille, ou em outra lingu, então por favour nos telephone em 020 7983 4100 ou e-mail assembly.translations@london.gov.uk.

Haddii ama ama qof aad taqaanid, uu ugu baahan yahay koobiga ajendhada, haddaladii ama warbixinta in far waaweyn loogu qoro ama farta qofka indoolaha akhrin karo, amaba luuqad kale, fadlan naga soo wac telefoonkan 020 7983 4100 ama email assembly.translations@london.gov.uk.

Ta ba ri enikeni ti o ba ni ife ni eda ewe nla ti igbimo awon asoju tabi papa julo ni ede ti abinibi won, ki o kansiya lori ero ibanisoro. Nomba wa ni 020 7983 4100 tabi ki e kan si wa lori ero assembly.translations@london.gov.uk.

જો તમને અથવા તમે જાણતાં હો તેવી કોઈ વ્યક્તિને એજન્ડા (કાર્યસૂચિ), મિનિટ્સ (ટૂંકી નોંધો) અથવા રિપોર્ટ્સ (અહેવાલો)ની નકલ મોટા અક્ષરોમાં છપાયેલી કે બ્રેઈલમાં અથવા બીજી કોઈ ભાષામાં જોઈતી હોય, તો કૃપા કરીને 020 7983 4100 ઉપર ફોન અથવા assembly.translations@london.gov.uk ઉપર અમને ઈ-મેઈલ કરો.

आपनि वा आपनार परिचित केउ यदि एजेन्डा, मिनिट वा रिपोर्टर एकाटि कपि बड् छापवा वा ब्रेइल अथवा अन्य कान भाषाय पेटेते चान तबे दया करे आमामेदरके 020 7983 4100 ए नाम्पारे फोन करण वा assembly.translations@london.gov.uk ए ई-मेईले योगायोग करण ।

ਜੇ ਤੁਹਾਨੂੰ ਜਾਂ ਤੁਹਾਡੇ ਵਾਕਫ਼ ਕਿਸੇ ਹੋਰ ਵਿਅਕਤੀ ਨੂੰ, ਏਜੰਡੇ, ਮੀਟਿੰਗ ਦੀ ਕਾਰਵਾਈ ਜਾਂ ਰਿਪੋਰਟਾਂ ਦੀ ਕਾਪੀ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿੱਚ ਛਪਾਈ ਜਾਂ ਬਰੇਲ ਦੇ ਰੂਪ ਵਿੱਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਬੋਲੀ ਵਿੱਚ ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਨੂੰ 020 7983 4100 'ਤੇ ਟੈਲੀਫ਼ੋਨ ਕਰੋ ਜਾਂ ਇਸ ਪਤੇ 'ਤੇ ਈਮੇਲ ਕਰੋ : assembly.translations@london.gov.uk

اگر آپ یا آپ کے جاننے والے کسی فرد کو اس ایجنڈا کی کاپی، تفصیل یا رپورٹیں بڑے پرنٹ یا بریل یا کسی دوسری زبان میں درکار ہوں تو براہ کرم ہمیں 020 7983 4100 پر فون کیجئے یا درج ذیل ای میل پر رابطہ کیجئے assembly.translations@london.gov.uk



Certificate Number: FS 80233

**Agenda
Housing Committee
Thursday 16 July 2015**

1 Apologies for Absence and Chair's Announcements

To receive any apologies for absence and any announcements from the Chair.

2 Declarations of Interests (Pages 1 - 4)

Report of the Executive Director of Secretariat
Contact: Ed Wise, ed.wise@london.gov.uk, 020 7983 4619

The Committee is recommended to:

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

3 Minutes (Pages 5 - 46)

The Committee is recommended to confirm the minutes of the meeting of the Committee held on 23 June 2015 to be signed by the Chair as a correct record.

The appendix to the minutes set out on pages 11 to 46 are attached for Members and officers only but is available from the following area of the GLA's website: www.london.gov.uk/mayor-assembly/london-assembly/housing

4 Summary List of Actions (Pages 47 - 48)

Report of the Executive Director of Secretariat
Contact: Ed Wise; ed.wise@london.gov.uk; 020 7983 4619

The Committee is recommended to note the outstanding actions arising from previous meetings of the Committee

5 Extension of the Right to Buy to Housing Associations in London (Pages 49 - 52)

Report of the Executive Director of Secretariat
Contact: Lorraine Ford, scrutiny@london.gov.uk; 020 7983 4394

The Committee is recommended to:

- (a) Note the report, use it as background to putting questions to the invited guests, and note the subsequent discussion.**
- (b) Delegate authority to the Chair, in consultation with party Group Lead Members, to agree any outputs arising from the Committee's discussion of the extension of the Right to Buy to housing associations in London.**

6 The Mayor's Affordable Housing Commitments (Pages 53 - 62)

Report of the Executive Director of Secretariat
Contact: Dan Maton, dan.maton@london.gov.uk; 020 7983 4681

The Committee is recommended to note the report and the monitoring information attached at Appendix 1.

7 Housing Committee Work Programme (Pages 63 - 66)

Report of the Executive Director of Secretariat

Contact: Lorraine Ford, scrutiny@london.gov.uk; 020 7983 4394

The Committee is recommended to:

- (a) Note its work programme;**
- (b) Agree the terms of reference for its investigation into the effect of rent stabilisation measures on London's housing market**
- (c) Delegate authority to the Chair, in consultation with party Group Lead Members, to agree any outputs arising from the Committee's meeting concerning purpose-built student accommodation in London.**

8 Date of Next Meeting

The next meeting of the Committee is scheduled for Tuesday 1 September 2015 at 10.00 am in Committee Room 5, City Hall.

9 Any Other Business the Chair Considers Urgent

This page is intentionally left blank

Subject: Declarations of Interests	
Report to: Housing Committee	
Report of: Executive Director of Secretariat	Date: 16 July 2015
This report will be considered in public	

1. Summary

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

2. Recommendations

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

3. Issues for Consideration

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

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

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

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

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

- where an Assembly Member has a Disclosable Pecuniary Interest in any matter to be considered or being considered or at
 - (i) a meeting of the Assembly and any of its committees or sub-committees; or
 - (ii) any formal meeting held by the Mayor in connection with the exercise of the Authority's functions
- they must disclose that interest to the meeting (or, if it is a sensitive interest, disclose the fact that they have a sensitive interest to the meeting); and
- must not (i) participate, or participate any further, in any discussion of the matter at the meeting; or (ii) participate in any vote, or further vote, taken on the matter at the meeting

UNLESS

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

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

4. Legal Implications

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

5. Financial Implications

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

Local Government (Access to Information) Act 1985
--

List of Background Papers: None

Contact Officer: Ed Wise, Committee Officer

Telephone: 020 7983 4619

E-mail: ed.wise@london.gov.uk

MINUTES

Meeting: Housing Committee

Date: Tuesday 23 June 2015

Time: 10.00 am

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

Copies of the minutes may be found at:

www.london.gov.uk/mayor-assembly/london-assembly/housing

Present:

Tom Copley AM (Chair)
Darren Johnson AM (Deputy Chair)
Andrew Boff AM
Stephen Knight AM
Steve O'Connell AM
Murad Qureshi AM
Fiona Twycross AM

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

1.1 Apologies for absence were received from Nicky Gavron AM, for whom Murad Qureshi AM substituted.

2 Declarations of Interests (Item 2)

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

2.2 Andrew Boff AM declared the receipt of a meal given by London First on 22 June 2015 which had yet to be included on the Authority's register of gifts and hospitality.

2.3 **Resolved:**

(a) That the list of offices held by Assembly Members, as set out in the table at Agenda Item 2, be noted as disclosable pecuniary interests; and

- (b) That the declaration made by Andrew Boff AM in respect of the receipt of hospitality from London First be noted.

3 Membership of the Committee (Item 3)

3.1 Resolved:

That the membership and chairing arrangements for the Committee, as agreed by the London Assembly at its Annual Meeting on 13 May 2015, be noted as follows:

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

4 Terms of Reference (Item 4)

4.1 Resolved:

That the Committee's terms of reference, as agreed by the London Assembly at its Annual Meeting on 13 May 2015, be noted as follows:

- 1) To examine and report from time to time on –
 - matters of importance to Greater London; and
 - the strategies, policies and actions of the Mayor and the Functional Bodiesas they relate to housing matters in London.
- 2) To consider housing matters on request from another standing committee and report its opinion to that standing committee.
- 3) To respond on behalf of the Assembly to consultations and similar processes when within its terms of reference.
- 4) To take into account in its deliberations the cross cutting themes of: the health of persons in Greater London; the achievement of sustainable development in the United Kingdom; climate change; and the promotion of opportunity.

5 Standing Delegation (Item 5)

5.1 Resolved:

That the following standing delegation be noted:

At its Annual Meeting on 1 May 2013, the Assembly agreed to delegate a general authority to Chairs of all ordinary committees and sub committees to respond on the relevant committee or sub committee's behalf, following consultation with the lead Members of the party Groups on the committee or sub committee, where it is consulted on issues by organisations and there is insufficient time to consider the consultation at a committee meeting.

6 Minutes (Item 6)

6.1 Resolved:

That the minutes of the meetings held on 4 March and 17 March 2015 be signed by the Chair as correct records.

7 Summary List of Actions (Item 7)

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

7.2 Resolved:

That the completed and outstanding actions arising from previous meetings of the Committee be noted.

8 Action Taken Under Delegated Authority (Item 8)

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

8.2 The Chair, Tom Copley AM, thanked the previous Chair, Darren Johnson AM for his work over the previous two years.

8.3 Resolved:

That the recent action taken by the Chair under delegated authority, namely to respond to the request from the Deputy Mayor for Housing, Land and Property for comments on the draft priorities for the Rough Sleeping Commissioning Framework

2016-2020, be noted.

9 Purpose Built Student Accommodation in London (Item 9)

9.1 The Committee received the report of the Executive Director of Secretariat as background to putting questions on purpose built student accommodation to the following invited guests:

- Professor Chris Hamnett, Emeritus Professor of Geography, King's College London;
- Colum McGuire, Vice President (Welfare), National Union of Students;
- Marcus Roberts, Head of Student Investment and Development, Savills;
- Roland Shanks, Information and Projects Manager, University of London Housing Services;
- Asif uz Zaman, Design and Planning Manager, Unite Group; and
- Councillor Mark Williams, Cabinet Member for Regeneration and New Homes, London Borough of Southwark.

9.2 A transcript of the discussion is attached at **Appendix 1**.

9.3 During the course of the discussion, Members requested the following additional information:

- The results of the survey taken by students leaving Unite Group accommodation; and
- The London Borough of Southwark's definition of affordable student accommodation.

9.4 **Resolved:**

That the report and discussion be noted.

10 The Impact in London of the Proposed Extension of the Right to Buy to Housing Association Tenants (Item 10)

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

10.2 **Resolved:**

That the Committee's July meeting be used to discuss the potential impacts in London of the proposed extension of Right to Buy to housing association tenants.

11 Housing Committee Work Programme (Item 11)

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

11.2 **Resolved:**

That the work programme be agreed.

11.3 The Chair announced that the anticipated cost of work proposed in paragraph 4.3 of the report would be sufficiently covered by recommending the GLA Oversight Committee agree to expenditure of £10,000.

11.4 Before taking a decision on the second recommendation at Agenda Item 11, Members debated the issues around rent stabilisation and the commissioning of research to model the effects of rent stabilisation in London. During discussion, the following points were raised by Members:

- That the current Government had expressed no interest in introducing any form of rent stabilisation, and that therefore the proposal at paragraph at 4.3, as well as the investigation in general, provided poor value;
- That it was important that all investigatory work be undertaken with an open mind, and that no recommendation as part of any output be prejudged;
- That whilst the Mayor has no statutory power to apply rent controls, he had previously used his influence to extract lower-than-average rents from developments in discussion with developers;
- That the Committee's June 2013 report *Rent Reform* had called on the Mayor to lobby Government for powers to introduce a pilot rent stabilisation scheme in London;
- That lobbying for significant legislation change would require a long lead-in time; and
- That as there was a significant lack of quantitative data and modelling of the effect of rent stabilisation in London with which to inform any debate, that value would be added by the commissioning of this work.

11.5 Upon being put to the vote it was:

11.6 **Resolved:**

- (a) That the proposal that the Committee recommend to the GLA Oversight Committee to authorise expenditure of up to £10,000 to commission an external contractor to carry out the technical advice and support outlined at paragraph 4.3 of the report, namely to conduct research into rent stabilisation models be agreed** (with 5 votes cast in favour and 2 votes cast against);

- (b) That it be noted that the Executive Director of Secretariat, in consultation with the Chair, would commission the external contractor to carry out the technical advice and support, subject to a decision of the GLA Oversight Committee; and
- (c) That authority be delegated to the Chair, in consultation with party Group Lead Members, to agree the Committee's report on the affordability of home ownership.

12 Date of Next Meeting (Item 12)

- 12.1 The date of the next meeting of the Committee was scheduled for Thursday, 16 July 2015 at 10.00 am in Committee Room 5, City Hall.

13 Any Other Business the Chair Considers Urgent (Item 13)

- 13.1 There were no items of business that the Chair considered to be urgent.

14 Close of Meeting

- 14.1 The meeting ended at 12.15 pm.

Chair

Date

Contact Officer: David Pealing, Committee Officer
Telephone: 020 7983 5525; Email: david.pealing@london.gov.uk.

Housing Committee – 23 June 2015

Transcript of Item 9: Purpose Built Student Accommodation in London

Tom Copley AM (Chair): That brings us to today's main item, which is purpose-built student accommodation (PBSA) in London. I welcome our guests: Roland Shanks, Information and Projects Manager, University of London Housing Services; Asif uz Zaman, Design and Planning Manager at Unite Group; Councillor Mark Williams, Cabinet Member for Regeneration and New Homes, from the London Borough of (LB) Southwark; Marcus Roberts, Head of Student Investment and Development at Savills; Colum McGuire, Vice-President of Welfare, National Union of Students (NUS); and Professor Chris Hamnett, Emeritus Professor of Geography at King's College London.

Can I start off the proceedings by asking Marcus if he could give us an overview of how the PBSA market has evolved over the past 20 years and what developer interest is likely to be over the next 10 years?

Marcus Roberts (Head of Student Investment and Development, Savills): The market has changed markedly really since about 2000, which saw the emergence of the direct let market with developer operators such as Unite, Opal Property Group Limited - at the time - and Downing Developments developing purpose-built 'super halls' of six-bed cluster flats, typically, and studios without the need for the university support by way of a lease or a nomination agreement. They were taking complete occupational risk and marketing risk. That was in response to Government policies trying to get more 18- to 30-year-olds through higher and further education. There was a shortfall of accommodation that could not be provided by universities to meet that demand.

That demand has carried on increasing over the last 10 or 15 years as more students have been going through higher education, not just UK students but also the attractive nature that UK education brings on a global scale. Students have become far more of a transient population, coming from China, the Far East and America to look to study in the UK. Their needs are also being met through purpose-built student halls. They are wanting to live in a safe, secure, well-managed environment, a product that is conducive to them achieving the grades that they are expected to achieve to enable them to get employment at the end of their course.

Tom Copley AM (Chair): It was basically demand-driven? With the expansion of the number of students, universities could not provide the necessary accommodation and so private organisations stepped in?

Marcus Roberts (Head of Student Investment and Development, Savills): There was a reliance on the private sector to fill that gap. Certainly during that period of time there have been a number of universities that have been trying to procure schemes in their own right through developments on-campus and off-campus through the OJEU [large-scale European Union procurement procedure] process, which is quite a long-winded process, to fulfil some of their accommodation requirements and needs.

Tom Copley AM (Chair): How do you see things developing in the future? Do you see continued expansion of PBSA?

Marcus Roberts (Head of Student Investment and Development, Savills): We would certainly like to think so generally, as we try to get more students out of the private rented sector (PRS) into the PBSA, where again it is well-managed, to release housing back to owner-occupiers and to young professionals.

That is also constrained by planning in particular and it is something that I am sure is very evident across sectors, be it residential, be it office or be it particularly student housing in London. There is a constrained supply coming through the planning process over the next three to five years at least.

Tom Copley AM (Chair): OK. Does anyone else want to comment on the expansion we have seen in recent years, maybe from the Unite perspective?

Asif uz Zaman (Design and Planning Manager, Unite Group): Yes, Marcus has outlined it and he is absolutely right. The private PBSA sector has come about and is there specifically to support the universities in London. Without the universities, there would not be us. Also, the fact that there has been an increase in the number of students has meant that obviously, as Marcus outlined, there has been that issue regarding a shortfall.

The other issue that also needs to be understood is that the majority of the student accommodation providers initially were looking at developments directly in the centre of London. Again, that was primarily driven by the distances. Students do not want to travel that far and of course they want to be close to the universities. Again, you had a plethora of accommodation being provided between 2000, when we were operating, to about 2005 or 2006, primarily in the centre - Camden, Islington, Southwark - and they bore the brunt, in effect, as outlined in the Mayor's Academic Forum discussion that we were all at, of that building requirement.

Post 2005/06 and post the credit crunch, what happened was that a number of speculative developers also came in. Because they could not get funding for their residential developments, those residential developments started to change into student accommodation. You had speculative developers dumping another load of student accommodation on to the market. What that then meant was that the local boroughs were looking at this increase in student accommodation and thinking, "Hold on, there is a concern about housing supply targets. These are now being taken away because all of these housing developments that we were targeting are now being changed", because the developers could not get the funding during the credit-crunch period. They were thinking, "What can we do with this? Make them for students and flog them."

Of course, what that meant was *bona fide* student accommodation providers like us ended up getting, in a sense, the reaction against this level of change in student accommodation in policies that started talking about over-concentrations and started talking about proximity to local universities. There was a concern that every scheme coming forward was now a student scheme.

Tom Copley AM (Chair): You would distinguish yourself from speculative developers?

Asif uz Zaman (Design and Planning Manager, Unite Group): We would, primarily because this is what we do. We do not do developments so that we can sell them off for somebody else. We actually manage them. We have a whole process. We have 1,000 people around the UK. We are 43,000 students strong with 130 properties in 25 cities. All we do is manage students. We have been doing that for the last 20 years. We feel that we know as much about students, with respect to the universities as well, and what they want. We survey our students. We understand what they are after and we try to accommodate that.

What the speculative developers do is that they will say, "OK, let us just make more studios because we know studios command bigger rent". Of course, that is not a sustainable model and we understand that. We do not have that in our properties. We have a choice in our properties. Again, as I say, that differentiation between what we do and what speculative developers do is somewhat different.

Tom Copley AM (Chair): Colum, from the NUS perspective, would you agree with that assessment?

Colum McGuire (Vice President (Welfare), National Union of Students): The thing for us is that we obviously talk to our students lots and we survey them as well. What we know is that affordability is an absolute crisis for students at the moment, particularly with student accommodation. Our last accommodation costs survey showed that rent had doubled over a period of ten years and that, for me, shows that there is not any clear correlation to the cost of living or to inflation. There is a problem with the commercial market and how it is driving its prices up. The impact that is having on students is quite substantial.

In another piece of research that we did around student finance and wellbeing, over 50% of students said that they regularly worry about meeting basic living costs. It is a separate issue, but particularly when we have seen the rate of student loans and grants not really matching inflation over the last number of years, along with rents just being driven up and up, the black hole in students' finances is becoming larger and larger every year.

Tom Copley AM (Chair): We are going to move on to affordability further down the questioning in a bit. Murad, did you want to come in on this before I move on?

Murad Qureshi AM: Yes. Asif, could you explain the Unite Group? Maybe I have misunderstood. Is it a public limited company (PLC)? You have said you manage stuff, do you have assets? Unite, for example -

Asif uz Zaman (Design and Planning Manager, Unite Group): Yes, of course. Yes, I will give a quick overview of who we are. We started in about 1998/99 in Bristol as one man who realised that there was this issue regarding accommodation. He took on the Labour message outlining that education was important and the Labour message at that time was looking at making sure that 50% of students were going to go to university. He realised that there was an issue regarding accommodation for students because they were all living in Houses in Multiple Occupation (HMO) and the universities at the time could not provide that. What he did was he made a development company that built student accommodation.

We do not just build it and then walk away and say, "It is someone else's problem". We actually manage it. We have staff onsite 24 hours a day, 365 days a year, who look after our students. We provide housecleaning, we provide utility bills and we provide insurance. All of that is part of the rent, as well as 24-hour security, secure bike stores and dedicated post-boxes. Stuff like this you would not necessarily find in an HMO, but you may find in a university hall.

Murad Qureshi AM: You are not a PLC; you are a sole business -

Asif uz Zaman (Design and Planning Manager, Unite Group): No, we are a PLC.

Murad Qureshi AM: You have shareholders?

Asif uz Zaman (Design and Planning Manager, Unite Group): We have shareholders.

Murad Qureshi AM: You make a return? OK. I just wanted to make sure that you are not a subsidiary of Unite the Union!

Tom Copley AM (Chair): I am going to move on, then, to Mark. In Southwark, in your borough plan, you are requiring PBSA to have an element of affordable housing, which is in contradiction to the London Plan. Why have you chosen to do that?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): In our Core Strategy 2011 we introduced a new policy that purpose-built student blocks had to provide conventional affordable housing. Prior to that, we were seeing a large number of private student blocks coming forward in place of conventional housing and therefore conventional affordable housing as part of those schemes. To try to get the balance right and redress that balance, we brought this policy in. That was really to help tackle the housing crisis in our borough. We have a very strong record of delivering conventional housing and conventional affordable housing in our borough and, indeed, we still have a healthy pipeline of student rooms coming forward. We have 2,700 consented that are being built out as we speak. We think we have the balance about right. By requiring conventional affordable housing as part of student schemes coming forward, it redresses that balance and levels the playing field. We think we have that right.

Tom Copley AM (Chair): This is conventional affordable housing; this is not affordable student accommodation?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): It is predominantly conventional affordable housing. On some sites where it is not viable, we do look at and we do accept some affordable student units. There is a development in Camberwell, for example, and also over in Canada Water where that has been the case.

We understand the pressing need for student accommodation and affordable student accommodation and improving standards. We are bringing forward a report to our cabinet in the next month about additional licensing of HMOs in our borough and selective licensing in certain parts of the PRS. We have over 12,000 families on our council waiting list. We definitely need more affordable houses and we desperately need more conventional houses as well. It is about getting that balance and we think that we broadly have that right.

Tom Copley AM (Chair): You have seen one of the biggest increases and the largest amount of student housing in your borough?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Yes, we had a significant increase pre-2011 and, indeed, we have the second-highest number of student homes of any London borough. We have the campuses of the University of the Arts London, King's College London and London South Bank University in our borough. We think that requiring affordable housing is the right thing. It gets that balance. It levels the playing field. We were seeing speculative developers coming in just to turn a quick profit rather than to manage good student housing and it dissuades that to an extent. We think that we broadly have the balance correct.

Darren Johnson AM (Deputy Chair): I can absolutely see why you are aiming for that balance of affordable conventional housing as well as new student housing. Does having a policy like this potentially hamper the ability to deliver genuinely affordable student housing within any new development, given the focus on affordable conventional housing?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): To an extent, but we have secured affordable student housing on some of our schemes. As I said, we have -

Darren Johnson AM (Deputy Chair): You have no set quota or anything for that in terms of your planning policy?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): No.

Darren Johnson AM (Deputy Chair): It is simply a matter of negotiation on a site-by-site basis with developers?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Yes. Also, since the Core Strategy was adopted in 2011, we have also adopted our Community Infrastructure Levy (CIL) charging regime and private student units incur a CIL rate of £100 a square metre.

Steve O'Connell AM: This question is around the advantages and disadvantages of new PBSA developments. We are going to get into the affordability aspect in later questions. We have heard about some of the issues that I have lots of sympathy for in Southwark.

Perhaps I would direct this initially to Chris, whom I know will be quite thoughtful on this subject. Chris Hamnett, could you talk to us initially about your overview of considerations around the advantages and disadvantages of the semi-new, 20-year-old market of PBSA in London, in Southwark and in other places? What are the general advantages and general disadvantages? Then we will open it up to the rest of the group.

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): Perhaps I can just begin by giving a very little background. There is no doubt that there has been quite a significant change in the last ten years or so in terms of the provision of student housing. Very much, in the past, the reliance was either on halls of residents provided by the colleges themselves or on the private rental market in terms of single-family housing. The emergence of purpose-built student housing is very clearly a fairly new phenomenon and it has tended to focus on certain sections of the market.

One thing just to bear in mind is that a significant proportion of students live at home. There is an income link to that, in my experience. It tends to be either students from poorer households who are living at home because they cannot afford purpose-built or indeed any other student housing or students from certain ethnic minority groups because the parents want the students, particularly if they are female, to live at home. That is quite an important element.

Nonetheless, what has happened recently, particularly with the growth of overseas students, is that universities are increasingly in competition with one another to be able to demonstrate to students that they can provide housing for them. Indeed, this is now something that students are evaluating universities and other higher educational institutions on; whether they have the ability to provide. Increasingly, there is this attraction to try to get more new purpose-built housing for students.

In terms of the advantages and disadvantages, basically, there is a movement out of central London. That is primarily driven by cost considerations because the cost of new development in the centre is particularly high. A number of universities are looking at new developments that might be further out. However, obviously one of the things you have to try to ensure with a student population - because they generally would not have access to cars - is proximity to good public transport infrastructure.

I would have thought that there are relatively little negative consequences in terms of disruption, etc, to neighbours and local communities as long as the housing is well situated and has access to reasonably good local facilities. In fact, I would also say that student housing in an area can help to boost local infrastructure in terms of cafés, shops, etc, because of the demand that students provide. Therefore, I do not think that they should be seen as a particularly negative influence.

Steve O'Connell AM: There will be some disadvantages. This is not a criticism, of course, but by nature - and Colum and others might comment - the students will come in for two to three years or whatever it is and

then, quite rightly, in most cases, move on. They may fall in love with the area and decide to live there, but that in itself may be an advantage or potentially a disadvantage from the community's point of view. I do not quite know who would want to comment on that. These good boys and girls will be moving through and may or may not be taking a keen interest in that area, which we all try to nurture and which is a good thing. They may then boost the local economy and the cafés and the pubs and suchlike and then move on. Roland was bursting to comment on that.

Roland Shanks (Information and Projects Manager, University of London Housing Services): It was just that as a group, students volunteer far more than any other group in the community. I do not think the idea that students are disassociated from the local community is accurate.

Steve O'Connell AM: I am not generalising. Well, I was generalising! It is a question that needs to be asked.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Absolutely, but the thing is that students are almost like a permanent part of the community; it is just that the faces change. They do impact on that local community, not just in terms of nightlife and all the rest of it but in terms of getting involved in community activities, volunteering, etc. Universities try to aid that as much as possible. There are a lot of hostile attitudes to students that are not warranted. If anything goes wrong in a local community and it is young people, it is automatically assumed that they are students when they are not most of the time.

Steve O'Connell AM: In the sunny uplands of Croydon, we have Croydon College and we never point the finger at our students. I am not sure if that is in other parts of London. I have never that if something bad goes down in a borough, they point to the students. Asif, do you want to comment on that?

Asif uz Zaman (Design and Planning Manager, Unite Group): Yes. I completely agree with what Roland was saying. The feeling about students is absolutely right. The majority of them are pretty much law-abiding and they will look after an area and that is fine. Any segment of society is going to have the odd bad apple. That is not a problem.

The other main issue that Roland picked up on is the fact regarding volunteering. We have found in our surveys that a number of students do want to volunteer. If they are actively given the opportunity to volunteer, they will be the first to put their hands up and --

Steve O'Connell AM: Let us get away from the individual. I do not want to be talking about the students individually. I wanted to touch upon that but then talk more generally about the housing aspect.

Asif uz Zaman (Design and Planning Manager, Unite Group): The other element also regarding living in a community is the fact that, fair enough, the students may go, but as a provider we are the connection with that community and we are not going to go anywhere. We are going to be there if there are any issues that come with us. We have resident plans with our local neighbours. If there are any concerns, they will come and have a chat with us and we will make sure those are not going to cause any major issues. In terms of community cohesion, having a purpose-built student block with a manager and a purpose-built student operator who understands how to deal with that local community is, I think, a benefit.

Steve O'Connell AM: I get that. Just lastly - and full-circle back to Chris - is particularly the point that Southwark is leading on, which is around the issue of the tension between the affordable housing supply and student accommodation. That is probably the headline issue that is leaping from earlier in Southwark. I did

not even know there was something in the London Plan that said you could not do that and so I have learned something today.

Chris, could you just briefly touch upon Southwark's conundrum and how it is dealing with it. Is that the right or wrong thing to do?

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): They are right to look at the affordable housing issue. Students themselves are facing big issues regarding affordability, but what you need to look at is that very often students will group together, certainly in the existing PRS, to rent a house. Students would be paying, I would assume, £150 or possibly £200 per week. If you have four students in a house at £150, then you are looking at about £600 a week. That probably means that they may be able to out-price other types of household in the economy simply because they are going to take one room each. This is clearly an issue.

I do not think the transience thing is necessarily too much of a problem, however. There has probably been a growth in transience in the London housing market as a whole over the last 10 to 15 years, particularly with the growth of the PRS. Yes, students are going to be around in a particular flat or hall of residence for 30 or 35 weeks of the year, but I am not sure that that is very different from the experience of quite a lot of other households.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): On the impact of students on the local area: As long as the blocks are well managed with single points of contact, noise complaints can be dealt with. There was an issue in my own ward, for example, that was dealt with very quickly by Alumno Developments, which was the provider there. All of those problems with noise disturbance have gone away, which is very welcome.

Another very good positive impact of having a number of students in an area attached to a university is the impact on the wider economy, not just for local cafés and shops and also for business. You just have to look at the Clarence Centre for Enterprise and Innovation, which the London South Bank University has developed at Elephant and Castle and the positive impact that is having on local business. That is something we want to encourage. That is where it is absolutely key that student developments, whether they are done by universities or are done privately, are either in town centres or attached to universities and are much more part of a campus rather than just springing up randomly on a speculative basis, which is what we were seeing. That does cause friction and does cause problems because it then clogs up our ability to deliver conventional housing and conventional affordable housing.

It is getting that balance right. As I said, at the end of the day, with 12,000 families on the waiting list we need that affordable accommodation, but we also need family accommodation, both affordable and private. That is really the balance.

Tom Copley AM (Chair): Roland?

Roland Shanks (Information and Projects Manager, University of London Housing Services): We did a survey of student housing with about 6,800 respondents and so we had quite a good sample size on that. Just in terms of the average rents for students in the PRS, it is actually about £135 a week. That is still high and is still, if there are four of them together, going to price families out of that housing. We are going to get on to the figures later and it is important to put some measure to get that accurate.

Tom Copley AM (Chair): We are looking at affordability later, yes.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Yes, I just wanted to correct the £150 to £200 figure. It is not. It is £135.

Tom Copley AM (Chair): Sure.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Students are going to have to live somewhere and either they are going to live in the PRS in shared flats and houses or they are going to live in PBSA. PBSA is actually, in our view, an answer to the affordability crisis within the PRS because you decant students out of the PRS where they are inflating rents into PBSA. However, you will only do that if the PBSA is affordable.

Colum McGuire (Vice President (Welfare), National Union of Students): Just to address this community issue and how that relates specifically to PBSA, because that has been so much of a driver in building this PBSA, it has had an impact on students' places within the community.

I find this quite frustrating because I have spent a lot of time talking about this and how we alleviate these tensions and so forth, but I do not understand why there is this drive to move students out of HMOs and into PBSA. Actually, some students like living in community areas and they like living somewhere with character. What we have done is we have reached a point where we are almost quite disingenuously saying, "Yes, we really appreciate the benefit that students bring to our local economy, but we are only happy if they are situated all together in this high-rise block". That is a way of alienating students even further from the community and is a sure-fire way to make fewer and fewer of them want to stick around in that community.

Steve O'Connell AM: That is a very good point, Chair.

Marcus Roberts (Head of Student Investment and Development, Savills): I was just going to add that we talk about affordability but it is also about viability as well. With the way build costs are going and have been rising at an incredible rate, to get schemes to work economically and get the returns that investors need, Unite and many other institutional investors in the sector have to get things to work. They need a minimum return that can only sometimes be driven through those higher rents rather than those at, say, £100 or £130 a week.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Just very briefly, we have spoken a lot about students and student behaviour and where they want to choose to live and also about universities and large private providers, but we have not really touched on the small individual landlords, who are often the providers of HMOs in the PRS.

We had an extreme example down in Henshaw Street just south of the New Kent Road, where nearly 50% of all the homes on that street had been converted into HMOs being let out to students. It was not necessarily that any one particular student house was behaving badly, but the impact that had on that street was very severe. We brought in an Article 4 Direction, from memory, and that has helped to alleviate the problem. It is also addressing the behaviour of the smaller landlords as well as the large institutional landlords.

Tom Copley AM (Chair): Presumably, from your perspective and a planning perspective, a borough needs to take some sort of control over this - like anything to do with planning - and you would want to have an influence over this kind of thing?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Yes. The key thing for us – and I cannot speak for all boroughs – is that we want flexibility in every part of London. Every borough is slightly different and has slightly different pressures. Allowing boroughs to have that flexibility and to decide what our local priorities are is the right thing to do, rather than it being overly dictated from the centre.

Tom Copley AM (Chair): I want to move us on. Shall we bring Andrew in and then he can move into his question as well?

Andrew Boff AM: I just wondered. Who are the affordable properties that Southwark is providing for?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Conventional affordable?

Andrew Boff AM: The affordable PBSA. You have a requirement that some of those properties are affordable?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): No. The requirement we have is that private student developments coming forward have to provide conventional affordable housing.

Steve O'Connell AM: Offsite?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Preferably onsite but --

Andrew Boff AM: Conventional affordable housing?

Darren Johnson AM (Deputy Chair): Not student housing.

Andrew Boff AM: – not student housing? I completely had the wrong end of the stick on that. I am very sorry.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): No, that is fine. Since we brought that change of policy in in 2011, we have had five student schemes come forward, two of which have provided affordable student accommodation because that was what was viable. It can be flexible.

Andrew Boff AM: I was curious as to how you would do that because my experience of students is that they are all much wealthier than the people around them in the communities they reside in. They have more disposable income or tend to have more disposable income. What is different? Just to take up the point that Colum [McGuire] said, we have views about rich people having gated communities but it seems to be OK when we talk about students.

Roland Shanks (Information and Projects Manager, University of London Housing Services): First of all, just to say that it is not true that the majority of students in London are very wealthy. It is just simply not true.

Andrew Boff AM: They can afford cups of coffee that not even I can afford. They pay £4.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Sorry. Do you want me to answer the question?

Andrew Boff AM: Yes.

Roland Shanks (Information and Projects Manager, University of London Housing Services): The average student rents in university halls of residence are £150 a week. What has happened is that because of the private developers building all these high-end studio developments and luxury en-suites is that people have a completely distorted image of what student housing is meant to be. The average rent from the private developers doing direct lets is £250 a week. Very few of our students can afford £250 a week. As I said, we did this survey of 6,800 students and just 14% were able to afford more than £200 a week in rent.

The private developers' aim is profit-driven, quite clearly, and there is nothing wrong with that, but obviously what they are going to do is to target the most lucrative market, which is the tiny percentage of wealthy overseas students coming to the UK. We have a problem because that then completely distorts the image of students in London. People have the image that they are all paying £250 a week. It is not true. They are all forced out of PBSA and are living in HMOs around the corner, paying much less than that. That is just my point.

Asif uz Zaman (Design and Planning Manager, Unite Group): Just picking up on that, I know we are coming back to affordability and I am not quite sure whether or not this is a right point to pick up on, but the question regarding those rents and how those rents are going up, there is a historical position on that. As I mentioned earlier, the majority of accommodation that came in at the start was in the centre of London. The land prices were high; the lot sizes for the developments were low. Therefore, the build costs were high and, again, to get a return on that particular investment, the rents were relatively high. That has been the case for a certain number of developments in the centre.

However, as we have discussed, there has been a mind-shift. Through our surveys and our discussions, the majority of our schemes coming forward now are actually on the periphery. That is, again, with guided --

Tom Copley AM (Chair): This is precisely what Andrew's question is addressing.

Andrew Boff AM: Yes. The next question I am going to talk about is about the costs and benefits of clustering PBSA in certain locations rather than dispersing it across London. Why can students not get on buses anymore?

Asif uz Zaman (Design and Planning Manager, Unite Group): We looked at that and in 2010 and 2011 our developments started coming up on the periphery. We built a 1,200-student campus in Haringey up by Tottenham Hale station and that is ten minutes into King's Cross. That is great for our students and has sold out. We have done another development in Stratford in 2011 and that is a 1,000-bed scheme. Again, it is right next to the Central line and slap-bang into the Holborn campus and that has sold out. Those developments are things that we are looking at. We are looking at large-scale development, which is going away from what was the case before when we were looking at a 200-bed plot or a 150-bed plot in the centre of Camden right next to Bloomsbury. Those are very difficult for us to get hold of.

Again, as I mentioned, in our discussions we have come across two separate groups. We have the international students who say, "We are not really fussed about price. We are happy with the central developments". Again, that choice is there for the international students, but we also have the domestic market. The domestic market

is telling us, "Price is very important to us and also we want good transport links", as you outlined. We have looked at that and targeted our developments so that they are on good transport hubs that get them into central London.

What that means is - and this picks up Marcus's [Roberts] point regarding economics - you are paying less for your land, you are able to develop larger plots and your build costs are slightly lower, which means you can then charge a lower rent. As long as you go to your shareholders and say, "This is what we are going to be doing", it is something that is acceptable. Therefore, it means that your rentals are much lower.

At the moment, we have roughly 8,000-odd beds in London or 7,800 or something like that. About 2,500 of those are sub-£200. I am not saying that every single one of ours is going to be less than £200 but we are looking at below-£200 rentals. We are also looking at developments going forward that are going to bring down those rent levels that we have in our total portfolio.

Marcus Roberts (Head of Student Investment and Development, Savills): Also, just on that, your product has changed markedly over the last five years in reacting to the market. You are moving away from the high-end studios in central zones 1 and 2 to the six, seven or eight-bed, maybe even ten-bed, cluster flats. You are actually reacting to a different market and the economics of what a student can afford.

Andrew Boff AM: Are outer London developments attractive to developers?

Marcus Roberts (Head of Student Investment and Development, Savills): Yes. We are seeing schemes being developed up near Wembley. There are about 2,000 to 2,500 beds being developed around there over the next couple of years. Stratford has certainly been an area where we have seen huge amounts of regeneration led by Unite over the last three or four years. Zone 4 and 5 locations are certainly attractive. As Asif was saying, there are economies of scale in terms of the number of beds that can be developed on a particular site to drive management efficiencies in particular, but they can then actually look at a different mix of product on that particular site, be that a higher number of cluster beds, maybe six to ten beds, and then maybe with a smaller proportion of one-bed or two-bed studio apartments for let to the domestic market.

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): I just wanted to come back to the point that Roland [Shanks] made about the distribution of costs. In my experience with my own students, a lot of students would struggle to pay more than £150 a week. It really is a very small minority who are paying more than £200 a week. In the developments that were mentioned where I think you said about 2,500 out of the 7,000 were below £200 a week, by implication 4,500 are over £200 a week. That must mean, to me, that that sort of development is not necessarily a bad thing, but is providing to a very specific segment of the market and is providing to the more affluent segment of the market. The majority of the students, I would think, simply would not be able to afford rents of that level and £150 is a stretch.

Tom Copley AM (Chair): This is taking us into Darren's [Johnson AM] question and moving slightly away from Andrew's point.

Roland Shanks (Information and Projects Manager, University of London Housing Services): I was probably going to say pretty much what you were going to say to Asif [uz Zaman], which is relative. It is good that Unite is moving out to secondary locations and trying to make the rents a little bit lower but, frankly, if it worked with the universities on those developments, they could get it much, much lower, which is the whole point of the changes to the London Plan. If they worked with us, they would be exempt from CIL and would have access to cheaper finance. That is what we are trying to promote.

Marcus Roberts (Head of Student Investment and Development, Savills): Your build costs are still the same.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Yes, but CIL and cheaper finance are fairly big elements of the cost.

Asif uz Zaman (Design and Planning Manager, Unite Group): The thing here is that at the moment we are in a sense working with universities. A third - if not slightly over a third - of our properties are let directly to all universities and are all under nominations agreements with universities. Those, again, are based on the discussions that we had with the universities themselves. Not all universities will want to sign up to a nominations agreement, primarily because there is an issue regarding their liabilities if there any voided payments and so forth.

However, in a sense, going back to which locations are compatible for development, it is where students want to live. In a sense, we are following where the students are going and where the students are asking us to be, like I say, near transport hubs and so forth. That is something that is generating where our developments are going into the future.

Andrew Boff AM: We know you are developing in outer London. We know that the mayoral policy is that the student accommodation should be dispersed, but a number of boroughs are putting some obstacles in the way, are they not? Have you encountered any problems with boroughs?

Asif uz Zaman (Design and Planning Manager, Unite Group): We are finding that with a number of boroughs there are issues regarding overconcentration, which is a concern. Some boroughs say, "If you have too many students in an area, we are not going to accept those developments". We have issues regarding affiliation with local universities only, which again causes us a massive issue and I suppose, in a sense, causes a massive issue for the strategic overview of student accommodation in London, particularly for the Greater London Authority. We also have an expectation of rental requirements and affordable housing provision.

Andrew Boff AM: Has it been presented to you as a reason for a planning application being turned down or during the planning process that only local --

Asif uz Zaman (Design and Planning Manager, Unite Group): Yes. We have had a number of developments in Newham - and the London Legacy Development Corporation was part of it - where the expectation was that the local institutions were to be provided for first. We entered into a cascade where we started off with local institutions, then looked at neighbouring institutions and then looked at global and London-wide institutions. That was a way of agreeing those particular issues.

To be quite frank, however, we have had to go back to the council and say, "We have gone through the process that you have asked us to do. We have asked the local institutions and they have said, 'Thank you very much but no'.

Andrew Boff AM: Have you reached the point of challenge on any of them?

Asif uz Zaman (Design and Planning Manager, Unite Group): No, we have not. We obviously try to make sure that we can get through a development without having to go to appeal.

Andrew Boff AM: I will tell you what I am looking for. I am looking to see whether or not we going to have any kind of test case about whether or not a borough's requirement to --

Asif uz Zaman (Design and Planning Manager, Unite Group): We have had a test case through in Edinburgh. Again, the issue there was on overconcentration of students in the development. We took a scheme to appeal and the inspector in Scotland agreed with us that the reasons for refusal were not acceptable. That has been thrown out.

Andrew Boff AM: That is interesting. Mr Shanks has something to add.

Roland Shanks (Information and Projects Manager, University of London Housing Services): I was just going to say that it is a bit of a tricky one because obviously most of the colleges are based in central London and all the boroughs in central London are saying, "We have had too much student housing". Then we go to the outer boroughs and we are told, "You cannot have commuter students". Where are they supposed to be?

Murad Qureshi AM: I was certainly aware as a student that there was a difference between 'London students' and students coming into London for the purposes of housing management in a lot of colleges. For example, you give students outside of London first priority. Is there a difference on that front, for example, between those going to college from London schools and those coming into London for the first time?

Roland Shanks (Information and Projects Manager, University of London Housing Services): In terms of the actual figures on Londoners staying in London, it is actually 57%. Only 43% of students come from outside London.

Murad Qureshi AM: Is that in terms of who takes up offers of accommodation from you?

Roland Shanks (Information and Projects Manager, University of London Housing Services): No, it is in terms of parental home, basically.

Murad Qureshi AM: That supports what the Professor [Chris Hamnett] was saying.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Yes. Overall, about 24% of students in London live with their parents.

Murad Qureshi AM: OK. There is just another confusion with the rents. What I see Unite offering is quite different from what the university campuses are offering. Unite's rates are covering all service costs as well.

Roland Shanks (Information and Projects Manager, University of London Housing Services): No, they are not.

Murad Qureshi AM: They are not? Are they the same?

Roland Shanks (Information and Projects Manager, University of London Housing Services): We are more or less comparing like with like. The difference possibly is that the stock is different. For example, the direct-let developers have about 10,000 studios and we have about 600. Basically, they build for high-end stuff. We build for whatever gets to the lower cost.

Fiona Twycross AM: We are starting to get on to affordable student housing policy now. I just wondered if people on the panel could comment on how they see the affordable student housing policy, which is currently up for consultation, working for the sector. I will start with you, Roland.

Roland Shanks (Information and Projects Manager, University of London Housing Services): It is fantastic that we have established the principle that students should be dealt with in exactly the same way as other members of the community in terms of actually having an affordability requirement for their housing. We have seen what happens if you do not have that affordability requirement in place. Developers will develop what brings in the best money, which is the top-end stuff. I appreciate that there is a bit of a move to slightly different models, but that is generally what happens. It is fantastic that we have the principle established.

On the calculation about affordability at £150 a week, I am not entirely certain whether that is right. Fifty-five per cent of student income being spent on housing costs is counted as affordable, whereas in the normal sector it is 30% or 40%. I cannot remember. It is very high. Also, I am worried about the wording of 'subject to viability' just because we will be involved in trench warfare over every single development and whether it is viable or not. I would much rather a tougher policy that said it is 40% and not 30%, which it is, and that this is the figure and tie it to student incomes. That is where I am at the moment.

It is a fantastic principle. We have finally established it. The aim of it is to really make sure that developers work with universities on long leases, not like a two-year nomination deal or whatever, which is typically what Unite has.

Asif uz Zaman (Design and Planning Manager, Unite Group): We have five years.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Five years? You do not have seven years?

Asif uz Zaman (Design and Planning Manager, Unite Group): We only have five years.

Fiona Twycross AM: A five-year what, sorry?

Roland Shanks (Information and Projects Manager, University of London Housing Services): They have just done some deals with King's College London, which are five years, but normally they are -

Asif uz Zaman (Design and Planning Manager, Unite Group): And with University College London (UCL).

Roland Shanks (Information and Projects Manager, University of London Housing Services): OK, fair enough. For the longer deals, which were approximately seven years or more, they would get an exemption from the CIL because they were able to take advantage of the university's charitable status and also they could access cheaper finance on the basis of the longer underwriting. I have to say that this is what a lot of universities are looking for at the moment, from discussions that we are having with our own partners within the University of London federation. That is roughly where we are at the moment.

Asif uz Zaman (Design and Planning Manager, Unite Group): Affordability, as I said, was part of the Mayor's Academic Forum. It was something that we discussed and we came to a consensus as to how we can get there. The big issue for us is in understanding the mechanics of that and who is going to be eligible for the affordable criteria. That is one of the things that we do not know. We do not do that kind of assessment. It is something that needs to be taken into account, especially in London where there is a late take-up of developments and therefore there are properties empty up until a particular point. If we are saying that we are going to have an extra 30% or whatever it is that will be provided for affordable criteria, we would then need to understand what the eligibility criteria on that will be, how that will be taken up and how that will then

affect the building when it comes to the moving-in date. Will we have a building empty or we will have a building full? These are the kinds of questions for us and for our investors as well.

Fiona Twycross AM: There is a shortage of accommodation. Why would it be empty? I do not quite understand.

Asif uz Zaman (Design and Planning Manager, Unite Group): It would be empty because, if you are leaving a percentage, 30% for example, to be allowed only for a particular criteria, that then needs to be tested. If you are then testing it against whoever is coming in, again, the question is that whoever will be coming in needs to fulfil the eligibility criteria. At the moment, it is a numbers game and it is a particular understanding of how the mechanics will work and who will oversee that as well.

Fiona Twycross AM: I still do not quite see why that would leave it empty.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): I was going to say just on that point that we know from the figures that Roland [Shanks] and Chris [Hamnett] have given us that there is a huge number of students from low-income background who need the housing and so I would be amazed if it was not all taken up.

The point I was going to make is that student housing does not exist in a vacuum. It exists in the wider housing market and, at the end of the day, not enough homes are being built in London. We are building less than half of the Mayor's target. We are doing everything we can. We are hitting about 1,700 new units a year. If every borough were building that many, we would have about 50,000 new homes a year in London and we would be a lot closer to tackling the housing crisis. It is taking that pragmatic approach and getting housing of all tenure types built: private sale, PRS, shared ownership, affordable, council - we are building a huge amount of new council housing in our borough - and also some student developments as well. It is getting that broad base and we should not have one type of housing being pitched against another type of housing. We need that balanced approach.

We adopted our Core Strategy back in 2011 and at the moment we are currently working up our new Civic Plan. The preferred option will be published in September or October this year. As part of that, we are reviewing and refreshing our approach to student housing and we are commissioning research to see if our current approach is working. If it is not, we can look potentially at securing affordable student bed-space in addition to or instead of conventional affordable. That work is still underway, but it is about getting that balance of all types of tenure coming forward in our borough and across London if we are going to get some control on prices for students, but also in the private sector so that people of all types can live in London.

Tom Copley AM (Chair): Just quickly, would you set what the definition of 'affordable student accommodation' was as a borough?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): If we were going to adopt that policy, it is something we would want to look at and talk to our university providers about, maybe.

Fiona Twycross AM: I am interested in what other panellists say, particularly from the NUS perspective, really, on this.

Colum McGuire (Vice President (Welfare), National Union of Students): Yes. Again, I would say that the principles of this are really good and that we are actually taking this into consideration. It is about time

that we do it because, if we do not do something soon, we are going to see fewer and fewer students coming to study in London because they just will not be able to afford to.

I do have some issues with the detail of the policy, however. It is good that we are encouraging private providers to work with universities. Overall, that is a good thing. I also do not think universities have their hands clean on this issue, either, and they have been driving costs up as well. I do have concerns about how we promote that partnership and make sure it still remains fair.

We would suggest that, for the poorest and most vulnerable students in London, spending 55% of their income or £150 a week is affordable is quite bizarre, but there we are.

Fiona Twycross AM: Can we focus on that? What would you say is affordable? I was staggered when I read the briefing notes we were given and was presented with the figure of £150 a week, which is more or less what you would pay if you were renting a room privately. It did not feel to me like students were getting a special deal in the same way as, when I went to university, people in student halls seemed to get a better deal than I did when I was in private rented accommodation as a student.

Colum McGuire (Vice President (Welfare), National Union of Students): Yes. This is the shift. Student accommodation was first started as being provided by universities as a pastoral service. We have completely moved away from that now and it just does not seem to be like that anymore. We have to be really cautious about looking at student income and looking at rent levels dependent on that.

Again, this policy talks about the eligibility of students being able to access it based on those who receive maintenance grants. Actually, I am not sure what is happening with maintenance grants in the future. We have had some worrying discussions there and we could end up in a situation where the policy becomes meaningless because there will not be many students eligible to go into these affordable rooms.

Some of the costs have been worked out in quite a funny way. It assumes that students will get an income over the summer and takes that into consideration, but does not actually take into account that students will also be paying rent in the summer somewhere else. It works it out based on only a 38-week tenancy. There is a gap there as well.

I have to say as well that this will disproportionately affect international students, too, because they will not be eligible to get any of these affordable rooms because they will not be eligible for the maintenance grants. Once again, we will be in a situation where international students in London are fronting the costs of expensive accommodation and expensive fees and that is something that we need to think about.

Finally, I would say that I have some concerns about how this would actually be enacted. How do we select the students that are eligible for it, particularly when the entry levels of students come at different times? For example, when we go into the clearing process, we may find lots of students coming through clearing to go to universities in London. Will any of those rooms be left? How will they actually get access to them? Overall, the principles are great but the policy does not go far enough for me.

Tom Copley AM (Chair): Chris, you wanted to respond?

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): I just want to endorse a lot of the points that have just been made. I would think that in reality what is affordable to many home students - in other words, non-overseas students - is actually much below the price they have to pay in the market. When you think that quite a lot of students have to work and the sort of income they are deriving

from employment is basically minimum wage, let us say £7.50 or £8 an hour, you can find that students are having to work 20 hours a week - and I am leaving out taxation and National Insurance - to generate £150. One can talk about £150 being affordable, but it is affordable only in a rather technical sense. It is not really affordable at all.

You do have a group of some relatively wealthy overseas students and that probably is the group that is disproportionately providing a market for some of the new purpose-build student housing, along with some of the wealthier domestic students. However, for the majority of home students, they are struggling to find anything in the market at all that they can pay for.

Asif uz Zaman (Design and Planning Manager, Unite Group): Just to pick up on the disadvantage elements and to pick up on what Colum [McGuire] was saying regarding who is best targeted for it, one of the things that we are doing as an organisation is that we have particular bursaries available for students. We are providing about £8.5 million to disadvantaged students specifically for their accommodation needs. That is looking specifically at those who will need them rather than, "OK, let us work out how much you have and then take a percentage of it", and provide it that way. It is making sure that whatever policy we go for - picking up on Colum's point again - is targeted at the right people.

Colum McGuire (Vice President (Welfare), National Union of Students): When we say 'the right people', we know that everyone is affected by this at the moment. No one can afford the rent anymore. We have to be really careful about talking about 'the right people' because everyone is being affected by this.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Colum's point is absolutely right. What we want is a large number of people being helped by this policy. The universities already target bursaries at students from the least well-off backgrounds. What we actually have is - to use that horrible phrase - the 'squeezed middle'. We have all of these middle-class parents who cannot afford to send their kids to university in London anymore because of the accommodation costs. Our halls of residence rooms priced at £150 a week, which is high, we have two or three applications for every single bed-space. In terms of allocating affordable rooms, I cannot see how that is a problem. It really just needs to go through the universities.

Darren Johnson AM (Deputy Chair): In many ways, what seems to be happening in the student housing market is a microcosm of what is happening in the housing market in general in London. I will put this question out. Are we seeing too much of the market being focused around the high-end accommodation for students and not enough around what is genuinely affordable for the bulk of UK and European Union students? We will go along. Shall we start with Roland?

Roland Shanks (Information and Projects Manager, University of London Housing Services): Absolutely. I do not think really there is much more to add. The figures speak for themselves: an average of £250 a week direct let, an average of £150 for universities. We want universities to build more housing at the £150-a-week mark, but it is very difficult for us to do that when we are in competition with direct-let developers for the same plots of land. There just are not that many plots of land that are available for PBSA in London.

Darren Johnson AM (Deputy Chair): What policy solutions would you like to see in place?

Roland Shanks (Information and Projects Manager, University of London Housing Services): As I said, we have the CIL exemption and we have the access to cheaper finance. The affordable housing requirement only comes into play for a developer if they do not work with a university. If they work with a

university, they do not have to satisfy the affordable housing requirement. It is really about using a carrot and a stick to try to get them to work with us on longer deals. That is the solution.

Asif uz Zaman (Design and Planning Manager, Unite Group): There might be a perception here that private developers do not work with universities. We work with universities all the time. Again, the issue is with making sure that we have a development that the university will buy into in the early days. What we try to find is that we put forward a scheme and we go for it and we find that there are negotiations that do not work through. That is something that we need to understand and to try to clarify.

Darren Johnson AM (Deputy Chair): Is there any advantage for you in working with a university as opposed to a freestanding developer?

Asif uz Zaman (Design and Planning Manager, Unite Group): Yes. As I say, we will always be working with universities and we will try to make sure that our deals are geared with the university in mind when we put a scheme together. However, the university does not necessarily want to join us right at the start because, as I said, there are impacts for the university when it comes to straightforward nominations deals.

What we are looking at understanding going forward is these longer deals. As Roland [Shanks] was saying, there are schemes that we are looking at. We have done one in Aberdeen, which was a ten-year deal. We are looking at one in east London. Again, at the moment, it will take time, but it will be one of those things that will come through.

The other impact of the affordability issue - and again, it is like the question regarding high-end developments - is that once you start putting affordability criteria on a certain percentage in your block, for the numbers to work, you need the remaining percentage to end up paying for that other smaller percentage. If you were looking at a discount for a 30% part of your block to pay a particular rental, for the appraisal to work - you are looking at your straightforward land cost, your straightforward build cost, getting your financing deals and whatnot - the remaining 70% will have to pay for a particular kind of differentiation. That is an impact when you are looking in the long term.

This is what we are trying to do. In the long term, we are trying to get prices down. Again, what we are doing is differentiating ourselves from the HMO market and differentiating ourselves from the older stock that the universities have although some universities have come up with newer stock. We have developments that do provide a particular type of accommodation that has an en-suite but also provide meeting spaces. You have your large courtyard spaces, you have your large study room spaces and you have your large common-room spaces. These are all within the developments. Some of the elements that you do not find in other accommodation you find here. That all is value added.

Again, these are things that we have discussed with students, saying, "What would you want us to take out?" These are the things that they have come back with, "Okay, we can take out a bit over here or take out a bit over there, but we want to have spaces where we can go out and still study, still socialise and still have a student experience, but within a safe space". Again, that means that you are paying to build all of these particular elements out. This is all part of that rental profile. The rental is not just for your room. As I mentioned earlier, it includes your insurance, your utility bills, housekeeping staff to clean your kitchen, secure bike storage, 24-hour security and delivery services. All of these things that you would not get elsewhere, you are getting for that rental.

Darren Johnson AM (Deputy Chair): Mark, are we seeing too much focus on the high-end student market and not enough on student accommodation that will meet the needs of most students?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): There has been an awful lot coming forward at the high end and that is one reason particularly around South Bank in the north of our borough. One of the main reasons we brought in this policy in 2011 was to discourage that, because there was an incentive to build high-end student units at the expense of regular student units or, indeed, conventional housing and conventional affordable housing.

Darren Johnson AM (Deputy Chair): Listening to Asif's argument, it could be that the impact is because you are requiring an affordable conventional housing quota. They then concentrate even more on building the high-end student accommodation rather than building something that is more affordable. That is the argument that Asif has just put to me and I am going to throw it to you.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): That is very similar to conventional housing in that there is a need in London and in all boroughs for affordable housing of all types including affordable student housing and we need to secure that through the mechanisms available to us. One of the main ones we have is through the planning process. That is the world that we live in and we will continue to use that policy. As I said, we are commissioning research to look at the impact and we could potentially look at reviewing our policy. We published a preferred version of the New Southwark Plan in the autumn.

At the end of the day, there is the need for student housing and a need for other types of housing and affordable housing. It is getting that balance. In a world where there is not nearly as much grant as there used to be from central Government and 60% to 70% cuts to affordable housing grants, we need to use the other levers at our disposal. That is what our residents tell us that they want.

Darren Johnson AM (Deputy Chair): Thank you. Marcus?

Marcus Roberts (Head of Student Investment and Development, Savills): I was just going to build a bit on the university aspect. Signing up to long-term leases for a university means that it is going to be starting to sit on its balance sheet and may actually impact on the use of that capital for other areas of its estate, predominantly its academic estate, when really what it is there to provide is an education for the students. Signing up to a 35-year lease is going to be potentially impacting, as I say, on the borrowings for a new lecture theatre or other improvements that may be required across its campus.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Is this not a function of the wider funding problems for universities? We had a very large student development come forward in our borough a number of years ago for a major university. I was sitting on the planning committee that approved that scheme. They very openly said they were putting the capital in up front to build this and they were then going to sell the revenue stream from the student accommodation to supplement the university's budget. It is the opposite.

Colum McGuire (Vice President (Welfare), National Union of Students): I have some views on what was just said, but I will say more about this when you bring it up. Are we seeing too much high-end accommodation? I do not know what 'high-end' means anymore because high-end is the mainstream. I genuinely could not tell you what 'high-end' is.

This is something that I call the 'en-suite saga', which is the fact that we are now selling a product to students that makes them believe that this is what you need to have a good time at university and this is your expectation. If you look through the prospectuses and if you look online, those are the rooms that are shown

to students. There is really poor advice and guidance given to students now about what is affordable and what they will be able to afford. There is often talk about surveying students and giving students what they want, but if you ask students if they want an en-suite or do not want an en-suite, what do you think they are going to say? If you ask them if they want a big room or a small room, what do you think they are going to say? It is actually really unfair.

There is an alternative motive here as well because lots of universities and other private providers like to use student accommodation for conferencing facilities in the summer and that is why they build these high-end rooms to provide that.

I genuinely cannot tell you what 'high-end' means anymore because the majority of students now are living in en-suite rooms and I do not understand how we have come to this place. Whether people want to admit it or not, they can develop en-suite rooms relatively cheaply compared to how much extra they can charge for them. It is being done elsewhere. It is being done. You can provide real, affordable, quality rooms and a diverse range of rooms for people. Cass and Claredale [Halls of Residence], for example, is one provider that we have seen that provides really good, quality accommodation that is affordable. There is a massive problem here around what the market is doing. Are we following demand or are we telling people what the demand should be?

Darren Johnson AM (Deputy Chair): Obviously, there are some points there about the information that is fed to students and potential students and so on, but what are the key policy solutions that the NUS wants to see in terms of affordability and PBSA?

Colum McGuire (Vice President (Welfare), National Union of Students): We have to start seeing more regulation and enforcement of policies now. We need to start tackling the fact that this is a real problem and that, if we do not have any Government intervention, it is just going to keep getting better and better. Unite says it is in the long term trying to address affordability, but we are still waiting. We are about to publish our findings in October on accommodation, which we last published in 2012 and we will absolutely see a huge rise in the cost of housing then.

As I said, the principles of this are good and, if this is a starting point, then, yes, absolutely. We should do it. However, we need to start looking wider so that we are not just enforcing policies that will impact on a small minority of students. Those students will definitely need this and will benefit from it, but all of these students are being affected by this now and there has to be more intervention into the market.

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): I agree with Darren's suggestion that the student housing market is probably a microcosm of the wider market and the trends in the wider market. If you look at what is happening in the wider market and if you look at the new blocks of flats that are being provided across London, it is very difficult to see anything today that is being built and provided for less than £300,000 or £350,000.

In the student market, the development is - I hesitate to use the word 'inevitably' but I will use it anyway - inevitably being directed at the top end of the market because that is where the economics actually work out for the new providers. It would be extremely difficult for them to provide housing that did enable a lot of rooms for students at £150 a week or less. I would be interested to hear what the developers say on that. The whole affordability issue is that --

Darren Johnson AM (Deputy Chair): Are we perhaps focusing too narrowly, then? Is it a case that we can only really sort out the student accommodation market and address affordability issues if we address affordability issues in the wider housing market?

Marcus Roberts (Head of Student Investment & Development, Savills): Yes, that is probably a fair comment.

Darren Johnson AM (Deputy Chair): Can we do something specific and tailored that will really make a difference within the student market?

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): There is, if you like, an internationalisation issue in the London housing market in general that is helping to really push up prices, but we are seeing that in terms of the university sector because all of the universities are under pressure to increase the number and the proportion of overseas students because the economics work out better that way and to internationalise as part of a wider strategy. Inevitably, what that is doing in one respect is bringing in a higher proportion of students who may have higher incomes and that is squeezing out domestic UK students.

Stephen Knight AM: I have two areas. The first one I want to focus on is the issue about the average rent in the university hall sector, which was given earlier at £150 a week. We were also told earlier that rents have doubled in the last ten years. Clearly, land prices have been shooting up in London, which has been forcing up the cost of new developments, but presumably a large proportion of these halls have been built for many decades and have been viable for universities to rent out at much lower rents in the past.

How do the universities themselves set the rents for their own accommodation? It is clearly not linked to inflation or linked to students' affordability. Are the universities themselves profiteering out of this by setting their existing hall rents to the market when the market is shooting up? Is that a fair characterisation?

Roland Shanks (Information and Projects Manager, University of London Housing Services): Universities are charities. We are not profit-driven and we are not PLCs. We are charities. We do not actually have to make profits, but we do not want to lose money and go out of business.

We have had a very difficult funding environment for over two decades now. We have had a massive expansion in student numbers, but the money did not come with it or not enough of it did. We then had shifts in tuition fees and all the rest of it. We have been struggling to exist in a very difficult funding environment. Obviously, finance directors being who they are, they will look at student rents and you will have big arguments with them, if you come from the more welfare side, about what is achievable.

Stephen Knight AM: I can understand the pressures on the university to do it. However, effectively universities themselves have been pushing up rents way above inflation over the last decade or so.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Universities have put rents up higher than inflation. That is certainly true. They have been under pressure because of the funding environment to develop different funding streams. There are a range of different things. For example, in terms of developments, we have gone to the Higher Education Funding Council for England (HEFCE), cap in hand, to say, "We want to borrow some more money for developments". You cannot spend more than 4% of your operating income on capital projects, although we are actually getting most of our funding from individual students nowadays.

We have a difficult environment. We are trying to juggle a lot of things. We are there to provide an education to students and we are answerable to the student unions within the colleges. For example, if we start putting the rents up too high, there will be rent strikes. The students will be up in arms against us. Quite rightly, some of us will feel sympathy with that.

Stephen Knight AM: Can I ask you about this issue of the summer income that universities get from halls of residence? I remember this being a big issue when I was a student back in the early 1990s. I was president of the student union and I was involved with a new halls development that the university was pushing through. They insisted it all had to be en-suite. It was about getting summer conference income out of that hall rather than necessarily what the student body wanted, which was just the lowest price, effectively, and reasonable quality.

Is the summer conference market still as significant as it was, given that the student rents are so much higher than they used to be, or has the balance shifted? In terms of the economics of building student halls now, is the summer market and building to whatever the summer market demands still significant?

Roland Shanks (Information and Projects Manager, University of London Housing Services): You can still get more income over the summer than you do during term time and that will subsidise rents during the term time.

Stephen Knight AM: You get more income from those 14 weeks in the summer than for the 38 weeks of term time?

Roland Shanks (Information and Projects Manager, University of London Housing Services): Not in all developments but certainly in some.¹

Stephen Knight AM: That is very interesting.

Roland Shanks (Information and Projects Manager, University of London Housing Services): It will allow you to subsidise the rents during the term times.

Stephen Knight AM: The final thing I wanted to raise was this issue of viability and the overall cost that is driving up. Marcus [Roberts] from Savills referred to build costs going up. Presumably the cost of building a hall of residence in London is not that dissimilar from building a hall of residence in Sunderland or the northeast. You still have the same concrete, steel, workforce and so on. There may be some higher costs. Is it really land that is the issue here?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Constriction inflation in London is absolutely huge. We have seen it on our own council build stock that we are doing in developments right across our borough and right across London. It is huge in London, constriction inflation.

Marcus Roberts (Head of Student Investment and Development, Savills): As a benchmark, to build a cluster room of 12.5 to 13 square metres is probably around £60,000 a bed, roughly, in London. That is excluding the land. That is just construction costs. In terms of the regions, you are probably more looking around £40,000 to £45,000 a bed.

Stephen Knight AM: We are talking about a 50% uplift in build costs?

¹ Subsequent clarification concerning this point was received from the witness on 7th July 2015. Income per week, per bed-space is greater during the summer than the equivalent income per week, per bed-space during term-time.

Marcus Roberts (Head of Student Investment & Development, Savills): It is the constrained nature of city centre sites. That £60,000 may well be at the lower end. I have seen quotes recently up to £80,000 a bed for a cluster room.

Stephen Knight AM: Presumably rents are more than 50% higher in London than in the rest of the UK.

Marcus Roberts (Head of Student Investment and Development, Savills): In the regions, on average, to get a scheme to work you are probably looking at £130 to £140 a week over a 43 or 44-week contract. In central London, you are in excess of £200 or £250 per week to get something to work. It comes back to that viability and competing uses from residential and offices as well. If we are competing for a site with other uses, then we are going to have to look at a different sort of product.

Stephen Knight AM: Clearly, I can understand that land in London has suffered huge inflation in the last 30 years, let alone the last ten years. That must be a much more significant driver of the increase in costs than everything else put together.

Asif uz Zaman (Design and Planning Manager, Unite Group): You are absolutely right; land specifically for student accommodation has gone through the roof. A couple of years ago while the recession was still deep, you were able to compete on land and you were able to buy it because no one else was coming forward. Now the big boys - the retail and office market - has resurged and they are able to outbid and they are outbidding us all the time. Finding land is difficult.

Also, we are finding the CIL nature on particular sites is also conspiring against us. Once you put that factor in your £400-a-square-metre CIL in certain boroughs, it causes us major issues. That does not stack up. At the end of the day, the fewer developments that are being built means that prices are still going to remain high because your supply is going to be limited and the demand is still going to be there.

At the moment we are finding that we cannot build anywhere. We cannot buy the land for a start. If we do find a property we can buy then - as Marcus [Roberts] outlined - getting it built for a particular cost is challenging. Before you have reached that point, you need to go through the planning hurdles of trying to get a scheme through planning. Once you have managed to find a property that you can buy, you then try to get it through planning and then you have to try to get it built. All of these things are stacked against a student developer. In a sense, you can argue that all of them are the same for other providers - hotel providers, office and residential - but then you have other elements that are in their favour. These are the CIL rates per square metre for office, hotel and residential primarily, although you have your affordable housing on top of that. Then, of course, you have got the planning process itself, which is slightly easier in certain boroughs.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): I would agree with some of that but I will just pick you up on the fact that CIL rates depend on where you are building in the borough.

Asif uz Zaman (Design and Planning Manager, Unite Group): Of course.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): In some parts the CIL rates for student accommodation are lower and for affordable student units they are £0 a square metre.

I would not say planning is stacked against developers, whether that be student developers or any other developers. It is there to make sure there is a locally accountable, democratic process to ensure developments that are coming forward are built in the right place, built to the quality that we want and are going to be sustainable in the long run. I slightly take issue with that last comment.

Tom Copley AM (Chair): What is your definition of an 'affordable student unit'?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): I am not sure, off the top of my head. I am looking at my officers.

Tom Copley AM (Chair): Could you submit it to us as written evidence?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Yes.

Tom Copley AM (Chair): Before I bring anyone in, I just want to ask Roland on a previous point about halls of residence. Obviously you said universities are not profit-making and then they are, and housing associations are not profit-making but they can make a surplus. Does any of the money from student hall rents subsidise other aspects of the university's financing, or is it all spent on the running of the halls and the maintenance?

Roland Shanks (Information and Projects Manager, University of London Housing Services): No, they do create a surplus.

Tom Copley AM (Chair): All right, thanks.

Fiona Twycross AM: Good point, Tom. Roland, you mentioned a survey that you had done and the NUS has also done a survey of students. These are students who are already in London and who have not been put off by the price. I want to ask a little bit about ways we can avoid potential students who would like to come to London making a very rational decision not to.

This is not a new issue. I have to admit I went to university a little bit before Stephen [Knight AM] did and actually I was eligible for Housing Benefit when I was a student. Obviously things have shifted quite a lot in the past few decades in terms of how you can ensure there is access to the opportunities that different places would offer students; levelling the playing field, if you like. Obviously, as well as universities, there is a whole host of other opportunities that London would offer to students who would choose to come here.

It would be unrealistic of me to suggest that we go back to an age where students received Housing Benefit. That is clearly not going to happen. How can we make sure that students are not put off in advance? For example, Roland, you mentioned bursaries. Presumably those are for students when they have already arrived.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Yes, but it is part of a package in terms of widening participation programmes. If you are going out in terms of the widening participation programmes for students, you could offer bursaries. We try to have programmes as big as we can but we are reliant on hefty funding. This kind of funding is not all within the university. There is not enough of it really for us to be able to do that.

You are quite right that at the moment there is a very large number of students who would appreciate and benefit from studying in London - and universities would benefit from them coming to London - who are not because it is just too expensive. More funding for bursaries and more funding for widening participation and

things like that can help but they are not really going to undercut the big problem, which is the overall affordability of living in London, really.

There are benefits. Part-time work is better paid in London than elsewhere. I know the Royal Bank of Scotland some time ago did a budget calculator of the best places to live and actually London did surprisingly well because of the wages paid in London for part-time work.

Fiona Twycross AM: From the NUS perspective, have you done any surveys about where people would have chosen to go had finance not been an issue?

Colum McGuire (Vice-President (Welfare), National Union of Students): We have not but we would be very happy to work with you to find that information out if that would be useful.

You said, "What should we do?" We urgently need to address the cost of living for students and how that is reflected in the income that students get from the Government because it just has not kept pace with the cost of living. We do some research to assess income and expenditure every year. Last year it showed that the average student in London has an £8,000 shortfall in their income to find from savings, part-time work and parents but some students do not have access to any of those things.

The stuff around bursaries is significant. We have to be careful with it because sometimes they do not always necessarily benefit the student directly. I know we do not want to talk too much about universities themselves today because this is more about the private market, but there have been examples where bursaries get used as an accommodation fee waiver. All that has done is bump up the price of the accommodation and it just goes around and around in circles into the university's bank account and does not actually benefit the individual.

One of the difficulties I have is that I absolutely have to say that the income that students get is just not good enough. We need to do more about it. On the other hand, I am wary of calling for an increase in the loans and grants that students receive and the impact that would have on market rates. Would private providers just bump up their rents even more, then? There does have to be that hand-in-hand with some good, effective regulation of the market and how we assess this and how we make sure that there is affordable accommodation for all good people.

Fiona Twycross AM: I mentioned to somebody that we were going to talk about student accommodation. She has two children at university, both of whom are in different types of accommodation. For both of them in different types of accommodation in different cities, not London, they had had to provide evidence of parental income. Would that be normal for this type of accommodation? Is that a general requirement for all types of accommodation?

Colum McGuire (Vice-President (Welfare), National Union of Students): Roland might be able to answer this question, but I would imagine it is if they are qualifying for some sort of bursary.

Fiona Twycross AM: No, it was not.

Roland Shanks (Information and Projects Manager, University of London Housing Services): I have not heard of it.

Colum McGuire (Vice-President (Welfare), National Union of Students): Where are they studying?

Fiona Twycross AM: It was Newcastle and Sheffield or somewhere like that. Both of their sons had been asked to provide proof of parental income in order to get accommodation. I can look into it and find out where it was. It was basically the parents underwriting the contract. They had to prove how high the parental income was.

Colum McGuire (Vice-President (Welfare), National Union of Students): Yes. That is what you would do in the PRS anyway. Historically, some universities have done it and some have not done it. We are perhaps seeing more of that happening now.

Stephen Knight AM: Because of the cost, particularly of these private halls being built, are more and more students moving into the PRS? A lot of students have always lived in the PRS but are we seeing that as effectively the only choice available now?

Colum McGuire (Vice-President (Welfare), National Union of Students): I do not really have the data and research to back it up and so I am talking anecdotally but, yes, I believe that is happening more and more with first-year students. The traditional route of being a student is you go to university, you live on campus for a year and then you move off campus. Some students are just being priced out of that now and are moving straight into the PRS. Lots of positives and lots of negatives as well come with that. I would say, yes, it is happening. Could I sit and reel off some statistics that back that up? No, I could not. Again, I am happy to look into how we might be able to quantify that.

Stephen Knight AM: When somebody is new to an area, new to a university and probably only 18 or 19, living in a hall of residence allows them to form friendship groups, to get to know people and all the rest of it. Trying to find a group of four or five people who know and like each other when starting at university, when you are 18 or 19, must be difficult. Second- and third-years have often done this. That must create huge pressures and tensions if people are having to do that in their first year with a group of people they do not know.

Colum McGuire (Vice-President (Welfare), National Union of Students): The significant rise of social media has alleviated that somewhat. It is quite easy to find people. There are lots of forums. Often universities provide assistance with that. They might have an open day when you can meet other people. The pressure is huge - you are absolutely right - particularly when you are going into the PRS where you are often a lot less protected than you are if you are in purpose-built accommodation and where, if something does go wrong, all sorts of things could happen.

Roland Shanks (Information and Projects Manager, University of London Housing Services): As Colum said, we do a whole number of flat-sharing days and all the rest of it and we try to get first-year students to form groups. It is absolutely not ideal. The ideal is PBSA for the first year. That is the problem with the direct-let development. If you look at the bare number of 70,000, it looks healthier than it did before. The problem is that for direct let the criteria is whether those students can afford to pay. We have lots of second-year students who would never be housed by the university and who are living in PBSA provided by private providers, taking up spaces that really ought to be going to the people who are in more need, who are the first-year students.

Stephen Knight AM: We have heard from NUS that more and more first-years are going into the PRS rather than halls. Is that something that you recognise from the university's perspective?

Roland Shanks (Information and Projects Manager, University of London Housing Services): Yes, it is a combination of things. More students are staying at home whose parents live in London. I do not think it

is huge but certainly we have spotted that there are more first-year students who cannot get into university halls of residence.

Stephen Knight AM: What, if anything, are the universities able to do to help facilitate those groups and indeed to perhaps vet some of the private landlords these students are going to?

Roland Shanks (Information and Projects Manager, University of London Housing Services): We run a registration scheme for private landlords. They have to sign up to a code of good practice. We also set up a university letting agency a couple of years ago and we rent directly from landlords and then sublet to students. We survey the properties and do everything to try to make sure the properties are safe and well looked-after. We do whatever we can within the resources that we have, but it is frustrating to look at brand new PBSA that is -

Stephen Knight AM: That is being used by second- and third-years?

Roland Shanks (Information and Projects Manager, University of London Housing Services): Exactly.

Asif uz Zaman (Design and Planning Manager, Unite Group): In terms of the mix, we understand that the accommodation supply in London is roughly half and half. Out of the 70,000-odd, half are private and half are in university halls. The majority of our students are first-years. We do have some second-years coming in. We have some third-years as well. The majority are first-years. As I mentioned earlier, 34% are primarily enrolled in universities who house their first-years. A third of our stock is already going to first-years on a nominations agreement. The majority of the remaining 70% is going to first-years as well. Again, that has come out of the type of developments that we have provided. Picking up on the point regarding interaction, we have ten-bed, eight-bed and seven-bed clusters and larger clusters for accommodation. Again, what we found is that students, especially first-years, want to meet a wide group of people and then they can make their friendships. They then choose those friendships to go out in the second year and third year. Whether they go through the HMO market or stay with us is also the nature of our development.

The other thing is that we provide halls that are not just 100% first-years. We have that mix. We have some second-years and some third-years as well. That means our cluster sizes are slightly smaller. You have your five-beds and three-beds because those friendship groups have been arranged and that is what they have chosen to go into.

Also, because, again, we are not solely going to one university, we have an intercollegiate affair in our halls. They are not just only one university students. They are a mix of students. Again, that provides a different type of atmosphere within that particular hall. With those community spaces, as we were saying earlier, it means you have that ability to mix and socialise.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): I am just going to go back briefly to the point Roland [Shanks] was making about the PRS. Whether they be first, second, third-years or post-graduates, we want our residents living in good quality, well-managed private rented stock. It is just another reason why we need proper regulation of the PRS. I will just throw that in there.

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): I have two points. The first is that rising costs are leading to changes in the behaviour of both universities and some students.

In terms of universities themselves, I am aware of some when they have looked at their estate across London, when they have had a residual halls of residence in very expensive central boroughs and they have decided effectively to dispose of those. They then seek to redevelop other halls of residence in areas with lower land costs because they can actually get more units that way for more students. That is one of the things that universities themselves are doing.

In terms of students, it is not simply a question of more of them living in the PRS or indeed staying at home. In my experience, a higher proportion of students are now actually engaging in quite long distance commuting; from Romford, from Stevenage, from Reading. I have even known students coming in from Peterborough and Grantham because it makes more sense if they can squash their teaching into a couple of days in the week for them to commute and live at home 50 miles away. That is a new phenomenon and a very worrying one.

Fiona Twycross AM: I had a question for Asif about the students who did not choose to stay in the second or third year and whether you actually survey them to establish why they are moving out and whether we could have any access to your survey information about that. For example, are they moving out because they are getting cheaper options or is it more social reasons?

Asif uz Zaman (Design and Planning Manager, Unite Group): We do survey our students more or less every other year. One of the questions is about where they have come in from for the ones who are not first-years and then where they are going to. I can find out where that it is.

Fiona Twycross AM: It would be interesting to know whether cost is a significant factor in terms of the students moving on.

Andrew Boff AM: Councillor Williams indicated that he wanted proper regulations. What are the regulations that are not in place and that councils do not already have at their disposal that you would want to see?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): PRS?

Andrew Boff AM: Yes.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): You need three-year tenancies. You need predictable rent rises linked to inflation or another index. You need a national register of landlords, which we do not have at the moment.

Andrew Boff AM: The three-year tenancies should be by regulation?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): It was proposed in the recent General Election that you have three-year tenancies so that people in the PRS are not having to constantly move around. That is where you want to get to. In fact, the more responsible, larger institutional investors that are bringing some PRS schemes forward in our borough - and you have it at the Olympic Park as well - offer those as standard. That is where we want to get to.

Andrew Boff AM: If that were put in by regulation, it may very well see a reduction in supply.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): I do not think any of the evidence bears that out whatsoever. At the end of the day, we have a huge shortage of all types of housing in London.

Andrew Boff AM: I have not seen any evidence to the contrary, either.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): We need to massively increase the delivery of all types of housing in London in all boroughs. Boroughs like Southwark and many others are delivering as many homes as they can but we need all boroughs to pull their weight on this.

Andrew Boff AM: How would additional regulation generate more supply?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): I do not think additional regulation, if it were sensible, would choke off any supply. At the end of the day, if you had a unit move from the PRS to being sold that unit has not magically disappeared. It is still going to be there. Unless you are suggesting regulation would make houses disappear.

Darren Johnson AM (Deputy Chair): We are looking at that later in the year.

Tom Copley AM (Chair): Funnily enough, further down the agenda we are having a discussion about a potential scrutiny of this very issue.

Darren Johnson AM (Deputy Chair): Come back in six months, Mark!

Stephen Knight AM: First, there is this issue about whether anyone has any bright idea of how we can manage particularly the private rents down in the PBSA in order to make them more affordable. We have 85% of students requiring rents of less than £150 a week and arguably a lot less than £150 a week. We talked about 'student income' but actually most student income is actually student debt if we are realistic about it. Student income is pretty much zero in most cases unless you are receiving a bursary.

Andrew Boff AM: Future income.

Stephen Knight AM: There is clearly a requirement for low-cost housing. We are not currently delivering it. Even the requirement for low-cost student accommodation seems to only be a minority being built in any block. What can we do to get the majority of student accommodation in at more affordable rates? Asif?

Asif uz Zaman (Design and Planning Manager, Unite Group): The biggest way of doing that is by providing a lot more student accommodation. It will bring the prices down.

The other thing is that in London you have roughly about 350,000-odd students. You have 40 universities. As I mentioned earlier, there are only 70,000-odd purpose-built student halls. Not every single student wants to live in a purpose-built student hall. There is a majority of students who also live at home and there are also other students who want to live in HMOs or some students have actually bought their own places and are happy there. Like all things with straightforward economics, the more supply you have the lower the prices inevitably are.

Stephen Knight AM: You are nowhere near meeting demand, are you?

Asif uz Zaman (Design and Planning Manager, Unite Group): No.

Stephen Knight AM: You would have to build an awful lot more supply. If you reached the stage where you had lots of vacancies and if your halls were half empty, then you would have to lower the rent. Arguably, you would not be building them because of the land cost.

Asif uz Zaman (Design and Planning Manager, Unite Group): For example, in Leicester we did some student accommodation. We were there first and then a load of other student developers came in. Leicester already has a huge HMO environment. What you found is that the prices started coming down because there is all this PBSA out there. Not everybody wants to live in PBSA. What would happen is that inevitably you have this stock and you cannot let it be empty. You have to fill it. Your prices start going down. The following year the prices are going down further. What happens at the moment is that you are finding the HMO and PBSA stock is more or less the same. The reason why PBSA is much more favoured than HMO stock is because it has all these other bits and pieces that go with it.

Stephen Knight AM: Is it still viable for you to build in Leicester?

Asif uz Zaman (Design and Planning Manager, Unite Group): We are still looking at Leicester.

Stephen Knight AM: Despite the fact that rents are falling, you are still building?

Asif uz Zaman (Design and Planning Manager, Unite Group): It all depends on the right location.

Stephen Knight AM: Affordability of land in that location?

Asif uz Zaman (Design and Planning Manager, Unite Group): Absolutely right.

Stephen Knight AM: Does this not really come down to how we get land costs in London down, for this kind of accommodation? Is there a planning issue here? In effect the value in planning is supposed to determine the value of the land, is it not.

Andrew Boff AM: Build on Hyde Park. That is the easiest bit. That is cheap.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): It comes back to points the others have made: that student accommodation does not exist in a vacuum. We need to build huge amounts of all types of housing. The fact is that not nearly enough is being built in London, full stop, and in the wider southeast. If we address the issue of not enough stock being built of all tenure types, it will help alleviate the cost and affordability problems for student housing as part of that. The current structure of private rents and private market sale is just not sustainable in London. We desperately need all boroughs and the Mayor to support them in building as many homes as possible. That is just not happening at the moment in all boroughs.

Colum McGuire (Vice-President (Welfare), National Union of Students): To suggest that to leave the market as it is and increase supply would bring costs down is wrong. The last ten years have shown us that is not the case. In the last ten years alone we have seen a huge expansion of PBSA and yet the cost of rent has doubled. To say that things can just go on in the free market as they are is just wrong. Let us design something different. Let us have some innovation and try a few different models. Clearly, the models are working for the private providers. They are still lucrative for them because that is why they keep building them. Why do we not try doing something a bit different?

Stephen Knight AM: Is not the problem that students are effectively competing with other people in the housing market?

Colum McGuire (Vice-President (Welfare), National Union of Students): Yes

Stephen Knight AM: In a sense, students are in a unique position of not having an income and not having access to the benefit system.

Andrew Boff AM: Give me a violin. They have a loan on really beneficial terms that they can pay off.

Tom Copley AM (Chair): A good question, Stephen.

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): It makes a huge amount of sense to tackle the housing crisis and build many more homes of all tenure types. It would not only help students; it would help regular, normal people as well. It would also help get the Housing Benefit bill down. We all know the statistics. It is very clear what we have to do. We have to build more homes of all types.

Roland Shanks (Information and Projects Manager, University of London Housing Services): How can you stop people banking land?

Cllr Mark Williams (Cabinet Member for Regeneration and New Homes, LB Southwark): Again, there were some wonderful proposals in the manifesto.

Tom Copley AM (Chair): We have heard a lot about proposals that were set out in the general election. I am going to keep us on the issue at hand.

Andrew Boff AM: Next time, Councillor, perhaps you could bring the tablet of stone with you.

Tom Copley AM (Chair): It is locked up in a garage in Herne Hill or something, is it not?

Murad Qureshi AM: I have always been aware there has been a private college system in London renting accommodation happily to American students. If you go to Regent's Park, you have Regent's College. If you go to Marylebone High Street, you have the American College of London. You have the London Business School (LBS). They have been doing this for decades. This market has been internationalised many decades before we have noticed it here.

Is there no way of collaborating with them? Clearly, they have the Bedford college sites in Regent's Park. They have much more insight into this market than we realise, certainly in my part of town. Is that something, Roland, that representatives like yourself need to be working with to find ways of actually accommodating home students as much as American students here for a year to discover Europe?

Roland Shanks (Information and Projects Manager, University of London Housing Services): We do try to build partnerships. University of London is a federation of colleges that includes LBS. We have recently been recruiting a number of different satellite campuses. The University of Liverpool has a campus now in London. Loughborough has a campus in London. We do recruit them. We try to work with them. We try to form economies of scale by getting lots of smaller partners to work together. I am not sure if you are suggesting that they be prepared to give up their land to us.

Murad Qureshi AM: I am not saying that. I get the impression - certainly Regent's College and Regent's Park used to be Bedford and Holloway College before it sold to an American college - that they seem to have a surplus of accommodation there. That is my impression. I go there fairly regularly. There must be some kind of arrangement that can be put in place. They seem to be outside of the arrangements that you have and they are there. Funnily enough, I think they have cheaper rents.

Roland Shanks (Information and Projects Manager, University of London Housing Services): No, they have not.

Murad Qureshi AM: No? It is subsumed within their fees?

Roland Shanks (Information and Projects Manager, University of London Housing Services): They are extraordinarily expensive, £400 a week for some of them.

Darren Johnson AM (Deputy Chair): The American students that come over are not poor, Murad.

Murad Qureshi AM: I know that, but they actually get it subsidised by the funds that they have.

Roland Shanks (Information and Projects Manager, University of London Housing Services): My information is not that. My information is that the rents are fantastically expensive and that they are not prepared to give up any of their accommodation to us. I could be wrong. It is worth another call.

Marcus Roberts (Head of Student Investment and Development, Savills): On that point, there is actually a submarket that is often missed from some of the student numbers that the Higher Education Statistics Agency (HESA) brings out. It is very much focused on London universities rather than that submarket of New York University, Boston University, Notre Dame, Kaplan and St Giles, all those language schools and quality universities that bring an awful lot to London as a whole but do not get a shout as to their accommodation provision on a stage like this.

Notre Dame, for example, does have its own hall of residence. It came out of Nido Student Living up at Pentonville Road. We acquired the former Schiller University building for it at Waterloo a couple of years ago. That is for about 300 student beds. It wanted to manage and control the environment that its students were living in in London. It was very much a sanitised environment for that particular market.

Roland Shanks (Information and Projects Manager, University of London Housing Services): We calculated there are about 49,000 students that are not counted in the HESA statistics because they are at American universities, private universities or these satellite campuses. It is large and it is growing. We are trying to work with them where it is possible to work with them.

Murad Qureshi AM: Let us see how that develops. I am glad to hear that has actually spread across London, not just in west central London.

Marcus Roberts (Head of Student Investment and Development, Savills): There are other international universities that want to create campuses here in London to build up being an international centre of excellence.

Murad Qureshi AM: If I was still on the planning committee at Westminster City Council, I would be asking for assistance to link the colleges. I do not think that is too much to ask from a local council. Anyway, that is the kind of arena that could be where we go with this if we are going to make things more affordable.

The other thing that we touched on was the charitable status of most universities. We all know the accommodation is empty for 14 weeks. It is not just conferences. There are a lot of tourists who are accommodated, certainly around Paddington with Imperial College and what-have-you. Surely the income there should be going into assist the rent levels for the rest of the year if you are not doing that already.

Roland Shanks (Information and Projects Manager, University of London Housing Services): They are, mostly. Lots of different colleges have different strategies. There is not a kind of ring-fencing where it has to be ring-fenced.

Murad Qureshi AM: Are you saying that is the practice within colleges now and we are still not able to push rents down below £150?

Roland Shanks (Information and Projects Manager, University of London Housing Services): Pretty much. Student accommodation is expensive to deliver. Could you just repeat the question? I may have misunderstood it.

Murad Qureshi AM: What I am saying is that we know that for 14 weeks of the year most of this accommodation lies empty. You have conferences. My experience of what I have seen is that you accommodate tourists at peak times, which is actually very useful in communities if you do that. Surely that income should be ring-fenced to subsidise the rents in the rest of the year for students. Is that a tablet stone in the operations of most universities?

Roland Shanks (Information and Projects Manager, University of London Housing Services): It is not in universities to ring-fence in that way, no. We have large estates that need maintenance, which have not been maintained in some cases because of the funding environment we have been in for several decades now.

Murad Qureshi AM: Surely all that has now been subsidised with the fees? £9,000 a year is quite a substantial amount. If you are going to do it, that is what you need to do. You have it in your means and power of the boards of universities to do that.

Roland Shanks (Information and Projects Manager, University of London Housing Services): In the future, once university finances are on an even keel. We had an election last year where fees might have gone down to £6,000. It is very difficult to plan long-term when we do not know what is going to happen in three or four years' time. Finance directors love to have contingency plans and all the rest of it because people do like messing around with our education finances.

Murad Qureshi AM: I am not an expert on it. I have some idea of housing finance. Hearing all this makes me feel that the best thing for a London student who has just done their A-levels and is applying for a university place is to probably apply outside of London.

Roland Shanks (Information and Projects Manager, University of London Housing Services): We have some of the best universities.

Murad Qureshi AM: I know the reputation. If you just take it on this issue, if they want to leave home at 18 and go to university, maybe opting out is -

Roland Shanks (Information and Projects Manager, University of London Housing Services): Surely that is almost an argument about people coming to work in London as well. It is just that this is London. You get better rewards working in London because you have better work.

Murad Qureshi AM: Most graduates end up in London anyway.

Roland Shanks (Information and Projects Manager, University of London Housing Services): You get better degrees in London because we have better universities.

Murad Qureshi AM: I am saying that that is the reality for a lot of London students if they are not prepared to stay at home. They are not going to get accommodated by you because you are not taking them on in university accommodation. That is the other option.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Absolutely. Universities do whatever they can but we have an affordability problem in London, full stop.

Murad Qureshi AM: You have to make some means possible. Sorry, press on.

Professor Chris Hamnett (Emeritus Professor of Geography, King's College London): My impression - and it is only that - in my own university is that we have seen a slight polarisation of students with a greater number of students who live in London with parents and a higher proportion of increasingly overseas students. There is probably a declining proportion of students who are coming from elsewhere within the UK. Basically, they are increasingly being put off by high costs. I do not know if that is the experience of the University of London as a whole.

Andrew Boff AM: On this, should we not be turning down all planning applications for new campuses in inner London because of the challenges they create for accommodation? Why should we not turn them all down? It would be so much easier if they were in outer London, in Croydon.

Roland Shanks (Information and Projects Manager, University of London Housing Services): Just in terms of the value of the higher education sector to London --

Andrew Boff AM: I am saying inner London.

Roland Shanks (Information and Projects Manager, University of London Housing Services): -- we employ 164,000 people. It is £7.9 billion a year that we add to this capital.

Andrew Boff AM: Inner London?

Roland Shanks (Information and Projects Manager, University of London Housing Services): No, the whole of London. It is £7.9 billion a year and 164,000 people. Universities are of incredible benefit to the capital. We need to be looked after.

Andrew Boff AM: We do not have to have everything in inner London, do we? That is the way it grows, creating the problems more than anything.

Tom Copley AM (Chair): Kingston and Brunel are outer London universities.

Andrew Boff AM: Absolutely.

Roland Shanks (Information and Projects Manager, University of London Housing Services):

Stratford has UCL moving out to it. It has University of the Arts London moving out to it. Loughborough has a satellite campus there, Birkbeck with the University of East London. You have the University of Greenwich.

Andrew Boff AM: I am talking about inner London here. You are into outer London.

Asif uz Zaman (Design and Planning Manager, Unite Group): What will happen is that wherever the universities go, students will obviously go and then we will follow. That is inevitable. If you have your satellites elsewhere, then the PBSA sector will also follow where the students are going to go. Of course, it also will be along those transport hubs that will connect them with -

Andrew Boff AM: I get it. This is not the Planning Committee. We are the Housing Committee. I take the point but they overlap. Is there not a strong argument therefore to say that, if you are going to consider new campuses in London, they should be in outer London rather than inner London, which appears full?

Colum McGuire (Vice-President (Welfare), National Union of Students): I want to bring it back to the policy that we have in front of us because it is really important that we talk about it. Do I want to see more action taken on universities in their rent setting process? Yes, absolutely. It is frankly disgusting that students are paying £9,000 in fees and then paying to do up the lecture theatre through their rent as well. That severely needs to be addressed. Again, that is not the policy we have in front of us. This is about private providers and the PBSA.

What I really hope is that Assembly Members will take this away and will endorse it but will also look to how we can expand it and make it better. Some of the concerns I have are around how the numbers are figured out and the amount of students that will have access to it. The principles here are really good. There is an opportunity to do something really special here. Particularly, it would be really good to see how this has an impact on London because this is something that we should be rolling out across the country. That is what I hope you will take from this. Anything that any of us can do to help with that in terms of research or information from our members, we would be absolutely delighted to help you with it.

Tom Copley AM (Chair): If no one else has any comments, then I will bring this part of the meeting to a close. Thank you very much to our guests for their contributions.

This page is intentionally left blank

Subject: Summary List of Actions

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 16 July 2015

This report will be considered in public

1. Summary

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

2. Recommendation

2.1 **That the Committee notes the outstanding actions arising from previous meetings of the Committee.**

Actions Arising from the Meeting of 23 June 2015

Minute Number	Topic	Status	For action by
9.	<p>Purpose Built Student Accommodation in London During the course of the discussion, the Design and Planning Manager, Unite Group agreed to provide the Committee with the results of the survey taken by students leaving Unite Group accommodation.</p>	<p>In progress The Chair has written to request the information.</p>	<p>Design and Planning Manager, Unite Group</p>
	<p>Purpose Built Student Accommodation in London During the course of the discussion, the Cabinet Member for Regeneration and New Homes, London Borough of Southwark agreed to provide the Committee with the London Borough of Southwark's definition of affordable student accommodation.</p>	<p>In progress The Chair has written to request the information.</p>	<p>Cabinet Member for Regeneration and New Homes, London Borough of Southwark</p>

11.	That authority be delegated to the Chair, in consultation with party Group Lead Members, to agree the Committee's report on the affordability of home ownership.	In progress.	Chair
------------	--	--------------	-------

Actions Arising from the Meeting of 11 November 2014

Minute Number	Topic	Status	For action by
5.	The Committee delegated authority to the Chair, in consultation with Lead Members to write to the Mayor expressing the Committee's views on topics covered during the meeting.	In progress. A letter has been sent to the Mayor and a response is awaited.	Mayor of London

3. Legal Implications

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

4. Financial Implications

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

List of appendices to this report:

None.

Local Government (Access to Information) Act 1985
--

List of Background Papers: None

Contact Officer:	Ed Wise, Committee Officer
------------------	----------------------------

Telephone:	020 7983 4619
------------	---------------

Email:	ed.wise@london.gov.uk
--------	--

Subject: Extension of the Right to Buy to Housing Associations in London

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 16 July 2015

This report will be considered in public

1 Summary

- 1.1 This report sets out the background information for the Committee's meeting with a panel of experts to discuss the impact of the extension of the Right to Buy to housing associations in London.

2 Recommendations

- 2.1 **That the Committee notes the report, uses it as background to putting questions to invited guests, and notes the subsequent discussion.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree any outputs arising from the Committee's discussion of the extension of the Right to Buy to housing associations in London.**

3 Background

- 3.1 At its meeting of 23 June 2015, the Housing Committee agreed to use its July meeting slot to examine the impact in London of the new Government's policy proposals to extend the Right to Buy to tenants of housing association homes.
- 3.2 Following a manifesto commitment, proposals were included in the 2015 Queen's Speech for a Housing Bill to extend the right to buy to housing association tenants. The policy seeks to increase home ownership, which remains a majority aspiration in London, as elsewhere in the country. It would be funded by a requirement placed upon local authorities to sell off their most expensive council homes as they fall vacant.

4 Issues for Consideration

- 4.1 The policy and the legislative proposals to implement it are still being developed. However, there has already been much debate, especially in London, around how it will work and the impact it will have on housing providers (both housing associations and boroughs).
- 4.2 In London in particular, where there is widespread consensus that boosting housing supply is a key priority, many note that the Right to Buy has resulted so far in a very substantial loss of publicly-owned (affordable) housing stock, while failing to increase overall housing delivery. The Mayor himself notes that *“to make this policy work, it has to deliver more homes. It would be the height of insanity to use the proceeds of council home sales in London to help build more homes outside and away from London because it is in London where we have a housing crisis.”*¹
- 4.3 The enforced sale of London’s high value council homes could have substantial impacts, including upon:
- the financial position of inner London boroughs, some of whom may be forced to sell significant proportions of their housing stock and forfeit the associated income streams which bolster their Housing Revenue Account;
 - Londoners on the waiting list for council homes, given the time lag between the sale of high value properties and the completion of any new homes; and
 - Londoners currently living in overcrowded conditions, given the disincentive for under-occupiers to downsize especially in high-value inner London boroughs.
- 4.4 The likely erosion of the housing association asset base, and therefore borrowing capacity, could also have profound effects, even if associations receive financial compensation. Construction of London’s affordable homes is heavily dependent upon housing association development programmes, so the repercussions would be felt in the pipeline of affordable homes, which London sorely needs to bolster.
- 4.5 Moreover, there are serious concerns that the sale on to the open market of additional affordable social housing stock, both housing association and local authority, will result in considerable detriment to London’s mixed and balanced communities.
- 4.6 A range of guests representing housing associations, local authorities, tenants, leaseholders and the Greater London Authority have been invited to discuss these issues with the Committee. Guests invited to this meeting include:
- Richard Blakeway, Deputy Mayor for Housing, Land and Property;
 - James Clark, Housing Policy Manager, Housing and Land, Greater London Authority;
 - Lord Bob Kerslake, Chair, Peabody
 - Cllr Philip Glanville, Cabinet Member for Housing, London Borough of Hackney;
 - Cllr James Murray, Executive Member for Housing and Development, London Borough of Islington;

¹ Mayor’s Question Time, 21 May 2015

- Laura Johnson, Director of Housing, Royal Borough of Kensington and Chelsea, and Chair of Directors of Housing, London Councils;
- Jim Ripley, Chair, Phoenix Housing; and
- John Bibby, Policy Officer, Shelter.

5. Legal Implications

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

6. Financial Implications

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

List of appendices to this report:

None

<h3>Local Government (Access to Information) Act 1985</h3> <p>List of Background Papers: None</p>
<p>Contact Officer: Lorraine Ford, Scrutiny Manager Telephone: 020 7983 4394 Email: scrutiny@london.gov.uk</p>

This page is intentionally left blank

Subject: The Mayor's Affordable Housing Commitments

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 16 July 2015

This report will be considered in public

1. Summary

- 1.1 This report sets out background information on affordable housing delivery in London. The Committee is invited to consider how the Mayor is progressing towards his target to deliver 55,000 affordable homes in London by March 2015.

2. Recommendation

- 2.1 **That the Committee notes this report and the monitoring information attached at Appendix 1.**

3. Background

- 3.1 In April 2012, the GLA gained new responsibilities and funding for the delivery of publicly funded housing programmes in London. This followed the devolution of responsibilities previously undertaken by the Homes and Communities Agency, the London Development Agency and the London Thames Gateway Development Corporation.
- 3.2 The GLA has a budget of around £1.8 billion until March 2015 for affordable housing programmes.¹ In addition to supporting improvements to the current housing stock, most of this funding is allocated to Registered Providers to support the delivery of new affordable homes. The Mayor has a target to deliver 55,000 new affordable homes by March 2015.²
- 3.3 The GLA has a range of programmes that support affordable house building.³ The Affordable Homes Programme, which runs from 2011 to 2015, has a budget of around £628 million.⁴ Providers receive a smaller amount of grant per home built compared to predecessor schemes, but they can charge higher rents – up to 80 per cent of market rents in some cases. The Mayor's Housing

¹ GLA Group Budget Proposals and Precepts 2013-14, Consultation Documentation, January 2013, page 57.

² www.london.gov.uk/priorities/housing-land/increasing-housing-supply

³ The latest affordable housing statistics published by the GLA are available here: www.london.gov.uk/priorities/housing-land/increasing-housing-supply/gla-affordable-housing-statistics

⁴ Homes for London Board Meeting, Executive Director's Report, 12 February 2013.

Covenant, launched in September 2012, also has programmes that contribute to affordable housing delivery in London both up to and beyond 2015.

4. Issues for Consideration

4.1 A briefing monitoring the Mayor's Affordable Housing Commitments is attached at **Appendix 1**.

4.2 Notable information in the appendix includes:

- There were 53,286 affordable home completions in the four years to March 2015; 1,714 more are needed to meet the Mayor's manifesto commitment to build 55,000 affordable homes between 2011 and 2015.
- Tower Hamlets has had the most starts on site (2,883) of all London boroughs and also the most completions (4,289) between 2011 and 2015.
- Across London, there were 17,914 affordable housing completions in 2014-15 and 9,106 in March 2015 alone.
- Thirty-one per cent of GLA funded affordable homes started on site between April 2011 and March 2015 were for affordable home ownership.
- 14,830 London households were in out-of-borough temporary accommodation in October to December 2014, an increase of 33 per cent compared to October to December 2013.
- Other indicators of social dislocation have also increased in the last year, such as the number of London households accepted as homeless by their local authority and the number of incidences where termination of an Assured Shorthold Tenancy was the reason for the loss of a home.

5. Legal Implications

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

6. Financial Implications

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

List of appendices to this report:

Appendix 1 – Affordable Housing Monitoring Briefing

Local Government (Access to Information) Act 1985
List of Background Papers: None
Contact Officer: Dan Maton, Budget and Performance Adviser
Telephone: 020 7983 4681
Email: dan.maton@london.gov.uk

Monitoring the Mayor's housing commitments

Page 55

Contact: dan.maton@London.gov.uk

Key points

- There were 53,286 affordable home completions in the four years to March 2015; 1,714 more are needed to meet the Mayor's manifesto commitment to build 55,000 affordable homes between 2011 and 2015.
- Tower Hamlets has had the most starts on site (2,883) of all London boroughs and also the most completions (4,289) between 2011 and 2015.
- Across London, there were 17,914 affordable housing completions in 2014-15 and 9,106 in March 2015 alone.
- Thirty-one per cent of GLA funded affordable homes started on site between April 2011 and March 2015 were for affordable home ownership.
- 14,830 London households were in out-of-borough temporary accommodation in Oct-Dec 2014, an increase of 33 per cent compared to Oct-Dec 2013.
- Other indicators of social dislocation have also increased in the last year, such as the number of London households accepted as homeless by their local authority and the number of incidences where termination of an Assured Shorthold Tenancy was the reason for the loss of a home.

About this report

This report is predominantly based on the GLA's published affordable housing statistics showing performance from April 2011 to March 2015. The next report will be produced in November 2015 (with performance data up to September 2015).

1,714 more completions are still needed to meet the Mayor’s commitment to deliver 55,000 by 2015

Progress against mayoral objectives

In his 2012 manifesto, the Mayor pledged to:

- deliver around 55,000 affordable homes by 2015 (including those not funded by GLA schemes);
- improve 45,000 existing council-owned homes;
- deliver 1,800 supported homes; and
- help 25,000 Londoners into home-ownership through the delivery of 18,000 homes.

Below is an annual profile of these pledges, showing performance up to March 2015.

*1. Deliver around 55,000 affordable homes by 2015**

	2011-12	12-13	13-14	2014-15 (to Dec 15)	Total
Outturn	17,411	8,751	9,210	17,914	53,286
Annual Profile	17,411	8,751	9,210	19,628	55,000
% of total target	32%	48%	64%	97%	

*The Mayor now says the deadline for this target is December 2015, rather than March 2015.

2. Improve 45,000 existing council-owned homes

	2011-12	2012-13	2013-14	2014-15	Total
Outturn	6,868	13,598	17,374	18,774	56,614
Annual Profile	6,868	13,598	17,374	7,160	45,000
% of total target	15%	45%	84%	126%	

3. Deliver 1,800 supported homes

	2011-12	2012-13	2013-14	2014-15	Total
Outturn	1,061	504	478	1,501	3,544
Annual Profile	1,061	504	478	n/a	3,544*
% of total target	59%	87%	114%	197%	

*The Mayoral target was 1,800 which has now been exceeded

4. Help 25,000 Londoners into home-ownership through the delivery of 18,000 homes

	2011-12	12-13	13-14	2014-15 (to Dec 15)	Total
Outturn	5,710	3,360	3,390	5,278	17,738
Annual Profile	5,710	3,360	3,390	5,540	18,000
% of total target	32%	50%	69%	99%	

Summary

- 1,714 more completions are still needed to meet the Mayor’s commitment to deliver 55,000 by 2015. Of these, 1,014 are expected to come from GLA funded programmes, and 700 from other sources (for example, s106 funded homes)

Source: information provided by GLA Housing and Land Directorate, March 2015. The 2011-12 and 2012-13 affordable homes figures include GLA funded completions plus completions collated and reported by DCLG.

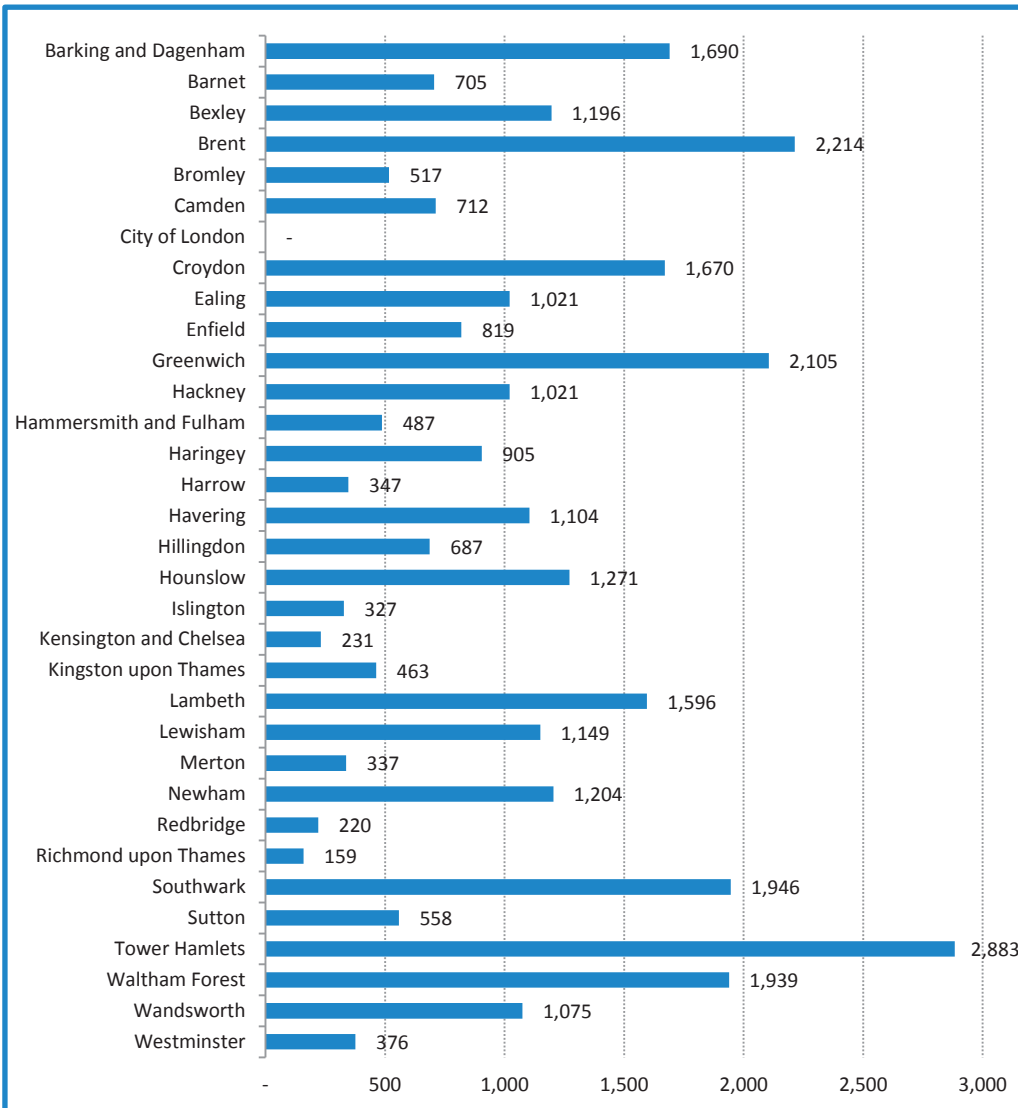
Starts: Eight boroughs have had over 1,500 starts since April 2011, but only one borough has reached over 2,500.

Affordable housing starts on site over the Mayoral term by borough (April 2011 to March 2015)

Starts

Over this Mayoral term Tower Hamlets (2,883), Brent (2,214) and Greenwich (2,105) have had the most GLA funded affordable housing starts of all London boroughs.

Excluding the City of London which has had no starts, Richmond upon Thames (159), Redbridge (220) and Kensington & Chelsea (231) and have had the least starts.



2,883

Affordable homes started in Tower Hamlets between April 2011 and March 2015, the highest of any borough.

Source: GLA affordable housing statistics

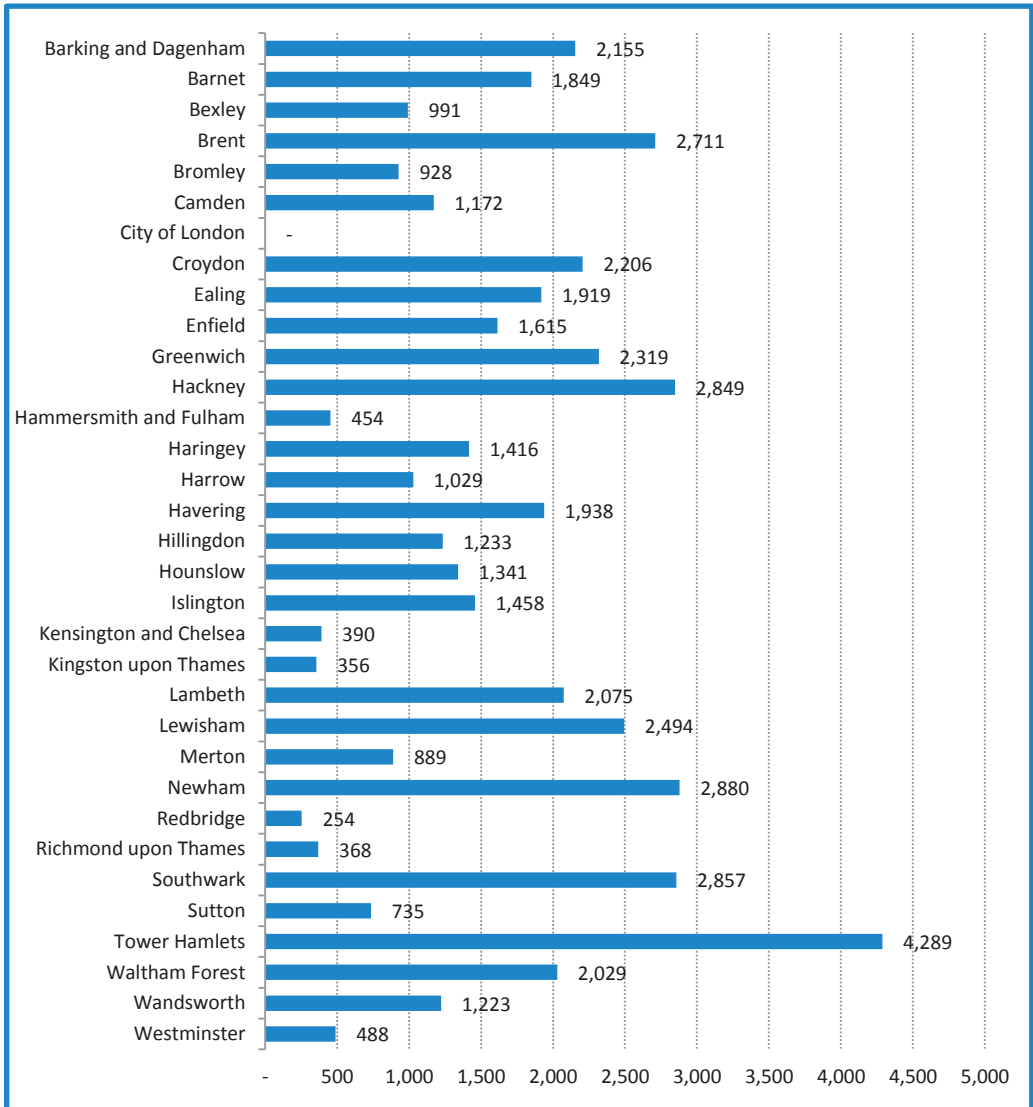
Completions: Five boroughs have completed over 2,500 affordable homes since April 2011

Affordable housing completions over the Mayoral term by borough (April 2011 to March 2015)

Completions

Over this Mayoral term, Tower Hamlets (4,289), Newham, (2,880) and Southwark (2,857) have had the most GLA funded affordable housing completions of all London boroughs.

Excluding the City of London which has had no completions, Redbridge (254), Kingston upon Thames (356) and Richmond upon Thames (368) have had the least completions.



Page 58

4,289

Affordable homes completed in **Tower Hamlets** between April 2011 and March 2015, the highest of any borough.

Source: GLA affordable housing statistics

Thirty-one per cent of affordable homes started between April 2011 and March 2015 were for affordable home ownership

Starts: affordable homes that started on site in 2014-15

The following table shows the number of GLA funded affordable homes started between April 2014 and March 2015 by housing programme and tenure.

Housing Programme	Affordable Rent	Social Rent	Inter-mediate: Rent	Inter-mediate: Ownership	Total starts
National Affordable Housing Programme	-	-	-	-	-
Affordable Homes Programme	765	142	-	353	1,260
Empty Homes	719	50	-	3	772
Homelessness change	19	-	-	-	19
Mayor's Housing Covenant	4,436	885	-	2,122	7,443
Land and Property	323	-	-	23	346
Total (April 2014 – March 2015)	6,262	1,144	-	2,501	9,907

Mayor's Housing Covenant (MHC)

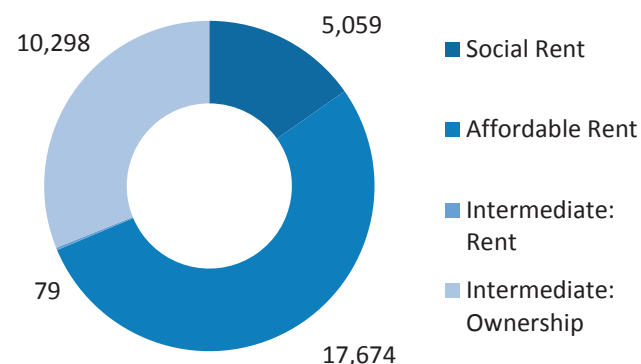
The MHC is now the largest housing programme. 75 per cent of starts on site in 2014-15 were funded by this programme.

9,907

Affordable housing starts on site between April 2014 and March 2015.

Sources: [GLA affordable housing statistics](#)

Affordable homes started during this Mayoral term by tenure (April 2011 to March 2015)



The diagram above shows GLA funded affordable homes started between April 2011 and March 2015. There have been 33,110 housing starts across all tenures. 53 per cent of all starts on site were Affordable Rent homes; 31 per cent were affordable home ownership; and 15 per cent were Social Rent.

53 per cent

The proportion of GLA funded affordable homes started between April 2011 and March 2015 that were Affordable Rent.

There were almost 18,000 affordable housing completions in 2014-15

Completions: affordable homes completed in 2014-15

The following table shows the number of GLA funded affordable homes built between April 2014 and March 2015 by housing programme and tenure. There were 17,914 completions in 2014-15 and 9,106 in March 2015 alone.

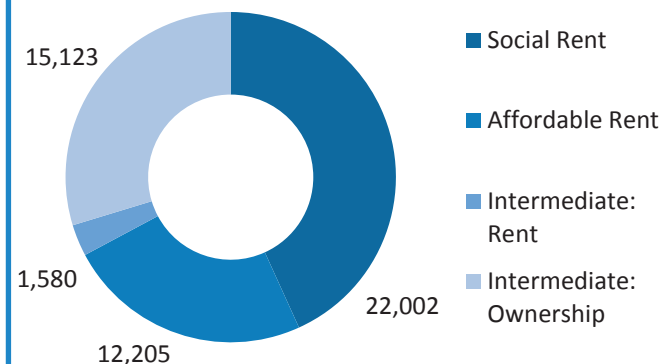
Housing Programme	Affordable Rent	Social Rent	Inter-mediate Rent	Affordable Home Ownership:	Total completions
National Affordable Housing Programme	0	1,016	6	375	1,397
Affordable Homes Programme	7,497	1,735	-	4,074	13,306
Empty Homes	719	50	-	3	772
Mortgage Rescue	-	-	-	13	13
Homelessness change	212	-	-	-	212
Traveller's Pitch	-	67	-	-	67
Mayor's Housing Covenant	1,155	163	-	786	2,104
Other	-	22	9	12	43
Total (2014-15)	9,583	3,053	15	5,263	17,914

The Affordable Homes Programme (AHP) 2011-15

At the start of the AHP, £628 million of grant funding was allocated to 60 partners for the four years ending March 2015 to deliver 23,800 affordable homes. Some of this funding has since been diverted to other housing programmes, including the Mayor's Housing Covenant, and to Continuous Market Engagement. As a result, between April 2011 and March 2015, the AHP funded 18,147 affordable homes. Sixty-eight per cent of these homes were for rent; 32 per cent were for home ownership.

Source: [GLA affordable housing statistics](#); Homes for London Board Meeting, 12 Feb 2013

Affordable homes completed during this Mayoral term by tenure (April 2011 to March 2015)



The diagram above shows GLA funded affordable homes built between April 2011 and March 2015. There have been 50,910 completions across all tenures. Forty-three per cent of homes completed were Social Rent; 33 per cent were intermediate housing (rent and affordable home ownership); and 24 per cent were Affordable Rent.

43 per cent

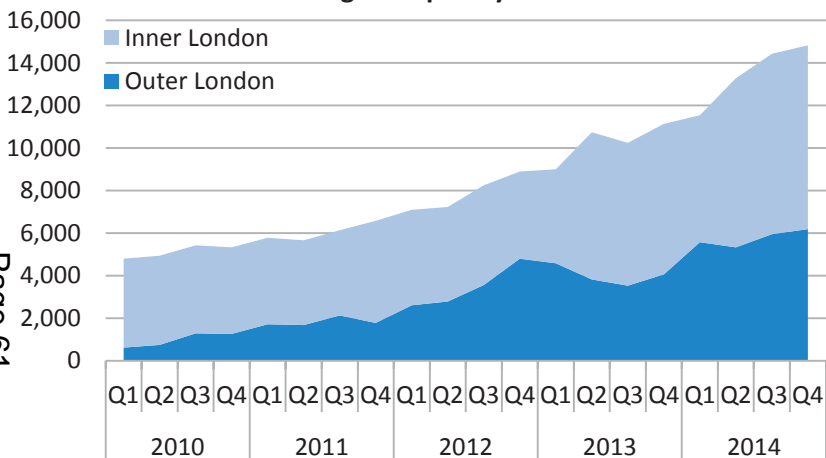
The proportion of GLA funded affordable homes completions between April 2011 and March 2015 that were Social Rent.

The number of households in out-of-borough temporary accommodation reached 47,020 in Oct-Dec 2014

Assessing the consequences of welfare reform

In April 2014, the Committee published a report looking at the consequences of welfare reform in London. The report identified datasets that can help to track these changes.

Households in out of borough temporary accommodation



Key points

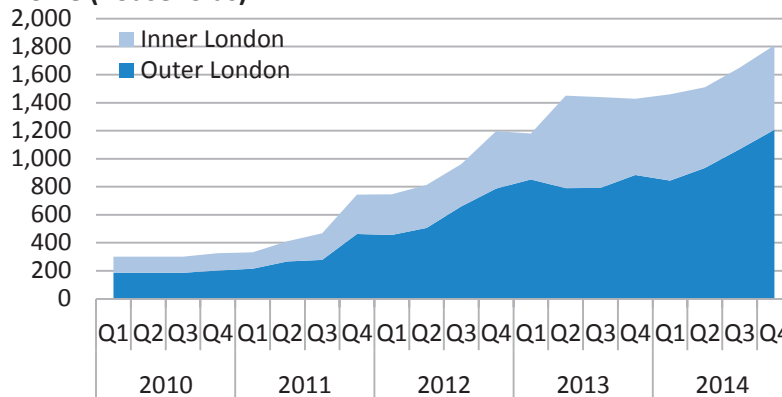
- 47,020 London households were in temporary accommodation during Oct-Dec 2014, an increase of 4,587 (11 per cent) compared to Oct-Dec 2013.
- Of these, 14,830 households were placed outside of their borough, up from 11,134 since Oct-Dec 2013 (see chart above).

209 per cent

The increase in households in out-of-borough temporary accommodation in Oct-Dec 2014 compared to Jan-Mar 2010.

Source: GLA Homelessness Dashboard (based on DCLG data). Some boroughs have not reported figures to DCLG in certain quarters causing spikes in the data.

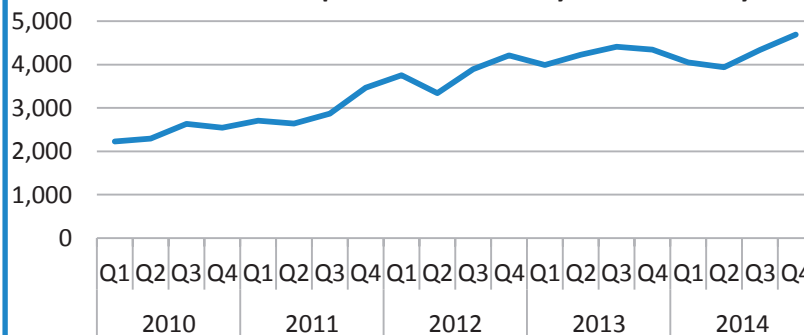
Termination of Assured Shorthold Tenancy reason for loss of home (households)



Key points

- The Committee identified that termination of AST was one way that landlords were leaving the housing benefit market.
- In Oct-Dec 2014, 1,810 households reported termination of AST as the reason for loss of their last settled home, mainly in Outer London.

London households accepted as homeless by local authority



Key points

- 4,690 households were accepted as homeless by their local authority in Oct-Dec 2014.

Mayor says First Steps Challenge Fund will deliver 4,000 shared ownership homes by 2020

Housing updates

Mayor's Housing Covenant 2015 – 2018

Revolving Fund

In January, the Mayor released the second round of funding for programmes designed to maximise the delivery of affordable housing under his Housing Covenant. This round focused on the use of a Revolving Fund to maximise the number of completions before March 2018. Two organisations will receive funding of up to £50 million (subject to final contract negotiations):

- 1) **Gentoo Genie** are proposing to provide Home Purchaser Plans, a low cost home ownership product that requires no mortgage or deposit. Housing will be delivered through a revolving loan from the GLA, which must be repaid in full within 10 years.
- 2) **Big Issue Invest** aims to provide access to development finance for social sector organisations to deliver new supply of affordable homes that create jobs and skills for the most disadvantaged. It too will be funded through an interest free revolving fund, due to be paid back by 2027.

Overall, these programmes are intended to deliver a total of 590 homes in 2015-2018 and a further 1,810 homes by March 2027.

First Steps Challenge Fund

The Mayor also announced the creation of a First Steps Challenge Fund, which would provide £180 million to deliver an additional 4,000 shared ownership homes in London by March 2020. The fund was launched as part of further investment opportunities related to the London Housing Bank.

The £180 million figure comprises £70 million reallocated from 2011-2015 delivery programme and £110 million from the Mayor's Housing Covenant. It is intended that at least 2,400 homes will be delivered by 2018.

Sources: [MD1425](#); [MD1445](#)

The London Housing Bank

Over £53 million has so far been allocated in the initial round of funding for the London Housing Bank. The Mayor established the Housing Bank last year to operate £200 million of Rent to Buy loan funding. It was estimated that this would deliver up to 3,000 additional homes by March 2018. The GLA received three offers for four sites totalling £53.1 million of bids for loan funding during the bidding process. This equates to 643 additional homes, with 106 due to be completed by March 2018. The Housing Investment Group noted that provider appetite was lower than expected and would need to increase to deliver the number of homes outlined.

Source: *Housing Investment Group* ([13 January 2015](#))

Additional funding news

In addition to the programmes outlined above, the GLA also announced funding for several other projects:

- The second round of Care and Support Specialised Housing Funding will see £35 million administered by the GLA on behalf of the Department of Justice over the next three years. The Fund will focus on delivery of private housing solutions for older persons and disabled adults. There is also an option for providers to fund affordable housing for the same client groups on mixed tenure developments.
- The Mayor has approved funding of approximately £145 million to stock-owning local authorities across London under the Decent Homes Programme. This will help fund work to bring 9,986 homes up to the Decent Homes standard during 2015-16.
- The GLA has extended funding for six projects which provide pan-London rough sleeping services for one year. Costing £8.7 million, it will ensure continuity of service while the GLA develops a new commissioning framework this year.

Subject: Housing Committee Work Programme

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 16 July 2015

This report will be considered in public

1. Summary

1.1 The Committee receives a report monitoring the progress of its work programme at each meeting.

2. Recommendations

2.1 **That the Committee notes its work programme.**

2.2 **That the Committee agrees the terms of reference for its investigation into the effect of rent stabilisation measures on London's housing market.**

2.3 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree any outputs arising from the Committee's meeting concerning purpose-built student accommodation in London.**

3. Background

3.1 In order for relevant preparatory work to be undertaken, Members need to agree the subject of the next projects they wish to investigate during the first few months of the new Assembly year.

3.2 Members will receive a report at each Committee meeting on the progress of the projects agreed as the basis for the work programme. Additional projects will be included in the work programme from time to time reflecting the need for the Committee to respond to tasks such as consultations or other events as necessary.

3.3 *Criteria for topic selection*

The criteria for selecting topics are some, or all, of the following:

(a) Addresses a strategic challenge relating to housing in London, with a particular emphasis on:

- developing and maintaining sustainable communities
- reducing inequalities and offering opportunities to all Londoners;

(b) Relates to the responsibilities and priorities of the Mayor and GLA Group;

- (c) Provides an opportunity for the Committee to influence policy; and
- (d) Provides an opportunity for the Committee to add value by bringing significant new evidence or new perspectives to the debate.

4. Issues for Consideration

- 4.1 A report for the Committee's investigation into **the impact in London of the proposed extension of Right to Buy to housing association tenants** is attached at Item 5. The Committee is recommended to delegate authority to the Chair, in consultation with party Group Lead Members, to agree any outputs arising from this discussion.
- 4.2 Following discussion with party Group Lead Members, the next topic proposed for review is **the effect of rent stabilisation measures on London's housing market**. This investigation will consider the different forms which rent stabilisation takes in different countries and the likely impacts on the London market that some appropriate mechanisms might have. This would include whether any reduction in private rented sector supply would result and how this might play out in terms of impacts in the wider housing market (who would exit the private-rented market and what would happen to the properties they vacate, what effect these changes would have on sale and rental prices).
- 4.3 The Committee will use its September and October 2015 meetings for the investigation into rent stabilisation. To support the review the Committee agreed, at its meeting on 23 June 2015, to commission a small piece of independent research to model the effects on the London housing market of a range of relevant scenarios. At its 9 July 2015 meeting, the GLA Oversight Committee will consider the Housing Committee's request to authorise expenditure of up to £10,000 to commission this research.
- 4.4 The proposed terms of reference for the investigation are set out below:
- Assess the current structure of London's private rented sector and how it is changing;
 - Establish the range of rent stabilisation measures which are applied in major cities;
 - Determine the likely impact of such measures, were they applied now in London, on:
 - private rental prices;
 - private rented sector supply (now and in the future);
 - the wider London housing market; and
 - the quality of London's housing stock.
- 4.5 A range of expert guests will be invited to the Committee meetings to discuss these issues. These are likely to include private sector landlords, tenants groups, housing academics and developers.

5. Legal Implications

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

6. Financial Implications

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

List of appendices to this report:

None

Local Government (Access to Information) Act 1985
--

List of Background Papers: None

Contact Officer:	Lorraine Ford, Scrutiny Manager
Telephone:	020 7983 4394
Email:	scrutiny@london.gov.uk

This page is intentionally left blank