

## Housing Committee – 11 November 2014

### Transcript of Item 5: London Housing Strategy

**Darren Johnson AM (Chair):** Item 5 takes us on to the London Housing Strategy, and we have Jamie Ratcliff with us from the Housing & Land Directorate here at the Greater London Authority (GLA). We are expecting John East from the London Borough of Newham to join us, but we are kicking off with a presentation first. That will cover firstly Housing Zones and then the London Rental Standard, so we will have the presentation on the Housing Zones first and come in with questions then and then we will move on to the London Rental Standard.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I will not spend a huge amount of time on the background to Housing Zones but I thought it is worth just setting the scene in terms of where we came from.

I think this is a really interesting map that we have been looking at<sup>1</sup>, looking at housing starts from the Department of Communities and Local Government (DCLG) stats by borough over the last three years. Three years should spread out some seasonality of one year being particularly high. The redder, hotter ones are ones where there are more housing starts happened. One of the notable things here is Tower Hamlets with more than double the housing starts of any other borough, which is really significant, and that role is recognised in the Strategic Housing Land Availability Assessment (SHLAA) going forward that they are a major contributor of housing delivery overall. It is also very patchy; there are a number of really light boroughs who are delivering under 600 starts in a three-year period. There is also, although it is not exactly uniform, a certain concentration of development in higher value parts of London. We recognise that in order to deliver the really challenging numbers, which are in the London Housing Strategy and the Further Alterations to the London Plan, we needed to do something to increase development all across London. Particularly looking at some of the locations where development has been really challenging and where there are sites that have stalled in some of those medium to lower value parts of London, which have not happened at somewhere approaching the peak of a very buoyant property market it is hard to see how they are going to be delivered at all in the medium term, without some kind of fairly significant public intervention.

There are a number of housing programmes which have been introduced by a number of governments over the past to address one specific issue and applied a cookie-cutter approach of “everything must work in the same way in each area”, and we did not want to do that. We recognise that the overall issue here is trying to increase housing supply in some difficult sites and we identified that zones needed to be over 1,000 homes but we did not think the same thing was going to work in every area, so we called it “a programme without walls” and two key things had to happen. One, that the interventions being proposed had to either unlock housing supply or accelerate it and the funding that we had available, £400 million, was only available for capital intervention, so it could not support revenue or staffing costs.

Then, although we had applied a very flexible approach initially, we said we would be very demanding and rigorous in the assessment of checking what the outputs being delivered were and making sure that they are successfully contributing to housing supply. I think the other thing that made it a bit different was that we said the boroughs had to bid for this. A lot of the previous programmes which have come through, particularly the ones where the funding had to be recovered, have been based only on private sector partners being able to bid and developers taking forward sites which, I guess, one, meant it was opportunistic in terms of it depended

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<sup>1</sup> See slide 2, Appendix 1

on what sites developers had in their control at that time and also did not look perhaps further forward to other potential sites that might be more difficult and also did not necessarily involve the borough at an early stage. Whereas, we thought by putting the borough in the driving seat that would commit them to this delivery and make them want to make this happen. We said that as part of that a borough needed to offer a something-for-something deal. We did not say exactly what that was because different boroughs would be able to offer different things. Some might offer their own land, some might offer resources and some might offer a streamline planning process, some people might offer dedicated officer support to manage a Housing Zone but we were clear they had to have some skin in the game and some commitment to help it be delivered.

As well as the funding that we had available, half of which came from a reallocation of our Affordable Housing budget and half of which was new funding, which was made available by Treasury on a recoverable basis, which was half of all the funding available in the country. The rest of the country got £200 million as well.

We said we would look at proposals which involved tailoring and changing planning or housing policies to make the Housing Zones work more successfully, and we also talked about - I think we still didn't quite get the name right - a New Model Package; new ways of doing things, just very open. If there are other barriers in terms of Government process or policy that could be changed we are open to looking at them. We actually got some quite good text in the prospectus from Treasury, who said they were interested in being flexible and looking at bespoke approaches and the changes to Government policy or practice, which could unlock or accelerate housing supply. So that is the context.

We said that overall we wanted to achieve 50,000 homes delivered in 20 Housing Zones across the ten years from 2015 to 2025. We said that people could bid as soon as they wanted to bid, to make this as flexible as possible, and we named five frontrunners in the Housing Zones prospectus, so people who had been talking to us, because we had flagged this as a concept when the London Housing Strategy was published in November 2013. We said everybody had to bid by 30 September 2014. If we were not oversubscribed then we could have looked to keep it open for a longer period, but actually we got 25 bids, which is a really good response and in terms of the funding we are really significantly oversubscribed in relation to the £400 million that we have available.

A number of boroughs - and I am aware Haringey and Enfield were among them - press released that they have submitted bids, but we have made a decision that we are not naming the boroughs who have submitted bids yet, partly because we want to do some detailed work with them before we announce them and partly to give them some safe space to talk about the proposals with us and partly just because in relation to other programmes we have not routinely announced who has bid before we have assessed them. We will announce it as we get through the process.

Because we are trying to make this flexible, all 25 do not move through the process at one speed. We will be taking them as fast as we possibly can and as they work through the formal GLA decision-making process it will become public which ones we are looking to shortlist and then designation as a Housing Zone will involve a Mayoral Decision.

The funding is significantly oversubscribed, which means that we have got some interesting decisions to make in relation to that funding. Also, unsurprisingly, the £200 million from the Treasury, which has to be recoverable and has to go to private sector organisations, has not been as popular as our £200 million, some of which could be grant. I think that is natural that people would rather have money to keep rather than have to pay back to us. So there is a process we are going through looking at what you could refocus in terms of recovering the investment and to make sure we can exploit the full £400 million as best possible.

We have also been doing a lot of work looking at our processes and the internal skills and capability, working closely between Housing & Land and also the Finance teams here at the GLA to make sure that we have got a really good assessment process and we will be able to manage these pretty complex programmes going through. I am certainly very pleased with the progress we have made on that. We have also had extensive discussions with colleagues in DCLG and the Homes and Communities Agency (HCA), who are managing similar programmes, learning from them how this works.

I cannot talk about any individual bids, although I am happy to talk about the five front runners, in terms of what we said in the prospectus, but probably you have read that and there might not be a lot to add. I can talk about some of the themes which are emerging from the bids that we have had in, without saying which ones go where. There are a number of bids which have really clearly thought about the market absorption issue of delivering a large number of homes to the market quickly. The traditional house builder model will deliver homes at the rate they can be sold, which would be a limit on delivery and Housing Zones where there are large numbers of homes going forward. Lots of people have thought about that really clearly and got some really good strategies in place of using purpose-built private rent and also larger proportions of shared ownership to deliver homes to the market more quickly. Some are also thinking about involving a range of different delivery partners and a range of different products, in terms of smaller flats for one market and larger family homes for another, and mixing that up. That is quite interesting.

There are quite a lot of asks around infrastructure. Lots of bridges over water, railways, other roads and a number of works that are linking into transport upgrades, most of which are already planned but might need a bit of top-up funding to make sure that they happen in the best way possible.

All of the proposals we have had in are on brownfield land, so unsurprisingly there are some issues of contamination and land remediation which needs to happen on some of those. In the frontrunners there are a number of sites which have got existing gas holders on them, which seem to be an early theme of Housing Zones with those needing to be decommissioned and taken out of play.

I think it is really encouraging, not just that we have got 25 proposals come through overall, but how seriously the boroughs who put forward those proposals are taking it, how much they want to take a lead and drive housing delivery in these priority areas, which I find really good, and hopefully will stand us in good stead once we move through the assessment process into actually delivering the homes.

Unsurprisingly, there are a number of things which have been put in for the bids, which are priorities for the boroughs but do not necessarily clearly deliver housing outputs and so we are going to have to go through those quite carefully and we will not be able to fund things which might be nice for the area or deliver other benefits but we cannot link that to housing supply. I think we have been quite clear on that, but hopefully though some of our funding for other things it might help unlock other parts of development or community needs which are necessary.

There are probably two flip sides to the process that we put in place. Some of these are quite early sites in terms of delivery, who have not got a delivery partner identified and, therefore, some of the detailed work of how much funding is actually needed is quite difficult to do until you have got somebody in place; how they are going to appraise it and how they are going to deliver it. So that is one of the complexities we are working through. Also the other one, in terms of it not being a cookie-cutter approach we have said, "You can bid for whatever you want". That does just make the assessment task that much harder, which I think we have absolutely accepted, but clearly if we were just applying a process in the past where you could get a spreadsheet which would tick off if the criteria had been met, we could be moving through this quicker. The fact that we have made it more flexible makes it more complex, but I think that is good and will deliver better outputs as a result.

That is all I was going to say on Housing Zones, so happy to take any questions.

**Nicky Gavron AM:** Thanks very much, Jamie, for that; it is very enlightening. I just want to probe a bit. First of all, they are all different sizes presumably, these Housing Zones?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, we said that each Housing Zone had to deliver a minimum of 1,000 homes. There are definitely some that are over 5,000, there are none that are under 1,000.

**Nicky Gavron AM:** In terms of the amount of land they are covering they go from what, how many acres, do you know?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I have seen somewhere the number of hectares which are covered but it is not a number I have got in my head, sorry.

**Nicky Gavron AM:** How will Housing Zones engage with communities and bring benefits to them? First of all let's take the engagement. You talked about the way that the planning policies were going to change a bit. Can you talk about that?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. I suppose there are a couple of different things, one of which is that they are all at different stages in the development process as well, so some have established planning permissions in place for the majority of sites within an area, so they will already have largely gone through the community engagement, through the planning process, others are at a much earlier stage. Boroughs will be taking that upon themselves to make sure that they meaningfully engage with the communities and the wide range of things that we are being asked for show that people are thinking seriously about making good places for housing to be delivered and not just focusing on housing numbers.

**Nicky Gavron AM:** In your presentation you talked about bridges over roads and water and you talked about housing, and you talked about unlocking community need, but you did not actually flesh out how these Housing Zones are going to create a place and what are the other things that are going to be there.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It will be very different in different places. It has to clearly link to the development, so if there is something which is required as part of Section 106 and there is a way of us putting some funding in to bring that forward quicker, which can then deliver homes more quickly than we could legitimately fund that, and whether that is a bridge or a school or a community centre or open space, I think all those things will be on the table, if it is something which is ancillary to the development and these homes can be delivered and there is an aspiration to deliver this later, then that is in the second category. You cannot link that to the housing delivery. Does that make sense?

**Nicky Gavron AM:** Yes. Section 106 I thought was for affordable housing and Community Infrastructure Levy (CIL) now is for the local area or for a proportion of it.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Sorry, not just Section 106 but part of the planning permission. If the planning permission is, "You need a school in this area" and that is one of the planning conditions, or, "You need a bridge" or, "You need open space" then they are things which are clearly linked to the development of the homes. Whereas if it is an aspiration for something separate then that might not be able to be linked back to the homes.

**Nicky Gavron AM:** That might not be able to be?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** To be linked back to the housing delivery. If the housing could be delivered anywhere, and this is something which there is an aspiration to be delivered but does not enable the homes to happen than I do not think we will be able to fund that through Housing Zones because it is not --

**Nicky Gavron AM:** You could get 'stranded housing' kind of thing, with not the community infrastructure you need, apart maybe from a school.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** No, I do not think so. I think that boroughs have thought very carefully about the proposals which are coming forward. Where there are large-scale sites they will be mixed use developments with a range of hard and soft infrastructures to support them. We have not applied a straightforward, "We will only fund bricks and mortar in homes". We are being flexible in terms of the approach but we are saying, "We can't fund the nice to have add-ons that are not linked back to housing delivery". Rightly, Housing Zones are focused on supporting increased housing delivery.

**Nicky Gavron AM:** I am very concerned about what you call 'add-ons'.

I want to also say that I understand that this is going to have lighter-touch planning, lighter-touch consultation, some of the Housing Zones. Some you have said are already in the planning process but there are new ones. It is about light-tough planning. I do not really understand what light-touch planning is and I think what goes with light-touch planning often is light-touch consultation. I just wondered if you can explain the process of it, for those that are not already in the planning system?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** There is not set process so it is up to boroughs to propose what they think they should be in term of changes to planning or housing policies. We are not mandating anything that people have to do, other than saying, "If you bid to us we have only got capital funding available and will only fund things which will unlock or accelerate housing". Other than that, it is up to boroughs how they want to formulate their proposals.

When it was press-released one of the things that was announced is boroughs might want to consider Local Development Orders, which are basically a way of giving free planning permission to a site. That is not required, it is not something we are saying has to happen as part of Housing Zones. Something people might want to consider. I am not sure that many of them are considering that. Largely these will be going through the traditional planning route. There might be tweaks or tailoring of policy, which are needed in certain areas, but they will be --

**Nicky Gavron AM:** Give me examples of how you tweak or tailor policy. What might be a tweak or tailor to policy?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It is hard without going into the specific examples, but if I take one of the frontrunners, which is the Tottenham Hale Housing Zone and Haringey Council are quite keen to see a much larger proportion of intermediate housing in that part of Haringey, and so adjusting the balance of rented housing to intermediate. That is one of the tweaks.

**Nicky Gavron AM:** Intermediate being part rent, part buy?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Part rent, part buy, First Steps [Scheme]. Which is an interesting way of getting more owner/occupiers into that area and helping Londoners on ordinary incomes into home ownership.

**Nicky Gavron AM:** When will we actually know what the breakdown in tenure is going to be in various areas?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** As we announce them we will announce what the contracted outputs are in terms of delivery and probably we are anticipating that we will be announcing the first ones at some point in the next calendar year.

**Nicky Gavron AM:** Right, so it is going to come one after the other?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** They are going to drip out, yes. We are not going to announce them all in one big bang, because I think that would involve waiting for the slowest one to go through the process.

**Nicky Gavron AM:** So there is no framework being set overall to say, “We want to get out of this X amount of family housing”? The Mayor is woefully short on his affordable family housing target.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I am not sure I agree with that but we will come to that later. Effectively it is a bottom up process, so it is what boroughs are proposing to us. We have set we want to get 50,000 homes out of it and we have set the resource that we have but we are not saying, “You have to deliver X, Y or Z” it will be what comes out of the process.

**Nicky Gavron AM:** Just to drill down a bit, you talked about at the moment most want to take up grant rather than the loan route, but in fact you are working hard, aren't you, to deliver recoverable loans for the private sector? Have I got that right?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, so the £200 million that the Treasury made available we have to give out on a recoverable basis and to private sector organisations.

**Nicky Gavron AM:** What are you doing to mitigate the risks associated with that process?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The risks in terms of recovery or the risk in terms of finding people to take it?

**Nicky Gavron AM:** Both.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In terms of people to take it, it is looking through very carefully proposals which could pay back the funding and looking at the deal in detail. If it is something which is required for the development, but the viability appraisal shows at the moment the development cannot support that, then we could put in some funding to it but have a review mechanism so if viability improves either our funding does not go in or less goes in, or we get some kind of return over and above our funding. It is also looking at all the deals where things have been proposed to be delivered as funding to the borough. Quite a lot of it is funding that boroughs have asked for and they have said they can repay, but the Treasury £200 million we cannot give to boroughs, so it is looking with them at whether we can we actually route that funding through a private sector partner. In most cases the homes are going to be delivered by house builders, contractors, Housing Associations who are all classified as the private sector; is there a way of just rerouting that through them? So that is the process we are going through of challenge with people at the moment.

In terms of the risk of recovery, that is the detailed work that we have done in Housing & Land and working closely with our Finance teams, putting in place a clear process of looking at who we are lending to, understanding their financial standing and the credit risk involved in that, looking at the security that we will get and the protections that we will get in terms of the contract, of being able to make sure that we can recover our money, and then monitoring it on an ongoing basis.

**Nicky Gavron AM:** One last question. Viability: at the moment it seems that viability, under the new National Planning Policy Framework, is running at about 20% returns to the developer. Does that mean that the viability percentage will change?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It will probably depend on a case-by-case basis. One of the things we have seen, and I will come to it on the London Rental Standard, is developers who are bringing forward long-term private rent are prepared to reduce their margins because they have got less development risk, and so I think we will be seeing probably single figure profit margins, when people are just taking a contracting risk, because they have got somebody coming in to buy all those homes. So it will vary from site to site.

**Nicky Gavron AM:** So we could see lower than 20%?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. If it was private rented sector, I would say we can expect to see a lower profit than 20%, yes.

**Nicky Gavron AM:** Did you say, 8%, 9%?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I said single figures.

**Nicky Gavron AM:** Single figures, OK. Then Compulsory Purchase Order (CPO) powers, how will the boroughs and the GLA use, do you think, their CPO powers in this process? Will they be used?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, there are a couple that are proposing the use of CPO powers. I do not think there is anybody who is asking the GLA to use our CPO powers -- as far as I am aware, in the ones that have gone through. I guess if the boroughs are keen to work on these then they would be proposing their powers first. That is one of the softer things that we can offer in terms of advice from the expertise we have got in terms of carrying out CPOs, and to assist boroughs through that process. Yes, I expect there will be some CPOs, but boroughs will look to acquire land by agreement first.

**Murad Qureshi AM:** Could I ask, Jamie, could you go back to your second slide<sup>2</sup>? It seems to me, tell me if I am wrong, you are dependent on some critical local authorities to deliver the Mayor's 55,000 homes, yes?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** This is overall?

**Murad Qureshi AM:** Yes, overall. It is the reddest one there, Tower Hamlets, and if I look at the figures I notice that it is not just a one-off. They have got, for example, the highest number of starts this year, 2,094 and the completions this year they have had over 3,000 completions. Are there certain critical local authorities that you are dependent on to deliver the Mayor's commitments?

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<sup>2</sup> See Appendix 1

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In terms of the 55,000 affordable homes, that they are all on site and they are within the control of the development partners who are building them out, so for this year, I do not think so. Looking to the longer term, in terms of hitting at least 42,000 homes that the London Housing Strategy and Further Alterations to the London Plan say we need to be delivering each year, then at the moment clearly there are some very red ones there and Tower Hamlets double anyone else shows there is a reliance in terms of the numbers, but we do need everybody else to step up.

**Murad Qureshi AM:** That contrasts very sharply to my end of town in my home borough, the City of Westminster, which does not seem to be contributing at all.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It is certainly very low on that map.

**Murad Qureshi AM:** Checking the figures here it is down to about 200-odd.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think the numbers you have include just affordable housing, whereas this is housing starts.

**Murad Qureshi AM:** OK, well even with housing starts I suspect it is in the same league. I think there are some lessons in there. What would you attribute that to - the borough, the land market or the GLA?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think it is probably a range of things. Some of it is the available land, some of it is the housing market - what has made it attractive to bring forward sites at certain levels. I am sure some of it is down to the way that the planning authority engages with perspective developers to bring sites forward and I am sure some of it is to do with the overall support that the GLA does put in.

**Murad Qureshi AM:** Coming to the Housing Zones, CPOs were mentioned. My first family home in Paddington was compulsorily purchased by Westminster Council, so I am quite interested in this. The reality is with CPOs is that local authorities and probably the GLA can only intervene in certain types of CPOs. Is that not the truth?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I am not an expert on CPOs but I did recently buy a book, which I will try to read soon. Yes, there is a basic framework and you have to show that there is a developable site that is ready to go and that the person who owns it is not going to bring it forward for development otherwise.

**Murad Qureshi AM:** What I meant is by the size of development. You can CPO the odd property but it is very difficult to CPO a whole site though, isn't it? Because you are talking about tens of millions of pounds, rather than, say, hundreds of millions.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. I think the CPOs that are planned - I will not say there are not any but I do not think there are any residential CPOs - it is businesses who are likely to have larger sheds which then do contribute quite a lot of land which you can develop quite a number of homes on and will be relatively significant sums of money in terms of acquiring them.

**Murad Qureshi AM:** Which local authorities, in your experience, has been best at CPOing things when it has been needed?



**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I do not know.

**Murad Qureshi AM:** It is quite interesting. I think if you check with London Councils I suspect it is Westminster actually. That, I think, needs to be borne in mind, because actually they are pretty complex and the larger the development the more difficult it is for local authorities and the GLA to actually use that instrument when, as you have highlighted, you do need to get the land banking sorted to make those developments happen.

Just on the other front, you said you were not going to mention specifics, but there was one that did catch my eye when there was an internal presentation, the one in Enfield - Meridian Water.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, that is one of the frontrunners.

**Murad Qureshi AM:** That strikes me as it is a huge change of use. It is going from light industry to housing.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. There are a number of different sites around there.

**Murad Qureshi AM:** It is mainly light industrial use at the moment, is it not?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, there is very little residential there at the moment.

**Murad Qureshi AM:** Yes.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Probably within a mile and a half radius there is not any residential.

**Murad Qureshi AM:** How does that tie up with the planning position? We have heard in recent [London Assembly] Plenary sessions that the GLA do not want to see changes of uses like this from light industrial to housing.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It is something which Enfield are progressing very closely in co-ordination with planning colleagues here. There is an Area Action Plan document which I think has had initial consultations and is due out for the next consultation either later this calendar year or early next which proposes the uses that will be on that site. I think some of it is National Grid land which has been decommissioned and so that will be part of the early site. I am not sure what that planning designation would be but I guess it is employment use, but very low level.

**Murad Qureshi AM:** Are we trading jobs for homes on these sites? That seems to be the main concern when we do change the uses of office blocks, for example, in central London.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Change of use class is a separate thing, and the Mayor said some stuff around that. The thing I would say is twofold. One, that there has to be a proper planning process followed, and the London Plan does not say there will never be employment-use land which is then used for housing. It is a process looking at what the most appropriate use is in the location. One of the tests I would suggest would be areas that are very well-connected by rail are more suitable for residential, as lots of people in London get around by rail transport. Whereas some of the industrial uses in these areas that mainly have vehicle traffic going in and out are not using the rail so that

might be a wasted resource there. Some of them are not that well-connected to the road network. Looking at places that are very well-connected to the road network are suitable for those kinds of light industrial uses. Places on the rail network I would say are more suitable for residential. There are a number of things to be balanced up, and they will be considered through the planning process. There is nothing that we are going to do that is going to override that overall planning framework.

**Murad Qureshi AM:** I appreciate what you are saying. I was not aware of the transport connections. How long does something need to be empty for it to have a change of use of this scale? I think that is not something broached by planners at all.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I do not think there is a hard and fast rule. It is about looking at what is the most appropriate use for the site. Whether it has been vacant or not will be one of the factors that are considered.

**Murad Qureshi AM:** This particular site; five years, ten years?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think there are a number of different elements to it. The earlier planned phases seem to be the National Grid land. I am not sure when the gas containers were decommissioned but there obviously was not a huge amount of employment there. There are bits around Ikea which they are not even using as car parking, so they have been razed for some time. Then there are other industrial sheds which I think were gas warehousing and are now being used at a low-scale for logistics. There are a range of bits that need to be thought through on Meridian Water. It is certainly not a straightforward site.

**Andrew Boff AM:** What is the Mayor doing to encourage developments that would be attractive to developers, other than the 25 on the London Development Panel (LDP)?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think probably the first thing to recognise is that the developers on the LDP are not the only people who are going to work on the sites which are disposed of through that LDP. In a number of cases they are linking up with other developers. The Floating Village [at the Royal Victoria Dock] site is quite interesting. The main contractor there is Carillion Igloo Genesis, and they brought in a small Dutch company with specialism in developing on a floating environment. That is something which we very much encourage in terms of partnering up with other organisations.

**Andrew Boff AM:** You encourage it, or you just recognise it has been done?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Encourage it.

**Andrew Boff AM:** How do you encourage that?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We say that it is a priority, and that we are keen for people to look at that as it comes forward.

**Andrew Boff AM:** You will make assessments on schemes on the basis of whether or not those schemes have used smaller developers?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I do not think we have used that as a criteria in the past. I am not sure whether --

**Andrew Boff AM:** There is not much point in encouraging it if you are not going to use it as a criterion.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** ‘Encourage’ was a relatively soft thing, I guess.

**Andrew Boff AM:** Yes.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The other big thing we have done is in relation to the affordable housing funding that we have. We have very much encouraged a much wider range of organisations to engage with us and receive that. We are engaging with a number of smaller Housing Associations who are delivering programmes where they have not been able to access grant funding in the past. I think that is really positive.

We have also supported small companies, like Pocket Living, and given them an innovative deal in relation to a revolving fund with them and an interest free loan to support them to grow their capacity.

Going forward, we are looking at what we can do in terms of new ways of funding that might be able to support very small developers and community groups through some of the revolving fund proposals in the Mayor’s Housing Covenant 2015-18, which is effectively the affordable housing programme beyond 2015. We had vanilla affordable housing products, and then we said come to us with different proposals. One of them is quite an interesting one, which would be engaging with smaller providers.

**Andrew Boff AM:** What efforts are you making to identify land for those small developments?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think that is quite tricky for us to do in that 87% of the developable land that the GLA inherited is now in the development process or contracted so there is only a small amount left. What is left is mainly large, quite tricky, sites. We also have committed that we will be putting our housing land through the LDP - which makes the procurement process quicker but panels, by their very nature, do not particularly support smaller house builders because there is quite a lot of work to get onto a panel and there is no guarantee of success once you are on there. It is something which sets a higher burden for smaller organisations, but we are clear that it delivers procurement efficiencies to us.

**Andrew Boff AM:** One of the commitments on the Olympic sites was that we would be committed to finding opportunities there for small developers to contribute niche, and perhaps pilot, projects. What is the difficulty with taking that idea and putting it around to the rest of these sites that we have available to us?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I am aware of the commitment on the Olympic site around a Community Land Trust. I am not aware of commitments to smaller builders.

**Andrew Boff AM:** It was a statement by the Mayor and Richard Blakeway (Deputy Mayor for Housing and Land) around that, more than anything that is in the London Housing Strategy. You are saying there is no particular commitment to identify pieces of land for smaller developers, is that correct?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Within our ownership I just do not think there are those sites that are available. Probably the other thing that is worth mentioning is - although we are not running it directly as it is something we have delegated to the HCA - there is £500 million available through the Builders Finance Fund which was specifically targeted at providing development finance for small and medium-sized builders.

**Andrew Boff AM:** Is there anything that you are doing to encourage land to be brought forward for developments that might be attractive to smaller builders?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In terms of encouraging other people to bring forward land?

**Andrew Boff AM:** Yes.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** There are two things that we have looked at recently to try to understand. Largely it is going to be smaller sites, infill sites, which might come forward and might be appealing to smaller contractors. The SHLAA has a reasonable proportion of small sites that are going to come forward over the ten-year period, I think it is 106,000 homes are expected to come forward on those small sites. I guess there is strategic encouragement there.

**Andrew Boff AM:** Again, you are using this ‘encourage’ word.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** You used the ‘encourage’ word as well actually.

**Andrew Boff AM:** True, but I do not hold any money. What does ‘encourage’ mean in that respect? Just “it would be a nice idea”?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It sets the framework that there is a strong expectation that homes are going to be delivered on small sites at a reasonably significant scale; 10,000 homes a year.

In terms of what we are doing specifically, most of the funding that I have got available is affordable housing funding. Looking at what we can do to encourage smaller organisations to access that is something we have done, and are continuing to do. We said specifically that we wanted to encourage small organisations to come forward and access that funding. We encourage them to partner with larger organisations where possible. We also said we would open for continuous bidding on an ongoing basis, which we expect to do quite soon, to recognise that smaller organisations might not have all their development opportunities identified upfront, and might want to drip them through to us.

We are also doing some research at the moment with Ark Housing Consultancy looking at whether there is a model we could put in place to support smaller Housing Associations to get more out of their capacity. Looking at end-to-end services that you need to manage a development - is there a way that we could put in place a framework to support them which people could call off as they needed, building on the model we have used around environmental retrofit for homes and businesses. We are testing that concept. If there is enthusiasm for it then we will look to see what we can put in place, which might unlock more capacity within smaller Housing Associations.

**Andrew Boff AM:** The London Chamber of Commerce and Industry (LCCI) issued a report, *Getting Our House in Order*<sup>3</sup>. I do not know if you are familiar with that report.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Is that the one that came out last week on construction skills?

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<sup>3</sup> [www.londonchamber.co.uk/DocImages/12438.pdf](http://www.londonchamber.co.uk/DocImages/12438.pdf)

**Andrew Boff AM:** There was one on construction skills, but also the LCCI have been pushing for a wider number of players to be included as favourable developers, not just the top 25.

I think everyone recognises why you have got the LDP, and you can see that for the bigger schemes. It is not really a question, but we can see what you are doing with the bigger schemes. It is the contribution that the smaller schemes are going to have, and I believe those could be substantial. I am trying to find out from you how we are encouraging those smaller developments. Have you managed to respond to the LCCI?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I have printed it out and skim read it, and read the press releases, but I have not read it any detail yet. The bits I have seen are more focused on the skills side of things, which is clearly a challenge.

**Andrew Boff AM:** How do you feel about the skills that are available in the London housing market, the fact that we have not got enough skilled people to actually build these properties even if we wanted to?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** There is clearly a massive challenge in terms of an aging workforce, a lot of capacity which was lost at the housing market downturn, and not enough young people coming into the industry. I think there clearly needs to be a focus on apprenticeships. However, I think also probably new ways of building homes. We are still building homes on the same way we were, broadly, 150 years ago.

**Andrew Boff AM:** Yes. The LCCI's most recent report is called *Skills to Build*<sup>4</sup>. Prior to that they had *Getting Our House in Order*, which was about opening up the market - I would appreciate it if you could copy into the Committee what your response is to that report.

Another report was done by my colleague sitting to my left a few months ago called, *Gap in the Market*<sup>5</sup>. In that report my colleague, Steve O'Connell AM, identified a minimum of 10,000 possible opportunities for small builders to develop housing in London. Can you tell me would you be encouraging boroughs - that word 'encouragement' again - to come forward with infill schemes on their housing estates?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, absolutely. We need to deliver as many homes as we possibly can. Where those opportunities exist on estates where there are no plans for estate regeneration, and there are opportunities to fill in the gaps as it were, then that would be a really good thing to do.

The research that I mentioned previously about small builders, we are also at the same time testing a similar concept to see what we could do to support boroughs to bring forward development at a greater pace. That might be something which could support the unlocking of some of those schemes, where boroughs want to develop them themselves.

The other thing I would say is the Pocket Living deal, which is primarily looking at small sites. There will be infill opportunities. A lot of the sites they are bringing forward they are purchasing from local authorities. Hopefully some of the sites that Steve [O'Connell] identified could be brought forward by Pocket Living as part of the deal we have got with them.

**Steve O'Connell AM:** If I may jump on the back of that because for some boroughs already it is business as usual. Quoting my report, there are some very good, progressive, proactive boroughs that are going out,

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<sup>4</sup> [www.londonchamber.co.uk/DocImages/12960.pdf](http://www.londonchamber.co.uk/DocImages/12960.pdf)

<sup>5</sup> [glaconservatives.co.uk/wp-content/uploads/2014/07/gap-in-the-market.pdf](http://glaconservatives.co.uk/wp-content/uploads/2014/07/gap-in-the-market.pdf)

looking at pockets, obviously sensitive to local communities' ambition. There are boroughs that do not seem to be remotely interested in that. We have seen up there<sup>6</sup>, which is a very timely graph, those boroughs that, from large building to the small pieces, do not seem to be playing ball. I am going to write, on the back of my report, to all of the boroughs along those lines.

I was having a private conversation with Andrew [Boff] earlier about how stark some of those extremes of examples are, and really what kind of sanction or encouragement the Mayor or Government can exert on some of the really patently low and non-performing boroughs. That must be so frustrating for you, Jamie. What can you do?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Andrew does not like it, but the word 'encourage' is our main lever to try to tailor the opportunities that we have got to make them as appealing as possible. Housing Zones were designed as part of that. Starting with something that is almost a blank sheet of paper should get more boroughs engaged in wanting to deliver homes and it has. There are some people who have delivered pretty low numbers in the past who have said, "We want to deliver homes".

**Steve O'Connell AM:** Is that the case?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes.

**Steve O'Connell AM:** Obviously the ones that want to play - people like you can see up there and the Croydon's of this world - will be up for it. Are you saying on the bids for the Housing Zones, that some of those that usually do not seem to be particularly engaged have bid in that way?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes.

**Steve O'Connell AM:** They are up for it?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. Some of the palest colours [on the map] have bid for Housing Zones. That is really encouraging.

**Steve O'Connell AM:** Great.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It does not mean they are going to instantly turn out deep red, but it is a positive step on the way.

**Andrew Boff AM:** One of the things Steve did identify in his report, he said the GLA should require boroughs at least to do a survey of infill opportunities in those estates in their ownership. Is that something that the GLA would support?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think it would need a new power if it was going to be a blanket requirement.

**Andrew Boff AM:** We require an awful lot of things of boroughs already. You have some powers to require them to deliver information, do you not?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. I would have thought it would be a change in powers, but I could be wrong. The thing that we did do is in relation to funding

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<sup>6</sup> See slide 2, Appendix 1

programmes. The Decent Homes programme, which had funding for 2015/16, additional money was available, in that we required that boroughs submitted to us a statement looking at the infill opportunities on the estates on which they were going to receive Decent Homes funding. It is a limited number of boroughs, because not everybody was eligible to bid for it, but it is a step in the right direction. I think that is the kind of thing we will try to do, hook on other requirements onto funding. If people want it they can --

**Darren Johnson (Chair):** You will use your funding role as leverage to require certain conditions from boroughs?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, wherever possible; although there is a balance in terms of making sure the funding is attractive.

**Steve O’Connell AM:** That is helpful to get that kind of comment there.

**Andrew Boff AM:** One other thing is we have got a remarkably small number of self-builders in London, indeed the whole country. Self-building provides a significant number of builds in other countries in the European Union. How will you be encouraging self-builders, and would you be supportive of what Steve O’Connell had said on having a self-building pilot on 100 sites in London to see if we can kick start this?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think there are a couple of things around self-builders. One of which I do not think is public yet and maybe I should not tell you, but I will anyway.

**Andrew Boff AM:** Good.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We were recently successful in getting some funding from DCLG as part of the right-to-build pilot. They are going to give us some funding for a dedicated officer to support and promote self-build, but also run a register of people who are interested in self-building.

**Andrew Boff AM:** Can you send me that officer’s name and telephone number?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It is not in place yet.

**Andrew Boff AM:** Yes, as soon as you know!

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I think crucially there are lots of people who are interested, but quite often lack the resources of ability to find a site. What this will do is it will look at what they could afford to pay and where they want to live. Work out what their actual effective demand is, and then try to match it to sites, although I expect the interest will be higher than the number of sites.

The Floating Village plan in Newham is a self-build proposal – floating self-build, making it as complicated as we possibly can. There is also potential on some of the remaining large sites that we have got. We have got funding through the Custom Build programme, where we are supporting a small number of self-build builders to come together as groups to deliver homes.

**Andrew Boff AM:** Thank you for that. In the interests of total transparency, when do you intend to publish details of past LDP disposals on the GLA website?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I am told it should be before the end of December 2014.

**Darren Johnson (Chair):** There may be various points that we want to pick up from this discussion today. I was thinking particularly with Andrew's points about the smaller builders, this might be something that we want to write to the Mayor on.

**Stephen Knight AM:** There is a big difference between a small builder and a smaller developer, is there not? I mean I suspect that there is a desire to promote small construction firms, in terms of their ability to participate in some of these schemes. That is a bit different from a small developer. Arguably we ought to be using leverage through the LDP, if we are not already, to encourage developers to use smaller construction firms for some of the smaller schemes.

**Darren Johnson (Chair):** What teeth we put on that word 'encouragement' I think is something that this Committee will be keen to understand.

We now give Jamie the opportunity to do his second presentation on the London Rental Standard.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Hopefully you have all seen these posters which we have had up all over London, including on a lot of the Transport for London estate. They were originally just running in stations, but we also got a number of inserts on DLR trains and have posters around City Hall. Leaflets have gone out to lots of our partner organisations engaging with landlords and letting agents in the private rented sector. Hopefully you have had quite a lot of awareness of that.

In terms of the London Rental Standard, originally it was consulted on in December as basically a framework for accreditation of the private rented sector; working very closely with existing accreditation bodies and coming up with a set of standards which everybody agreed to, which basically involved a bit of levelling up. Nobody was prepared to compromise on their existing standards so other people had to come up on different areas to meet the minimum standards that we thought were all important. We brought on board some commercial sponsors to help us in terms of reach, to get to their customers who were landlords and letting agents, including Endsleigh and My Deposits, but also to offer an incentive to get more landlords to sign up to the process. Then we had the marketing campaign launched in May 2014, over the summer, and ran until, I think, the end of September although there are still a few poster that are still up. At the moment we are planning for the second phase of it, looking to go live sometime next year.

In terms of the funding that we had available, we made £250,000 available of GLA funding; £150,000 of that was in the first year working out what we should do and then the advertising that we worked through. There is then £50,000 in years two and three. We originally were scheduled to get £100,000 of TfL inventory, which is effectively their advertising provided to us. Actually we were able to lever significantly more, and we got £383,000 of value from TfL which is really, really good, significantly exceeding the money that we have put through.

In terms of some of the highlights of what that has delivered, we got 23,000 clicks on our website being driven by that, which was 96% higher than the target that we had. We got 12.7 million impressions, which is the number of people that saw the advertisements, which was 400,000 more than we had actually paid for. There is also some good awareness of the messages; 46% of landlords that we surveyed were aware of the London Rental Standard and 37% of them had seen the advertisements. Of those that had seen the advertisements, 79% took some action as a result of it, maybe visiting our website. 36% of them went on to get accredited, which is quite a good conversion rate showing there.



In terms of going forward, how we develop it further, we have done some focus groups with landlords, working out what we should do to take things forward. One of the key messages that we got is around energy efficiency. They are very interested in that, 89% of landlords who are not accredited said that they were interested in how they could help get funding for energy efficiency. We are now taking forward a pilot project with the RE:NEW programme, looking at delivering funding for a number of private rented sector properties for landlords who are accredited, and also a pilot through letting agents as well.

We have had a really good take-up in terms of the number of agents who were accredited through it, and who have been covered by it. Using estimates that we have got from the National Association of Letting Agents we think there are almost 40,000 homes which are now managed in London by a letting agent who is accredited by the London Rental Standard, which is a really good number. It is slower with individual landlords, as it was always going to be the case that it will take longer to go through with them. We are looking to go live in January on the next phase.

I was then just going to do two quick slides on other things in relation to the private rented sector. One of which is obviously there has been a focus on new supply coming forward on our land; and partly recognising that this will bring forward more professional institutional landlords into the sector, but also homes can be delivered at greater pace through the private rented sector. We recently announced the Silvertown Way and Pontoon Dock sites to come forward. The Pontoon Dock site is in partnership with a number of people, including the London Pension Fund Authority which is interesting. Newington Butts, there is a big tower there, with a large proportion of private rented homes being delivered.

The London Rental Standard is not something which is going to address the worst criminal landlords. We think that most landlords are just not necessarily aware of their obligations, and the campaign can help make them aware of it and provide them the training to bring them up to an appropriate standard.

[At 11.00 am, a two minutes silence was observed]

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The Mayor was instrumental in securing additional funds for tackling beds and sheds and tackling criminal landlords, funding that went directly to boroughs. We have also got an event planned in January tackling criminal landlords, which is something that boroughs felt would be a useful way of sharing good practice. We have got Dr Julie Rugg chairing that, who chaired the Rugg Review of the private rented sector for the previous Government, back in 2007, so a very influential figure. We have also launched a staff rental deposit scheme, for staff who want to access the private rented sector, in the same way that season ticket loan work. That is something that we are encouraging other employers to take up as well, and hoping to announce in January that a number of other organisations have signed up to that.

**Darren Johnson (Chair):** The Mayor's target was 100,000 landlords by 2016. You have now got 13,499 signed up by August, according to our briefing. What has been the impact of the London Rental Standard so far and what have been the main benefits?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It is important to recognise one of the changes which has occurred in terms of the Standard since the manifesto commitment there in relation to expanding it to cover letting agents, who do manage a significant number of homes in the private rented sector. The accreditation that we have done through them now suggests that we have 39,000 homes that are covered by letting agents. Although a letting agent is not the same as a landlord, I would argue that it is the homes that are important. We are halfway there in terms of adding those two numbers together.

In terms of the awareness campaign, we clearly reached landlords and we made them aware that this is something the Mayor is doing and taking action on. It has not directly led to huge numbers. We have not doubled overnight the numbers of landlords who are accredited and that is something we are pausing on and considering what more we could do. We are hosting a breakfast summit next month looking at other organisations that engage with landlords - including do-it-yourself superstores and buy-to-let lenders - and seeing if we can use their networks to reach a greater number of people. We are considering what we can do to drive greater take-up, but it is really encouraging with the number of properties which are covered by letting agents.

**Darren Johnson AM (Chair):** Clearly, there have been some lessons learned along the route in terms of encouraging take-up and promotion. What have been the key obstacles that you have found?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I guess there is something about individual landlords and lots of them doing this part-time. It is not their primary job or focus and they have lots of other things happening in their lives. They will, hopefully, sign up to the Rental Standard on an ongoing basis, but finding time to do it immediately is maybe more challenging.

We are planning an event in City Hall which we will make available to anyone who works in City Hall who is a landlord - including Assembly Members - and who wants to get accredited and we will try to make that as easy as possible. We would encourage other responsible employers to encourage people to do that as well.

**Darren Johnson AM (Chair):** Clearly, it is proving more attractive to some groups of landlords than others.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The big difference, I would say, is in terms of letting agents - who are professional, it is their job and it is easy to engage with them, covering a larger number of properties and in office hours - and part-time landlords, who are always going to be more difficult.

**Darren Johnson AM (Chair):** Assuming within the 39,000 - if we accept that figure - letting agents that the most willing have now signed up, what do we do to get the less willing on board?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I am not sure necessarily that all of the most willing have been signed up and there are different ways of getting to them. The strong thing that came back in terms of people wanting energy efficiency support is something we are addressing and hopefully it will act as an incentive to bring more people in once there has been some more publicity. What we are planning to do is to say we will fund capital works to a small number of private rented sector homes for landlords who are accredited and there will be a chance for people who are not accredited to sign up and get accredited and then be eligible for these works.

If 89% are saying this matters to them quite a lot and if it really does, hopefully that will drive more people signing up and I guess just more awareness and hitting people in targeted ways. It is something we are giving some detailed thought to: how do we hit the landlords more and what are the messages that they really want to hear?

**Darren Johnson AM (Chair):** You are conducting a review of the Standard. That is right, isn't it?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. We will do it a year on from the launch, so next summer.

**Darren Johnson AM (Chair):** Would energy efficiency be one of the things that you would be looking at in terms of changing the actual Standard or would it simply be about the promotion aspect?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I would not want to prejudge any forward review, but the Government is planning certain measures around energy efficiency in the private rented sector, which might well address that going forward. It is certainly a strong focus in terms of what we can do to incentivise people to sign up.

**Darren Johnson AM (Chair):** OK. You do not have any other clear amendments in mind at the moment as to what may change in the Rental Standard going forward?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** No, just the drive at the moment is greater awareness and getting larger numbers of people to sign up.

**Darren Johnson AM (Chair):** Thank you. Welcome to John East from the London Borough of Newham.

**Steve O’Connell AM:** I am very interested in this because obviously we want to make sure that landlords behave appropriately and we know the curse of having antisocial neighbours. They are a blight on communities - I get all that completely. However, the question I have - and I would be interested to learn how it played out in Newham - is that already there are powers and that is a fact. We have heard about the London Rental Standard. Although that is probably looking at other areas, there is that use there as a leverage against landlords. You have the Housing Act powers to sanction and of course there are new powers under the Antisocial Behaviour (ASB), Crime and Policing Act 2014, quite strong new powers about ASB, which affects noisy neighbours and all that kind of stuff. Therefore, you already have those powers in Newham and you have thought about that.

What was the logic or the need or the gap that you saw that encouraged you to bring in licensing for landlords?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Thank you. Just if I very briefly provide some context. There has been a tremendous growth or explosion in terms of the private rented sector in Newham over the last 10 to 15 years. In the 2001 Census, the private rented sector in Newham probably equated to about 20% of the borough’s total housing stock. By 2011, it equated to 40% of the borough’s housing stock, so a double in the private rented sector in just a decade. Indeed, it continues to grow at the rate of about 2% to 3% per annum and we think in the next couple of years it will be more than half of the borough’s stock.

There are a number of issues which arise from that and we certainly, as a borough, do not have a problem with private rented accommodation; quite the opposite. As you may know, we have launched our own company to build or acquire 3,500 units for private rent. Therefore, we are not opposed to that at all.

The real issue we have in Newham is around the quality of the private rented sector, which frankly has been largely unregulated. What we found over that period there was increasing levels of churn and increasing levels in certain wards with 30% churn in certain wards. Bear in mind we are a borough which wants to try to promote a more sustainable community and get people to actually stay in the borough rather than continually move in and out.

We found, effectively, increasing problems with overcrowding. We now have five of the most overcrowded wards in the whole of the country. In terms of population increase, we are now the densest borough in

London. We have overtaken Kensington and Chelsea. On that basis, we are probably the densest borough in the whole of the UK and there is 51% overcrowding in our private rented stock.

We had increased issues in terms of ASB and all the low-level enviro-crime which you expect would go with that.

You mentioned the issue and said, "Actually, there is already a toolkit which you could use", and it is fair to say that Newham is certainly not a shrinking violet when it comes to being proactive in terms of regulating and taking enforcement action. Quite the opposite: we already acted before we introduced borough-wide property licensing and what we were finding is, notwithstanding that, frankly, we were not getting a grip on the problems associated with a burgeoning and unregulated private rented sector. Much of it, I am sad to say, was of a very poor quality and we could spend days just going through the kinds of stuff we have found, which I do not think we need to do. I think you get the general picture.

We did start on the basis of a pilot, which we did in the Little Ilford ward in 2010, which was actually a wider pilot looking at how we could improve that neighbourhood. As part of that, we introduced a licensing scheme and it was only for, admittedly, if I remember rightly, less than 500 properties. However, what we found from that pilot were significant reductions in ASB, improved standards and increased satisfaction of residents with their neighbourhood. That effectively gave us the confidence to look at introducing a borough-wide property licensing scheme.

With our scheme, there are several things we need to make clear. Firstly, it is absolutely not about introducing another level of bureaucracy or regulation for regulation's sake. Neither is it about generating cash for the authority, if I can put it that way.

**Steve O'Connell AM:** It does generate cash, of course.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** It does, but it has to be effectively self-financing. We cannot siphon the money into other uses. We pitched our level in terms of the cost of requiring a licence at £150 for a five-year licence. Basically, very much we rely on landlords' honesty. Effectively, they provide us with a whole list of information to show that they are complying with what they need to comply with. That is all done online. They then get their licences. We start from a basis of trust.

**Steve O'Connell AM:** That is only £30 a year?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** That is only £30 a year for the early-bird discount, which we actually extended for a further month back in 2013. Then beyond that, the landlords who decided not to license, if they licensed late, then had to pay £500. We started from the basis that we wanted to make it as reasonable as possible. If landlords did not want to engage, then of course the costs went up.

**Steve O'Connell AM:** They went up. In other words, they were encouraged – it is that word again – to register at a discount. Then, if they did not or did not get around to it and some of these may well be --

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** We had to do an exhaustive consultation programme before we introduced the scheme, for fairly obvious reasons. We had to provide evidence and justification as to why we should introduce the scheme. We did an exhaustive promotion and marketing exercise over a period of about six months, including obviously

landlords who would not have been in the borough and also using all means of communication, whether it was on buses, you name it.

**Steve O'Connell AM:** You are quite confident that the majority of landlords in the borough had a heads-up early on that this was heading their way?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes, indeed. One of the issues comes back to some of the interesting issues you were raising about the London Rental Standard because of course that is a challenge about how you communicate the scheme that you have.

When we started, we thought we probably would have had about 5,000 landlords from our 40,000 or so private rented properties in the borough. In fact, we found we have probably more than 21,000 landlords and the vast majority of them, 76%, have a single property which they rent out. That then goes to the heart of why we have problems and issues. We did not have a professionalised landlord community within the borough. We had tried things like accreditation schemes. We had offered free training and over the previous ten-year period only 2.5% of the landlord community had signed up to that.

**Steve O'Connell AM:** One outcome of this is that you are able to map and to register and to identify the landlords throughout the borough, which you were not able to do, arguably, before?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes, exactly.

**Steve O'Connell AM:** Going back, there is still a charge. The initial £30 or whatever it is one could not argue with. One criticism of course - and it is still a valid criticism if they are going to be charged £500 - is that that cost will be passed on to the tenant. It is not rocket science. If you are a landlord and your margins are such and you get charged another £50 or £100 or whatever, the strong temptation would be to pass it on to the tenant. Would you not think that that is --

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** That might be a temptation, but we come back to the fact that that is £30 per year per property. The average number of people who would be in a three-bedroom house at minimum is going to be about three people and probably rather more. Therefore, actually, that comes to about £10 a year. Frankly, for a three-bed house with however many tenants, they are generally in Newham on average paying something like about £1,500 a month.

**Steve O'Connell AM:** I get that, but with all voluntary schemes the good landlords will come forward and therefore their tenants will benefit because passing their fee on is pretty small. It is negligible. I get all that. However, clearly, the bad guys are the ones more difficult to reach out to. They are the ones who are not going to come forward. They are not going to volunteer. You may never track them down and I would like your thoughts on that. Also, they may be the ones who come in late because they cannot be bothered with it but finally they get bothered and then they are going to be stung with £500. They are the late guys and they will be very tempted to pass that £500 on, will they not?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** They will. There are several issues there. It is an interesting perspective. What we found was actually that about 30,000 properties were licensed by the deadline. About 75% were licensed.

**Steve O'Connell AM:** Good. Well done.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** That left 10,000. We probably thought that was always going to happen, but 10,000 were unlicensed. Since the start of 2013, our focus has been on enforcement and basically going after those who are not licensed and --

**Steve O'Connell AM:** Enforcing against what, sorry? It is a voluntary scheme?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** No, you have to be. It is a compulsory scheme and you have to be licensed.

**Steve O'Connell AM:** It is a compulsory scheme? In Newham, if you are a landlord, you must be licensed? You are going after those who are not licensed to enforce against them to license?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes. That has been our starting point. Indeed, in terms of how we have done that, we have developed an evidence-based model, ie collecting data from a whole raft of things from council tax through to benefit payments and all of those kinds of issues. We have, in terms of going out and doing targeted visits, a hit rate of about 95%, in terms of going out to seek landlords or properties which are unlicensed and actually being successful in finding them.

When we find a property which is unlicensed, there are a number of options. Those options are either the landlord can licence, which will cost £500 a year, or, if they decide not to, then we prosecute. Also, as part of those visits we are finding that, as you might imagine, generally the ones who have not bothered to license are also the ones who - how can I put it - provide their tenants with the poorest quality accommodation. We have prosecuted a number of landlords. Some landlords have become what you would call 'not fit and proper' landlords and therefore they have had to no longer manage the stock directly and find alternative management arrangements. Some landlords, frankly, we are now being driven out of the business because the quality of accommodation they provide to their tenants is so poor.

**Steve O'Connell AM:** That is good. Just a last couple of points because I know you want to move on. I still have that concern - not about the ones you drive out of the business, good riddance to them - but about that last 20% or whatever it was who are now going to be charged £500 a year because they are bad guys. You will catch up with them, you will charge them and you will, hopefully, make them be more disciplined, etc, but they are still going to pass that on because it is £40 or £50 a month, potentially, to people who are already in, as you said yourself, potentially accommodation that is substandard. I would worry about the people living in there.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes, but when the accommodation we have found is substandard, part of what they have to do is to actually bring the accommodation up to a proper standard and comply with regulation. It is not just about the £500. What it is about is actually bringing the properties up to standard.

**Steve O'Connell AM:** Without labouring it, if you have a family in that accommodation and it is one of the more vulnerable families in the borough, it may well be hit with another £40 a month.

The only other point is that you said you want proper private sector landlords. Did you consider that it may be a disincentive to private sector landlords in your borough and that they may go elsewhere to where they may not have what they may feel is a heavy-handed bureaucracy?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** Actually, yes, we did consider that. Interestingly enough, as I said, there has not been any decline in the growth of the private rented sector. It continues to go up by 2% or 3% per annum. Interestingly, Jamie [Ratcliff] was referring to a couple of the private rented models at Pontoon Dock and Silvertown Quays and Fizzy Living, be:here and QDD – professionalised landlords who are now coming into the borough, which of course we welcome.

Interestingly, I would also say that people like the National Landlords Association, who had some doubts about the scheme before it was implemented, are now on board. They would say they would not want it done necessarily for the whole of London or the whole of the country but they can recognise that in Newham there was a need for such a scheme and that, more importantly, it was the poor landlords – and they are a fairly significant community, I have to say, not a very small number but unfortunately quite a significant community – who were dragging down the reputation of the good landlords. What we have done is helped to create a level playing field.

**Andrew Boff AM:** Have you maintained the same staffing levels throughout the borough that you did for the Little Ilford pilot?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** As I said, the scheme has to be self-financing and we have devoted and more effectively deployed resources. Yes, we have, I suppose, similar staffing levels in terms of the inspection of properties. The scheme would only work and can only work if there is proper enforcement. Frankly, if you are just going to regulate and get a licence and do nothing about it, I would probably accept the criticism that it then becomes an additional bureaucracy.

The whole *raison d'être* is actually about going after those poor landlords and doing those visits and inspections. We have now done thousands of visits. We do them multiagency and they are not just done with our environmental health officers and housing officers. They are done with the police, UK Visas and Immigration and Her Majesty's Revenue & Customs. Actually, although we are using borough-wide property licensing, we are getting the benefits. We have had more than 400 arrests; the majority around illegal immigration, which is obviously a fairly hot topic at this point in time, non-payment of both council tax and central Government tax and all kinds of things.

**Andrew Boff AM:** I get that. What you have said to me is that there are now similar staffing levels throughout the whole of Newham as there were for the Ilford pilot?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** Yes. The Ilford pilot was a fairly efficient pilot. It is not as if we piled hundreds of people into it.

**Andrew Boff AM:** That was exactly the impression we had and what we were told when we went on a site visit there when you first set up the pilot.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** I do not think we did pile hundreds of people into it. As I said, it has to be self-financing. I am sure you are aware that Newham is not – how can I put it – the richest borough in London, quite the opposite --

**Andrew Boff AM:** Very briefly, the residents of Little Ilford had an extremely high level of support during that pilot period. Is that not fair to say?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** Yes, they did. As I said, to be honest, that pilot was not just about landlord licensing. It was as much around neighbourhood improvement and, therefore, in terms of what it was trying to achieve, it was a rather wider --

**Andrew Boff AM:** We can all pick part of the borough and throw everything at one part of the borough and solve the problems of that particular area by diverting a large amount of resource to that. That is open to every single borough. My question is whether or not you based the decision to introduce licensing on what happened at Little Ilford? It is whether or not what happened at Little Ilford was down to the licensing scheme or the fact that you threw staff at the area, staff who were doing their jobs very well? Very good staff they were, too.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** As I said, Little Ilford, as you will know, was a much bigger pilot in terms of what it was seeking to achieve. What we did see which gave us confidence to move forward on a borough-wide basis was particularly around the reduction in ASB within private rented properties. Effectively, what we took from it was the issue around, in a sense, the improvement in the private rented stock. That gave us the confidence to move forward. Have we thrown huge amounts of resources into the programme? Actually, no, we have not because it has had to be and will continue to have to be self-financing.

This comes to some of our learning, Andrew. I mentioned the key thing and it comes to enforcement. We have developed an intelligence-led model. When we started on that - and that would have been the case, actually, at Little Ilford - we had something like a 50% hit rate and probably Ilford would have had less. We have put some of the resources into developing the model and the model now is incredibly efficient. I do not have officers who are going all round. We could not resource it. We would have to have a whole army of people if we had to inspect all of the 10,000 licensed properties --

**Andrew Boff AM:** I understand you developed the model, but it slightly tempers what you said earlier. You do not have similar staffing levels as you did for the Little Ilford pilot now in the rest of Newham.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** No, I would say we have a lean, efficient machine because we have very good intelligence, which, frankly, we did not have when we started Little Ilford. However, the Little Ilford pilot, as I say, was not just about licensing, to be honest.

**Darren Johnson AM (Chair):** Having done this, is this something that you would recommend that could be rolled out to other London boroughs, based on your experiences?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB**

**Newham):** Yes, although, it always has to be horses for courses. If a borough does not have issues and it has good quality professionalised landlords, certainly I do not - and nor do the borough Members - believe in just licensing for licensing's sake. It is fair to say that there is a raft of boroughs around that inner ring which probably have similar problems to ourselves. I do know that Barking and Dagenham is pursuing a similar scheme and Waltham Forest is. Redbridge is looking at a scheme and Brent out in the west is potentially looking at a scheme. Where there are quite clear issues and problems, it is absolutely a very effective tool in terms of driving up standards. We have had an independent evaluation of the scheme after the first year and the results of that evaluation are certainly positive. We would need two or three years before we would actually get something empirical, to be honest, but the initial evaluation we are getting back is certainly positive. Of course, I would put it alongside the whole array of tools and things like the London Rental Standard.



I will come back to the point I made at the outset. This is not about regulation for regulation's sake and it is certainly not about trying to reduce or provide disincentives to the landlord community. It is completely the opposite. It is actually about raising standards and making sure that tenants have a good, reasonable offer, which is what they should expect, to be honest, for the amount of money they are paying.

**Stephen Knight AM:** Thank you and hello again, John. I wonder if you can talk us through what happens in a case when a landlord's application for licensing is refused. There may be a fear, I suppose, that that property is no longer available. What happens to the properties, in other words? Does the council take action to try to ensure that they are bought under a CPO and brought back into use via another landlord or what?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** You go through a number of stages. Essentially, a starting point is, if a landlord decides he is not going to be licensed, we would initially do a visit. We would encourage him or her to license. If he or she decided not to, we then have the ability to prosecute. The key thing, as I come back to, is that it is the quality of the accommodation. What the offer is has to be the key issue.

The vast majority of landlords who are not licensed and providing a very poor standard of accommodation, frankly, have two options. They can bring the accommodation up to standard and, if they decide not to, we will prosecute. Alternatively, we have a number of what you might call 'benefit landlords', with whom we would go for rent repayment orders. We would start tightening up the screw. We have with a certain number of landlords declared them 'not fit and proper landlords'. They have to transfer management of the stock and they need to get an agent who will properly manage the stock.

In some cases, we are going to the level where actually we do drive them out. In such cases where we drive them out, most of them are now throwing in the towel and they would sell either to other landlords or, alternatively, if they want to sell to the council, bearing in mind we do have a programme of acquiring properties for our affordable rent programme, again, we would be prepared to take them on.

**Stephen Knight AM:** You are confident that those units, as long as they can be brought up to standard, are circling back into the system under better management?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes. Let me assure you that certainly we have not come across any units which then become left vacant. That, frankly, just does not happen in Newham.

**Stephen Knight AM:** No, given the rent levels available.

Finally, I was just going to ask whether or not, given your licensing scheme, you have seen a higher take-up of the London Rental Standard within Newham. I do not know whether it is a condition of the scheme that people have to be within the London Rental Standard or not.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** I do not think that is the requirement. To be honest, I would not know, but I will --

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I will almost certainly get this wrong, but where there are landlords that you have found problems with, one of the requirements for them to satisfy us that they are better is that they do have to become accredited. They do intermesh in that way.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes. They have to become accredited but as to whether it is the London Rental Standard, I can come back to you on that particular point.

**Murad Qureshi AM:** I do not have a sense of to what extent you actually deal with estate agents. Invariably, in certain parts of town, they manage the properties for landlords and they always harp on about how professional they are and things like that. I am just wondering whether your scheme had scope to incorporate them or actually get them to take on board your concerns?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** We are engaging with estate agents and we are starting to tackle letting agents within the borough because there is a real issue, certainly within Newham. The sector is pretty much unregulated and, frankly, you and I could set up a shop on the high street tomorrow and offer our services. Again, within Newham, I have to say that the quality is poor and we have a fair-lettings team which has reviewed all the letting agents in the borough. We found that 80% were non-compliant with the law on a first visit.

We are looking at two things: whether we as an authority take a more active role ourselves directly in the lettings market and, again, that is linked to our other company which we have --

**Andrew Boff AM:** They are not compliant with legislation?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes, with law. Also, we are looking at options in terms of how we improve the letting agent market because, actually, as has been said by others, if that is poor quality or, alternatively, if you can get them up to standard, it gives you a better chance of getting the quality of the landlords up to standard.

**Murad Qureshi AM:** Am I missing something? Is there a difference between estate agents and letting agents?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes, letting agents are basically dealing predominantly with the private rented sector and letting, as opposed to selling, houses.

**Darren Johnson AM (Chair):** Some do both.

**Tom Copley AM (Deputy Chair):** From Newham's perspective, is the Mayor's voluntary approach going to deliver the step-change that is needed in terms of the private rented sector?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** I will provide a borough perspective. We welcome any measures which help and encourage agents to drive up standards. However, I have given you a picture of the last decade when we did not have a borough-wide property licensing scheme.

Notwithstanding that, I come back to the point that Newham enforces and has enforced against more than pretty much any other London borough. In fact, I know in terms of something like planning enforcements, we now do 10% of all the enforcements in the country. Therefore, we are not shrinking violets when it comes to enforcement. However, frankly, the market was still going ahead of us. In Newham, the voluntary approach, frankly, was not the right approach. If it had been, we would not have needed to have gone with the borough-wide property licensing. What we have found is that since we have done that - and it will take, I have to be

clear, probably about another two or three years before we get empirical results - certainly the first results from the first year are very encouraging and actually show that we are starting to have an effect.

I come back to the point. Certainly our experience is an experience which has been mirrored in a number of other similar boroughs and probably will not be mirrored by, say, Richmond - I do not know - or some of those boroughs. It is going to be horses for courses. However, relying in London on a voluntary approach on its own is probably not going to tackle some of the real problems we have with some of our landlords.

**Tom Copley AM (Deputy Chair):** Just finally on this, is there anything more from Newham's point of view that you would like to see the Mayor doing to make things better in the private rented sector?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** I do think encouragement to schemes such as ours would be a positive step forward. I come back to the point I have made that it certainly has benefits in terms of improving standards but it actually has much wider benefits. We now know far more about the borough than we did before. We have this year something of the order of £600,000 additional money in terms of council tax. As I said, there have been over 350 arrests in terms of illegal immigrants. The amount of central Government tax which now HMRC is able to collect is quite significant. We reckon that if it was done across the whole of London, we could get between £50 million and £150 million of additional tax.

**Tom Copley AM (Deputy Chair):** Excellent.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** There are lots of very positive benefits and certainly a positive endorsement from the Mayor would be welcome.

**Tom Copley AM (Deputy Chair):** Jamie, is the Mayor going to meet his target of an average 65% of market rent across the whole of London for affordable rent properties?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In the 2011-15 programme, yes. As you are aware, in the 2015-18 programme, we have a two-tiered product with half at 50% and half at 80% and that averages to 65% as well.

**Tom Copley AM (Deputy Chair):** Do you know what we are on now in terms of the current average of the homes we have?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The running average of homes that we completed was just under 65%.

**Tom Copley AM (Deputy Chair):** Just under 65% and you are on track at the moment. Then if we could move on to the numbers themselves, there has obviously been a bit of a discussion recently with the Mayor about by when exactly the 55,000 were going to be delivered. We had been told multiple times - I think including by you - that March 2015 is the deadline and then there will be no more. The funding will not be provided if they are not completed by then. However, the Mayor now seems to be bandying around this December 2015 target. Which is it?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I appreciate it is more than slightly confusing, but I will do my best to try to clarify that. There are three things here.

One is the manifesto commitment to deliver 55,000 homes by 2015. My reading of that is that it is to December 2015. There is the Affordable Homes Programme 2011-15 which in the contracts has a longstop date and all homes must be completed by 31 March 2015. However, the homes being delivered through the Affordable Housing Programme are not the majority, even, of the 55,000. A lot of them are being delivered by other programmes. The homes that are in the Affordable Homes Programme are due and will be delivered by 31 March 2015, but there will be other programmes which are delivering beyond that.

**Tom Copley AM (Deputy Chair):** How many is that of the 55,000?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** When allocations were made, it was 21,856 and Richard Blakeway wrote to you confirming it is 19,997 at our last count from the Affordable Homes Programme. The rest are from the National Affordable Housing Programme which existed previously --

**Tom Copley AM (Deputy Chair):** It does not have a March 2015 deadline?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** -- but does not have a longstop date. Then there are the various Mayor's Housing Covenant programmes.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The third point, is that just until quite recently it looked like we would actually deliver the 55,000 by March 2015. That was the confirmation that I gave and that Richard Blakeway did previously. Our current estimate is that if we hit the target that we have set ourselves this year of 17,890 in the Mayor's own programmes, it would leave just 1,051 that need to be delivered between April and December to hit 55,000. It is a small movement.

**Tom Copley AM (Deputy Chair):** The problem is that we have had it on record a number of times in this Committee, including from Richard Blakeway when the Chair of this Committee asked him, "Will the 55,000 affordable homes by March 2015 be completed?" He said yes. It feels like - deliberately or not - they have all been lumped in together with this March 2015 deadline.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I accept completely that it is confusing. At the time Richard said that, and I said it previously, we were expecting that we would deliver 55,000 overall by March 2015. However, that is not the same as saying that the manifesto says March because it clearly does not. It is 1,051 that we are currently expecting between April and December 2015.

**Tom Copley AM (Deputy Chair):** Are you expecting any money at all to not be allocated to Housing Associations on the basis that they have not met the deadline of the Affordable Homes Programme?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** No. At the moment, for the homes that are in our programme, we are expecting that they will complete. We have gone through quite a rigorous process with providers, looking at schemes that could not be delivered and taking back allocations from them. That is how we got from the initial position down to just below 20,000. Having done that, we do expect that all the homes in the Affordable Homes Programme will complete by March 2015.

That will then be 17,890, which is the most affordable housing on record in London. Records go back to 1991 and then there are slightly different stats you are able to use, but probably since the early 1980s it will be the most affordable housing delivered in any year. There is still a lot of work to get there, but if we do I will be pretty pleased with that.

**Tom Copley AM (Deputy Chair):** Has there been any further movement of underspends from the Affordable Homes Programme to the Mayor's Housing Covenant?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** All the budgets are now aggregated into one. We had maybe up to ten different affordable housing budgets last year and the previous year and we now have just one as the Mayor's Housing Covenant. There is dynamic movement in terms of schemes coming in and out of different programmes but --

**Tom Copley AM (Deputy Chair):** Hang on. You have the Mayor's Housing Covenant and then you also have the Affordable Homes Programme and the National Affordable Housing Programme?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. In terms of a budget, we have just one. There are different contracts governing them, but there is one budget. I could not say to you definitively that that has moved from there to there.

**Tom Copley AM (Deputy Chair):** There has been no moving of stuff out of the Affordable Homes Programme into the Mayor's Housing Covenant in order to, in a sense, avoid the March 2015 deadline and get the extension to the end of 2015?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** There have been schemes which were not going to be delivered and from which over a period we have removed the grant and we have removed the grant from providers.

**Tom Copley AM (Deputy Chair):** That has gone to the Mayor's Housing Covenant when that has been removed, has it?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The schemes or the funding?

**Tom Copley AM (Deputy Chair):** The funding.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. The funding has all been ring-fenced for affordable housing delivery.

**Tom Copley AM (Deputy Chair):** OK, but obviously affordable housing of a different kind and of a different tenure than was originally --

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** No. There is a bit of confusion about that as well. The first Mayor's Housing Covenant programme was just about affordable home ownership. The second one was all about older people's housing. The third one was a broad range and the 2015-18 programme is a broad range as well. It is not just affordable home ownership.

In fact, the last time I checked on the balance on the programmes other than the 2015-18 programme, it was about 65% rent and 35% home ownership, which is less than the London Plan split. In the 2015-18 allocations going forward, it is 61% rent and 39% affordable home ownership. They are the splits that are strategically set out in the London Plan and in the Strategy and we are moving closer towards those.

Just to look at it, there was a period of time when - and it is still the case, actually - almost all of the starts in the Mayor's Housing Covenant programmes were not showing as affordable home ownership, but in the stats now you can clearly see that in the Building the Pipeline programme there were 500 starts for affordable rent. Therefore, it is not all affordable home ownership now.

**Tom Copley AM (Deputy Chair):** OK. When are we likely to see more completions of family-sized homes built under the Housing Covenant?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** There are two things on that. The first one is in relation to the 2011-15 programme. We are currently running at 42% completions of three-beds and above, which is good. That suggests that we are going to exceed or at least meet the --

**Tom Copley AM (Deputy Chair):** What about four and above?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Four and above I do not have the stats for. I know that Members of this Committee are keen on encouraging much larger homes, but our target is around three-bed and above.

Then, in the 2015-18 programme, we did two things. First, we recognised that because of the social rent size criteria there might be a need for some low-rent properties, smaller, to help downsizers who were affected by that. We just applied the 36% to the discounted rent product. In the bids we have received we have not hit 36% and it is something we will be encouraging through continuous market engagement. However, we did also encourage some much larger homes and we have had some four-beds through that.

**Tom Copley AM (Deputy Chair):** I have to say the figure is 8% of all affordable homes built within 2011-14 had four or more bedrooms. Does the Mayor have a target as to how many or what percentage he would like to have with four or more bedrooms between 2015 and 2018?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** No, just that we were clear that we would make some funding available for that --

**Tom Copley AM (Deputy Chair):** Specifically for four-beds?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, where there is a local need. I guess the much larger properties of four, five or six bedrooms are likely to be for fairly specific circumstances and a top-down target probably is not that helpful. The thing that was helpful was being clear that we would make funding available for it and they are obviously much more expensive. We are not ruling it out and are leaving it as an option for people to take up.

**Tom Copley AM (Deputy Chair):** It might encourage - there is that word again - developers.

**Andrew Boff AM:** What do you mean by 'local need'? How do you assess local need?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Through proposals coming forward to us.

**Andrew Boff AM:** No, that is a local proposal. What is local need? You said it depended upon the local need.

**Tom Copley AM (Deputy Chair):** Or the assessed need.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I cannot remember exactly whether we say 'local need' or 'local proposals', but I guess --

**Andrew Boff AM:** 'Local need' is something different.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** What we mean is evidenced proposals that you do need the larger homes --

**Andrew Boff AM:** There might be a market for smaller homes among people who want to buy, but the bigger market is as much for people who are already in accommodation and overcrowded accommodation and they demand larger homes. That is why I picked you up on 'need'.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It is affordable housing and it would pick up overcrowding and where you have families who need demonstrably larger properties. People can bring forward proposals and we will look positively at them. We have funding available through continuous market engagement and we will be specifically saying we want to see some more large homes coming through that.

**Nicky Gavron AM:** You have an evidence base, do you not, for the need for four-bed?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We have done the Strategic Housing Market Assessment (SHMA) at a London-wide level.

**Nicky Gavron AM:** Exactly. You do not have an evidence base and the Mayor is not following his evidence base, then.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We have not set a top-down target for four-bed properties.

**Nicky Gavron AM:** Despite having an evidence base which says that you will probably need about 17% more?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We have not set a target for one or two-beds, either.

**Tom Copley AM (Deputy Chair):** It might be that there is no need to encourage developers to produce one and two-bed properties but you do need to encourage them to produce four-bedroom.

**Darren Johnson AM (Chair):** According to the figures here, 18% of the total form of housing is the need for four-plus.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I do not have that number.

**Andrew Boff AM:** There is a discrepancy between the SHMA definition of a family home and the Mayor's definition of a family home. The SHMA says that it is four and the Mayor's target says it is three.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The SHMA breaks it into one, two, three and four-and-above. We have counted it from three-and-above. We can add below-three and three-and-above and split it into two, effectively.

**Tom Copley AM (Deputy Chair):** Why that decision, though, and why not go with what it says in the SHMA?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** To go with the SHMA, you would have four categories.

**Tom Copley AM (Deputy Chair):** Yes, but why not?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We are restricted. I guess the more restrictions we place on a programme the more difficult it is to deliver it. We can set our top line, “This is what we want to achieve”, but actually having a programme that delivers the exact proportion of one, two, three and four is a bit trickier.

**Tom Copley AM (Deputy Chair):** It seems rather illogical when you make an assessment of need and then you do not follow that assessment of need. I just do not think it makes very much sense.

**Andrew Boff AM:** You are absolutely right. The SHMA says there is a certain demand for a number of four-bedroom properties and you are building three-bedroom properties in order to satisfy that four-bedroom demand.

**Darren Johnson AM (Chair):** Given the time, I am going to suggest that we put this in our letter to the Mayor because it is a very important point for the Committee and we need to pursue it directly with the Mayor.

**Tom Copley AM (Deputy Chair):** Chair, I want to ask one last question, which is about the data. Why are you publishing the detailed affordable housing data once a year?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Just because it is quite a lot of work for my team to go through. The summer is typically a lull. The year end gets really busy and in March there is a bit of work to close down. The summer is a good window to do that. If there is a push to do it, we could not do it significantly more regularly because I would need more staff to do it.

**Tom Copley AM (Deputy Chair):** You could not do it quarterly?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Quarterly would be a challenge, but I am happy to --

**Tom Copley AM (Deputy Chair):** What about biannually or twice a year? Is that something that could be looked at?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. If it is something you feel strongly about, please do propose it. We have made a huge amount of data available and I know some of your researchers do --

**Tom Copley AM (Deputy Chair):** Yes, it is very comprehensive. Thank you.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, it is just the value. There are a number of researchers I know who have looked at it and they are able to do some really interesting stuff with it. That data is not available in the rest of the country. I am very pleased with that.

**Tom Copley AM (Deputy Chair):** John, could I ask about the affordable rent model and how it is playing out in Newham, just around affordability and things like that?



**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** It is interesting. We have certainly a GLA programme for 220 units, which will be completed next year and which are all at affordable rents. That will then use up the remainder of our Housing Revenue Account borrowing headroom.

**Tom Copley AM (Deputy Chair):** What is your average in your borough for the rent level for those 220?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** They are not at 80%. They are varying, but for three-beds and family units it would be 60%. It is a contribution. Do we see it as absolutely prioritising our needs? No, we do not.

**Tom Copley AM (Deputy Chair):** Have you had any concerns from Housing Associations? Some chief executives have expressed concern about whether people will be able to afford the rents.

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes. There are real issues there. Interestingly enough in terms of the providers in the borough, it may have been the vagaries of the market and the development cycle, but for 2013/14 - if you take out the windfall of the East Village or the Olympic Village, which of course was shared amongst not just Newham but other east London boroughs - only 49 affordable units were provided in Newham, of which we provided the majority as the council.

**Tom Copley AM (Deputy Chair):** Council properties?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Yes. In fact, the amount supplied to us through registered providers in terms of new supply was actually just a handful, in double figures. Moving forward --

**Tom Copley AM (Deputy Chair):** Do you think that is partly the result of the switch to affordable?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** There may be some link there. In terms of moving forward, the 2015-18 programme in Newham is for only 624 units, of which the majority - 370 - are going to be for low-cost home ownership. In a sense, obviously it is a helpful contribution, but is it going to meet the need in the borough? No.

**Tom Copley AM (Deputy Chair):** OK. Thank you.

**Stephen Knight AM:** Yes. What lessons have been learned from the difficulties establishing the Chobham Manor Community Land Trust?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I was not closely involved in that and John [East] might have something that he wants to say as well. There was probably something about specifying it quite late on in the process, which meant that it was then difficult to deliver. There was a partner already identified to bring forward the homes and therefore was not able to make it work there. Do you want to jump in before I say something wider?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** Actually, it was the London Legacy Development Corporation (LLDC), frankly, rather than us. Effectively, our involvement was peripheral.

**Stephen Knight AM:** The Mayor has been talking about this for some years, has he not?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. The commitment now is that LLDC will be looking at it on either the East Wick or the Sweetwater site, which they are currently going through a procurement process on.

**Stephen Knight AM:** How can you be optimistic given the failure of the Chobham Manor plan that these will be any more successful?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** It was basically quite well progressed before the concept of the Community Land Trust was introduced and plans were too far down the line, whereas with East Wick and Sweetwater it has been identified at the very beginning that this is a priority. The LLDC has done some work around it and has committed that once a final bidder is appointed, it will work with them to procure a delivery partner.

We are learning from our experience we had at St Clement's where we had to work quite hard to retrofit and to make sure that we could get that community land trust to work. Now that that has happened, it is a learning experience that other people can draw on.

**Stephen Knight AM:** Was it an unrealistic proposal in May 2012 to do it at Chobham Manor?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Well it did not happen.

**Stephen Knight AM:** Therefore, yes. In other words, it should have had a longer lead-in time. It was unrealistic to throw it into the proposal at that stage and expect --

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** The experience is that things had progressed on too far and it was not able to make it work. That has been learned going forward.

**Andrew Boff AM:** What are the timelines for the commitment to review and promote good practice in addressing overcrowding and under-occupation?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In the Housing Strategy's policy 38, we say that we are keen to promote that good practice. We are currently talking to a couple of different boroughs that might be keen to work with us and potentially some Housing Associations as well. Probably that work is not going to kick off in earnest until the beginning of the next calendar year, but I would hope that by the summer we will have something that we can share and talk about more widely and, hopefully, encourage other people to take up.

**Andrew Boff AM:** That is very good. We made a recommendation at this Committee in our *Crowded Houses*<sup>7</sup> report that one of the measures and political targets for housing - if we can talk about politics - you should have is that running alongside it you should actually have a bedroom standard measure rather than the number of front doors. The Mayor's target of 55,000 affordable homes is for 55,000 front doors. It is not 55,000 bedrooms. I hope it is not because that would not be very many. What is being done to ensure that we have that kind of measure in place?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Our commitment both now and going forward is in terms of numbers of homes and I suppose the London Plan is measured in terms of numbers of homes and our commitment with the DCLG, which passes us the funding, is for numbers of homes.

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<sup>7</sup>London Assembly Housing and Planning Committee (forerunner to the current Housing Committee), *Crowded Houses*  
[www.london.gov.uk/sites/default/files/Final%20overcrowding%20report%20-%20print%20version.pdf](http://www.london.gov.uk/sites/default/files/Final%20overcrowding%20report%20-%20print%20version.pdf)

**Andrew Boff AM:** To me, it is a front door. It is actually a measure of front doors.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes, that is fine. We have not moved to measuring the number of people. I guess it is --

**Andrew Boff AM:** Can I say this? Everything we have said about this has now been fulfilled with that depressing figure of 8% of properties with four bedrooms and above. If you do not set the political target for bedrooms, you are going to have smaller homes. It is as simple as that, unless we have a political will. Would you not accept that unless we have a target for bedrooms, we are going to continue to satisfy those political targets with the number of front doors rather than the amount of need that is satisfied?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. If we were targeting a number of bedrooms rather than a number of homes, then it would be more likely that we would achieve that number of bedrooms rather than the number of homes.

**Andrew Boff AM:** That is good. You accept that premise. It would be --

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Achieving the target is what we work towards.

**Andrew Boff AM:** The target is one that is a problem and our report that I helped produce for this Committee identified that as a problem. What are you going to do about expressing those targets in terms of bedrooms rather than just front doors?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I suppose the thing I would say that we are doing linking to this is --

**Andrew Boff AM:** How many bedrooms does 55,000 represent? If you do not know, why do you not know?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** I cannot hold all the numbers in my head, but I imagine the average is just over two in terms of the number of bedrooms. It would be 110,000 or 115,000.

It is important to recognise that it is not just about new-build larger homes, which are challenging to deliver for a number of reasons. It is also about unlocking under-occupation. There are a lot of people under-occupying homes and some of the welfare reform elements have encouraged people to move more readily when they are under-occupying. Some of the stuff that we want to do around looking at chain lettings and using high-quality new smaller bedrooms to then unlock a number of moves for people who are under-occupying can address that in a meaningful way.

**Andrew Boff AM:** I absolutely recognise that you have built a number of homes that are five bedrooms and above and you do need some. A few, maybe, but you do need some. However, taking that plaudit or that praise, are you satisfied with that 8% figure? Is the administration happy with 8% of properties? Bear in mind 300,000 children are brought up in overcrowded conditions in London.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Overall, I would like to be delivering many more homes of all tenures and to be addressing the housing challenge that loads of people are experiencing.

**Andrew Boff AM:** I recognise the challenge in delivering homes. I recognise the problems in trying to bring homes to completion. However, it is the proportion of them that I am concerned about. I am not talking about the global figure here. Does that really recognise the real housing needs of London by only providing 8% of those houses with four bedrooms?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Obviously, the SHMA recognised at a headline level the need between different bedroom sizes and you can compare those two things. It is not only the point I made about addressing under-occupation, but also the point about how long people need a larger home for. It is the point around fixed-term tenancies and people reviewing them. When people are under-occupying on review, we could get those existing large properties back into use faster than they have been. Rather than somebody with two spare bedrooms staying there for their whole life, instead, after five or ten years a family that needs to fill all of those bedrooms could have that home. That is one of the things that is set up. It is not just about new stock. It is about under-occupiers as well.

**Andrew Boff AM:** Absolutely, addressing under-occupation. However, if you address all the under-occupation, you still will not solve the overcrowding problems in London. Do you accept that?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** You will get quite a long way. There is a lot of under-occupation.

**Andrew Boff AM:** You will get a way, but it does not solve the overcrowding problems.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** We need to be doing both. There are some easier and quicker things you can do in terms of under-occupation.

**Andrew Boff AM:** Mr East, if I may, what is your latest analysis of the overcrowding situation in Newham, bearing in mind it is now the most overcrowded borough?

**John East (Director – Community Infrastructure Resources and Commercial Development, LB Newham):** I have two things. First, our problems stem very much from the accommodation with the private rented sector and that is where, as I said, the greatest amount of overcrowding exists at 51%, albeit we do have overcrowding within our council stock as well. On the point Jamie [Ratcliff] has made, obviously we are keen to look at issues and we do try to look at issues about under-occupation, but the problem we have certainly within our council stock and an inability to sort out is that we have a shortage of smaller stock, one and two-beds, into which we could move people to free up the larger properties. We also, it is fair to say, have a shortage within the council and registered provider stock of affordable larger units. Affordability, as you might imagine, is an increasing issue.

Bearing in mind the main problem though is within the private rented sector, it comes back to why we are regulating through the borough-wide property licensing that market and starting to tackle some of the issues of overcrowding. We have some very extreme, as you might imagine, examples. That is another reason why we introduced that scheme and we are starting to see some benefits from doing so.

Just one final point. Of course, particularly with – if I remember rightly – 10,000 houses in multiple occupation (HMOs) and of course, again, we are regulating those HMOs as well. We have also, given the problems which we have, introduced a borough-wide direction where more than three people living together in a property can then be defined as an HMO. Again, through planning powers, that gives us an additional tool in terms of regulation and tackling the problem.

**Andrew Boff AM:** Thank you. Finally, Mr Ratcliff, the London Overcrowding Board has not met since December 2013, according to our records. What does that say about the administration's priorities for overcrowding?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** There is, clearly, still a strong priority on addressing overcrowding. There just has not been felt a need to convene that specific group. There are some strong commitments in the Housing Strategy which set out what we are planning to do. I am particularly interested in that good practice of lettings and chain lettings to unlock under-occupied homes and help overcrowded people.

**Andrew Boff AM:** That is well identified. The area you have identified is something that this Committee could also recognise from the work that it has done. However, why have a London Overcrowding Board if it is not going to meet? What does it do if it has not met since December 2013? Should we just get rid of it?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** That is a decision above my pay grade, but just because that meeting does not happen, it does not mean the work is not going on. We have outlined what is there in the Housing Strategy.

**Darren Johnson AM (Chair):** There are quite a few issues on overcrowding that we want to pick up in a letter to the Mayor.

**Murad Qureshi AM:** This is addressed to Jamie again. Later on this month, the Royal British Legion will be producing a report suggesting that London is home to about 180,000 veterans and their dependants. We have also had all the boroughs sign up to a community covenant and the local area or local authority signing up to their commitments. Can you give us an analysis of how the various local authorities have delivered on these commitments across the whole of London?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In terms of the commitments that local authorities have signed up to?

**Murad Qureshi AM:** Yes, there are community covenants for local areas. I understand all the London boroughs have signed up. We have even signed up here with the Mayor and the previous Chair of the London Assembly, Jennette Arnold [OBE AM]. That included representatives of the Metropolitan Police Service, the London Fire Brigade and Transport for London. On a day like today, we should not forget the housing needs of our war veterans.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Definitely, we should not forget their housing needs. I am not briefed on what has happened in terms of individual boroughs and their performance against that. I could say a little bit about the national context and what the Mayor has specifically done, if you want me to.

**Murad Qureshi AM:** That is fine.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In terms of the overall context, the Government introduced a change to the allocations policy in November 2012 which gave additional preference to members of the armed forces. Looking through the data, it looks like 2% of allocations are going to that group and it is having some kind of effect.

**Murad Qureshi AM:** Across the whole of London?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** That is across the whole of the country. There is not regional data available in terms of those allocations. There is also priority given in terms of intermediate housing with First Steps in London and members of the armed forces are one of the top priorities for that group.

In terms of specific funding by the Mayor, we obviously fund pan-London rough sleeper services. Through that, we are assisting a number of UK veterans who have experienced homelessness and we are working with them. About 3% of the people who are helped through that are UK nationals with a history of military service. That was 127 people last year. We also had a funding programme with Veterans Aid in London, a pilot programme with them providing additional emergency accommodation last year. The final thing I would say is that with a scheme completed just last month with the Sir Oswald Stoll Foundation, we gave £1.2 million of funding for a scheme which has delivered 36 homes for older people with a history of armed service.

**Murad Qureshi AM:** It would be welcomed if you could give us a Greater London figure for the 2% national target.

Could I just bring us on to something I have noticed since my time at the Assembly? All the barracks, certainly in central London, have been moved on and sold by the Ministry of Defence: Regents Park, the barracks at St John's Wood and Chelsea Barracks. We are going to get the Knightsbridge Barracks sold off very soon if not already in the last few weeks. What can people leaving barracks like that expect from this covenant and from their local authority? That is what it comes down to.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** They have a preference for general needs housing stock, but where they have the housing need they get preference for that. They also have the equal highest priority for affordable home ownership products. The Mayor has said he wants to double shared ownership provision and to double it again going forward to help 250,000 households by 2025. There are a large number of homes that are coming forward there, many of which should be suitable for members of the armed forces.

**Murad Qureshi AM:** OK. It is just that there are particular boroughs that are at the hard edge of this and I am not sure what Westminster is doing on this front because all three of those barracks are in that borough.

Can I just come to the rough sleeping side? What are the latest estimates of the numbers of ex-servicemen amongst rough sleepers in central London?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** In terms of people who are accessing --

**Murad Qureshi AM:** There have been huge defence cuts. Soldiers are not getting the jobs at least and they are finding themselves on the streets. I am just wondering. Give me some sense that the Mayor is on top of this.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. In 2013/14, it was 3%, which is 127 people.

**Murad Qureshi AM:** Are they getting particular programmes?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Yes. With the funding that we make available in terms of pan-London rough sleeping in 2013/14, we helped 200 homeless UK veterans. I have a range of different ways that we did that. There were 100 accessing emergency or short-term

accommodation and 62 accessing the No Second Night Out and No Living on the Streets services. Of that 62, 83% were not subsequently found to be sleeping rough. We also have the Social Impact Bond funding for intervening with people who have the most entrenched rough sleeping. There are 25 people within that cohort we are assisting who are UK veterans. Of course, 20 of them are no longer sleeping rough.

**Murad Qureshi AM:** Are those additional resources we are talking about? That is the other thing.

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** This is part of the overall provision for pan-London rough sleeper services. It is not an additional new resource.

**Murad Qureshi AM:** It is just cutting up the cake differently rather than making a bigger cake?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** No, it is making sure that the services that are available are accessible to the people who need them, some of whom - 3% - are UK veterans.

**Andrew Boff AM:** Two years ago, my colleague Gareth Bacon AM secured £300,000 for veterans rough sleeping. Is the effect of that £300,000 still being spent amongst rough sleepers?

**Jamie Ratcliff (Assistant Director – Programme, Policy & Services, GLA):** Of that, £250,000 a year within the core programme is helping veterans. Then there was £56,000 for Veterans Aid's temporary accommodation programme in that year. We have not funded Veterans Aid this year, they did not come to us asking for more funding, but they are continuing that service. We have ongoing discussions with Veterans Aid about how we can support them going forward, not necessarily in terms of funding. It might not be the thing that they need most.

On top of the £300,000, there is the £1.2 million that I mentioned with the Sir Oswald Stoll Foundation. That is further money. I am quite keen to see what we can do in terms of our capital funding to help build specific services where needed.

**Darren Johnson AM (Chair):** Thank you very much and thank you, John and Jamie. John East, it was absolutely fascinating to hear what was going on in Newham. Thanks so much for coming over today. Jamie, it is always fascinating to hear from you anyway. Thank you, both.