

London Assembly Housing Committee - 15 November 2023 Transcript of Agenda Item 6 - Temporary Accommodation in London – Panel 2

Lord Bailey of Paddington AM (Chairman): Good afternoon, and welcome back to the second half of our Housing Committee meeting this afternoon. Welcome to our second panel of guests, which is made up of Kate Webb, Head of Housing Strategy, Housing and Land, Greater London Authority (GLA); Dinah Roake, Chair of the London Housing Panel (LHP); Joanne Drew, Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group; Josie Parsons, Chief Executive Officer, Local Space; and Sue Edmonds, Chief Executive, Capital Letters.

We are going to go straight to Assembly Member Baker.

Elly Baker AM: Thank you, Chair. Good morning, panel, and thanks for being here. Some of you have heard the panel that we have just had talking about some of the issues and the difficult state of temporary accommodation (TA) in London. Joanne, Kate and Dinah, together your organisations wrote to [The Rt Hon] Michael Gove [MP, Secretary of State for Levelling Up, Housing and Communities] about TA recently. The letter states that you are working together in a whole-London effort to tackle some of the issues around TA. Bearing in mind that we have already talked about how difficult that is, can you talk about what that partnership looks like and what you have managed to achieve? Kate, shall I come to you first?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): It is led by the LHP, so it would be for Dinah to kick off.

Dinah Roake (Chair, London Housing Panel): What has been achieved is getting to the letter. It all started before my time with the LHP, but the Mayor used his convening powers to pull together the group to have that conversation in a pan-London way. It has achieved that cross-sector involvement through everybody identifying common ground and wanting to be supportive and working together. I am conscious of time, and I do not need to go into the detail of the letter unless you want me to. The detail of the letter was submitted to you as evidence for the meeting. It is very much about pulling together to find solutions, both what we can do at a local level and what we can do at a Londonwide level and with the community and voluntary sectors involved as well. You heard Maria [Morgan, Executive Director, Kineara Community Interest Company], who is one of the LHP members.

Elly Baker AM: Is there anything that you would like to pull out in terms of what you were able to do when pulled together?

Dinah Roake (Chair, London Housing Panel): One of the things that is about to happen, which I am a bit concerned about in terms of finalising some of the funding, but I think I can talk about, is a project. The next step, having produced the letter that was submitted to Michael Gove establishing what we believe to be the problems and some of the solutions, is a focus on something that we are calling Encounters and Conversations, where - picking up some of the points that were made in the earlier panel - we would be looking at attitudes and gatekeeping. We will be carrying out that project with community and voluntary sector members in a supported conversation, because some of these conversations can be very traumatic, but doing that in a way that we can produce some good practice, which hopefully can then be shared across London, for when somebody arrives saying that they have an issue and how that is addressed. That is one future example.

Elly Baker AM: That is fantastic. Before I go on to talk about what else needs to be done, Kate and Joanne, is there anything that you want to add to that?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): The point about the common ground is key. We heard in the previous session that local authorities are in an extremely difficult position. We should not lose sight of how that translates to people on the ground who are trying to access support from them, and the very, very harsh outcomes that they are feeling. The value of the partnership that we have developed is that we are able to work collaboratively with both sides of the table - the boroughs, the Mayor and the community and voluntary sector organisations - trying to come together to find that common ground. As Dinah says, the GLA is very happy to be funding this new piece of qualitative research, which will begin to get into those difficult culture conversations about how we improve the lived experiences and the feelings of respect and validation that people need as they navigate what is always going to be an extremely fraught process.

Elly Baker AM: Thanks, that is very helpful. Joanne?

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): From a local authority perspective, we in London Councils were very pleased to support the collaborative effort. While we battle to deliver on our statutory responsibilities at this challenging time, we have never needed the support and the input of the community and voluntary sector more, because they can reach out into communities and support people in ways that perhaps institutions like local authorities cannot. We value the contribution and would like to see, as an outcome of this very difficult time, the strengthening of that sector so that it can provide additional safety-net support around the most vulnerable people who we are working with.

Elly Baker AM: Thanks, that is really helpful. Now I am going to pull all the way back. We have been hearing all the significant problems from the grassroots and voluntary sector just now, but it would be good to hear from everyone on the panel what you think are the key changes are that need to happen at a London level to address the crisis in TA. Can I come to Josie or Sue?

Josie Parsons (Chief Executive Officer, Local Space): We speak about the housing emergency or the housing crisis. If this is a housing emergency, more than a crisis, it needs an emergency response. My challenge for the Mayor is to ask him if he could lobby for taking housing out of the political arena and treating it as a truly national crisis that needs a national crisis response, making sure that it has a long-term strategy that is not part of the political football that goes with a five-year cycle in politics, with policies being withdrawn, money being given and withdrawn, and changes being made that are just impossible to navigate and to deliver any kind of long-term solution. That is my challenge.

Elly Baker AM: Yes, I totally understand. Sue?

Sue Edmonds (Chief Executive, Capital Letters): Just briefly, Capital Letters is also a pan-London collaborative organisation. We have recently consolidated down to ten members because of the size of the issue that we are facing in finding homes. The real issue is supply versus demand. In our submission we said how many properties were available back in June [2023]. We ran our numbers again. Of 19,800 properties available in London listed for rent on 30 October [2023], there were 17 that were offered at local housing allowance (LHA) rents. We know also that for every property that is listed, it will not go at the rent that it is listed for. There are at least 30 people vying for that property. We have a big issue of supply. It is about how we find solutions to that.

I would also like to posit the question back: what is the purpose of TA? We have already heard that people are there for five, ten, 15 years or longer, particularly in London. It should be temporary, eight to 12 weeks to do an assessment and enable people to move on to appropriate accommodation. We do not have the appropriate accommodation currently, so all the TA is silted up, with conflicting demands through asylum seekers and other conflicting policies. Going back on the housing policy issue, can we have a cross-departmental approach to housing as well as a pure housing approach? We need to find intermediate solutions to the problem while we think about the long-term solutions, because if we carry on doing what we are doing, we will continue to have an ever-worsening issue. I know that our members are paying huge amounts of money in TA every month. London Councils says that it is something like £60 million a month.

Picking up on the issue that was mentioned earlier about people being given 48 hours' notice for moving, that is hotel and bed and breakfast (B&B) accommodation. I know that some of our members who have not had to use B&B accommodation are now having to do so. They would like us to work, possibly with the Mayor, to find some better, proper temporary solutions, maybe with professional assessments so that we can move people through the process more quickly. But we need supply for them to move into. I would like to focus on the supply solution with a qualification of what we think TA is and should be.

Elly Baker AM: That is an important point, because for me it sounds like TA refers to the fact that it is temporary for those individuals, but it does not describe the reasons that they ended up there. It is not necessarily an emergency situation, a lot of the times now it is simply a failure of our housing system. Is that fair to say?

Sue Edmonds (Chief Executive, Capital Letters): Section 21 [evictions under the Housing Act 1988] continues to be the major cause of homelessness. We represent landlords as well as tenants in our member boroughs and we know that landlords are similarly being affected by the cost-of-living crisis and mortgage increases. Some of them cannot make it work anymore and they may well be selling their property or withdrawing it from the LHA area because they need to generate more income to cover their costs. I would not want to suggest that landlords are the problem either. We have a systemic issue that needs big solutions. It is a crisis and we cannot just carry on doing the little bits that we are doing.

Social housing is what we need, but we need more housing of all kinds. For a properly functioning housing market, you need homes at every price point. You need a vibrant private rented sector (PRS) because that can be more affordable, but also it encourages social mobility and enables people to move more readily to go to different areas for work and things like that. However, housebuilders are not building. They are also being hit by increasing costs and people are not buying properties. They are all slowing down. The housing associations (HAs) are slowing down their building programmes as well because they are, rightly, focusing on the quality of their accommodation and winding back on their development programmes. The sum total is that we are not building enough homes. Last year more homes were either sold or demolished in the social housing sector than were built. We have 1.2 million people on waiting lists across the country, 300,000 of those are in London, and they are increasing. A lot of those people are in TA waiting for suitable homes. We do not have them, and we have to find a solution to that problem.

Elly Baker AM: Thank you, Sue. Joanne, could I come to you? What are the key changes in London that we need?

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): In terms of the PRS, which we rely on heavily to meet the needs of vulnerable low-income households and to address our statutory homelessness responsibilities, we have to recognise that over the last two decades we have seen that sector grow and become ever more buoyant. From

roughly ten percent of the housing market, it is now around 30 percent, with different proportions in different boroughs. What we are now seeing is the start of a retrenchment back to a lower level of PRS accommodation. We do not know exactly, as one of the early contributors said. However, we do know that in 2022 40 percent of the new listings for sales came from private landlords who had previously rented their property. We do not know whether they go back into the rental market following sale. I suspect not because the level of buy-to-let mortgages has reduced in the period, and I suspect that is not the case.

One of the things that we need to do, which the Mayor has already supported but it needs to be expanded, is a buyback scheme. Councils and charities need to intervene to buy those homes back to keep them available for lower-income households. It would be a different type of PRS that we are creating but with more intervention from public and charitable organisations to make those homes still available for lower-income households. A closer look at how we can address the challenges in the PRS sector so that we provide housing for all within the homes that we already have - obviously building new homes is critical - will be an important thing to look at for London.

Elly Baker AM: That is helpful, thank you. Dinah?

Dinah Roake (Chair, London Housing Panel): I am going to echo that point. You will know from the LHP's priorities that massively increasing social rented housing supplies is one of our key priorities. Social housing supply is key to unlocking a lot of the problems that we have been talking about today, because it addresses the need for those homes to be at a level where people can afford to pay their rent. That picks up a lot of the problems that were discussed in terms of health and wellbeing as well, if people can afford to pay their rent and they are settled. We have been doing a bit of work with the Public Health Team at the GLA. Although it is very difficult to attribute and quantify on an individual basis, there is very, very clear evidence from a piece of research that was done last year [2022] of the benefits across the piece. There is additional capital funding required to make this happen, but I agree completely with the point about reorientating the ownership of our existing stock. From the [London Housing] Panel's point of view, it is very much about the net housing supply being available to people on lower incomes and the proportion of people on lower income in London who need them.

Elly Baker AM: Yes, because if the PRS is reducing at the moment, we either make an intervention to try to fill that gap or it happens without us. It sounds like no one quite knows what is happening.

Dinah Roake (Chair, London Housing Panel): And the cost as well. The cost in terms of new construction costs is getting to a point, or is at a point, where buying an existing property is as cheap as building a new one. There are all sorts of other issues in terms of the wider housing system, but in terms of the need for people with lower incomes, that seems to be the best way to go.

Elly Baker AM: Thank you, Dinah. Can I go to Kate and then come back to Sue?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): I agree with a lot of what is being said. Fundamentally what we are seeing is the consequences of an affordability crisis. Unsurprisingly, that affordability is very much driven by what we are seeing on the supply side. Therefore, we 100 percent echo what the panellists have said around the need for new social rent supply. I am sure that Assembly Members are incredibly bored with hearing people from the GLA say that we consistently do not get the level of funding that we need from Government to enable us to build at the level that London needs. We commissioned Savills [real estate company] to do some analysis for us, look at what the London Plan says is needed in terms of affordable housing and looking at the where the current market is in terms of capacity and building costs and so on. That identified that you need £4.9 billion a year to build at levels of need. We do

not get anything close to that. Therefore, we will always be unashamedly asking the Government to help us to support people more.

I agree with everyone that acquisitions can play an interesting role. The situation for housing developers is very complex and very challenging. The Deputy Mayor [for Housing and Residential Development] brought together a number of players, including many people on the panel, from the public and private sector over the summer [2023] to try to understand the constraints to delivery at the moment. One of the very clear recommendations from that group was that in the current context, with high construction costs and borrowing costs high, there is a real value in an acquisitions programme that can provide that emergency response and emergency injection of new supply. It is something that, as the Committee knows, we did through the last Affordable Housing Programme (AHP), through the Right to Buy-back programme. We have said publicly over the last couple of weeks that we will be looking to launch a new acquisition programme. We will be doing that very, very shortly. Certainly, we want to continue learning the lessons that we learnt through the first Right to Buy-back programme that TA is valuable to local authorities, and ensuring that we are able to support that is something that is something that we want to maintain.

I would note that here is an inherent trade-off with acquisitions. We know that London needs more homes of all types. There is a difficult trade-off: are you putting grant funding into acquisitions or are you putting it into genuinely new supply? However, in the current context, particularly when you are looking at those landlord dynamics, there is a need to support local authorities to acquire what stock they can.

We also need to look at the PRS. It is very welcome that the Renters (Reform) Bill is finally progressing. Section 21 [evictions] is still a big trigger of homelessness, and fear of it both on the local authority side and on the household side is always going to be an impediment to using the PRS to resolve homelessness and to get people out of TA. Moving towards a more secure PRS is hugely welcomed, although we do have concerns, as I know many others share, that the Government has signalled a potential perpetual delay there with the suggestion that new powers will not come into force until the court system is equipped to deal with the change in behaviour.

The big elephant in the room is the LHA and the level of support that we are prepared to put in to support people. In London many people on good salaries still need the LHA to afford private rents. We are not going to be able to make full use of the PRS unless the Government increase LHA rates to at least the thirtieth percentile. That is expensive and we cannot shy away from it. It is why I slightly disagree that we can ever aspire to take housing out of politics, because when you are talking about spending £2 billion, that is an inherently political question. However, the failure to do it will be the continued persistence of very high levels of TA, which we are now seeing extend outside of London as well, to councils in places that have never normally had this level of problem and are now having their minds concentrated in a way that is all too familiar for Joanne and her colleagues.

Elly Baker AM: Thank you. Sue, did you want to come back in?

Sue Edmonds (Chief Executive, Capital Letters): Thank you. I want to pick up the point about how we repurpose existing supply while we wait for new supply to be delivered, because obviously we do need new supply. The Local Government Association reported yesterday [14 October 2023] that something like one million homes nationally are empty. I did some research back in 2022 and I think that there were about 88,000 empty homes in London at the time. Maybe there is something that Mayor could do to create an empty homes strategy to support boroughs to find these homes and get them registered, perhaps with some resources, because I also know that colleagues in our member boroughs struggle with the resources to go out and find them. Then the owners of the properties might need some incentives to bring them back. Maybe

they could be used for PRS or homeless households, for instance, as part of the deal if they got some money or a loan or something. That would be another contribution. This is about a blended approach with different solutions to help in the immediate short term. The short term is probably five to ten years, and we need to find some interim solutions.

Picking up the point about LHA, I completely agree about LHA. However, if you increase LHA rates without commensurate increases in the Benefit Cap, you will put more people at risk for homelessness. The problem with that is certainly [HM] Treasury is not going to agree to increase benefits currently and so we go back to that situation: the devil you do, the devil you don't. We do need to increase LHA rates. I think that will entice some landlords to come back to the market and it might increase opportunities. Certainly, about 50 percent of people in TA or who are homeless are working, so it is not that they are all not working, but they cannot afford rents in London.

Elly Baker AM: Absolutely. Josie, I know that you want to come in.

Josie Parsons (Chief Executive Officer, Local Space): I want to outline Local Space's models. Local Space is a registered provider of social housing that works in partnership with a number of local authorities to provide them with a more cost-effective alternative to some of the really short-term solutions for TA: nightly-let and hotel accommodation. We provide a more settled alternative that costs quite a lot less, at least 20 percent less, often a great deal more than that less.

Our model is purchase and repair. We are one of the people out there buying back homes that are put up for sale by buy-to-let landlords who are moving out of the market. We will take on properties that maybe a new entrant to the buy-to-let landlord market might not, a property that needs money spending on it. Our average spend on our refurbishment programme is £40,000 plus VAT. It is quite normal that we would spend that, whereas a new buy-to-let landlord might not want to spend that kind of money. What we do with that money is make sure that the home that we provide for nominations from our local authority partners, from their homeless register, not their housing register, is in a really good state. It is technically TA in the sense that it is not a permanent home, it is not a secure tenancy, but our average tenure length is six years; it is not temporary in any normal definition of the word. It certainly is not a low-quality, unpleasant TA that some people have to suffer to live in.

Elly Baker AM: Thanks very much.

Lord Bailey of Paddington AM (Chairman): Just a quick question. At what scale? How many properties do you have?

Josie Parsons (Chief Executive Officer, Local Space): We have just fewer than 3,000 properties.

Lord Bailey of Paddington AM (Chairman): This works financially as a business?

Josie Parsons (Chief Executive Officer, Local Space): It works to a degree. In some local authorities we are able to benefit from some right-to-buy funding to assist us. That helps the money to go a bit further. In other local authorities we do not get that kind of funding. We have been able to access some GLA grant in some circumstances but there are some limitations around the availability of GLA grant for this type of funding because of the space standards. If you are buying back existing properties, they will not have been constructed with the space standards in mind and that can be a barrier.

Lord Bailey of Paddington AM (Chairman): Thank you. Assembly Member Berry.

Siân Berry AM: Thank you very much. My question goes back to some of the questions on competing priorities. In response to our call for evidence, Crisis [homeless charity] responded to us and said that it had:

“... serious concerns about any initiative that seeks to increase the provision of any form of TA without addressing the scope to improve access to settled housing. To do so risks perpetuating the harms that even good-quality TA causes to individuals as well as the wider cost to public services.”

That is a good question. There are some interventions that we can make to increase the amount of TA that might get in the way to providing more settled accommodation. How do we resolve this? In your work, Dinah, you said that you have been having discussions about buying things back and acquiring homes that have been in the PRS and might have been used as TA, and making them truly long-term and affordable. Can you talk about that? Have you had any pushback from people who would rather have it for TA, for example?

Dinah Roake (Chair, London Housing Panel): That particular initiative is slightly separate from the LHP. It is very much about settled accommodation, but it is about settled accommodation for an individual household that would otherwise be made homeless. Therefore, it is a bit more complicated. There has not been any pushback, but the work probably has not developed sufficiently. It is more similar to Josie’s proposition but looking at the settled home position. The only pushback that has been flagged would be a local authority issue if there were the sense that somebody was somehow jumping the waiting list.

From the LHP’s point of view, definitely the focus needs to be on that long-term supply of social rented homes because, as one of the speakers in the first panel said, if there was an easy flow through and there were homes for people to be moved to and settled once their assessment had happened, it would be much less likely for people to be spending time over a long period of time in TA. One of the things that we have heard in the LHP from some of the members supporting people like Maria [Morgan] is that when Shelter says that somebody has been in TA for ten, 15, 20 years, they have not been in the same home for the whole of that time. You think that they have been settled for 20 years. No, they have not. They have been at risk of moving every 12 months or whatever, with the notice periods that we talked about earlier. I am sure that everyone is aware of that but it is something that, when you hear that length of time, sounds as though somebody is settled, but it definitely is not.

I have not quite answered your question totally because the work has not progressed far enough to be able to tell you whether there are any fundamental problems with it, but it is focused very much on settled accommodation, not providing TA.

Siân Berry AM: Joanne, as a local authority you must battle with this. You have capital investment versus revenue that you have pay out every week. You are trying to balance that off and make the right long-term decisions.

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors’ Group): As a local authority it is in our DNA. We do not want to have TA, we do not want to have that need. We want permanent, stable homes for our residents. I would agree with the sentiments of the Crisis research, but we are in an unprecedented crisis situation that started over a year ago now. We now have people living in hotels, substantial numbers. London Councils collects data from all boroughs and will be able to submit our September quarter 3 data, which might be helpful. In June we had 986 families, households, in B&Bs for over six weeks. We were in breach of our statutory duty. In Enfield 140 of those households were ours. There is no question that we have to provide, very urgently, alternative and fit-for-purpose TA. That is not our long-term aspiration. We do not want to have that in five years’ time as

TA. We want to be able to flip it into rental accommodation. However, now the crisis is such that we must provide more TA because hotel provision is neither affordable nor acceptable for families.

Siân Berry AM: Thank you very much. Josie, do you have more to add? You outlined your model quite well. Your model, to expand, would take up more people from B&Bs?

Josie Parsons (Chief Executive Officer, Local Space): Even if it is not Local Space expanding, using the model in other locations, absolutely. The core and how Local Space came into being was the grant of a small portfolio of property that we were able to use as a seed fund, a grant in the form of property rather than in the form of money to assist in our generation, in the first instance in 2006.

On the competing priorities piece and the description from Crisis of its concerns about expanding TA, I totally understand why it says that. I would love to be living in a world where Local Space and its model was not necessary. However, we live in the UK in 2023, in a crisis scenario where absolutely every possible solution is part of the solution. There is no one silver bullet. We need all of these things to be in place and meshed together properly so that we have a longer-term aspiration to have everybody in appropriate long-term accommodation. I would love to be able to convert my Assured Shorthold Tenancies (ASTs) into secure tenancies because there was no longer a need for them. That is not the reality and we do have to live in the reality that we are in and deal with the problem that is in front of us, rather than aspiring to deal with a problem that we cannot solve quickly. We cannot solve the long-term delivery and the long-term supply quickly. I wish we could, but we cannot.

Siân Berry AM: Thank you. Sue?

Sue Edmonds (Chief Executive, Capital Letters): Thank you. I agree with Crisis's sentiments but, as other have said, it is about the reality of what we are living at the moment. It is about coming up with alternative solutions. There is something around how we make the PRS more attractive to landlords to come back to the market. Maybe there is something that the Mayor could be doing to persuade the Government to think about different fiscal changes, because some of that is what has driven landlords out of the market because it is punitive on them. Maybe loans and grants to enable them to bring the property up to good-quality standards, maybe in return for local authorities being able to use for them for a period of time for homeless households.

One of the things that we learnt from Capital Letters is that while we have predominantly been procuring PRS properties so that our members can discharge responsibilities, we have offered a tenancy sustainment service both for our tenants and for our landlords. That can be quite fundamentally life-changing in terms of avoiding the revolving door of homelessness. We always have two-year ASTs, with an aspiration that they would be renewed, so we work with landlords. We are there to ensure that if there are some problems with the tenants - arrears, damage and so on - we are there to help and give confidence to landlords. We have an insurance product that protects landlords against arrears and property damage in the future. LHA increases, as I have said already, would be attractive to them. There are landlords genuinely who want to do something good with their property, depending on where they have come from.

Another thing to think about is how we engage patient investors - pension funds and the like - in investing in London, in buying properties now and perhaps new build in the longer term. We are in discussions with a company about a pan-London initiative that could deliver 5,000 homes over the next five years, which starts with buying properties and doing them up. They have to do them up to our standards, and they are the standards that we have agreed with our members, and then we would offer them to our members. It would be an individual agreement with our individual boroughs about what they have. There is maybe something that

the Mayor could consider about giving guarantees for those sorts of schemes as well so that these properties are available for London.

There are people out there who have money. Yes, they want to make some money out of it and clearly there is an interest-rate increase, but we are negotiating a fixed 3.5 percent increase. That is no consumer price index increases, LHA tenants in the properties would not have a rent increase and we would have to generate income to cover the increase. However, it is not beyond the bounds of possibility to make that work. That is one of the solutions that we think is a viable option.

Siân Berry AM: That is interesting. You must have experience with some of the landlords who you have been working with who then turn around and say that they would like to exit the landlord business. Are you doing anything to point them towards boroughs who are using the right-to-buy-back fund? Are you trying to keep those homes within the sector in that way, even if it involves buying it off the landlord?

Sue Edmonds (Chief Executive, Capital Letters): They do not always tell us. In fact, they seldom tell us if they are planning to sell; you find out after the fact, so the tenancy might come to an end naturally. A quarter before the tenancy is due to end, we are contacting the landlord, asking, "You are going to renew, aren't you? You have a tenant who is paying their rent and it's cheaper to keep them in the property than change." However, if they choose to end the tenancy naturally, not a section 21 [eviction] situation, we do not necessarily know. They do not tell us if they do not want to. However, we can certainly think about how we do that better going forward.

Siân Berry AM: I would have thought so. I was hoping to find an example of where you had done that and then maybe kept the tenant in place while the thing was transferred. I do not know if that is just wishful thinking.

Sue Edmonds (Chief Executive, Capital Letters): We have done different things whereby a tenant has been placed in a property and it has subsequently been found that they cannot afford to pay the rent any longer. We work with the landlord and the local authority to find different accommodation for them so that they do not become homeless again.

Siân Berry AM: I was thinking more of the Right to Buy-back fund and what it might be used for.

Sue Edmonds (Chief Executive, Capital Letters): We are working with one of our member boroughs to provide the housing management services for their Right to Buy-back scheme and we will talk to them about it. We are not aware of every borough currently that is doing the Right to Buy-back scheme. It would be helpful to know that and then we can map what properties we have to see if we can make that work.

Siân Berry AM: I am sure that Kate could provide you with that information.

Sue Edmonds (Chief Executive, Capital Letters): I will take that away as something to look at.

Siân Berry AM: I do need to ask Kate something about the thing that you said earlier, which was that you are looking to launch a new acquisitions programme. I am a big fan of Right to Buy-back. I think that buying the supply is a good way to be, in the short term, increasing the supply of social housing and that we should be getting more money from Government to do it. However, the efforts that the Mayor has made to use existing grants has been useful.

Léonie Cooper AM: Assembly Member Berry, did you want to ask my question? Just carry on.

Siân Berry AM: The next question is about building TA, not buying it, so I will just ask my question. In terms of the next acquisitions programme, will this be new money? The announcement said that it would be about the buying and conversion of new and existing market homes into social housing and/or TA. This is the competing-priorities question. Do you have a sense of the balance you will be seeking between genuine social housing and TA? Will each have different grant levels associated with it?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): There is an announcement due very, very soon. I do not want to encourage my press colleagues to run down and turn my microphone off again.

Siân Berry AM: Arguably, you should tell the Housing Committee before you tell the press.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): Well, we tell everyone, and you are everyone. But yes, there is an intention to launch a new programme very, very soon. I would look a lot happier than I do if there was new money underpinning that. I think it will not be surprising for Assembly Members to know that we are having to use the AHP for it again. Full details of the conditions and requirements for local authorities will be set out imminently. I think they will speak to some of the trade-offs that Crisis are alluding to in terms of what you then require around standards and space, etc.

In terms of the balance of TA versus social rent, if you look back at the first Right to Buy-back programme, we hit about 50/50. Our view is very much we need to be led by local authorities here. What we are able to offer in grant will be limited because of the overall limits of the AHP, but it would not be surprising to you to know that we would look to grant fund different tenures differently. I think it would be up to local authorities to look at their local markets and also their own TA strategies and decide whether TA or social rent is the best tenure for them locally. But certainly, historically, we have seen that a mix of the two can work very well across London.

What we would like is to begin to have a bit of an expectation that this is part of how we house people in London. Speaking to the challenge just raised of landlords just not thinking about local authorities, I think if we had backing from Government - let us say for the next ten years there is an expectation that an AHP will value acquisitions as an appropriate proportion of that - it would help to mainstream that attitude among landlords. If you want to exit, you go to your local authority first.

Siân Berry AM: That is great, yes. That idea that it is a soft landing for landlords who are in distress is really important, I think, and the more it is publicised, the better.

Lord Bailey of Paddington AM (Chairman): Thank you, Assembly Member. Assembly Member Cooper.

Léonie Cooper AM: Thank you, Chair. On a completely different topic, obviously - nothing to do with anything that we have just been talking about - should TA be classed as a form of affordable housing by the GLA so that providers can draw down funding from the AHP to build TA or acquire it?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): As you know, our rules are always informed by what Government can allow us to do, and the expectation within the new AHP was that we had a much tighter restriction on tenures. If a product was not for homeownership, it was only to be social rent with the associated rents and, crucially, tenancies, which would have prevented us from funding any TA. We are hugely aware of the scale of the crisis in London and also the appetite for Right to Buy-back for TA showed us that there was local authority will to grow their own supply of TA.

We have negotiated a change in the memorandum of understanding with the Department of Levelling Up, Housing and Communities (DLUHC), which would allow us to fund new build TA in certain circumstances. The crucial thing becomes the rent level. It would need to still be what everyone could fairly consider an affordable rent, and we would generally consider that to be the lower of either the relevant LHA level or 80 percent of the market rent, which I know is still in excess of what a lot of Londoners would call a genuinely affordable rent, but it is an attempt to put some parameters around that. That provision is now there.

The challenge, as ever, is all of the contextual problems that we see inhibiting new supply in general, as well as the grant rates which are available, with the added complexity for TA where the Housing Benefit (HB) revenue that local authorities can assume they will receive just is not adequate, regardless of whether they are using the mainstream LHA rates or having to look at the HB-specific regime, which has been frozen since 2011. Making a freeze since 2020 looked like very small beer. It is challenging for local authorities to work out the economics of either route. But it is a flexibility that we now have. Certainly, we would be very open to conversations if local authorities want to start talking to us about new build TA.

Léonie Cooper AM: Thank you very much, Kate. I am going to move straight on to Joanne. In one sense, you can say this is 'robbing Peter to pay Paul' because the overall envelope is not really being increased here, but do you think it gives some flexibility that would be of use, or do the issues about the overall envelope, the grant rate and then the subsequent rental income mean that it is of insufficient value to you?

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): As Kate says, we need more investment going into new supply generally. But that point said, councils do collaborate with each other to try and manage the market. We will have agreed levels of incentive rates that we will pay landlords to offer accommodation to us and to provide that for TA and homelessness. At the beginning of the year [2023], we agreed a ten percent increase on those levels as part of our agreement. It is true to say that that ten percent level has been vastly exceeded, and now we are struggling to maintain a common agreement because councils are so desperate to find accommodation.

We know that there are increasing competitive pressures which are encouraging landlords and institutional providers to increase the cost to councils. That is really affecting council budgets and it means that we are all in competition. Many of our strategies include bringing under more of our direct control TA that we do own, because we know we are always going to need some TA. I think now is the time to divert some resources to owned new build TA for the long term, which reduces the price inflation that we are currently experiencing. I think that would be better value for money for the taxpayer generally, and it would enable us to have more control and not be subject to market forces in the way we are.

Léonie Cooper AM: Yes. One of the councils I represent - I represent the [London Assembly] constituency of Merton and Wandsworth - has something that is called COSTA, and it is not the coffee. It is Council Owned Short Term Accommodation, and it is blocks that have just been turned from being a block of flats into a block of TA. I am not going to go into the details of my views the quality of some of that accommodation, because I have views, and they are not necessarily relevant to this part of the discussion.

I just wondered if I could come along to Josie. Wow. I was working in Newham for Newham Council in the housing department in 2005 and 2006, and was there when the first discussions were had about setting up Local Space and how necessary it was to transform the horrible situation, I have to say, in TA in the PRS in Newham at that time. Congratulations that you have moved on to 3,000 properties, but it is still a drop in the ocean. Do you think switching around the AHP - obviously the initial set of properties came out of the Newham Housing Revenue Account - would help at all? Would that help you?

Josie Parsons (Chief Executive Officer, Local Space): Well, grant is always helpful however you can receive it, but the fundamental difficulties that we have around supply, around not producing enough new supply, really far outweigh all of that. As you say, 3,000 properties - not all of them for nomination to Newham, although the majority of them are - are a drop in the ocean. Newham have 26,000 families on their register, and they have about 400 voids in their council-owned social housing. The need is enormous and very problematic for us. But we are helping. We are part of the solution, definitely part of the solution. We are not the whole solution. No one thing is the whole solution, except producing more homes in the round, and that takes time, takes effort, and takes sustained effort over a period of time.

It all helps. Speaking from a Local Space perspective specifically, we are leveraging the value of the portfolio we have, and any grant helps to make that money go further and enable us to do more. It is always helpful.

Léonie Cooper AM: OK. It is still very depressing though because it does not really seem to have solved any of the terrible problems that were there then, at that time, all those years ago. Kate, if I can come back to you, the GLA in 2019 committed up to £11 million to the PLACE Project, the Pan London Accommodation Collaborative Enterprise to support the building of modular housing for use as TA, and our previous colleague, Assembly Member Nikki Gavron, did a whole rapporteurship on modern methods of construction and modular housing. Obviously, one of the attractions is that instead of spending eight months building somewhere, you could spend eight weeks getting a property ready. How many homes have now been built so far, and how much funding of the £11 million has been used? What has that done to address this problem, taking the point that everyone is making about drops in the ocean to add up from different angles?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): If it is OK, I would like to follow up in writing with the exact figures from that slice of the programme. But one of the things we have learned is that modern methods of construction (MMC) is not the rapid response that many people hoped it was. You still have the challenge of finding sites. Often 'meanwhile' sites are a very good place to start.

There are issues with the supply chain. Many Members will be aware of the very high-profile collapses that have been seen with companies. There were very significant delays in getting utilities onto sites. Some other early trailblazers have found particular management challenges. I think it is fair to say that our early experiences are probably not leading us to think that MMC is going to be a major part of the of the solution to get us out of the current crisis.

Léonie Cooper AM: Has the £11 million all been spent?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): I do not know, I am afraid. As I say, I am very happy to follow up in writing.

Léonie Cooper AM: If you could, and if you could tell us whether it has provided any accommodation. Obviously, the challenges are there. My follow-on question was to say: has all the money been used? Are we likely to expand the project? I am gathering from what you are saying, for TA, probably not.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): No. The money certainly has been used. As you know, we have not handed any money back to DLUHC and we certainly do not intend to. The way we run our programmes is we are always able to redeploy grant if a particular scheme does get into trouble. But we are not planning to expand that approach at the moment, no.

Léonie Cooper AM: Thanks very much. Thank you, Chair.

Lord Bailey of Paddington AM (Chairman): Thank you. I am going to ask a question that is probably the crux of the whole meeting, but I am going to start out by saying I think we would all accept there is a crisis on with TA and that housing supply in London is too low. Bearing that in mind, what needs to happen? This question says, "Is it feasible there will be significant improvement in the stock of TA in London?" The answer to that is clearly no. I do not need that answered. The question is: what needs to happen to improve the situation? Let me start with Sue.

Sue Edmonds (Chief Executive, Capital Letters): I am going to raise what is, I think, a controversial matter, which is about converting empty commercial buildings into residential accommodation. It is a very flawed and complex area, and there are some dreadful examples. Terminus House in Harlow is usually used as an example of what you should never do.

However, Capital Letters supported a joint inquiry, an All-Party Parliamentary Group (APPG) inquiry by the APPG for Housing, Homelessness and Housing Supply. They reported earlier in July [2023]. It said that in certain circumstances, very carefully and in collaboration with local authorities and HAs, with the right building, to the right standards - we were embedding the Healthy Homes Principles that [The] Lord Crisp [KCB] was advocating for the Levelling Up Bill - there is an opportunity to create more homes, affordable homes - the proposition was there should be a requirement that they deliver affordable homes - and we could address some of the short-term issues. We are talking with [the London Borough of] Merton, for instance, about a block that will be used similarly, Merton being one of our members. There are opportunities, and there is money out there that could be invested so we would not necessarily need to use grant funding and things if we got the right partners.

What we would like to propose is perhaps we could do a pilot scheme. Perhaps the Mayor would lead a pilot to learn lessons but also see what is the 'art of the possible', because it could be a solution. Work habits have changed significantly in London since the pandemic. There are lots of empty blocks of offices. The high streets have been affected by businesses failing. There is opportunity to regenerate high streets both economically and in terms of people there.

Barking and Dagenham have done an excellent project with a company called Habitat for Humanity who have been converting properties for care leavers very carefully and in small scale. This is all small-scale to a degree but there are potentially opportunities to create more homes without having to have new build. These buildings already have carbon capture, which helps with the net zero aspirations of the Mayor as well.

I think there is something there that is worth exploring, but absolutely caveating that it has to be done very carefully and in collaboration with local authorities to make sure there is no impact on local amenities, and all of those considerations are given proper thought before anything is done.

Lord Bailey of Paddington AM (Chairman): Yes, many Members on this Committee have a visceral dislike, I would say, of permitted development.

Sue Edmonds (Chief Executive, Capital Letters): I am not talking about PDR necessarily, I am talking about conversion of properties, which is different.

Lord Bailey of Paddington AM (Chairman): OK. My Committee Members have persuaded me that that might not -- I would be interested to see how that would look because we have had extensive conversations about that sort of development and none of them have been positive. Can I come to Kate?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): What is the big thing that needs to be done?

Lord Bailey of Paddington AM (Chairman): Yes. Give me one wish.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): I would start with the LHA. A lot of what we have been talking about is about the flow, it is about small numbers. If you increase LHA, including that specific HB subsidy, you are helping huge numbers of Londoners at a stroke. You are stopping the flow of people into TA because you are dealing with the affordability crisis which is making people homeless from the PRS, you are getting people out of TA into good-quality PRS accommodation, and you are helping local authorities to find decent TA rather than having to rely on hotels, B&Bs, out of area, etc. LHA is probably the closest we have to a magic wand in the short term.

Lord Bailey of Paddington AM (Chairman): Could you remind me of the minimum level you suggested earlier?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): At a minimum, the thirtieth percentile, which is what has been nominally the policy norm for the last decade. If you look historically, if you look at the evidence, probably in London you need something closer to the median rent to enable the PRS to function. As Josie said, it needs to be in conjunction with the Benefit Cap because not everyone is working so some people will be subject to the benefit cap.

Lord Bailey of Paddington AM (Chairman): OK, thank you. Joanne?

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): Yes, local authorities would absolutely support LHA but if I can add a new one, taking that as read, councils need an urgent injection of additional finance to support the current cost pressures that they are experiencing. At Enfield this year we are incurring £17 million in addition to our planned budget for the provision of homelessness support and TA. Many councils across London are in similar positions, and indeed across the country. The Homelessness Prevention Grant formula had an element of cost in terms of how it allocates funding, but that cost was based on 2021 and the previous two years. Clearly, since that time, cost pressures have increased exponentially. There is an urgent need to address that gap to enable councils to survive and continue to deliver their statutory service.

In addition to that, we have a workforce that is absolutely vital to provide support to residents. It is a workforce in short supply. There is a real lack of trained caseworkers across London and we are competing with each other for the best caseworkers. We really need a Workforce Development Plan because it is an important professional career path. That needs to be supported by funding to enable us to grow the pipeline of caseworkers that we need to provide support to residents at this time.

Lord Bailey of Paddington AM (Chairman): OK. Dinah?

Dinah Roake (Chair, London Housing Panel): I am supporting the LHA point. You would expect me to from the previous responses. I think also it needs to be done in the short term, but it will not impact for a longer term. There needs to be a look across the piece at a [HM] Treasury level in terms of funding, so that we look at the spend that is going into TA, and we look at how we could use that money more efficiently as capital spend. Again, people have talked about in terms of issues of delivering affordable housing on the ground, in the short term from acquisitions, and in the longer term from increasing supply. There is a lot of

work that could be done at a national level on the public health side as well, to show that that capital investment does not cost money because it saves money.

Lord Bailey of Paddington AM (Chairman): If I was at the Treasury, I would argue you are asking me to find quite a serious sum of money immediately.

Dinah Roake (Chair, London Housing Panel): Yes, and the short-term reason that that is worth doing from the Treasury point of view -- I live with a Treasury economist, so I get asked these questions all the time. The short-term answer is in terms of the acquisitions, because then you get an immediate switch from somebody being paid through the Department for Work and Pensions (DWP) and all the health costs, straight to being on a social rent. There is an immediate saving that comes from providing somebody with an acquisitioned property rather than a new build. That is the short term. You do that. Then in the longer term that capital flow is saving you money because you are not making the spend on the DWP cost and the NHS cost. It is because we do not look at all of this expenditure across the piece and we see it departmentally --

Lord Bailey of Paddington AM (Chairman): Yes, we do silos, do we not? No municipal budgets in this country. I am going to quickly go to Kate, then I will go to Josie.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): Yes, many of us have had these conversations with Treasury over the years. One important thing to know is London is the only region where this stacks up. It is in London where, because of the very high cost of rents, you start to get the more immediate payback. Maybe part of what we need to do is be comfortable with making the case that London is a special case. When Treasury looks at this as a national level it becomes less attractive but if you focus in on London, the acuteness of our crisis changes the maths.

Dinah Roake (Chair, London Housing Panel): And the costs.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): And the costs.

Lord Bailey of Paddington AM (Chairman): OK. Josie?

Josie Parsons (Chief Executive Officer, Local Space): I am certainly not going to disagree with LHA being the absolute critical matter. I think currently LHA is at about the eighteenth percentile. That is really low, is not it? Yes, that is the biggest single thing that that would quickly make any change. It is how we fund acquisition or building of new homes. We need to understand that investment in infrastructure, and this is infrastructure, gives us very large, long-term savings. However, as you say, there is no co-ordinated view of what it actually costs for somebody to be living in unstable TA because the cost is not just about the cost of the accommodation to the local authority, it is also the cost to the health service and all of the other long-term implications. Children who grow up in really poor-quality accommodation, who do not function, do not do well at school and do not economically as well as they could. All of those things could be quantified if we were minded to do so. It is about how you make that case, I think.

Lord Bailey of Paddington AM (Chairman): Thank you. Assembly Member Devenish?

Tony Devenish AM: Thank you, Chair. Good afternoon, panel. My first question is to Joanne and Sue. How effective are services such as Capital Letters given current conditions in the PRS? Please feel free not to say what you have already said before because of time pressures. Thank you.

Sue Edmonds (Chief Executive, Capital Letters): Capital Letters was set up originally with GLA support, the Mayor's support and then DLUHC funding, principally to find PRS properties to enable our members to discharge duty. In our heyday, ironically during [the COVID pandemic] lockdown - the LHA rate had gone up in 2020 so that encouraged landlords to stay in the market, but a lot of people had left London so there was a dearth of demand - we were able to make hay, shall we say. We were getting 400 or 450 properties a month that we were offering to our member boroughs. We are now getting 25 or so a month. We might get to 300 this year in its entirety because there are just not any LHA-level properties available. We only procure at LHA level, two-year AST, to enable tenants to put down secure roots as much as possible. It is secure and stable accommodation.

There are just not enough homes in London. We have rehearsed that already. As I said, there were 17 properties at the end of October [2023] available at LHA level. Unless we crack the supply issue short-term and long-term, we are not going to make a difference. We ended up contracting our membership, because we had 19 members until the beginning of this financial year and in the light of the properties we could procure, nobody was getting enough. We are now down to ten members, Enfield being one of our members, Merton another. What we are able to procure is being distributed to a smaller number.

What has worked really well, though, is pan-London collaboration. We procure all over London, we offer the properties to our members and they either accept or reject them depending on the needs that they have at a given point in time. We agreed a standard incentive level for PRS accommodation. There was already one for TA but we agreed with our members a standard incentive rate. That dampened the market. It stopped the competition between members. As I said, when there were properties to procure, it worked really well.

It is extraordinarily challenging. I have just had to make a really difficult business decision to reduce my team because I do not have enough work for them at the moment, because there are not properties to procure.

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): Yes. In Enfield, which has a relatively more affordable housing market, we are a net importer. Other boroughs use our stock for TA. The thing that we really like about the model that Capital Letters has developed is that they offer homes first to the host borough. That is very important to us. While Capital Letters has struggled, as we all have, with the market, that principle of keeping homes available for local residents in-borough is a really strong point about the Capital Letters model.

Tony Devenish AM: Thank you. My second and final question: should there be another London level of letting agency like Capital Letters and supported by the GLA, but for individuals rather than families?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): I think what we have just heard points to a very strong answer on that, that now is probably a very difficult time to go into the market and be procuring additional accommodation. As ever at the GLA, we want to hear from local authorities and we want to stand ready to support them, but I think we are very minded of the challenges in the market. But if local authorities tell us that that is an intervention they would welcome, we could certainly look to support it in the way we did with the launch of Capital Letters.

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): I support any initiative to address the needs of single people. I do not think now is the right time to set up new vehicles and new organisations because the market just is not there, as Kate said. But creative solutions to address single people's homelessness needs, absolutely.

Sue Edmonds (Chief Executive, Capital Letters): Originally, we were set up wholly for families and households with children because it was felt there were a lot of initiatives for single people at the time but nothing specifically for families. We would be very happy to expand our remit into other areas if we can add value and if we can find properties. I think Joanne is right, setting up yet another vehicle in the current environment probably does not make sense, but expanding our range of responsibilities may well do. Maybe we would look to get some additional funding to do so. We have just set up our own lettings agency; we are offering services for landlords and indeed individuals. We could use that vehicle within our existing business to perhaps do something different.

Tony Devenish AM: Thank you. Thank you, Chair.

Lord Bailey of Paddington AM (Chairman): Assembly Member Berry.

Siân Berry AM: I will start with Joanne because I think you are the most relevant person here. We had a lot of conversations in the previous session here about the poor standards in TA. I wanted to ask what you think needs to be done in terms of better regulation or better support to enforce standards to make that happen. In particular, I am asking how that might interact with Setting the Standard, which is pan-London and does inspections but only on nightly-paid TA.

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): I think, as the point has been made, the type of accommodation we can afford to pay for, and that is affordable for residents, is at the lower end of the market. Landlords struggle to invest the level of capital resources required to keep a property up to modern-day standards. It is very much a product of the market.

There is a really important role for licensing schemes and the private sector enforcement function both to provide support, advice and guidance to landlords, and take action when standards are not where they need to be. Certainly, as a local authority, we have property managers that do seek assurance about health and safety standards. We ensure that we take up repair matters and all the issues that were raised in the previous session with the landlord. We also offer them a repair service at cost. We do many things to encourage landlords to maintain their homes, but it is a challenging area. Of course, we do not want to have TA and the need for that. Ultimately, we want to increase quality permanent homes and that is where we want to put our investment.

Siân Berry AM: OK. Who else would like to comment on the really appalling stories that we heard about bad standards in the previous session? Thank you, Dinah.

Dinah Roake (Chair, London Housing Panel): I do not know whether I can find you a solution but I think it might be something to do with the quality of stock generally in the UK, that we have allowed nationally to fall to the levels that they have. I would just say from the LHP's point of view, that standards should be the same for everyone regardless of who your landlord is, your pathway into finding that home or your immigration status. Somehow, as a nation, to be accepting that people should be able to be homed in housing that is different because you are in a particular group just does not seem humane.

Siân Berry AM: Great, thank you. I saw Kate first, and then Sue.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): We very much recognise what Joanne says around the pressures in the market and the behaviours they drive. As Dinah says, we are dealing with underlying stock to pull from which is inadequate. I think we do need to challenge ourselves to go further, though. That is why, when we launched Right to Buy-back [phase] 1, we included the

very deliberate decision to require that homes bought into it, regardless of whether it is for TA or social rent, had to be brought up to the Decent Homes Standard. If they were going to be used for TA, they had to remain in-borough. I think that speaks to that awareness - this is the trade-off we were talking about earlier - that when you are using grant there is a direct trade-off between new social rent supply and TA. We have put conditions on local authorities which have, undoubtedly, made it harder for them to procure TA, but that felt like the right balance to strike when you hear the very, very challenging accounts that we heard earlier.

Siân Berry AM: Can I ask you, Kate, does Renters Reform Bill have the answer to this? At the moment the danger is that the landlord will escape from our clutches and go off into the wider PRS. If they were not able to rent out to other tenants without bringing it up to standard that would solve our problem too, would it not?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): I think we are still waiting for the detail of how the Government intends to apply the Decent Homes Standard to the to the PRS. Crucially, what they have not addressed at all is the question of funding. It is a really difficult balance around whether you want to put public money into incentives, with the risk that landlords will be flipping out of that market, or whether you rely on market economics driving it.

Siân Berry AM: Yes, it is multilevel, is it not? You want TA to be of a good standard. If they cannot then escape to the PRS more generally, then that helps. If they want to exit the market as a whole, we need the soft landing. Sue?

Sue Edmonds (Chief Executive, Capital Letters): Just very briefly, and this is not particularly about TA. Capital Letters inspects every single property before we offer it to a member borough, and we inspect it against standards that we have agreed with our members about what is suitable accommodation: health and safety, amenities, and space standards. We have to measure every room. If that could be applied, perhaps expanding the role of Setting the Standard or indeed Capital Letters doing it, we would be very happy to do an inspection service for London if that is the answer.

What we found until recently is landlords were quite open to doing any repair work, we might have identified because they knew they were going to get a tenant and that we were going to support the tenant. That was a *quid pro quo*, if you like. If there were grant funding available for landlords to repair the properties that would perhaps incentivise more of them to come back to the market. Whether it is TA or PRS I think that might be part of the solution, and Energy Performance Certificate rating and suchlike.

Siân Berry AM: That is a really handy offer, thank you very much.

Going back to empty homes, which were mentioned earlier, there is a proposal coming, a project from the G15 [group of London Housing Associations] they are calling Project 123. It is looking at - I do not know what we call it - empty properties in places like estates due to be demolished and other 'meanwhile' sites, and un-mortgageable properties that are otherwise basically safe but cannot be mortgaged because of fire safety concerns. What do you think of that, starting with Kate, who is probably the most aware of it already?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): Yes, both Joanne and I have been talking to the G15 about this project. It is at very early stages, but I think the positive thing is that it recognises that collective will from large HAs, councils and the Mayor to try to find solutions.

What the G15 have been doing is looking at their available empty stock and seeing whether any of it could be repurposed for TA. There are lots and lots of ideas in the mix. I think it is now at the stage where it is for members to look at what is going to produce stock at scale, and what is going to comply with what everyone

feels is appropriate for the households that we are talking about. There are genuine discussions to be had around the use of stock which has been identified with fire safety defects or stock which is due for demolition. I think there are some very testing conversations to be had there. But other routes that have been identified: unsold shared ownership, high-value voids where they would otherwise be sold at auction. There is real potential to bring some stock back into use for social rent or TA. Otherwise, it will be lost to private rent, highest bidder, etc.

Siân Berry AM: Chair.

Lord Bailey of Paddington AM (Chairman): Thank you.

Dinah Roake (Chair, London Housing Panel): One very quick point here. One of the panel members is focused on empty homes and, I think, would be a very good partner to assist in in some of that thinking, because they have done a lot of thinking about empty homes across the capital and across the country.

Siân Berry AM: For clarity, you mean the LHP that you chair? Yes, thank you.

Lord Bailey of Paddington AM (Chairman): Thank you. Assembly Member Cooper?

Léonie Cooper AM: Thank you. Should the GLA follow the recommendation from Capital Letters to pilot a small affordable-led development of commercial to residential conversions in partnership with local councils and HAs? What do you think about that, Josie?

Josie Parsons (Chief Executive Officer, Local Space): I have never been against the idea of permitted development or conversion of commercial.

Léonie Cooper AM: This is not permitted development -- like a whole block.

Josie Parsons (Chief Executive Officer, Local Space): No, I know. All conversion of commercial buildings is about, as Sue said, the right building in the right place done to the right standard, with all of the other considerations around what that place is. Doing that on a pilot basis seems like a really good way, so that you can try it in a small way and learn lessons before you consider replicating --

Léonie Cooper AM: Replicate it all over London.

Josie Parsons (Chief Executive Officer, Local Space): Exactly.

Léonie Cooper AM: Joanne, if the GLA came to you and said, "There is an office block that has been empty for five years in the centre of Edmonton", let us say, because it is near the incinerator -- no, that was this morning's meeting. If they came along and said, "Would you like to turn it into accommodation rather than having it lying around with nothing to do?" what would you say?

Joanne Drew (Director of Housing and Regeneration, London Borough of Enfield, and Co-Chair of the London Housing Directors' Group): Obviously, quality, and the ability to bring quality forward in a viable way, is critical. But yes, we need as much accommodation as we can so we would not rule out anything done in the right way.

Léonie Cooper AM: You are getting some yeses there, Sue. Kate, what is the view from the GLA of this as a pilot project, and then possibly replicating it if it works?

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): I think it is very helpful that we have clarified that we are not talking about PDR.

Léonie Cooper AM: We are not.

Kate Webb (Head of Housing Strategy, Housing and Land, Greater London Authority): That does not work in a way that brings forward quality.

I think our focus would still be on the quality of accommodation. Is this going to be housing that is genuinely going to work for residents? Generally, in terms of how we work, we tend not to turn up at Joanne's and others' doors knocking on it, offering bags of a cash. We are very much partner-led. If HAs or local authorities are identifying commercial stock locally and want to come and talk to us, our door is always open for those innovative discussions. I think it is fair to say that we do not start from a history of very positive office-to-residential conversions. There will be a lot of scoping to be done. But if local authorities and HAs think there is genuine opportunity there, they should always come and talk to us. I think it is notable at the moment that we are not being inundated with requests to talk about this.

Léonie Cooper AM: OK. I can see that Sue is keen to say something, very briefly though.

Sue Edmonds (Chief Executive, Capital Letters): I promise, very brief. Just to say that we are in discussions with an investor to do a commercial-to-residential conversion at the bottom of a tower block. We are going to take some properties in the tower block, which will be LHA, and then there are commercial units at the bottom of the block that we are going to convert, probably into market rent due to the type of accommodation it is. It will be an exemplar. Again, if you talk to Barking and Dagenham, you can look at what they are doing with Habitat for Humanity. There is something there that we should explore, we cannot ignore it and we need to take every opportunity.

Léonie Cooper AM: I think the quality issue is really important. I have visited some conversions that I do not think had even been run past the local authority. Beds in sheds, which we also discussed earlier on, would have been preferable to the squalor that I saw there. Anyway, thank you for sharing that. Thank you, Chair.

Lord Bailey of Paddington AM (Chairman): Thank you very much, Assembly Member Cooper. I have to say we are in such need that everything needs to be tested, does it not? If it is going to be done correctly by professionals, by committed housing professionals, who knows what we could achieve? The need is huge.

Let me see thank you to our guests for all your contributions today. I say this genuinely. It has been a real education. It has been great to sit here and listen to your experience come across. It has been very helpful indeed.