

MAYOR OF LONDON

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Chair of the London Assembly Housing Committee
[C/o Ashleigh.Tilley@london.gov.uk](mailto:C/o.Ashleigh.Tilley@london.gov.uk)

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Dear Sem,

Thank you for the London Assembly Housing Committee's report on London's Temporary Accommodation Emergency following its investigation. The report made recommendations to the Government and to the Mayor. Please find a response to the recommendations in the annex below.

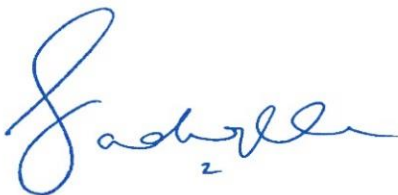
As your report states, London's homelessness crisis is serious and worsening. The impact of temporary accommodation on families is often devastating. It is also placing a huge financial burden on already overstretched local authority budgets, with London boroughs now collectively spending more than £90m a month on temporary accommodation.

The long-term solution to homelessness in London is to increase the supply of genuinely affordable homes. This will both prevent Londoners from becoming homeless and help local authorities find suitable, permanent homes for them when they do become homeless.

Since becoming Mayor, I have consistently met my housing targets, smashing my target of 116,000 starts under the 2016-23 Affordable Homes Programme, and building more council homes in 2022/23 than at any time since the 1970s.

I continue to make the case for the extra investment and support needed to unlock the delivery of more homes in London, including through the important work of the Housing Delivery Taskforce, and I look forward to working with the new Government to end the housing crisis. Given the scale of the underinvestment and poor policy decisions taken by the previous government, we all know that change will not happen overnight, but that should not dampen our resolve to act.

Yours sincerely,



Sadiq Khan

Mayor of London

MAYOR OF LONDON

Annex

Mayor of London's response to the recommendations of the London Assembly Housing Committee's report on London's Temporary Accommodation Emergency

Recommendation 1

Now that the Affordable Homes Programme (AHP) 2021-26 has been reprofiled and renegotiated with the Government (in 2023), the Mayor must begin delivering affordable homes "starts" under the AHP 2021-26 in 2024-25. The Mayor must also work with the Government to ensure that London has the resources it needs to deliver sufficient new supply to meet housing demand. He must also ensure that the homes from the previous AHP 2016-23 programme are completed as soon as possible.

The previous Government's delay in signing off the reprofiled programme delayed the launch of the new AHP. The GLA is now delivering starts under the AHP 2021-26 in 2023/24 and the Affordable Housing Programme Outturn data is available via the GLA website. The Mayor will continue to deliver homes through the programme to meet the new reprofiled target from the Government. Under the GLA's agreement with the Government, there is no deadline for the completion of homes under the 2016-23 programme. The Mayor is focused on completing homes that Londoners can move into. The GLA uses completion payments to ensure developers complete homes promptly. The GLA will continue to work closely with partners on schemes funded with AHP 2016-23 allocations and will monitor the use of all grants until the completion of the homes.

Given the challenging economic context for housing delivery, it is more important than ever to work closely with the Government to boost the delivery of affordable homes. The levels of investment from the previous Government in affordable housing in London fell significantly short of meeting the chronic levels of housing need.

Last year, the Mayor's London Housing Delivery Taskforce highlighted the major barriers to new supply, which had broad support from the sector. The then Secretary of State dismissed the recommendations at the time. The Mayor will work closely with the new Government to boost affordable housing delivery in London.

Recommendation 2

The Mayor should continue to invest in the building and acquisition of new social homes, making use of government funding where available, to ensure that those unable to access secure housing in the private rented sector have a safe and sustainable route out of Temporary Accommodation.

The long-term solution to London's homelessness crisis is an increase in the number of affordable homes. The Mayor has a strong track record of building affordable homes, and the new AHP prioritises social rent. The Mayor exceeded the challenging starts target set by ministers in the AHP 2016-23 and supported councils to start more council homes in 2022/23 than at any time since the 1970s. The Mayor has committed to overseeing the completion of 40,000 new council homes by the end of the decade.

The Mayor's Council Home Acquisition Programme (CHAP) is up and running, helping councils acquire homes to let at social rent or for use as temporary accommodation. The homes acquired must meet the programme's high standards and be within the boundaries of the borough, ensuring

MAYOR OF LONDON

that the Londoners who live in them are free from hazards in the home and live near their places of work, education and care responsibilities.

Recommendation 3

The Committee recognises that local authorities set their own housing allocation policies according to local need. However, we encourage the Mayor and his advisers to engage further with local authorities to ensure that across all London boroughs, Londoners living in Temporary Accommodation, especially for long periods, are a higher priority in the allocations process.

As the Committee noted, councils are responsible for making decisions on the allocation of housing to those owed a duty. They must do this according to the legal framework and statutory guidance set out by the Government.

Though the Mayor has no statutory role, the number of families living in temporary accommodation for long periods of time is very concerning. The worsening of London's housing crisis since 2022 was precipitated by a reduction in the supply of suitable, private-rented accommodation available to use for homeless families. But councils were vulnerable to this constriction of supply because a chronic undersupply of genuinely affordable homes forced them to rely on the private sector.

It is essential to solving the homelessness crisis – and to moving families out of temporary accommodation and into good-quality, permanent homes – that the GLA continues to focus on building genuinely affordable homes to rent. Through CHAP, the number of homes under council ownership will increase. This will help councils be less reliant on the increasingly expensive private sector.

Recommendation 6

The Mayor should incentivise private investment in the supply of private rented accommodation (at the lower end of market rents) and in affordable housing by institutional investors. For example, promoting partnerships between affordable housing providers and institutional investors, and promoting affordable Build to Rent developments.

Private investment has a role to play in building the homes London needs. Through the AHP, the Mayor has funded the delivery of homes through partnerships between local authorities and institutional investors. The Mayor has also provided grants to institutional investors where they have Registered Provider status. The GLA is open to working with institutional investors so they can deliver much-needed affordable homes in London. As a contributor to London's housing market, the Build to Rent (BtR) sector is at a relatively early stage and is still a relatively small proportion of London's overall housing stock (around one per cent). However, this tenure is growing rapidly in the capital year-on-year, with a significant pipeline of housing. The Mayor is also working with Opportunity London to attract £100bn of capital investment into London's low-carbon real estate, energy and infrastructure. Opportunity London is a partnership with the City of London, London Councils, and a consortium of public and private sector industry partners, and its investment prospectus, which sets out immediate investment opportunities, is available at <https://opportunity.london/>.

Despite a challenging economic and regulatory environment, there remains a strong interest and commitment to BtR by investors. A total of £15bn has been invested since 2015, with a record £2.7bn in 2022. The sector remains resilient and continues to grow year-on-year. I am already delivering BtR homes on large-scale GLA projects, including 207 BtR homes at Beam Park.

MAYOR OF LONDON

The emphasis on public-private partnerships as a delivery model is one of the key lessons that can be drawn from countries with a well-established BtR market, such as Germany and the USA. Combining public sector land with private sector skills and expertise can be beneficial in terms of risk sharing and, crucially, accelerate delivery and overcome viability challenges.

The GLA will continue to utilise partnerships, including with the British Property Federation's BtR London stakeholder group, to harness investment in this growing sector and help alleviate London's housing crisis by contributing to the overall housing supply and the provision of genuinely affordable housing.

London needs more housing of every type, including private rented homes, but the highest need is for genuinely affordable rented homes. The Mayor's focus is, therefore, on delivering the maximum number of new, genuinely affordable homes. Negotiating with the previous Government, the Mayor ensured that half of the AHP 2021-26 will be social rent homes. As outlined above, the Mayor will continue his track record of delivering these homes for London, which is the long-term solution to the homelessness crisis.

Recommendation 8

The Mayor should use his convening role to bring together the Home Office (which procures accommodation in London for people seeking asylum) and London boroughs to collaborate on the procurement of properties, and use consistent standards and pricing.

Through the London Strategic Migration Partnership, the GLA will continue to convene London boroughs, the Home Office and Clearsprings Ready Homes to help realise shared ambitions around improving asylum accommodation standards and avoiding price escalation. As a consequence of partnership working facilitated by the GLA, the Home Office and Clearsprings Ready Homes are committed to avoiding breaches of the Inter-Borough Accommodation Agreement (IBAA) rate where possible. The GLA will continue to work to understand the experience of boroughs that are being outbid for accommodation by Clearsprings Ready Homes, the reasons for any breaches of the IBAA rate, and seek to resolve related challenges.

Recommendation 9

The Mayor should discuss opportunities to expand the Setting the Standard inspection service to cover a wider range of Temporary Accommodation, with Setting the Standard and London Councils. The Mayor should contribute funding to any expansion of this service, seeking external funding where necessary. As part of this expansion, Setting the Standard should gather information on accommodation created using Permitted Development Rights.

As your report notes, the Setting the Standard service does important work inspecting the condition of nightly paid temporary accommodation. Which typologies of temporary accommodation Setting the Standard inspects is a matter for the service's borough members.

Ultimately, it is the responsibility of boroughs to ensure that the temporary accommodation they procure is safe and suitable for the households they are housing. The Mayor shares the Committee's concerns about the quality of some accommodation developed through permitted development rights. This is discussed further below. Through the Mayor's Right to Buy-back programme and now through CHAP, the GLA is helping boroughs acquire temporary accommodation. The funding guidance sets out what standards the acquired homes must meet, and councils are able to use the funding for improvement works.

MAYOR OF LONDON

Recommendation 10

The Mayor should work with London local authorities, Temporary Accommodation providers, voluntary and community sector organisations and Londoners with lived experience of Temporary Accommodation, to produce a Temporary Accommodation landlord's charter. This would ensure landlords are supported and held to account for standards and repairs.

Councils are already required by law to offer suitable accommodation, and the Government guidance is set out in the Homelessness Code of Guidance for local authorities. It is not clear that a charter would improve the accommodation available to homeless households where this legally enforceable guidance has not been able to, as the poor quality of accommodation is often caused by the acute lack of supply of suitable homes.

Council housing officers are facing a difficult situation as it is increasingly difficult to procure enough suitable temporary accommodation for homeless households. With the Mayor's London Housing Panel and London Councils, the GLA is funding a pilot project to facilitate conversations between council housing officers and people with lived experience of temporary accommodation in London. The project hopes to facilitate a better understanding of the experiences of both homeless households and housing officers, which will lead to better service and outcomes.

The GLA continues to engage with the Trust for London's Better Temporary Accommodation initiative, and the experiences of people in temporary accommodation are one of three long-standing priorities for the London Housing Panel, which is attended by the Deputy Mayor for Housing and Residential Development. Last year, the Panel, Deputy Mayor and the London Housing Directors Group signed an open letter to the Homelessness Minister setting out asks to improve the experience of those living in temporary accommodation in London. The letter was supported by over 100 signatories from the London homelessness sector.

Councils are already running up large budget deficits from procuring temporary accommodation, which shows how short the supply of suitable accommodation is. In November 2023, with data from 27 councils, London Councils projected the total homelessness service net deficit for the financial year 2023/24 would be £376.8m.

The lack of suitable homes is caused by London's lack of social housing, low Local Housing Allowance rates, and, in the private rented sector, a lack of rent controls and security of tenure. That is why the Mayor's focus is on the delivery of new, genuinely affordable rented homes.

However, the experience of homeless households can be improved through greater understanding between housing officers and people living in temporary accommodation, and that is why the GLA is supporting the project described above.

Recommendation 11

The Mayor should work with London boroughs and landlords to identify opportunities for incentivising private landlords to provide leases to councils, who can use the properties as Temporary Accommodation for homeless households. This is important to reduce the reliance on nightly-let Temporary Accommodation.

As noted above, boroughs are already making large incentive payments to landlords to lease homes for temporary accommodation. The Mayor has long called for the Local Housing Allowance rate to be set at the 50th percentile of market rents. This would help homeless households find suitable

MAYOR OF LONDON

long-term housing in the private rented sector and would also help prevent households from becoming homeless in the first place.

Councils' efforts to provide suitable temporary accommodation have been constrained by the Government's benefits policy, which limits the rents that can be charged on temporary accommodation let by the council to 90 per cent of the January 2011 Local Housing Allowance. In nearly all areas of London, the January 2011 Local Housing Allowance is significantly below the 2024 Local Housing Allowance rates. This has made it increasingly unviable for councils to acquire and let homes for use as temporary accommodation, because the rents they can charge are frozen while property prices have increased.

Removing or raising the benefit cap would further ensure that these changes support Londoners to afford private rented homes.

Recommendation 12

The Mayor should explore ways to increase funding for acquiring and refurbishing existing homes for use as Temporary Accommodation. This should include funding a pilot conversion scheme to deliver affordable homes for Temporary Accommodation using empty local authority buildings (including homes and offices), collaborating with partners including Capital Letters and Local Space. Any conversion of offices should be high quality and learn from the lessons of poor conditions in homes created using Permitted Development Rights.

As noted above, CHAP provides funding for local authorities to acquire and refurbish existing homes for use as temporary accommodation and social housing.

The Mayor has a longstanding concern that many of the homes delivered through permitted development rights have been of poor quality and has called on the Government to devolve these decisions to London or to scrap them. However, conversions can play a role where they meet or exceed the standards expected of other acquisitions through the CHAP programme.

Recommendation 13

The Mayor should ensure that the Greater London Authority's quarterly reporting on Affordable Homes Programme funding includes Temporary Accommodation as a separate category for both new-build and acquisitions, so that the supply of Temporary Accommodation can be monitored. This reporting model should begin with the next publication of the quarterly reporting in May 2024.

GLA officers will explore adding this information into future AHP reports published [on the GLA website](#).

Recommendation 14

In his response to this report, the Mayor should set out his reply to the request from Capital Letters to act as a guarantor for a long-term agreement between Capital Letters and an investor, in order to provide 5,000 homes for homeless Londoners.

The Mayor congratulates Capital Letters on recently securing £750m of investment to acquire 2,500 high-quality rented homes, the majority of which will be let at Local Housing Allowance rates. These homes will be available to member boroughs to discharge their homelessness duties, giving homes to families who would otherwise move into temporary accommodation. This deal will

MAYOR OF LONDON

make a huge difference to the lives of many Londoners and demonstrates that private investment can successfully play an important role.

Recommendation 15

The Mayor should set out a London-wide plan to take action specifically on empty homes. This could involve providing advice, support and funding to boroughs on how to bring empty homes back into use, including by appointing an officer within the Greater London Authority to lead on empty homes. The Mayor should also consider making use of the Affordable Homes Programme to help bring empty homes back into use, working with London boroughs and other partners.

The Mayor is aware that many Londoners will feel concerned about empty homes in their neighbourhoods, although the number of empty homes in London is low compared to other European cities. Data from the [Housing in London 2023](#) report points to long-term data, which indicates that the number of recorded empty homes in London and their stock of the total housing stock are still at relatively low levels, having decreased steadily from the figure of 160,500 empty homes in 1993 (5.4 per cent of the total housing stock at the time) to 89,508 empty homes in 2022 (2.4 per cent of the total housing stock). As the report also sets out, there are multiple factors that could be contributing to the growth in the number of empty homes in recent years, including an increase in the number of homes left empty after the death of their occupant due to delays in probate and an increase in the number of empty social housing properties.

Despite not having any direct powers to tackle empty homes, the Mayor has long called for the Government to strengthen the powers of London boroughs to bring empty homes back into use, including calling for the Government to allow London's councils to set their own rate of the Empty Homes Premium. Measures such as this would help free up critical housing stock across London.

The Mayor remains focused on sustainably tackling London's housing crisis by increasing the overall supply of housing in London. The CHAP also allows London's councils to acquire empty homes, should they choose to do so. GLA officers continue to monitor empty home figures in London, including through the annual London Housing Report, and remain engaged with relevant stakeholders to understand their approaches to tackling empty homes.

Recommendation 16

The Mayor should use his convening powers and responsibilities on health inequalities to ensure that people living in Temporary Accommodation are included in inclusion health plans, which are produced by health authorities to reduce healthcare inequalities and improve healthcare for inclusion health groups (a term used by the NHS to describe people who are socially excluded, including people who experience homelessness). People with lived experience of living in Temporary Accommodation should be involved in the creation of these plans.

The Mayor is committed to working with London Councils and NHS partners to tackle London's housing problem. As partners, these parties convened a Homelessness, Health, and Care Summit in 2023 and are now working with health and care colleagues to develop proposed next steps and a plan of action.