



THE REVISED LONDON HOUSING STRATEGY

FOR CONSULTATION WITH THE PUBLIC
DECEMBER 2011

MAYOR OF LONDON

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Greater London Authority
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FOREWORD



Last year I published London's first statutory housing strategy, with challenging targets to keep housing development going through tough economic times. Housing remains crucial to London's economic growth, creating jobs, boosting productivity and providing affordable homes for London's workforce.

We are now well on track to deliver a record 50,000 new affordable homes by April 2012. This means more affordable homes have been started and more affordable homes have been completed than in any previous Mayoral term. This year alone will see the largest number of affordable housing completions in London since the mid-1990s, and we have agreed a new programme with providers to deliver more affordable housing until 2015.

But it is not just about numbers – what we build is every bit as important as how many we build. I will ensure that 36 per cent of the new Affordable Rented homes will be family-sized. I will also ensure that my new housing design standards improve the quality of new homes in all tenures. We are going to end the

era of cramped, unsuitable homes, and renew the capital's traditions of design excellence.

I am keen to improve home ownership opportunities for Londoners both through extending my First Steps programme and by working closely with the government on a new mortgage initiative to help Londoners who face the highest prices and biggest affordability challenges in the country. I will also work with landlords and agents to improve the private rented offer in London through a new London rental standard and explore the potential for products that enable households to 'rent to save'.

At the same time I am keen to promote opportunity for all – launching a pan-London mobility scheme for those in social housing – and initiatives to meet the needs of the most disadvantaged whether overcrowded or living on London's streets.

Housing has a vital role to play in securing London as the best big city in the world. This strategy will encourage and support people to become more involved and participate more fully in their communities, leading to greater stability and stronger neighbourhoods.

To drive all this forward, I welcome the new housing and regeneration powers that are being devolved to the office of the Mayor. I will work closely with London boroughs to align housing and wider infrastructure investment with economic and social regeneration, to bring forward the land holdings that have been

devolved and to develop innovative solutions to London's housing challenges. For the first time in a generation, responsibility for housing in London is in the hands of those accountable to Londoners. And I fully intend to grasp the opportunities this provides to ensure this great city is a better place to live and work for all Londoners.

A handwritten signature in black ink, appearing to read 'Boris Johnson', with a long horizontal flourish extending to the right.

Boris Johnson
Mayor of London

INTRODUCTION

The Mayor's vision

This revised statutory Housing Strategy seeks to offer a comprehensive overview of housing, encompassing not just affordable housing, but housing across all tenures, and not just housing delivery programmes, but meeting housing need in its broadest sense.

At the heart of the Mayor's vision is a city where there is more affordable housing and housing is of higher quality, enabling greater opportunities for social and economic mobility. The Mayor, together with the boroughs, will take the lead on ensuring that the new homes London needs are delivered, that existing homes are improved and neighbourhoods enhanced so that communities can flourish. The Mayor will also take greater responsibility for tackling acute housing need, particularly where problems are Londonwide and are not easily resolved by boroughs working alone.

The Mayor's vision has two core aims:

- **Empowering people** – with greater opportunities for community involvement, by meeting aspirations for home ownership and for improving options for social tenants to move, particularly for employment, and with a strong focus on tackling need, in particular overcrowding and rough sleeping.
- **Transforming places** – with a determined and sustained effort to increase the supply of new homes across the capital, in particular affordable and family-sized homes, with better quality and higher standards for new and existing homes across all tenures, and with a better joining up of housing investment with wider regeneration initiatives.

The key to delivering this vision is effective partnership working, especially with the boroughs. The Mayor will use his new powers, and the new governance arrangements that

are being put in place, to ensure improved partnership working and better value for money for London's taxpayers in housing delivery.

Housing and devolution

To better enable the delivery of his vision for housing, the Mayor has successfully negotiated a package of devolved housing powers from government, over and above those in the existing Greater London Authority Acts, which give the Mayor and boroughs responsibility and accountability for housing investment in the capital.

From 1 April 2012, as set out in the Localism Act 2011, the Mayor will become directly responsible for strategic housing, regeneration and economic development in the capital. The Act devolves the powers and responsibilities of the HCA in London to the Mayor by, in effect, turning off the Homes and Communities Agency's (HCA) powers in the capital, while removing the legal restriction on the Mayor to spend money on housing. These powers will be exercised within the Greater London Authority (GLA) directly under the Mayor, rather than through an external body.

The Act also abolishes the London Development Agency (LDA) and transfers its regeneration functions to the GLA. A new Housing and Land Department in the GLA will be set up, bringing together the housing and land roles and responsibilities of the GLA, LDA and HCA in London.

In addition, the Act sets out the relationship between the Mayor and the social housing regulator, placing obligations on each body to co-operate with one another to ensure the alignment of regulation and investment decisions. The Mayor is agreeing Memorandums of Understanding with the

government, the HCA and the new regulatory body to ensure that the new powers are delivered effectively.

The key component of the new arrangements will be a new London Housing Board, to replace the existing HCA London Board, with an equal membership of Mayoral appointees and borough representatives.

The Board will oversee housing investment and delivery in the capital, contributing to the London Housing Strategy and the Mayor's housing investment and business plan, and monitoring delivery of the housing programme. It will advise the Mayor on risks relating to housing delivery, and the Board's views will be sought on GLA land and property holdings being brought forward for housing and on any major changes in investment programmes.

But above and beyond the Board, the Mayor is committed to working closely with boroughs to ensure that they are at the forefront of local decision-making over housing delivery and are provided with information on what is being delivered in their areas so that they can deliver on local priorities and meet local needs. The Mayor is also keen to explore opportunities in the longer term for devolved delivery. Boroughs will have an increasingly important role under the government's localism agenda. Reforms to the Housing Revenue Account (HRA), Right to Buy and tenure and allocations policies, as well as opportunities arising from the Affordable Rent programme, the New Homes Bonus and other devolutionary planning and housing reforms, all provide a fundamentally new context in which the Mayor and boroughs will work together to deliver the homes that London needs.

The Mayor will ensure that all partners responsible for delivering the housing

programmes in this strategy engage fully with local authorities. In particular, for the new affordable housing programme, the Mayor expects registered providers to ensure they seek the support of boroughs for schemes coming forward. While it will ultimately be the responsibility of registered providers to deliver the programme, schemes will only be funded where registered providers can demonstrate that they have engaged with boroughs in working up schemes, and pay full regard to a local authority's Borough Investment Plan and local housing policies, where these are in general conformity with the London Housing Strategy.

These new arrangements will place London in a unique position, with a directly elected Mayor bringing together strategic direction and investment decision-making on housing and the key infrastructure necessary to underpin the delivery of the homes London needs. These new powers also put in one place the public sector land holdings acquired to promote housing development and the public investment necessary to fund these homes, so that this land can be brought forward to enable housing delivery. They also enable a closer alignment of housing delivery with the Mayor's wider social and economic objectives and other major infrastructure investment opportunities, such as Crossrail, the Olympic and Paralympic Games, and the large opportunity areas across the capital.

Under the existing powers, the Mayor published London's first statutory housing strategy in February 2010 and set up the HCA London Board, chaired by the Mayor. This provided the platform for discussions with the government over the 2011-15 investment round. Despite an extremely challenging Comprehensive Spending Review, the London settlement still represents around £3 billion

in this spending round. The programme for 2011-15, which reflects the Mayor's recommendations, is set out in Appendix 1.

The first challenge for the new arrangements is to deliver that programme. But of equal importance is using the new powers and flexibilities available to the Mayor and London boroughs to put together plans and proposals to ensure housing delivery into the future.

Housing and devolution

The Mayor will:

- set up a new London Housing Board, with equal membership of Mayoral appointees and borough representatives
- empower the Board to oversee housing investment and delivery in the capital, contribute to London's housing strategy and investment plan, and monitor delivery of the housing programmes
- seek the Board's steer on GLA land and property being brought forward for housing development
- publish Board papers on the GLA website, subject to maintaining commercial and other confidentiality
- require that registered providers fully engage with boroughs and seek their support for schemes coming forward
- ensure that registered providers pay full regard to a local authority's Borough Investment Plan and local housing policies, where these are in general conformity with the London Housing Strategy
- develop a strong working relationship with the new regulator and regulatory board.

Investing in homes, investing for growth

The devolution settlement gives the Mayor, together with London boroughs, the perfect platform from which to make the case for

housing investment in the capital and to ensure that this investment is used more effectively. This is critical to boost economic growth in the capital, safeguard and create construction jobs, and ensure that London's workforce has affordable homes in which to live. One of the core priorities for the GLA's new Housing and Land Department is building the case for the next spending review.

London faces major housing challenges, which this strategy attempts to address. But it is also the location of the most exciting major opportunities in the country, which this strategy seeks to grasp. Investing in London is investing both where need is most intense and where the economic benefits that will accrue are greatest.

Housing need

A detailed assessment of London's need to invest in new homes and to improve its existing stock is set out in 'Housing in London 2011', the evidence base for this strategy. But it is clear that the scale of housing need in London is of a different order to anywhere else in the country.

London's population continues to increase, with the latest projections showing an expected growth of around one million people over the next 20 years, and an additional 700,000 households¹. The GLA's 2008 London Strategic Housing Market Assessment estimated an annual requirement for around 32,600 homes to deal with this growth and meet the backlog of need².

The number of overcrowded households in London also continues to grow, with nearly a quarter of a million households living in overcrowded accommodation, an increase of 50 per cent in the last decade. And while the number of homeless households living in

temporary accommodation in London has fallen substantially in recent years, at over 35,000 in mid-2011 it is now nearly three times as high as in the rest of England combined³.

London's average house price was £347,000 in August 2011, some 60 per cent higher than the England average. And London is also the only region where average house prices rose in the last year⁴. Consequently, affordability in London is worsening, with the ratio of lower quartile house prices to lower quartile earnings rising from 8 to 9 between 2009 and 2010, compared with 6.7 in England as a whole⁵. Private sector rents have also risen in London, by around 12 per cent in the last year, driven by a big increase in demand⁶.

Around a third of homes in London fall below the 'Decent Homes' standard. Within London, rates of non-decency are highest in private rented and council rented homes, and by far the lowest in housing association homes⁷.

Housing and the economy

The recent London School of Economics report, 'The case for investing in London's affordable housing', identified that the wider economic and social benefits of housing investment are much greater in London than elsewhere⁸. Affordable housing investment in the capital is used more intensively, as developments in London use less land per home and they lever in more private funding to supplement the available public funding. Investment in affordable housing in London helps to support the national economy and the government's growth agenda by delivering more market housing, more employment and a stronger labour market.

The government's new National Housing Strategy identifies that for every new home built, up to two new jobs are created for a year⁹. The housing targets in this strategy could

therefore represent over 100,000 new jobs, which will be a vital contribution to the growth agenda.

The recent study by Professor Michael Ball of Reading University identified that more than 200,000 professionals, essential to the capital's economic future, are expected to join the London job market over the next decade. However, as the residential market becomes increasingly constrained, it is possible that 50,000 of these professional workers will not be able to find appropriate housing and may be forced out of the capital. The report identifies the need for the public sector and developers to work together to increase housing provision and that the future economic viability of the capital fundamentally depends on the right type of housing being available¹⁰. This is backed up by surveys of London's business community, with over 70 per cent of London's businesses citing the lack of affordable housing as one of the most important constraints on the labour market¹¹.

Investment in London also makes the most of the other very significant infrastructure investment in the capital – with the Olympics, Crossrail and seven out of the eight largest regeneration projects in the UK being found in London. And as London remains the economic powerhouse of the UK, there are significant spillover benefits to the rest of the country.

Finally, by focusing funding on the highest concentrations of deprivation and need, investment in London also does more to reduce the wider social costs and impacts associated with poor housing than is the case in any other part of the country.

Housing supply

Housing supply has been put under pressure by the recession and accompanying restrictions

on finance for both developers and buyers. Despite this, the number of new homes registered to be built with the National House Building Council increased in London by 45 per cent between July to September 2010 and the same period in 2011, compared with a two per cent increase in England as a whole¹². In addition, while the number of homes in the pipeline is at around the same level now as it was in 2007/8 (171,000 compared with 173,000), a far higher proportion are under construction (53 per cent compared with 42 per cent)¹³. The last 12 months have also seen £2.7 billion worth of new orders received for new housing construction in London, the highest 12-month total on record which includes £2 billion of private housing orders¹⁴.

The private rented sector has expanded rapidly in recent years. This has been driven by the difficulty of accessing home ownership, due to high prices and the level of deposits required, alongside wider social and economic changes, with a younger, more mobile, more international population. Since the start of the 21st century the proportion of households owning their home has fallen by around six per cent, with the number who rent privately rising by a similar amount, and the proportion renting from a social landlord staying broadly static¹⁵.

Despite the recession and the drop in housing market activity, the number of empty homes in London has fallen and is at its lowest level since the 1970s.

14,210 affordable homes were completed in London in 2010/11, the highest total of any region and the second successive annual increase¹⁶. The Mayor's target of 50,000 net affordable completions by March 2012 (comprising 30,000 homes for social rent and 20,000 First Steps homes) is well on course for delivery, with over 40,000 already delivered by

March 2011. There was a 46 per cent increase in affordable housing starts in 2010/11 compared with 2007/8¹⁷.

Towards the spending review

From April 2015 we will be in a new investment round. This will be the first time in which the budget for housing will come under the direct control of those who are democratically accountable to Londoners – the Mayor and London boroughs. This new landscape provides an unparalleled opportunity to find new ways of maximising affordable delivery. It will be essential to make the best use of the full range of the newly devolved and existing powers of the Mayor and the assets that have been devolved, alongside the existing powers and resources of the boroughs and their new freedoms and flexibilities.

The case for London will always start from an assessment of the capital's compelling need for investment in new and existing homes, and an identification of the 'funding gap'. But it should focus equally strongly on the extent to which investing in London's housing has powerful economic benefits for the country as a whole. There will also need to be an assessment of the capacity and appetite of registered providers for a continuation of the current Affordable Rent programme. The case then rests on London demonstrating that it can use the new powers and freedoms that have been devolved effectively, leveraging in other resources.

The Mayor is keen to review the extent to which land holdings of the GLA family can create the keystone of a wider land release pool, by bringing together public sector land for development in London, including that of the GLA, government departments and agencies and the boroughs. This would become the joint responsibility of the Mayor and boroughs under the auspices of the London Housing Board.

To reduce procurement costs and speed up development, the GLA will develop a new set of development partner panels, building on the experience of the LDA and HCA. The Mayor will consider convening a Mediation Panel – a high level expert group that will look at how to unlock stalled sites and major regeneration schemes.

Housing grant will continue to play an important role in delivery. However, the Mayor is also keen to develop creative approaches to how investment should work in the future, generally moving towards equity-based investments. The assets currently locked up in existing homes, in both the housing association and council sector, could be made to work much more effectively, and the Mayor will work with partners to how see this could be achieved. In particular, the Mayor will work with boroughs to determine how the freedoms that HRA reform will bring can be optimised to better meet local need and London's housing challenges. Alternative methods of finance will also be explored, with London making the most of the attractiveness of its housing market to major investment funds, alongside emerging finance options that the Mayor may consider for the GLA, including the potential for Mayoral borrowing, a Mayoral bond and Mayor's mortgages.

But this radical rethink will only have the transformative impacts on London that the Mayor wishes to see if housing and infrastructure investment is joined up with wider social and economic regeneration. To make certain that it is, the Mayor will ensure that decisions on capital investment are made in partnership with the local authorities that know their areas best – and that can make the necessary connections with local employment and community development initiatives. The Mayor will also ensure that investment is fully

aligned with the work of the London Enterprise Panel, the Mayoral Development Corporation and other initiatives such as the Royal Docks Enterprise Zone.

Housing and investment

The Mayor will:

- make London's case for resources and review the need for investment in new and existing homes
- engage with registered providers to ascertain the extent to which the Affordable Rent programme can continue, and explore the range of mechanisms to finance affordable housing
- work with boroughs and government to develop a London public land pool
- establish a London Development Panel to fast-track and improve the efficiency of procurement, and consider convening a Mediation Panel to unblock stalled developments and major regeneration schemes
- work with boroughs and housing associations to unlock the value in existing assets, to maximise the benefits of HRA reform and to explore opportunities for further freedoms and flexibilities in local government finance
- encourage institutional investment in London's new housing and consider the case for Mayoral supported financial instruments
- work with boroughs and regeneration partnerships to ensure that housing investment supports the social and economic transformation of London's most deprived communities.

PART ONE

PEOPLE

1.1 Owning a Home

Owning a home: key facts

- The mix-adjusted average house price in London was £347,000 in August 2011, compared with an England average of £216,000¹⁸.
- Average house prices in London have risen by 3.2 per cent in the last 12 months, faster than in any other region¹⁹.
- Housing affordability is worsening, with the ratio of lower quartile house prices to lower quartile earnings rising from 8 in 2009 to 9 in 2010, compared with 6.7 in England as a whole²⁰.
- Around half of Londoners see the cost of housing as a problem in the capital, and over six in ten consider the price of housing to be the biggest barrier to getting on the housing ladder^{21 22}.
- The average income for households buying a First Steps home over the last six years was £33,960, below the midpoint of the London Plan intermediate income range²³.

1.1.1 First Steps

First Steps is the Mayor's programme to help low and modest income Londoners access home ownership. It includes both grant and non-grant funded homes. Through this programme, the Mayor has been giving Londoners who would otherwise be unable to get on the housing ladder a step up – and is on track to meet the target of delivering 20,000 First Steps homes by 2012. The 2010 London Housing Strategy committed to:

- providing new low cost home ownership products, such as rent to buy, tailored to London's needs
- ensuring that more Londoners were eligible for help with buying and encouraging a consistent approach to eligibility in Section 106 agreements

- improving the customer experience by providing simple and clear information through the First Steps website about the schemes, products and properties available.

With the devolution of additional housing powers in April 2012, the Mayor will take on responsibility for the functions currently administered by the First Steps agents. These include providing information and advertising properties, and processing applications from Londoners who would like to buy a low cost home. This new role will give the Mayor further opportunities to improve the customer journey and to ensure that people living in the capital have access to high quality information on, and support with, buying their First Steps home.

First Steps gives priority to those living in social housing in the capital (including concealed households) who aspire to, and can afford, subsidised home ownership, not only promoting social mobility but also freeing up much-needed homes for people in need. The proposed increase to the discounts available under Right to Buy will expand the range of options available for London's social tenants, alongside the Social HomeBuy scheme. The Right to Buy reforms will not only make a valuable contribution to promoting social mobility, but should also result in significant numbers of additional new affordable homes being delivered for Londoners. It is important that the reforms result in no loss of family-sized housing.

It is also important that all low cost home ownership products being delivered are designed to meet the needs and aspirations of Londoners, but equally that first time buyers should not face a confusing plethora of products. The Mayor will therefore support new products, but only where there is a compelling case that they fill a gap in the market, where they meet the Mayor's policy aims in this strategy better

than existing products, where they fit within the definition of affordable housing in the London Plan, and where they provide good value for money. This may include new buy to let products that obviate the need for a deposit or mortgage, or new products that more flexibly allow people to move up and down the housing ladder of aspiration. These products should be marketed under the First Steps banner to reduce consumer confusion and fit within three core categories: shared ownership, shared equity and intermediate rent.

The Mayor will also consider how the intermediate market can operate in a similar way to the owner occupied sector, to provide greater choice, flexibility and opportunities for mobility. Options could include separating the product from the property, enabling people to choose a home and then agree the appropriate financial package, and also creating a tradable secondhand market, potentially by removing the current restriction that limits publicly funded low cost homes to first time buyers or by exploring opportunities for share trades.

1.1.2 Mortgages

The Mayor welcomes the government's announcement in the housing strategy for England, 'Laying the Foundations', of a new build mortgage indemnity scheme. This will help those struggling to get on the housing ladder, who may be in a position to obtain and repay a mortgage but are prevented from accessing home ownership because they are unable to save the required deposit. It will also provide a welcome boost to house building.

The Mayor welcomes the design of the new scheme which recognises the context of London's housing market, for example the inclusion of flats. The Mayor will work with the government to review take up in the capital and to adapt the scheme to better meet London's

specific needs if necessary. The Mayor will also explore the potential for extensions, such as broadening the offer to help those in search of larger family-sized housing, potentially with a further indemnity through the GLA.

In these difficult economic times, support should also be available for home owners who experience difficulties in meeting their mortgage payments, to enable them to stay in their home where possible. Responsibility for mortgage rescue schemes in London will pass from the HCA to the GLA in April 2012, as part of the overall devolution settlement.

Owning a home: progress to date

- The First Steps agents service has been improved, including the launch in April 2011 of the new First Steps website, which has attracted over 360,000 unique visitors and received more than 11 million hits. The website not only provides information, it also enables prospective buyers to work out what they can afford and helps them navigate the journey to home ownership.
- The income limit for families seeking a First Steps home has been extended, through the new London Plan.
- Eligibility is now on the basis of income rather than employment, to help all low and modest income Londoners.
- The Mayor is on target to deliver 20,000 First Steps homes, including 1,000 for families, and has promoted a range of innovative First Steps products.
- The Mayor has agreed with DCLG indicative funding of £10.8 million for London for mortgage rescue schemes for 2011-15.
- The Mayor has published the new London Plan and a Housing SPG to ensure a consistent approach to eligibility in Section 106 agreements.

Owning a home: policies

- 1.1A Over 17,000 First Steps homes (both grant and non-grant funded) will be delivered between 2011 and 2015.
- 1.1B The Mayor will review the functions of and mechanism for the delivery of the First Steps agents service, in order to improve the customer journey for buyers of First Steps homes.
- 1.1C Eligibility for First Steps homes should be assessed in terms of income rather than employment.
- 1.1D The income range for First Steps homes in London is that set out in the London Plan, currently between £18,100 and £61,400, extended to £74,000 for families moving into homes with three or more bedrooms. The intention is that the average income of all purchasers should be around the midpoint of the range.
- 1.1E First priority for First Steps homes should be given to Londoners living in social housing and people in the armed forces, with the second tier of priority defined by local authorities in line with their local priorities and the third tier any other eligible first time buyer. All partners should ensure that applying this prioritisation does not result in undue delays.
- 1.1F The prioritisation of households for First Steps homes will contribute, where possible, to the reduction of overcrowding.
- 1.1G The First Steps product range should reflect London's specific needs, with new products developed where appropriate.

- 1.1H The proposed reforms to the Right to Buy should maximise the delivery of new affordable homes in the capital, and the new supply delivered from receipts should replace not only the number of homes sold but also no less than the number of bedspaces in those homes.
- 1.1I The Mayor will support the aims of the government's mortgage indemnity scheme and explore its potential for expansion in the capital.
- 1.1J Policies to help homeowners in difficulty will be tailored to London's unique circumstances, with a particular view to helping families at risk of repossession to stay in their homes.
- 1.1K The Mayor will explore the potential for increasing opportunities for choice, flexibility and mobility within the intermediate sector, such as separating the product from the property and creating a tradable secondhand market.
- 1.1L Information, advice and support to social sector leaseholders in areas and estates where major works and improvements are planned should be of a consistent and high standard.

1.2 Renting a Home

Renting a home: key facts

- The lack of tenant mobility is estimated to cost the London economy around £63 million each year²⁴.
- The degree of mobility among social tenants is relatively high where there are no administrative barriers to such moves; in 2009/10 over a quarter of housing association transfers in London were across borough boundaries²⁵.
- London has the highest number and proportion of private rented homes in the country. In 2009/10, there were approximately 670,000 households in the sector, representing 23 per cent of all London households, compared with a national average of 16 per cent²⁶.
- The capital also has the highest private rents: £254 per week on average, compared with £156 nationally²⁷, although the range within the capital is significant. Across London as a whole, the lower quartile monthly rent for a two bedroom home is £950, compared with an upper quartile of £1,550²⁸.
- Private sector rents are rising strongly in London, with average rents increasing by 12 per cent in the year to August 2011²⁹.

Within the overall framework of meeting housing need, the Mayor will support boroughs who choose to use their new flexibilities to meet their local priorities. This may include community contributions such as work, volunteering or training – provided this helps to encourage mixed and balanced communities. In doing so, boroughs should ensure that decisions to award additional priority are proportionate, take account of factors that might exclude certain households from receiving this priority and ensure that boroughs continue to fulfil their statutory obligations to meet the needs of the most vulnerable.

The Mayor would also expect to see an appropriate balance being made by boroughs in the use of the private rented and social rented sectors when discharging their homelessness duty, with each borough having regard to factors such as the affordability of local private rented accommodation and the relative supply of social rented lettings in their areas. In addition, the presumption should be that boroughs will seek to discharge their duty within their local area, always considering the specific needs of households to remain in the locality (for example, children in local schools, support networks and the proximity to place of work).

1.2.1 Access to rented housing

The Mayor supports the government's social housing reform agenda, which balances meeting housing need with promoting opportunity and rewarding effort, and puts decision-making back in the hands of local authorities. In future, boroughs will have far more say over how and to whom their social housing is allocated, better opportunities to make more efficient use of their housing stock, and greater flexibility in how they prevent and deal with homelessness.

Around one in six of London's homeless households in temporary accommodation is placed outside their home borough³⁰. There are currently mechanisms in place – NOTIFY and the pan-London inter-borough accommodation agreement – to monitor these placements, to notify receiving boroughs in a consistent and transparent manner, and to ensure that households have access to relevant services. The Mayor is keen to work with boroughs to improve, and extend the groups covered by, these initiatives.

Social landlords have a powerful role to play in enabling their tenants and prospective tenants to improve their lives and prosperity. In particular, they have the opportunity to promote employment and training offers to both applicants and people wishing to transfer, through initiatives such as Housing Employment Connection Service (HECS) and the housing options ‘wizards’ being used in a number of boroughs.

The government’s welfare reforms will play a key role in breaking cycles of dependency and increasing levels of employment for households in all tenures. Clearly, many of the changes will have an impact on households in the capital, and the Mayor has worked closely with the boroughs and government to secure a package of transitional arrangements for Londoners. These include more time for existing claimants and boroughs to prepare for the changes, the lion’s share of funding for Discretionary Housing Payments for the capital and direct payments to private landlords who reduce their rents to affordable levels.

1.2.2 Mobility within social housing

The Mayor is committed to ensuring that social tenants have similar opportunities to those living in the private sector to choose where they live, for example, to move closer to work or family. The 2010 London Housing Strategy therefore committed to set up a pan-London mobility scheme, and to enhance opportunities to move for underoccupying social tenants who wish to do so (see Section 1.3.2).

At the end of 2010, the HCA London Board published ‘Mobility for London’s social tenants’ – the Mayor’s consultation on what the shape of the scheme should be. There was strong support for a new scheme among respondents to the consultation, which were

primarily boroughs and housing associations³¹. The HCA London Board subsequently agreed that a simple and flexible scheme should be set up, which will operate on a reciprocal basis and at no direct cost to the boroughs. The Board also agreed that any possible future extensions to the scheme should be made only after further consultation and agreement with key partners, primarily the boroughs.

The Mayor is now developing the scheme endorsed by the HCA London Board to enable social tenants to move around the capital. The scheme, called ‘housingmoves’, reflects the needs of the boroughs, ensuring that no borough will put into the scheme more homes than it gets out of it, and, in line with what many partners had expressed during the consultation, it will initially be based on boroughs and housing associations contributing the equivalent of five per cent of relets to social rented homes and will be open to existing tenants only. This scheme will initially give priority to underoccupying households to help boroughs release larger stock for overcrowded families, to people moving for employment purposes to help reduce the high levels of worklessness among social housing tenants, and to those moving to give care or support.

In addition to the new housingmoves scheme, the Localism Act makes it far more straightforward for boroughs and housing associations to help their own existing tenants to move to other social rented homes. The Mayor is fully supportive of this reform.

In London, there is a mismatch between the geographical distribution of housing need and the capacity for new supply. The new housingmoves scheme, because it is reciprocal, does not seek to address this mismatch. However, in recognition of this problem,

since 2004 there has been a pan-London nomination agreement, which underpins five sub-regional nominations protocols. This sets out the principle that while boroughs where new affordable homes are situated should have access to the lion's share of lettings, there should be some redistribution of new homes to other boroughs within the same sub-region according to need³².

Renting a home: progress to date

- The Mayor published and consulted on proposals to increase mobility for London's social tenants.
- With the support and agreement of key partners, the Mayor has finalised the policy framework for housing moves, and has procured the technology and secured the commitment of boroughs to launch the scheme in early 2012.
- Together with the London Borough of Newham and Triathlon Homes, the HCA London Board – chaired by the Mayor – has agreed a lettings plan for the Olympic Village, to support the sustainability of this new neighbourhood.
- The London Rents Map was launched in December 2009, attracting around 73,600 hits since it went live.
- Transitional arrangements on the housing benefit reforms have been negotiated, including an extra nine months for boroughs and existing claimants, the lion's share of Discretionary Housing Payments for the capital and direct payments to incentivise landlords to reduce their rents.

Renting a home: policies

Access to rented housing

- 1.2A Within the overall objective of meeting housing need, boroughs are encouraged to make use of their new flexibilities to ensure that local priority groups have access to social housing, in particular to incentivise work and volunteering and to promote mixed and balanced communities while continuing to meet the needs of people in reasonable preference categories.
- 1.2B The presumption is that boroughs will seek to discharge their homelessness duty within their local area, always considering the specific needs of households to remain in the locality.
- 1.2C Boroughs should ensure that an appropriate balance is maintained between offers of accommodation for homeless households in the private rented and social rented sectors.
- 1.2D Where the homelessness duty is discharged into the private rented sector, landlords are encouraged to offer tenancies that are for a longer period than the statutory minimum where appropriate, and boroughs are encouraged to use only those landlords with a recognised accreditation.
- 1.2E All boroughs should make full use of existing and future systems that monitor cross-borough temporary accommodation placements, urgent moves and discharge of homelessness duty, and that help to ensure that all households housed out of borough have access to services.

- 1.2F The Mayor will set up a joint monitoring committee with boroughs, to monitor discharge of homelessness duty.
- 1.2G Housing associations should have full regard to borough tenancy strategies, where these are in conformity with the London Housing Strategy.
- 1.2H Social landlords should continue to abide by the principles set out in 'Partners in Meeting Housing Need', the protocol for determining the proportions of housing association lettings available to local authority nominees³³.
- 1.2I Unauthorised occupancy in the social rented sector should be addressed.
- 1.2J Social landlords are encouraged to promote employment and training opportunities to applicants and people wishing to transfer.
- 1.2K The Mayor will work with the boroughs and the Department for Work and Pensions to monitor the government's Housing Benefit reforms.
- 1.2L The Mayor's London Rents Map will be enhanced and promoted, so that better information on rent levels is available to those seeking a home in the private rented sector.

Mobility

- 1.2M The Mayor will launch housingmoves, the pan-London housing mobility scheme that will operate on a reciprocal basis and in which all of London's social landlords will participate, in early 2012.

- 1.2N Underoccupiers, tenants in work and those moving to give care to relatives will be prioritised for housingmoves.
- 1.2O The Mayor will evaluate the success of housingmoves and consider and consult on any potential enhancements during 2012/13.
- 1.2P In line with the Tenant Services Authority's Regulatory Framework, all social landlords should participate in mobility schemes that operate in their area, including housingmoves.
- 1.2Q Boroughs should make full use of their new flexibilities to encourage greater mobility for existing social tenants who wish to move to other parts of the borough.
- 1.2R The Mayor endorses the principles set out in the 2004 pan-London nominations protocol and will ensure that these continue to underpin lettings in the capital.

1.3 Tackling Need

Tackling need: key facts

- Around half of those sleeping rough during 2010/11 were seen only once and six out of ten were new to the streets³⁴. Between August and September 2011, 84 per cent of new arrivals attending the No Second Night Out hub did not spend a second night sleeping rough³⁵.
- Over half of those sleeping rough during 2010/11 were non-UK nationals³⁶.
- An estimated 240,000 households live in overcrowded accommodation in London, more than in any other region and an increase of around 80,000 over the last decade³⁷.
- In 2009/10, 7.8 per cent of households in London were overcrowded, compared with 2.3 per cent in the rest of England³⁸.
- Rates of overcrowding are highest in London's social rented housing, where 16.1 per cent of households are overcrowded, compared with 10.6 per cent in private rented housing and 2.9 per cent in owner occupied housing³⁹.
- Although London is a relatively young city compared with the rest of the UK, 14 per cent of those who live here, over a million people, are over retirement age⁴⁰.
- London is home to 1.2 million disabled people, just over half of whom are older people⁴¹.

1.3.1 Rough sleeping

Rough sleeping remains a problem in the capital, but one that the Mayor is committed to solving. That is why, in 2009, the London Delivery Board was established – a partnership of central government, London boroughs, voluntary sector providers, the police and other key organisations chaired by the Mayor's Housing Advisor. The Mayor and the London Delivery Board will work

with a wider group of stakeholders including faith and community-based organisations, and will continue to do so.

The Board is having a major impact on ensuring that the target in the 2010 London Housing Strategy is met – whereby no-one should live on the streets and no-one arriving on the streets should sleep out for a second night. It is responsible for a three quarter reduction in London's most entrenched rough sleepers, and has played a major role in the provision of new services targeted at the capital's street population, such as outreach on London's night buses. The Mayor has also secured funding from government for the new No Second Night Out pilot project, which launched on 1 April 2011 to improve the response to those newly arriving on the streets.

In recognition of these successes, the government has devolved funding of £8.5 million a year during this comprehensive spending review period to the Mayor, for the commissioning of pan-London rough sleeping services. A commissioning framework setting out the Mayor's priorities for this funding has been adopted⁴².

With this funding, and with the skills, expertise and drive of the London Delivery Board, the Mayor will continue to seek new and innovative ways to tackle rough sleeping.

1.3.2 Overcrowding

Overcrowding is a blight on the lives of tens of thousands of London's families. Its impact is severe, affecting health, educational outcomes and general wellbeing. With large numbers of overcrowded families in the capital, the Mayor has made London the first city to commit to a statutory target to reduce overcrowding.

The Mayor has been working with partners to achieve the ambitious target of halving severe

overcrowding in social rented housing in London by 2016 – and there have been some significant achievements. London is now producing more larger affordable homes than it has for a decade, and the Mayor has a long term aim for half of affordable homes to be family-sized. In addition, in July 2010, the London Overcrowding Action Plan was published, bringing together the excellent work of many social landlords to help ensure that best practice becomes common practice across the capital⁴³. The Mayor is also actively promoting schemes to free up larger social rented homes for overcrowded families, such as Homes out of London (the scheme to assist younger underoccupying households in social housing who choose to leave the capital to do so), Seaside & Country Homes and the new pan-London mobility scheme.

The Mayor will continue to make the alleviation of overcrowding a top priority, with the aim of eradicating severe overcrowding in social housing altogether. This will be achieved by continuing to ensure that a significant proportion of new affordable homes are family-sized, by promoting policies that make the best use of existing stock, and by bringing together key partners to initiate and co-ordinate action, and to develop innovative solutions to this persistent and serious problem. In particular, following the success of the London Delivery Board for rough sleeping, a London Overcrowding Board will be established. This Board will bring together key partners to initiate and co-ordinate action, and to develop innovative solutions, to tackle overcrowding and reduce underoccupation.

Many of London's overcrowded social renting households contain concealed households who would prefer to live separately. The Mayor believes that offering the appropriate options to these households, as well as their 'host' households, has the

potential to make a significant impact on London's overcrowding problem.

Underoccupation

Every year, over a thousand of London's social tenants voluntarily choose to downsize, so releasing family-sized homes for overcrowded households. The Mayor believes that many more would choose to do so if the right offer, coupled with support, was made to them and wants to enhance the choices available to underoccupiers. Clearly, in order to present the options to tenants, it is important that social landlords have good information about which of their tenants are underoccupying, and the Mayor believes there is scope for some landlords to increase the work that they are doing in this area.

1.3.3 Older and disabled people

Many of the housing issues faced by older and disabled people are no different from those faced by the rest of the population. However, there are also some specific issues that need to be addressed, particularly in terms of enabling independent living and responding to changing needs over time. In particular, there is a pressing need in the capital to increase the supply of extra care housing, with an estimated 16,700 homes required over the next six years.

Over the last three years, the Mayor has sought to enhance older and disabled people's housing choices and meet their housing needs. The London Housing Design Guide and London Plan both specify that all new homes should be built to Lifetime Homes standards and at least ten per cent should be wheelchair accessible. In addition, the London Accessible Housing Register has been rolled out across the capital, with 25 boroughs now implementing this. The Mayor has also taken responsibility for the Seaside & Country Homes scheme, which gives older people who want to make a new life outside the capital the opportunity to do so.

Tackling need: progress to date

Rough sleeping

- The London Delivery Board was established, which agreed a shared definition of ending rough sleeping.
- A number of projects to bridge gaps in service provision were launched, including a street doctor, outreach work on London buses, and protocols on hospital discharge and reconnections.
- The number of the most entrenched rough sleepers has been reduced by three quarters.
- The No Second Night Out pilot project was launched.
- £34 million of funding has been devolved from central government to the Mayor, for pan-London rough sleeping services and projects, and the Mayor has secured £12.8 million of funding for London from the Homelessness Change Programme for 2011-15.

Overcrowding

- London is now producing more family-sized affordable homes than it has for a decade.
- The London Overcrowding Action Plan was published.
- The Homes out of London pilot was launched and the management of Seaside & Country Homes was devolved to the Mayor.

Older and disabled people

- Between 2008-11, 53 per cent of new affordable homes were at Lifetime Homes standards and eight per cent were wheelchair accessible.
- The Mayor exceeded his target for the delivery of new supported homes in 2008-11 by almost 100 per cent.
- The Mayor has taken responsibility for running the Seaside & Country Homes scheme on behalf of Londoners.

Tackling need: policies

- 1.3A Through the delivery of more focused and personalised approaches, and the development of specialised accommodation models such as Housing First, by the end of 2012 nobody should live on the streets of London.
- 1.3B Through the expansion and increased use of No Second Night Out, nobody arriving on the streets should sleep out for a second night.
- 1.3C Those who have exited rough sleeping should not return to the street.
- 1.3D Through the new NHS commissioning structures in London, the Mayor will work with commissioners to ensure health services for rough sleepers become more responsive.
- 1.3E The Mayor will work with foreign embassies to improve assistance for foreign nationals sleeping rough.
- 1.3F The Mayor will oversee £12.8 million of funding through the Homelessness Change Programme to improve London's hostel stock.
- 1.3G Through maintaining the stock of Rough Sleeper Initiative homes, and ensuring their effective use, opportunities for move-on for rough sleepers in hostels and supported housing will be increased.
- 1.3H Through changes to the data published by CHAIN, the transparency and monitoring of borough level performance will be improved.

Overcrowding

- 1.3I The early alterations to the London Plan will give much stronger priority to the delivery of family-sized homes.
- 1.3J The level of severe overcrowding in social rented housing should be halved by 2016.
- 1.3K The Mayor will set up a London Overcrowding Board, in partnership with London Councils.
- 1.3L All social landlords should produce overcrowding reduction plans.
- 1.3M Discharge of the homelessness duty into the private rented sector should not result in statutory overcrowding.
- 1.3N The current stock of affordable family-sized homes should be retained, with social landlords excluding homes with three or more bedrooms from disposals.
- 1.3O The Mayor will review data available on overcrowding and measure the supply of new affordable homes by bedspaces as well as units.
- 1.3P Concealed households living as part of overcrowded households should be identified and provided with housing options.
- 1.3Q Concealed households living in social housing should attract priority for First Steps and be eligible for tenant incentive schemes, where this would alleviate overcrowding.

Underoccupation

- 1.3R At least 8,000 voluntary underoccupier moves of social rented tenants should take place by 2016.
- 1.3S A proportion of affordable homes on new developments of strategic importance should be set aside for underoccupiers.
- 1.3T Opportunities should be increased for underoccupiers who wish to move across and out of London, for example through expanding the Homes out of London and Seaside & Country Homes schemes, and launching the pan-London mobility scheme.
- 1.3U Underoccupiers should be given a high level of priority in local, sub-regional and pan-London allocation policies.
- 1.3V All social landlords are expected to complete an underoccupation audit, and establish systems for identifying underoccupation as it arises and for monitoring underoccupation moves.

Older people and disabled people

- 1.3W The Mayor will ensure that older people become a higher priority for housing in London, by bringing together his powers in planning, health and housing to improve the provision of new housing, including extra care.
- 1.3X All new homes should be built to Lifetime Homes standards and ten per cent should be wheelchair accessible.
- 1.3Y Older and disabled people should be enabled to adapt and maintain their homes to meet their needs, and the

Mayor will explore how the adaptations and extensions on offer to older people in London can be improved.

1.3Z The London Accessible Housing Register should be widely used for the advertising and marketing of both affordable and market housing, with all boroughs and larger housing associations implementing, or having a clear timetable for implementing, the Register by the end of 2012.

1.3AA The options available to older underoccupying social tenants who wish to move to a smaller home should be increased.

1.3BB The Mayor will explore the role of Lifetime Neighbourhoods in regeneration initiatives.

1.4 Empowering communities

Empowering communities: key facts

- There are 141 Tenant Management Organisations in London – 61 per cent of the national total⁴⁴.
- 81 per cent of social tenants in England are satisfied with the overall service provided by their landlord⁴⁵.
- Only 53 per cent of social tenants are satisfied with opportunities for participation in management and decision-making⁴⁶.

1.4.1 Tenant empowerment

For too long, there have been insufficient opportunities for tenants to become involved in a meaningful way in ensuring that their landlord delivers the kind of service they expect and pay for, or in the management and maintenance of their homes. The Mayor very much welcomes the raft of government policies to support local communities having greater control over how their housing services are delivered. The £8 million of funding nationally for the Tenant Empowerment Programme will be key in equipping tenants to play an informed role on Tenant Panels. In addition the plans to reduce red tape will enable many more communities to take advantage of the Right to Manage and the new Tenant Cashback will give house-proud tenants new responsibilities to take control of their own repairs. The Mayor will work with boroughs and other partners to promote the use of new powers for tenants to hold social landlords to account.

1.4.2 Resident involvement in new homes and places

A factor in many new and successful housing schemes has been the involvement of prospective residents and the local community in the development of the new homes and places. Where communities are involved and consulted

in meaningful ways about what is to be built and how homes and public spaces are to be managed, then their stake in an area and its chances of success are enhanced. It is therefore important that developers and landlords have the necessary structures in place to enable those people with an interest to participate fully as new schemes and neighbourhoods are developed. Equally, communities should be given opportunities to have a proactive role in bringing empty homes in their local area back into use.

The Mayor's forthcoming increased responsibilities for public sector land in the capital will provide new opportunities to safeguard the use and value of sites for the benefit of the community in the long term. When disposing of GLA Group land holdings for residential development, consideration will be given to a range of options, including the requirement that the freehold of the site be held in trust by a body with a restricted remit designed, for example through a community land trust, to prevent exploitation of the site in the future for private gain. A further possible option is for sites to be managed as a single community, without regard to tenure, to ensure that the resident community is actively engaged in the management and maintenance of the new development. Successful developers could be required to put in place a local management board to oversee the provision of the management and maintenance of the development. Management boards could include board members from all tenures of the resident community alongside those from other asset owning organisations, that is, any registered provider or private house builder.

The Olympic Park Legacy Company is considering proposals for around ten per cent of the first 800 homes it is proposing at its Chobham Manor site to be set aside for

community-led housing, alongside other homes, shops, a walk-in centre, two nurseries and other community spaces on the site and the nearby Chobham Academy schools. The aspiration is for 40 per cent of these new homes to be houses with gardens, in a mix of terrace and mews housing and open residential squares.

The Mayor is also keen to encourage communities to become involved in building their own homes. There are specific challenges for this in London, such as high land values and the need for most new developments in the capital to be flatted. Nevertheless, the government's new package to promote custom-build will give Londoners new opportunities to pursue this in the future.

1.4.3 Rebuilding communities

Housing has an important role to play in post-riot London. Encouraging people to become more involved and participate more fully undoubtedly cements communities which, in turn, leads to greater stability and stronger neighbourhoods. In addition, initiatives such as the pilot Safe and Secure scheme, which seeks to help relocate and provide support to those at serious risk of gang violence, and who want to make a permanent break from that lifestyle, provide much-needed opportunities to people to move away from criminality and make a fresh start. The Mayor supports the government's goal to have housing resettlement schemes such as these operating more effectively in all gang-affected areas.

Empowering communities: progress to date

- The Mayor has instigated a programme of work to identify and overcome barriers to developing community-led housing.
- The Olympic Park Legacy Company is considering proposals for community-led housing.

- The Mayor and HCA are currently commissioning a development, St Clement's in Tower Hamlets, where the freehold of the land will be held in trust by the community.
- The Mayor has committed £50 million to his Outer London Fund, to grow economic activity and drive employment, and strengthen the vibrancy and growth of neighbourhoods.
- The pilot Safe and Secure scheme was agreed by the boroughs in October 2011.

Empowering communities: policies

- 1.4A The Mayor will seek to bring forward innovative approaches to community-led housing and regeneration schemes on GLA and other publicly-owned land procured for residential purposes.
- 1.4B Residents should be empowered to enable them to play an active role in their local communities, in particular in housing management, and in the design and functionality of the new homes and spaces being created in their neighbourhoods.
- 1.4C Social landlords are encouraged to support the creation of Tenant Panels.
- 1.4D The number of Tenant Management Organisations should increase, particularly on regeneration schemes.
- 1.4E The involvement of the community, for example self-help organisations, in bringing empty homes back into use, should be promoted.
- 1.4F Housing-related schemes that tackle gang violence should be supported.

PART TWO

PLACES

2.1 Increasing Supply

Increasing supply: key facts

- London's population is expected to grow by around one million over the next twenty years, and the number of households by nearly 700,000⁴⁷.
- There is an estimated annual net housing requirement in London of around 32,600 homes⁴⁸.
- London's housing market has held up much better than the rest of the country; in 2009/10, London's share of national net housing supply rose to 19 per cent, up from 13 per cent in 2007/8⁴⁹.
- The 'pipeline' of homes with planning permission is large enough to meet the Mayor's new London Plan target for an average of 32,250 homes a year for the next five years⁵⁰.

2.1.1 Affordable housing

Housing supply in London has failed to keep pace with demand for several decades. The Mayor is committed to reversing this trend and increasing the number of affordable homes to buy and to rent, in order to tackle growing waiting lists, homelessness and overcrowding and to help those on low and modest incomes get onto the housing ladder. In particular, the Mayor is committed to increasing the supply of family-sized affordable homes, with a long term aim for half of all new affordable homes to have three bedrooms or more. This would include not just homes delivered under the new affordable housing programme, but also those delivered without grant, whether through Section 106 schemes, on public sector land or with other resources levered in to support delivery.

Over the last three years, and despite tough economic circumstances, the Mayor has ensured the continued supply of affordable

housing and is on track to meet the target of delivering 50,000 net affordable completions by 2012. In the current 2011-15 spending round, the national aim is to deliver 170,000 new affordable homes, with nearly 55,000 of these in London. This will be an increase on current delivery in the capital and will fully meet the ambitious affordable housing target in the Mayor's new London Plan.

To help deliver this aim, the government has introduced the new Affordable Rent product, which relies far less on grant funding and far more on other funding sources, with more flexible rents up to a maximum of 80 per cent of market rent. This new product will form the principal element of the new supply of rented affordable homes.

Alongside this new product, the government has also introduced a more flexible and programme-based delivery model. The affordable housing programme will be set out in a series of contracts agreed with registered providers, which enable them to plan ahead, but which can be adapted over time as new opportunities arise and plans develop. In addition, the government is opening up the opportunity for councils that wish to develop new affordable homes, making the most of their new freedoms and flexibilities.

The GLA will be directly responsible for monitoring and managing the delivery of all Affordable Rent contracts. As the Mayor will take responsibility for housing investment in the capital, there are separate contracts for London, which will novate to the Mayor from April 2012. These will reflect London-specific policies such as design standards, First Steps agents, and encouraging the payment of the London Living Wage.

In July 2011, the HCA London Board's recommended programme for 2011-15 was

agreed by government (see Appendix 1). Contracts are currently being signed with a total of 46 registered providers and seven private developers, plus seven boroughs which will sign after April 2012 (see Appendix 2). In addition to the total public investment of £628 million in this new programme, an additional £3.7 billion of other funding has been levered in.

The Mayor published the new London Plan in July 2011, setting out the new planning policies for housing in London. To incorporate more fully the new Affordable Rent product into these policies, the Mayor has published a draft Early Alteration to the Plan, alongside guidance on how the 2011 Plan should be implemented. The key proposals in the alteration are as follows:

- to amend the affordable rent definition to include Affordable Rent
- to restate the primary priority of maximising affordable housing delivery, within the context of meeting other housing goals, in particular for family housing
- to retain the 60:40 social:intermediate tenure split target, but include Affordable Rent alongside social rent in the 60 per cent
- to encourage developers to have identified a registered provider with an affordable housing contract in place and to undertake viability assessments including all resources that the provider and other stakeholders will bring to the development.

The Alteration and guidance are clear, however, that setting any rent target for Affordable Rent in planning policies, below the 80 per cent of market rent by which it is defined, would not be maximising delivery.

In addition to their role on the London Board, boroughs should be at the forefront of the delivery of the affordable housing programme at a local level. Seven boroughs will have contracts

themselves to deliver an affordable housing programme. But all boroughs have a key role to play in supporting delivery. The Mayor will only fund schemes where registered providers can demonstrate that they have fully engaged at the earliest possible stage with boroughs in working up schemes, and have paid full regard to a local authority's Borough Investment Plan and local housing and planning policies, where these are in general conformity with the London Housing Strategy and London Plan. Further, the Mayor expects providers to engage continuously with boroughs on the delivery of their programme.

Looking to the longer term, from April 2015 we will be in a new investment round, which will be the first time in which the affordable housing programme will come fully under the control of London's own democratic institutions. As set out in the introduction, the Mayor will work with all those involved in housing delivery in the capital to make the case for London and to develop innovative ways to get more from every pound of public investment.

2.1.2 Private rented housing

London's private rented sector is home for a diverse range of Londoners from young professionals to students to economic migrants to people in housing need. Around one fifth of every income group is found in this sector. Given the shortage of affordable housing and the sustained high house prices in the capital, renting privately has become increasingly important in terms of meeting housing need and the Mayor is committed to promoting an attractive and vibrant private rented sector that caters for all these needs.

There is continued interest in 'build to let' models in London. While it is ultimately the responsibility of the market to deliver private rented homes, the Mayor can play a key role; first, by working with boroughs and delivery

partners to develop an enabling policy framework, particularly around planning; second, by encouraging institutional investment on land in the GLA Group and other public ownership; and, finally, by fostering and brokering arrangements, where required.

One way of stimulating the supply of private rented homes, and indeed a mix of tenures, is through long term institutional investment. There are already examples of this happening, with a long list of organisations, ranging from major international institutions to innovative start ups, developing proposals. The government has also sought to encourage institutional investment into residential development through reforms to Stamp Duty Land Tax on bulk purchases and the policy framework for Real Estate Investment Trusts (REITs). Where the institutional sector is successful abroad, it is usually based on longer tenancies than is the norm in the UK, and the Mayor would be keen to support these in London, along with schemes that enable residents to build up equity in their home.

With more Londoners privately renting their home, many in the relatively long term, there is a case for considering how their rent could be more than just 'lost money'. The Mayor is keen to explore 'rent to save' schemes that enable people to build equity through their rent payments. This would enable Londoners who are currently locked out of home ownership to gain equity in their home without the need for a mortgage or deposit and provide landlords with tenants who have a long term commitment to the home in which they live.

Over most of the last decade rents in London remained relatively stable, especially when compared with house prices. However, in the last few years demand has increased, while supply has not kept pace, and rents have risen

significantly. This has made the sector more difficult to access in some parts of the capital, especially for households on low or moderate incomes.

Rent controls could be seen as a possible response. However, where it has been tried, it has limited the supply of rented homes, by reducing the incentives for landlords and so pushing up prices still more. Indeed, once rent controls were abolished in England in 1988, the long term decline in the number of private rented homes in the UK reversed and the sector has been increasing ever since⁵⁰. Housing delivery could also be seriously undermined, as those purchasing off plan are overwhelmingly private landlords – and any threat to this supply of buyers could suppress London's ability to bring forward sites, decreasing housing supply. Rent controls can also result in the deterioration of properties, with landlords less willing or able to maintain them where rents are artificially suppressed. Instead, the focus should be on looking at ways to increase supply and improving quality in the sector, though encouraging investment and extending landlord accreditation (see Section 2.3).

Increasing supply: progress to date

- The Mayor is on target to deliver 50,000 affordable completions by 2012, a record for a Mayoral term – with over 40,000 homes already delivered by April 2011.
- London is now producing more family-sized affordable homes than it has for a decade.
- There was a 46 per cent increase in affordable housing starts in 2010/11 compared with 2007/8⁵².
- The Mayor is on target to deliver 20,000 First Steps homes by April 2012, including over 1,000 'First Steps for families' homes.
- A range of innovative First Steps products have been developed.

- 2,395 new supported homes were delivered between 2008-11, almost double the Mayor's target.
- £1.8 billion of public funding has been secured by the Mayor which will unlock an estimated additional £3.7 billion of other investment for London to enable 55,000 affordable homes to be delivered between 2011-15.

Increasing supply: policies

Affordable housing - delivery

- 2.1A The 2011-15 affordable housing programme will deliver almost 55,000 affordable homes, meeting the stretching new London Plan target of 13,200 affordable completions every year.
- 2.1B The Affordable Rent product will include homes at a range of rents, with a programme average of 65 per cent of median market rent, and rents charged within the new welfare caps on both new and converted homes.
- 2.1C 36 per cent of new Affordable Rent homes allocated funding in 2011-15 will be family-sized housing with three bedrooms or more, with rents within the welfare caps⁵³.
- 2.1D Ten per cent of new Affordable Rent homes across the rest of the programme will be let at target rents, to enable social landlords to best manage their stock, to ensure supported housing is viable and to enable re-provision of existing social rented housing in regeneration schemes at target rents.

2.1E The Mayor will work with boroughs that wish to develop their own new Affordable Rent homes.

2.1F Delivery partners should consult with boroughs on bringing forward schemes and have full regard to the priorities set out in Borough Investment Plans when delivering the affordable housing programme.

2.1G 1,800 supported homes will be delivered between 2011-15, to meet the needs of older and vulnerable Londoners.

2.1H Boroughs will be supported to ensure that the accommodation requirements of Gypsies and Travellers are identified and addressed.

2.1I New housing developments should contain an appropriate mix of market and affordable homes and be developed in locations where they can help to reduce concentrations of particular tenures.

2.1J All new homes funded should meet the Mayor's housing design standards.

2.1K Providers should make full use of apprenticeships in the delivery of affordable homes, and engage with the Mayor's London Apprenticeship Campaign.

2.1L The Mayor will develop proposals for onward funding of affordable housing after the end of the 2011-15 spending round.

Affordable housing - monitoring

2.1M The supply of new affordable homes will be measured by bedspaces as well as units.

2.1N A framework will be developed for monitoring Affordable Rent with boroughs, with delivery partners expected to engage continuously with boroughs.

2.1O The Mayor will publish information on affordable housing supply by delivery partner and in each borough on the GLA website.

Private rented housing

2.1P The Mayor will encourage the supply of a range of tenures delivered through new forms of funding, such as long term institutional investment, by working with boroughs and delivery partners to develop an enabling policy framework, encouraging institutional investment on land in GLA Group and other public ownership, and fostering and brokering arrangements, where required.

2.1Q The potential of reforms to REITs to attract investment should be optimised.

2.1R The Mayor will explore the feasibility of setting up a 'rent to save' product.

2.2 Transforming Places

Transforming places: key facts

- The total land and property portfolio that will devolve to the Mayor from the HCA in London and LDA in April 2012 amounts to around 530 hectares⁵⁴.
- The largest regeneration project in Europe is being undertaken on land that will be owned primarily by the forthcoming Mayoral Development Corporation.
- Despite the recent recession and drop in housing market activity, the proportion of empty homes in London is only 1.1 per cent – the lowest since the 1970s⁵⁵.
- In October 2010, 34,671 properties had been empty for six months or more, down from 36,645 in 2009 and 42,600 in 2004⁵⁶.

2.2.1 Land

Since 2008, the Mayor has brought forward significant GLA Group and HCA land holdings for development under the auspices of the HCA London Board. The devolution of housing powers creates the opportunity to build on these successes by bringing together the land and property assets of the LDA and HCA under the Mayor's direction. These assets can make an important contribution to driving housing delivery and promoting wider regeneration.

The Mayor will work in close partnership with boroughs, building on their Borough Investment Plans and, where relevant, the potential of their own land holdings, to bring forward early, value for money and high-quality development and regeneration.

To promote efficient development on public land, a range of procurement mechanisms will be adopted, including the establishment of a new London developer framework panel (a 'call off list' of developers procured through an

OJEU process) to accelerate project delivery. The Mayor has already taken a deferred payment on a number of recent schemes, and consideration will be given to taking an equity position, rather than early capital receipts, and to promoting joint ventures and other partnerships in future site disposals.

In order to unlock stalled schemes, the Mayor will consider convening a Mediation Panel and will also seek new sources of funding, such as the government's new national £400 million Get Britain Building pot. There will also be a full review of the GLA Group's newly inherited and existing land and property portfolio, to determine the best ways to bring forward surplus sites for development.

The Mayor will provide leadership, not just for GLA Group land holdings, but also for other public sector land in London. To support this, a searchable list of sites in the GLA Group's ownership will be published and maintained, setting out their capacity, current status and a clear statement of how the Mayor intends to bring them forward. Boroughs and other public sector land holders will be encouraged to do the same.

New approaches to financing housing delivery will also be investigated and promoted where appropriate, including equity-linked, long term investment in rented housing, working with others to create portfolios of sites for the market, and new risk-sharing models for public-private partnerships.

2.2.2 Regeneration

Investment in growth and regeneration is essential if we are to create prosperity in communities currently suffering worklessness and deprivation. Investment in places must sit alongside investment in people so that Londoners are equipped to reach their

full potential and London retains its global competitiveness. In supporting regeneration initiatives, the Mayor will consider the wider impact of these initiatives on communities and will seek to maximise the impact of public and private investment.

The Mayor's new London Plan identifies the Olympic Park and surrounding area as London's single most important regeneration project for the next 25 years. The Mayor is committed to making the most of the opportunity presented by investment in the Games to stimulate regeneration in one of the most deprived parts of London and contribute to the convergence aims of the host boroughs. In February 2011, the Mayor published proposals to re-form the Olympic Park Legacy Company as a Mayoral Development Corporation (MDC), to lead and manage the redevelopment of the Olympic Park and its fringes. The MDC – the Olympic Park Legacy Corporation – should be established in April 2012, and the Mayor will ensure that its work is fully integrated with the wider housing and regeneration plans for London so that the whole city benefits from the legacy of the London 2012 Games, along with some key strategic sites within the proposed MDC boundary, currently owned by the London Thames Gateway Development Corporation.

But regeneration is more than just investment in bricks and mortar. It requires a wider, more strategic approach to transforming an entire area, not just physically, but also in terms of image, environmental quality and reputation, with improved access to services, economic and social opportunities and life chances. This means that existing assets and resources must be used more effectively and joined up with other investment and funding streams to deliver the Mayor's broader regeneration aims. It also means that links must be strengthened between the physical regeneration aims and the economic

regeneration aims set out in the Mayor's Economic Development Strategy.

The devolution of housing and regeneration powers, alongside the new freedoms for boroughs, in particular HRA reforms, bring new opportunities to achieve these aims. The Mayor will work in partnership and collaboration with boroughs, who know their communities best. The GLA can best add value in the regeneration of neighbourhoods that cross borough boundaries, where the co-ordination of regeneration activities is essential and where the scale of investment required is substantial.

2.2.3 Empty homes

Long term empty homes are a wasted housing resource. They are also often magnets for crime, vandalism and squatters, and are a blight on neighbourhoods. In the 2010 London Housing Strategy, the Mayor committed to no more than one per cent of London's homes standing empty and unused for over six months. Despite the recession, this has been achieved. Through £60 million of funding allocated by the Mayor, 4,145 empty homes in the capital have been brought back into use over the last three years. This includes tackling the long term problem of the 250 properties that stood vacant for decades alongside the North Circular Road in Bounds Green, Enfield. In addition, the Mayor has worked closely with the boroughs to undertake an empty homes audit. This means that London now has a bank of information containing details of every property that has been empty for more than six months, so that boroughs and other partners know where to focus their action.

There is now a £100 million government fund specifically for tackling empty homes across England, as well as the New Homes Bonus for every home brought back into use, and the GLA is working with the HCA on the current bidding round for this funding. In the same way as for

affordable housing, contracts to deliver this empty homes work will novate to the Mayor in April 2012. Part of this £100 million is being set aside for community groups that wish to bring empty homes back into use.

The Mayor will work closely with boroughs, community groups and housing associations to allocate London's share of these new funds to bring empty homes back into use, with a specific focus on bringing family-sized empty homes back into use for affordable housing and continuing work to protect heritage buildings at risk, where these provide value for money.

Transforming places: progress to date

- There has been significant progress in bringing forward public land for development over the last three years, including many sites that had been stalled because of the economic downturn. These include major developments at the Greenwich Peninsula and Barking Riverside, and ex-NHS land and assets such as St Andrew's Hospital.
- A number of other large public land sites are being brought forward to deliver around 3,500 market and affordable homes. These include the former hospital sites at Queen Elizabeth and St Clement's in Tower Hamlets, and the old Greenwich district hospital, Trenchard House in Westminster and the former Catford dog track in Lewisham.
- Several major regeneration schemes were unlocked through the London KickStart initiative, including Woodberry Down and Hale Village.
- £60 million was allocated in 2008-11 to tackle empty homes, three times more than in the previous investment round,

resulting in 4,145 homes being brought back into use.

- The Mayor and boroughs conducted an empty homes audit across London, to help target action to tackle abandoned and derelict homes.
- The Mayor has agreed with DCLG an indicative figure of £15 million of funding for London to bring empty homes back into use during 2011-15.

Transforming places: policies

Strategy

- 2.2A All sites transferred to the GLA as part of the devolution settlement should have a clear exit strategy by the end of the next Mayoral term.
- 2.2B The Mayor will publish details of land holdings in GLA ownership, and encourage other public land holders to contribute to the database to outline the capacity, potential and status of their public land holdings in the capital.
- 2.2C The Mayor will develop a comprehensive land-based strategy for Mayoral land holdings transferred to the GLA, to promote housing delivery and wider regeneration.
- 2.2D The Mayor will consider convening a Mediation Panel to unlock stalled developments and major regeneration schemes.
- 2.2E The Mayor will work with wider economic regeneration initiatives, including the London Enterprise Panel, Royal Docks Enterprise Zone and major infrastructure

investments such as Crossrail to maximise the benefits.

- 2.2F The Mayor will set clear spatial priorities across London, for example where Opportunity Area Planning Frameworks are in place or are being developed.
- 2.2G The Mayor will take responsibility in London for a proportion of the £400 million Get Britain Building funding programme.

Delivery

- 2.2H The Mayor will establish a London Development Panel to fast-track and improve the efficiency of procurement, and invite other public sector land holders to jointly select the Panel.
- 2.2I The Mayor will maximise the transformative investment in the Olympic Park through the work of the Olympic Park Legacy Corporation, using the assets transferring from the Olympic Park Legacy Company and the Thames Gateway Development Corporation.
- 2.2J The Mayor will develop appropriate regeneration initiatives across the rest of London, for example through the Outer London Fund and Green Grid.
- 2.2K The Mayor will support borough-led estate regeneration initiatives and community-led development, and ensure that regeneration schemes address the employment needs of priority groups, especially offenders, those not in education, employment or training, and those participating in gang-exit programmes.

- 2.2L The Mayor will promote new forms of funding for housing delivery, such as long term institutional investment and equity funding.
- 2.2M The Mayor will assist other public land holders with the development of sites, for example by offering a procurement process through the London Development Panel.
- 2.2N The Mayor will work closely with boroughs and development partners to drive delivery on major schemes such as Greenwich Peninsula and Barking Riverside.

Empty homes

- 2.2O No more than one per cent of homes in London should stand empty and unused for more than six months.
- 2.2P The Mayor will maintain and update the empty homes audit and publish this information on a new interactive website.
- 2.2Q The Mayor will take responsibility for managing the empty homes contracts in London, ensuring that where it provides value for money funding is made available to support bringing residential buildings on the English Heritage At Risk Register back into use.
- 2.2R Boroughs are encouraged to remove any financial incentives to leaving homes empty.
- 2.2S The involvement of the community, for example self-help organisations, in bringing empty homes back into use, should be promoted.
- 2.2T The Mayor will promote the use of powers to criminalise squatting.

2.3 Improving Quality

Improving quality: key facts

- Around one third of homes in London fall below the Decent Homes standard, similar to the national average⁵⁷.
- Within London, rates of non-decency are highest in private rented and council rented homes, and lowest in housing association homes⁵⁸.
- 37 per cent of all council-owned homes in the country that do not meet the Decent Homes standard are in London, representing approximately 109,000 properties⁵⁹.
- Over 10,000 landlords in London are accredited.

2.3.1 New homes

One of the Mayor's key priorities in housing investment and planning policy is to improve standards for the quality and design of housing, making sure that homes meet the needs of a changing population throughout their lives, and are built to the highest environmental standards⁶⁰. It is essential then that design quality in new homes enhances and extends London's proud architectural heritage and delivers higher design standards for all.

The Mayor's London Housing Design Guide, published in August 2010, is intended to provide the means to improve the design of London's new homes. The aim of the guide is to end the era of poorly designed, cramped homes, and renew the capital's traditions of design excellence. New design standards will show that high quality homes can be delivered, with generous space standards, even at relatively high densities. The guide places a greater emphasis on the home's connection to the local environment and on the flexibility to adapt to people's lifestyles and be fit for

different life stages. It is already being delivered for affordable housing, and new standards are being applied to private sector housing through the new London Plan and SPG.

The SPG outlines two levels of standards:

- ‘baseline’ standards set the baseline for quality and design that new homes should meet, including the new more generous space standards, which are mandatory for all new homes
- ‘good practice’ standards are those that go further and will lead to the kind of exemplary housing quality and design the Mayor is committed to achieving.

The standards will apply to all new housing in London: to all new build homes, to all conversions and change of use schemes and to the ten per cent of new homes required to be wheelchair accessible or easily adaptable for wheelchair users (although some specialist housing is exempt – such as student homes or sheltered housing). All other homes must at a minimum meet all the baseline standards and are encouraged to meet the good practice standards. The Mayor expects new homes that are in receipt of public funding to meet the new standards in full.

But in every case, consideration should be given to these standards alongside the achievement of other objectives of the housing strategy and London Plan. In particular, there must be a balance between the need to increase housing supply and maximise affordable delivery, with the reality that the homes and living environments built today will frame the lives of those who will live in new homes or use the neighbourhoods in which they are located now and into the future. With this in mind, the location of new housing should minimise increased exposure to existing

poor air quality and make provision to address local problems of air quality.

The Mayor is also keen to build on London’s architectural heritage by considering a new ‘vernacular’ or ‘pattern book’ for 21st century London – one that will create London homes as readily identifiable with their era as Georgian squares, Victorian terraces and Edwardian mansion blocks. To encourage the most innovative architects and developers to develop such a vernacular the Mayor will hold a design competition on public land.

2.3.2 Existing homes

The Mayor is committed to working with boroughs to ensure that they are able to achieve the Decent Homes standard, and to maintain their homes to this standard into the future. Providing resources to boroughs to improve the condition of social rented homes will typically address fuel poverty and improve the quality of life for residents.

As part of the 2010 Spending Review, the government made available a total of £1.6 billion to all council landlords nationally towards meeting the Decent Homes standard over the next four years. Following a competitive bidding process, boroughs in London were allocated £821 million, just over half of that funding (as set out in Appendix 3). This settlement reflects the fact that London has proportionally much greater housing need than any other part of the country, and that the capital has some of the worst housing conditions. It is firm for 2011/12 and 2012/13 and indicative thereafter. The Mayor will work with boroughs to ensure effective delivery of the programme, and there is scope for the Mayor, in consultation with the boroughs, to reappportion funding in the last two years, if necessary to deliver the required improvements, while ensuring that all funding remains in the capital.

The 2010 London Housing Strategy included a number of policies on greening existing homes. These have been incorporated into the Mayor's statutory environment strategies: the Climate Change Mitigation and Energy Strategy and the Climate Change Adaptation Strategy. These strategies set out policies and programmes to retrofit London's homes with energy efficiency and water saving measures through the RE:NEW programme, and encourage partners to establish financing mechanisms as part of government's proposed Green Deal to enable the rollout of more expensive measures on a large scale by the end of 2012, such as solid wall insulation, new boilers, double glazing and low and zero carbon microgeneration technologies.

The government's proposed Green Deal and Energy Company Obligation provide a potential source of investment for improving the quality of London's housing stock through the installation of energy efficiency measures. In addition, the London Energy Efficiency Fund (LEEF) provides potential funding of £11 million for retrofitting social housing. The Mayor will look to integrate and maximise these new sources of investment into London's wider housing programmes in existing homes, including Decent Homes. The Mayor also encourages boroughs to work closely with the fire authority to help reduce deaths and injuries in the home.

2.3.3 Private rented homes

While standards in the private rented sector are generally good, with 85 per cent of tenants satisfied with their landlord, the Mayor is concerned that there are a small number of 'rogue' landlords who blight the reputation of the sector⁶¹.

Local authorities already have a wide range of powers under the Housing Act 2004 to

deal with substandard homes, to protect tenants' deposits, to licence houses in multiple occupation and to licence private landlords. The Mayor will work with boroughs to encourage consistency in the way they use their powers of intervention against rogue landlords. This is especially important as some landlords own housing stock across borough boundaries. The Mayor will also encourage the improvement in quality of privately rented homes and landlords, from day-to-day management to enhanced deposit protection for tenants, and consider the merits of borough schemes that seek to operate compulsory licensing where this is appropriate to the local area.

Working in partnership with landlords, agents and accrediting bodies, the Mayor is bringing under a single badge the current somewhat confusing plethora of quality marks for landlords and agents used by a range of accrediting organisations. This should help set common standards across London for landlords and for letting and management agents. It should also increase consumer recognition and choice, and encourage more landlords and agents in the capital to seek accreditation. Greater incentives for landlords to become accredited, such as discounts on repair services and access to funding to improve environmental standards, are also an important way of ensuring that numbers who come forward for training and recognition increase.

Privately rented homes provide a vital source of housing for homeless and vulnerable households. The use of the sector for the discharge of boroughs' homelessness duties is likely to significantly increase over the coming years. This makes the emphasis on quality and length of tenancy more important than ever.

Improving quality: progress to date

- The London Housing Design Guide has been consulted on, published and applied to affordable housing investment, with new standards also applied to private housing through the new London Plan.
- Generous space standards have been set for all new housing, broadly equivalent to Parker Morris standards plus ten per cent.
- All new affordable homes in 2008-11, where the Code for Sustainable Homes (CSH) was applicable, achieved at least Level 3, and 53 per cent were Lifetime Homes with eight per cent wheelchair accessible.
- Between 2008 and 2011, 24,267 housing association homes and 22,000 private sector homes with vulnerable residents in London were improved to the Decent Homes standard. In addition, during 2008-10, 68,809 council homes in London were improved to the Decent Homes standard (figures for 2010/11 are not yet available)⁶².
- £821 million was secured for London from the 2011-15 Decent Homes pot – over 50 per cent of the total national budget.
- At the end of November 2011, over 19,000 homes had been retrofitted with energy efficiency and water saving measures under the Mayor's RE:NEW programme⁶³.
- The target to double the number of accredited landlords by the end of 2011 has been more than met, with over 10,000 landlords in London now accredited.

Improving quality: policies

New homes

- 2.3A New homes and developments should be built to higher design standards, including new minimum space standards, a minimum of Code for Sustainable Homes Level 4

and principles that design out crime and fire risks.

- 2.3B The design standards set out in the London Housing Design Guide will be incorporated into the contracts with partners delivering new affordable homes.
- 2.3C New housing developments should achieve the highest standards of sustainable construction.
- 2.3D Investment in new homes should contribute to reducing London's carbon emissions by at least 60 per cent by 2025.
- 2.3E The Mayor will hold a design competition to help develop a new housing vernacular for the capital.

Existing homes

- 2.3F The Mayor will take responsibility for the allocation and monitoring of Decent Homes funding in London, ensuring best use of resources and value for money.
- 2.3G Opportunities to align retrofitting programmes with Decent Homes and schemes across other tenures should be explored, including an £11 million 'green bolt-on' to the existing Decent Homes programme funding for social housing through the London Energy Efficiency Fund.
- 2.3H The Mayor will work with boroughs to revise their Borough Investment Plans, to ensure that they fully take account of local priorities and asset management plans, and the new opportunities of HRA reform.

- 2.3I Investment in existing homes should contribute to reducing London's carbon emissions by at least 60 per cent by 2025.

Private rented homes

- 2.3J The Mayor will introduce a single badge of accreditation for London's landlords and lettings and management agents.
- 2.3K The number of accredited landlords in the capital will increase to 100,000 by 2016, and incentives for landlords to become accredited, such as access to funding to improve environmental standards, will be explored.
- 2.3L The direct payment of Housing Benefit to landlords being conditional upon accreditation will be explored with the Department for Work and Pensions.
- 2.3M The Mayor will encourage boroughs to take a consistent approach to using their powers under the Housing Act 2004, to improve the private rented sector and tackle 'rogue' landlords.

PART THREE

ABOUT THIS STRATEGY

3.1 The Mayor's Housing Powers

The Mayor's existing statutory powers and responsibilities with regard to housing, and the requirements for the London Housing Strategy, are as follows:

- that he must prepare and publish, and keep under review, a statutory London Housing Strategy
- that this strategy should set out his assessment of housing conditions in London and the need for further housing provision, his policies and proposals to meet needs and improve housing conditions and measures that other bodies are to be encouraged to take to achieve the aims of the strategy
- that he must make recommendations on the amount of funding in London that should be made available to the HCA and how much should be allocated to London boroughs
- that he must make recommendations on the broad distribution of the HCA programme in London and on how London boroughs should use the funding allocated to them.

As set out in the introduction, these powers will be significantly enhanced from 1 April 2012, when the Mayor will become directly responsible for strategic housing, regeneration and economic development in the capital, and will take on the housing investment role currently undertaken by the HCA in London.

The Mayor produced London's first statutory housing strategy in February 2010. He is currently in the process of producing a revised strategy, the development of which is subject to a number of statutory processes and requirements. The first stage of the process – consultation on initial proposals with the London Assembly and GLA Group – is now complete. The London Assembly's submission and the Mayor's response to that submission can be found on the GLA website at

www.london.gov.uk. This document is a full draft of the revised strategy, for consultation with the public.

In preparing and revising the strategy, the Mayor has a legal responsibility to have regard, among other matters, to the effect it would have on equalities, the health of people in London, health inequalities in London, climate change and its consequences, and the achievement of sustainable development in London. These criteria and others, including consistency with national policies, consistency with the Mayor's other strategies and the availability of resources, are considered in the reports of the integrated impact assessment and the equalities impact assessment. The scoping report for the integrated impact assessment informed the development of the initial proposals for this strategy.

This London Housing Strategy meets the Mayor's duty to publish a statement of spending proposals for the investment round, including the Mayor's proposals for funding housing investment in new and existing homes, as set out in Appendices 1–4. Alongside the Mayor's evidence base for the strategy, *Housing in London 2011*, it also meets the duty to set out an assessment of London's housing needs and, in addition to its investment proposals, it sets out the wider policy proposals considered necessary to improve housing in London.

3.2 Equal Life Chances for All

London is one of the world's most diverse and dynamic cities, and it has prospered greatly from the economic, artistic and cultural contribution of the diverse range of people who have chosen to make London their home. But not everyone in the capital shares in that prosperity. There are extremes of wealth and poverty, disproportionate unemployment and variations in life expectancy. These are issues which need to be addressed to enable people and enterprise to prosper.

This strategy aims to address these issues and promote equal life chances for all. The Mayor has paid, and will continue to pay, due regard to the GLA's general duty to promote equality, arising from the Equality Act 2010 during the strategy's development – and it contains a raft of policies that seek to advance equality of opportunity. To inform the development of these policies, thorough analysis and consideration of an extensive evidence base have been undertaken, including a wide-ranging review of evidence relating to housing and each of the protected characteristic groups covered in the Equality Act 2010. The review has considered, among other things, data from Housing in London, which contains a range of information on the protected groups (for example, the incidence of homelessness and overcrowding among BAME communities, and Gypsy and Traveller sites). The 2011 edition of Housing in London can be found on the GLA website. In addition, the Mayor's Housing Equalities Standing Group has played a key role in advising the Mayor on the development of the strategy.

3.3 Responding to This Consultation

The consultation period runs for twelve weeks, to 6 March 2012, during which time the Mayor would like to receive Londoners' views about the issues raised in the strategy. Following this, the draft will be revised and it is intended that a final proposed version will be submitted by the Mayor to the Secretary of State in mid-2012.

Please email your comments to mayor@london.gov.uk (with 'Draft London Housing Strategy' as the subject) or send your written comments to:

Draft London Housing Strategy
3rd Floor Post Point 20
FREEPOST LON15799
City Hall, The Queen's Walk
London SE1 2BR

Please note that if you send a response by email it is not necessary to also send in a paper copy.

All information in responses, including personal information, may be subject to publication or disclosure under Freedom of Information legislation.

This document can be downloaded from **www.london.gov.uk**.

APPENDICES

Appendix One: Affordable housing investment and delivery

**Table 1: Affordable housing investment
in London, 2011-15**

	£
Social rent	985,178,949
Affordable Rent	537,640,604
First Steps FirstBuy	19,883,522
First Steps other	307,026,501
Total	1,849,729,576

**Table 2: Affordable housing supply
in London, 2008-15**

	Number of homes	
	2008-11	2011-15
Social rent	22,520	20,193
Affordable Rent	-	16,614
First Steps	18,350	18,031
Total	40,870	54,838
<i>Delivery per annum</i>	<i>13,623</i>	<i>13,710</i>

These tables set out the Mayor's spending proposals for the money allocated to London for new affordable homes in 2011-15. Detail on the type, mix and design of these homes is set out in Sections 2.1 and 2.3 of the strategy. These proposals deliver the Heads of Terms that the HCA London Board agreed for the 2011-15 programme, as also set out in the London section of the national Affordable Homes Programme Framework. The delivery of these homes will be through the contracts currently being negotiated with Registered Providers (see Appendix 2).

1. The 2008-11 completion data is DCLG live table 1000
 2. The LCHO figures for 2008-11 include Open Market HomeBuy completions, and the figures for 2011-15 include 939 FirstBuy homes
 3. The 2011-15 figures include the HCA's estimated delivery of nil grant homes, apportioned between Affordable Rent and home ownership based on the tenure split of homes provided outside of the HCA programme in 2008-11
-

Appendix Two: Affordable housing contracts, 2011-15

A2 Dominion
 Affinity Sutton Group
 Agudas Israel
 Amicus Horizon
 Bellway Homes Ltd
 Catalyst
 Centrepont
 Circle Anglia Group
 East Thames Group
 Eldon Housing Association
 Estuary Housing Association
 Family Mosaic Housing
 Galliford Try Homes Ltd
 Gallions Housing Association
 Genesis
 Guildhouse UK Ltd
 Hanover Housing Association
 Hexagon
 Home Group
 Housing 21
 Hyde Housing Association
 Islington & Shoreditch Housing Association
 Keniston Housing Association
 LB Barking & Dagenham
 LB Camden
 LB Ealing
 LB Hackney
 LB Hillingdon
 LB Newham
 LB Wandsworth
 LHA ASRA
 Logic Homes Ltd
 London & Quadrant Housing Trust
 Metropolitan Housing Trust
 Moat Homes Limited
 National Association of Almshouses
 Network Housing Group
 Newlon Housing Trust
 Notting Hill Housing Trust
 Octavia Housing

One Housing Group
 Orbit Group
 Paradigm Housing Group
 Paragon
 Peabody
 Persimmon Homes Ltd
 Places for People Group
 Poplar Harca
 Sanctuary Housing Group
 Southern Housing Group
 Swan HA
 Taylor Wimpey UK Ltd
 Telford Homes plc
 Thames Valley Housing Group
 The Abbeyfield Society
 The Guinness Trust
 The Riverside Group
 Town & Country Housing Group
 Viridian Housing
 Wandle Housing Association

This is the list of 60 organisations with whom the HCA and GLA are in negotiation to deliver the 2011-15 Affordable Homes Programme. In total these contracts will deliver the total outputs identified in Appendix 1.

As at date of publication 40 of these contracts have been signed, and details of these contracts are available on the HCA website. The remaining contracts will be signed over the coming months, although the contracts with the local authorities will not be able to be formally signed until April 2012, once the final outcomes of the reforms to the Housing Revenue Account system are known. By the time of publication of the final strategy full details on all contracts will be available.

Appendix Three: Decent Homes funding, 2011-15

	2011/12	2012/13	2013/14	2014/15	Total
	£	£	£	£	£
Barking and Dagenham	2,000,000	9,500,000	15,000,000	15,500,000	42,000,000
Camden	10,000,000	7,500,000	10,000,000	27,500,000	55,000,000
Enfield	14,000,000	18,000,000	12,000,000	14,606,091	58,606,091
Hackney	17,833,333	16,250,000	16,000,000	11,500,000	61,583,333
Haringey	19,000,000	17,000,000	6,451,470	27,480,000	69,931,470
Havering	9,166,667	15,000,000	15,000,000	23,581,000	62,747,667
Kingston upon Thames	0	2,000,000	4,389,380	5,199,310	11,588,690
Lambeth	7,000,000	11,500,000	30,000,000	52,000,000	100,500,000
Lewisham	14,000,000	11,500,000	24,000,000	45,000,000	94,500,000
Newham	5,000,000	7,000,000	0	0	12,000,000
Redbridge	6,000,000	5,000,000	7,659,150	0	18,659,150
Southwark	0	11,250,000	15,000,000	50,693,599	76,943,599
Sutton	10,000,000	12,000,000	14,000,000	26,420,000	62,420,000
Tower Hamlets	12,500,000	11,000,000	25,000,000	46,000,000	94,500,000
Total	126,500,000	154,500,000	194,500,000	345,480,000	820,980,000

This table set out the Mayor's spending proposals for the money to be allocated to local housing authorities in London for 2011-15. This is capital funding that will be made available to council landlords with a Decent Homes backlog. The intention is to enable these councils to achieve a sustainable business plan within a reformed Housing Revenue Account system. The allocations for 2011/12 and 2012/13 are firm, and those for 2013/14 and 2014/15 are indicative.

Appendix Four: Other housing investment programmes, 2011-15

	£
Property and regeneration	35,000,000
Empty homes	15,000,000
Homelessness change	13,000,000
Mortgage rescue	11,000,000
Gypsies and travellers	700,000
Total	74,700,000

Homelessness Change Programme

	£
West London YMCA: St Mary's Road, Ealing	2,550,000
St Mungo Community Housing Association: Great Guildford Street, Southwark	2,500,000
London Borough of Camden: Mount Pleasant Hostel	2,160,000
London Borough of Camden: Holmes Road	2,110,000
Islington and Shoreditch Housing Association: Daniel Gilbert House, Tower Hamlets	1,740,000
YMCA Housing Association, Hornsey, LB Haringey	1,100,000
St Mungo Community Housing Association, City of London	400,000
London Borough of Merton: Wilton Road, Merton	200,000
Total	12,760,000

These tables set out the Mayor's spending proposals for the money allocated to London for 2011-15 for specific programmes over and above the Affordable Homes Programme (Appendix 1) and the Decent Homes programme (Appendix 3). Each programme has its own delivery and funding arrangements.

All figures in the first table are indicative for these programmes.

ENDNOTES

- 1 GLA, Focus on London 2011: Housing a Growing City, 2011
 - 2 GLA, 2008 London Strategic Housing Market Assessment, 2009
 - 3 DCLG, P1E data July to September 2011, 2011
 - 4 DCLG, House Price Index, August 2011
 - 5 DCLG, Housing Live Table 576
 - 6 GLA analysis of data from the London Rents Map, 2011
 - 7 GLA, Focus on London 2011: Housing a Growing City, 2011
 - 8 LSE London, The case for investing in London's Affordable Housing, 2011
 - 9 HM Government, Laying the Foundations: A Housing Strategy for England, 2011. GLA Economics, More residents, more jobs? The relationship between population, employment and accessibility in London, 2005
 - 10 Michael Ball, A vision of future professional housing in London, 2011
 - 11 LSE London, The case for investing in London's Affordable Housing, 2011
 - 12 National House Building Council, New registration statistics September 2011
 - 13 GLA, London Development Database
 - 14 Office for National Statistics, New orders in the construction industry, Q2 2011
 - 15 DCLG, English Housing Survey Live Table FT1111
 - 16 DCLG, Housing Live Table 1000
 - 17 HCA data provided to the GLA
 - 18 DCLG, House price index, August 2011
 - 19 DCLG, House price index, August 2011
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ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

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Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

