

Housing Committee – 23 February 2016

Transcript of Item 5: Questions to the Deputy Mayor for Housing, Land and Property

Tom Copley AM (Chair): That brings us to today's main item, which is a discussion concerning the Mayor's performance against a number of his commitments on housing in London. Can I welcome our guests: Ric Blakeway, Deputy Mayor for Housing, Land and Property; David Lunts, Executive Director - Housing and Land, Greater London Authority (GLA); Pat Hayes, Executive Director - Regeneration and Housing at the London Borough of Ealing (LB Ealing); Neal Hudson, Associate Director of Residential Research at Savills; and Matt Downie, Director of Policy and External Affairs at Crisis. Thank you all very much for being here today.

Can I start with you, Ric? The Mayor's ambition is to see 42,000 affordable homes delivered between 2015 and 2018. So far just over 5,000 have been completed. How is the next Mayor going to get more than 16,000 new affordable homes built per year when we never achieved those kinds of figures even when we had significant grant levels to play with?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I do not think it is right to say that we never achieved those numbers. As you will have seen, over the last eight years, some years have really significantly high levels of affordable housing delivery. Last year, as you know, just over 18,000 units were recorded, the most since the Department for Communities and Local Government (DCLG) records began in the early 1990s and we think the most going back to comparable records since 1981. We have seen years with 15,000 and we have seen years with 16,000.

What you are right to say and to highlight, though, is this hockey stick nature of every investment round and this has been the case for decades now. It was the case with the Homes and Communities Agency (HCA); it was the case with the Housing Corporation before it. With the way in which the money is allocated by central Government, you always have a build-up to a crescendo or climax with a huge number of homes towards the end of the investment round. Unsurprisingly, last year we saw a record of 18,000 and this year you will see significantly fewer because we are starting on the next investment round.

Tom Copley AM (Chair): Can I just challenge you on this? The Mayor says this as well: it is the most affordable homes in a year since 1981. Of course, in 1981 the definition of an 'affordable home' was very different to the definition today. Now the blend of affordable housing is much more towards things like part rent/part buy, which are cheaper to build, whereas in 1981 an 'affordable home' was essentially social housing. Let us be honest about this. The definition has changed, has it not?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The definition has broadened. Social rent as a product has not been switched off, but the definition has clearly broadened to include other affordable products. It is partly reflecting changes in the world we live in and in the city we live in. There are many people now who are finding meeting housing costs increasingly challenging. They would not necessarily be a priority on a waiting list and are not necessarily at risk of unintentional homelessness, but they still struggling with housing costs. In the 1980s you had the introduction of intermediate housing --

Tom Copley AM (Chair): That was a good thing, yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- which was a good thing. I think that was what you were referring to.

Tom Copley AM (Chair): Yes, exactly.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It was the addition of that product, which was around in the 1980s. I do not think it was around in 1981 but it was definitely around in the late 1980s.

Tom Copley AM (Chair): It was the very end of the 1970s when it was brought in.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Great: it did exist then and so it would have been counted in those numbers.

Tom Copley AM (Chair): Yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You have disagreed with your own question.

Tom Copley AM (Chair): No, it existed --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, and so it would have to be --

Tom Copley AM (Chair): -- but not to the same extent that it does now. We are now seeing much more --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, you are not. This is very interesting, Tom. You are --

Tom Copley AM (Chair): -- and of course the definition, as you know, Ric, has been, as Bob Kerlake [Lord Kerlake, former Permanent Secretary, DCLG] said, broadened beyond what is reasonable in terms of Starter Homes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Tom, I agree --

Tom Copley AM (Chair): Good.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sorry, I will let you finish your question. I agree that there are additional products. There is merit in those products.

However, I will tell you why it would be completely wrong to characterise the last few years as solely focusing on intermediate housing at the expense of rented housing. I was really struck by the figures when I asked for a breakdown by affordable tenure since the GLA was set up. I was really struck that in 2005/06 there was 48% rent and 52% - the majority - was intermediate housing. That was 2005/06, well before the kind of analysis that you are doing.

Tom Copley AM (Chair): You have said social rent has not been switched off but it almost feels like it is on life support at the moment, particularly given the legislative changes that the Government is making. By 2018, realistically, how many social rented homes do you think we will be delivering in London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I have two observations. The first is that you are absolutely right to say that the Government has prioritised products like shared ownership and

things like that and, clearly, a substantial amount of the funding that we secure through the Spending Review will be for that. However, it is wrong to say that there will be no rented product coming forward. It is also, as my second point --

Tom Copley AM (Chair): Do you think Affordable Rent will take a big hit?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is my second point. You will still see Affordable Rent being delivered, but it is wrong to characterise Affordable Rent simply at 80% of the market and all of that. We know that it is a far more flexible product. We know that the blend in the 2011-15 programme is 65%. We aim for the same now. You see many homes delivered under the 'Affordable Rent' banner that are closer to target rent.

Tom Copley AM (Chair): Can I bring Neal in now? How do you think the next Mayor can achieve 16,000 affordable homes a year?

Neal Hudson (Associate Director, Residential Research, Savills): It clearly looks like a challenging situation and the hockey stick point is a very important one. The exact distribution of funding and hence delivery through the period will be of great relevance. Probably the biggest challenge is just the uncertainty that is currently being created at a central Government level where we are seeing a shift towards a preference for home ownership products and particularly the lack of clarity so far with things like Starter Homes and the need to deliver, as I said, a proportion of Starter Homes on a reasonably sized site. The wider housebuilding industry has a lot of outstanding questions around Starter Homes in particular and also as to how they will interact with affordable housing and private tenure delivery. That will create a situation where there is a massive uncertainty in the sector about where delivery can possibly go. That makes it quite a challenging position to be in.

Tom Copley AM (Chair): Coming back to you, Ric: in December the Housing Investment Group agreed to formally review the 2015-18 target. Is your legacy to the next Mayor the advice that they need to revise down their affordable housing target?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No. Quite clearly, substantially more than 42,000 affordable homes should be delivered over the next mayoralty.

Tom Copley AM (Chair): Do you think that that is realistic?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. You have seen, effectively, a doubling of the housing budget through the Spending Review and certainly the analysis we are doing and the dialogue we are having with the Government will see substantially more than 42,000 delivered over the lifetime of the Spending Review.

Tom Copley AM (Chair): Do you think it is reasonable to define a Starter Home as an 'affordable home', which is what the Government is doing?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is reasonable to wait for the definition of Starter Homes to be published and the Government will do a consultation shortly.

Tom Copley AM (Chair): We have the definition, do we not? It is homes costing up to £450,000 in London.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, but again I would not take it to the extremities. There is absolutely no reason why we should not see a substantial number of Starter Homes delivered at lower values than that. When you look at things like shared ownership, typically you are seeing shared ownership prices at about £280,000 or £300,000. Whereas people will always refer to the extremely expensive and much more expensive shared ownership homes, it is distorting that product, it is undermining its value and it is not a fair reflection of the range of values that are delivered through these products.

Tom Copley AM (Chair): These are homes that under the definition the Government has put out there can be sold at market value after five years. Do you think that Starter Homes, really, if the Government is putting in a subsidy, which it is, should be affordable in perpetuity?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Clearly, that is a discussion point and a point that many people have raised at the moment. We need to see what the consultation says.

Tom Copley AM (Chair): It seems to me that what the Government is doing with the Housing and Planning Bill - which obviously has not gone through yet and may be subjected to substantial changes in the House of Lords - does not make it easier for us to deliver the level of housing or indeed affordable housing that we need in London. What would you like to see changed about the Housing and Planning Bill?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I am not sure that I agree with the analysis, Tom. A combination of commitments and the amendment to the Bill around high-value council house sales, which should see two-for-one being delivered; combine that with the Spending Review, where there were substantial --

Tom Copley AM (Chair): Not like-for-like. This is the issue: you will be getting family homes at council rents in Islington sold and replaced with Starter Homes in Merton, potentially, under this Bill.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That would not be the approach that we would take. Clearly, it will be an issue for the next mayoralty, but it is not the approach that we would take.

Tom Copley AM (Chair): It is what is within the realms of possibility, though, is it not? You can say to a local authority, "You need to be replacing these two-for-one", but if it turns out that the funding it gets from the sales is quite simply not enough to replace these homes like-for-like, then there is nothing that the local authority can do about it unless there is a magic pot of money that opens up somewhere.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is the key point that you have made. What proportion of the receipts from high-value council house sales can fund a programme of delivering extra affordable homes? Certainly the analysis we have done is that you should be able to deliver a mix of product. The legislation and the way it is worded enables that.

Tom Copley AM (Chair): Is it a matter of regret to you that the Government has not conceded to one of the Mayor's demands that I think we all agree on, which is that the borrowing cap for local authorities should be lifted?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They did lift it. They provided --

Tom Copley AM (Chair): Removed, I should say. Sorry, being removed.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They provided an additional £300 million for local authorities to bid for. Look, I think --

Tom Copley AM (Chair): You and I both know that there is £2.9 billion available potentially if that cap is lifted altogether.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): As you and I know, over the last few years we saw substantial reform to the Housing Revenue Account (HRA) led by the Coalition Government --

Tom Copley AM (Chair): Started by John Healey [MP, former Minister of State for Housing and Planning], I would add.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, as I was about to say, following the work of the previous Government. Even that demonstrated under neither the Coalition Government nor the previous Government there was clearly - this is non-political, almost - a view within Government that the borrowing cap should not be removed.

Tom Copley AM (Chair): We were having a discussion at our pre-meeting and I wondered if you could clarify for us, how do you define a 'completion' when an affordable home is completed? At what deemed is it deemed to be complete?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): David [Lunts] can give you the full definition, but we use the same definition that the HCA and the Housing Corporation used and so it is a consistent measure. It means that it is practically complete, which basically means you can move in and you can live in it. That is a good definition: habitable.

Tom Copley AM (Chair): You have not handed over the keys but you can hand over the keys. Is that the definition?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They are handed over simultaneously.

Tom Copley AM (Chair): Simultaneously? There is no delay whatsoever? Fantastic.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We hope not!

Tom Copley AM (Chair): What is your advice to the next Mayor as to how they can incentivise the private sector to build the homes that we need?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): This is more "what is my advice to the next Mayor" than "what is the Mayor's record", is it not?

Tom Copley AM (Chair): We want to hear what you think the next Mayor can do to dig us out of the mess that this current Mayor has gotten us into.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Well! I think we could contest that!

Tom Copley AM (Chair): No, stick to the question!

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I will rise above that comment. In terms of incentivising the sector to build more, firstly, it is important to look at where we are now. I am really struck at the volume of activity that is taking place at the moment. Last year we had, the Office for National Statistics (ONS) has said, a record in terms of construction orders placed.

Tom Copley AM (Chair): These are registrations, do you mean?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, the ONS was saying the construction orders volume is just under £6 billion. You have the National House Building Council, as you said, which a couple of years ago recorded a huge volume of registrations - I think a record - their records started in 1990 in terms of registrations. It does not register everything, but that was a record for them. Molior has a record number of starts. We have a record number of permits at the moment. When this Mayor came into office, there were something like 170,000 homes consented; today there are 260,000 homes consented. There is a huge --

Tom Copley AM (Chair): You cannot live in a permit. This is the problem.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, but it is really important. If you are asking what is going to happen in the future, in the next year or in the next four years, it is really important to recognise that the industry at the moment is pushing itself and - this is incredibly important - there is a lot permitted. Being able to continue that work is important, but then addressing some of the issues that might hold it back. Issues, for example, include the amount of labour, the inflation and construction costs, all of those kinds of things that could hold the private sector back.

To incentivise them to do more, I am a strong believer in the work that we have done around regeneration and looking at how we take our investment money and use it more intelligently to try to do things that are a little bit more long term. I am referring specifically to the Housing Zone work where you are seeing flexible funding that could be recycled in an area and could unlock sites that traditional grant funding would not necessarily unlock where maybe we need to put in the infrastructure to unlock that place. We have in Ealing, for example, the Southall Housing Zone. We have another 19 across London and we will designate some more soon. That approach is really important for making sure that the public sector is working to enable the private sector to deliver more homes.

Tom Copley AM (Chair): The thing is that we have had permissions vastly exceeding completion figures for years and years. It is not anything new. I think I am right in saying that there are 200,000 homes in London with planning permission.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There are 260,000.

Nicky Gavron AM: That is not a good sign --

Tom Copley AM (Chair): No, exactly.

Nicky Gavron AM: It means that there are more not being built.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Well, no, it --

Nicky Gavron AM: It does. It means that there are more not being built.

Tom Copley AM (Chair): Exactly.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, Nicky. That is one interpretation. We have highlighted the volume of consents versus delivery. Look: come on. You are always going to have more homes consented than are currently being completed. You always will --

Nicky Gavron AM: You have just made the point that there were --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Nicky, it is really important to emphasise that within that --

Nicky Gavron AM: It is -- 80,000 fewer.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, Nicky, it is really important to emphasise that within that 260,000 about a third are on strategic sites, big multiphase sites. There is construction happening; they are just vast sites that will take years. It is really important to think about the mix of products there and the mix of developers there that could accelerate that.

Jenny Jones AM: I wanted to come in on the Housing [and Planning] Bill because there is a huge amount of concern amongst all sorts of people, amongst campaign groups and local groups because there is some quite unpleasant stuff in there. The next Mayor is going to have to deal with this. You could even be the next Mayor's housing adviser still and so you are going to have to deal with it. Have you made any representations to the Government about the worst aspects of this Bill?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We have had an extensive dialogue with the Government about how we really drive some of the measures within the Bill for the benefit of London and we have had exhaustive, extensive discussions about it.

Jenny Jones AM: For example, there are things like the money from the sales going to the Treasury and then councils not getting the money back until they have actually built the houses. That puts huge pressure on the councils. That is exactly the sort of thing that really should not be happening and it just looks as if it is a financial grab by the Treasury. Is that the sort of thing that you might comment on?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is quite a lot of detail still to work through on this and obviously we have --

Tom Copley AM (Chair): One of the problems is it is not on the face of the Bill.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I accept the point, although not everything would necessarily be on the face of the Bill, either: this is enabling legislation.

We have obviously spent a tremendous amount of time talking to the Government about how Right to Buy operates in the capital. Clearly, section 70 of the Bill enables arrangements to be made with local authorities that will see them keep a proportion of the receipts and then deliver additional affordable homes. The backstop is the GLA and that currently is the case. With extended Right to Buy at the moment, if a local authority is unable to commit the resources within a three-year period, then the money comes to the GLA; it does not go to the Treasury.

Jenny Jones AM: The thing is that you and the next Mayor are going to have to deal with the fallout from this Bill and so the more you can make it acceptable -- there are some very harsh elements to it that I will not bother going into. I have lost track of the meetings that I have been invited or I have attended over this. There is a huge amount of concern and it is not going to go away without some sort of real gesture from the Mayor about perhaps trying to ameliorate it.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Obviously, I would disagree that the Bill is wholly negative. There are real opportunities within --

Jenny Jones AM: I did not say that. I think it but I did not say that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): OK. I am sorry to misquote you and misrepresent your view. There are real opportunities within that Bill and there is not a day that goes by without us here at the GLA talking about it and talking to the Government about it.

Tom Copley AM (Chair): The thing is, Ric - and I am not exaggerating here - I have not spoken to or heard of a single expert in the field of housing, anywhere, who thinks that the Housing Bill as a whole is going to do more good harm, not a single person. Why are they all wrong and you are right?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Tom, with respect, I suspect that you are seeking out some negative views on the Bill --

Tom Copley AM (Chair): No, I talk to people across the board in the role that I do here.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. There are some real opportunities within that Bill. Some of the measures that I would hope that you would welcome around tackling rogue landlords are really positive --

Tom Copley AM (Chair): That is one element, which is welcome. It does not go far enough but it is one element that is welcome.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The measures in there that strengthen the compulsory purchase order process are really welcome. The measures in there that enable more public land to be brought forward in a co-ordinated way are really welcome. There has been an amendment to the Bill that means an additional two affordable homes will be built for every high-value council house sale, which is a really positive thing for London.

Tom Copley AM (Chair): It is utterly toothless. It is not enforceable. It is an aspiration and of course, as I said before, it is not like-for-like. Again, the definition of 'affordable housing', which is already stretched, has been stretched again further.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is not the Mayor's Bill, by the way. The questioning is meant to be about the policy and the Mayor's programmes --

Tom Copley AM (Chair): I know that it is not the Mayor's Bill, but the Mayor has voted for it and has put his seal of approval on it even though it did not meet his 'red lines'. I have every confidence that Jenny and her colleagues in the [House of] Lords will --

Jenny Jones AM: We will fight this.

Tom Copley AM (Chair): -- improve it - even though it is different to improve something so terrible - and will make it a better Bill than it was when it went in.

Nicky Gavron AM: I just want to ask Ric: you talked about the redefinition or definition of 'affordable housing' and we just mentioned it being stretched. This is going back to some of your answers to Tom a little bit earlier in this investigation. You talked about a consultation. Flowing from the Housing and Planning Bill, there was a consultation on the National Planning Policy Framework (NPPF) and on the new definition of 'affordable housing' to include these new products, which closed yesterday. Did you put in any [response] to that?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. Our Planning colleagues will have been working on that.

Nicky Gavron AM: Will it be made public?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I would have to check with our Planning colleagues about that. I do not know. I will check.

Tom Copley AM (Chair): It would be good to get that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I would be surprised if it was not. I assume so, but I will check with Planning.

Nicky Gavron AM: It would be very good if we could see that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): OK.

Nicky Gavron AM: The second thing - and this is something that I am sure you are involved with, which is part of that - is that it talks about the definition and it keeps the definition that it has to be for those households whose needs are not met by the market. It lists the products and of course it goes over what we all know, which is that new products are going to be put into the 'affordable housing' category, not just Starter Homes but other products that could be created, and so it opens the door to new kinds of tenures being brought in, which may be good; we do not know.

On Starter Homes, could you just tell me what your understanding is of the eligibility for a Starter Home?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I have two comments. If I may just go back, bringing in additional products - which, as Tom highlighted, is something that has been happening for a generation now - is not the wrong thing to do. It is important --

Nicky Gavron AM: No, I said that it could be all right.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): In terms of eligibility for Starter Homes, the Government set out in its manifesto what it thought the eligibility criteria should be. It was keen not to restrict the market substantially. We have to see the consultation.

Nicky Gavron AM: What are they? What are the eligibility --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They are pretty limited actually in terms of --

Tom Copley AM (Chair): Anyone under 40, I think.

Nicky Gavron AM: Just under 40?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Correct.

Neal Hudson (Associate Director, Residential Research, Savills): It is first-time buyers under the age of 40.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes.

Tom Copley AM (Chair): First-time buyers under the age of 40. Thank you.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You have to wait for the consultation and let us see what is in there.

Nicky Gavron AM: This is the consultation. We have had it.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, sorry, there is a consultation on Starter Homes and that product that will be published shortly.

Nicky Gavron AM: Is it not rather cart-before-horse, then? They are already altering the NPPF with the consultation that closed yesterday. I do not quite understand. Does anyone else understand how that is going to work?

Neal Hudson (Associate Director, Residential Research, Savills): I understand that we are expecting a further consultation specifically on Starter Homes to answer some of the questions in more detail, but I do not know anything more than that, I am afraid.

Nicky Gavron AM: The point about the Starter Homes, though - and you were quite generous in your comments about them - is that they can be to anyone of any income under 40. How is one going to decide which under-40-year-olds are eligible?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Let us see what the consultation says. At the moment, shared ownership is eligible to people either under 40 or over 40 as long as they are a first-time buyer and that system --

Nicky Gavron AM: There is an income threshold.

Tom Copley AM (Chair): There is a maximum income threshold, which is set in the London Plan.

Nicky Gavron AM: There are no income thresholds for Starter Homes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure, but you are also looking at households that are purchasing substantially below the kinds of income thresholds that are talked about.

Inevitably, these products calibrate themselves to a particular part of the market where, as you observe, their needs are not being met by the market.

Tom Copley AM (Chair): Shelter has done research that says you would need an income of £79,000 to afford a Starter Home in London. Come on, Ric. That is basically at the threshold beneath which you cannot get a home on part rent/part buy. Genuinely, do you think that is reasonable?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I have heard similar things referred to in relation to shared ownership where you need to be a millionaire or something to be able to purchase through shared ownership. That is just simply wrong. We know that last year the average household income was about £40,000 for those purchasing through shared ownership. That is pretty much in line with average household incomes in the city. I just really --

Tom Copley AM (Chair): It is the leading homelessness charity in the country that is saying this!

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, I have a huge amount of respect for Shelter, but also it is unfair to characterise these products through hypothetical extreme situations, which people have done with shared ownership and that is wholly wrong. Shared ownership has enabled a huge number of people to build up equity in a high-value city like London, which they simply would not have been able to do otherwise.

Tom Copley AM (Chair): This is something that Lord Kerslake has said because he was running the DCLG when Starter Homes as an idea were created and he has been very clear: they were meant to be --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): He is the architect.

Tom Copley AM (Chair): Indeed. That makes what he says all the more pertinent because he says that they were meant to be additional homes for brownfield sites, sites that had to be decontaminated and things like that.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Exception sites, yes.

Tom Copley AM (Chair): He said that what they have become is nothing like what they were intended for. This is the architect of this product coming out and saying that the Government is completely wrong. Should it [the Government] not be listening to him?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Let us look at one element of Starter Homes. The Spending Review announced over £1 billion for land assembly to support Starter Homes. Realistically, you will see a high proportion of Starter Homes on those sites - we will have to see what - and you will also see a mix of other products on those sites. The fact is that there are substantial sums available - and London will receive a share - to assemble land and to try to unlock that. Returning to one of your other questions on what the big barriers and big challenges are coming up, clearly access to land is one of those.

Tom Copley AM (Chair): Absolutely.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The fact that the Government has announced funding for Starter Homes, which will enable us to assemble sites for a mix of products including Starter Homes, is really positive and something that London should grab and turn into an opportunity.

Tom Copley AM (Chair): We shall see but I am not optimistic.

Nicky Gavron AM: Regarding the Starter Homes, in the NPPF consultation, there is an equalities question, which says in the preamble that there is a concern that in fact some of the more traditional products will be squeezed out by Starter Homes. That is actually in the document and there is a question on it. It is a good thing that there is a question on it, but did you respond to that question?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Our Planning colleagues will respond to that question.

Nicky Gavron AM: Would you not have --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are here for a housing discussion on the Mayor's policies. We are now in a planning discussion about the Government's policies. I would say --

Tom Copley AM (Chair): That affects what the next Mayor can do and this is one of the things that we are looking at.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is what the title of the session is, Tom.

Nicky Gavron AM: Housing and planning are like love and marriage!

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, absolutely. It is wrong, again, to say that only one type of affordable product will be delivered in this city in the coming years. It is quite clear that we are going to see Starter Homes alongside shared ownership, a traditional intermediate product that has been around for years, and alongside Affordable Rent.

Nicky Gavron AM: Do you agree that social rented housing, for instance, which is the traditional product because it was there before Affordable Rent and it was there before Shared Ownership, is being and will be even more squeezed out?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That will continue to be delivered --

Nicky Gavron AM: Will it continue to be squeezed out?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It will continue to be delivered but --

Nicky Gavron AM: At what levels?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- it is wrong to dismiss the benefits that Affordable Rent has and not to recognise that Affordable Rent is a very flexible product that can deliver at close to target rents.

Nicky Gavron AM: Can I just ask you, Pat? Are you seeing social rented [provision] squeezed out? Do you think it is going to be affected by Starter Homes being included in the 'affordable' category?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): The issue with Starter Homes is that it will clearly in most of London – not all, possibly – squeeze out a lot of other affordable products. Those Starter Homes will work in some outer London locations. There are parts of our borough where you can see, yes, Starter Homes will be affordable. Particularly in those locations where there is new development, they will not be affordable and they will squeeze out other types.

We will continue probably through the HRA to build some social rented housing, but it will be relatively small-scale. In the long term, we probably have a Government that has set its stall fairly clearly. It wishes to support and subsidise home ownership, which is logical and justifiable in certain areas and forms part of the mix, but it will affect our ability to deliver traditional social rent housing.

Effectively, what the Housing and Planning Bill will mean is that there will be less Affordable Rent product delivered by housing associations as part of the development process, almost certainly. Some of the other elements of the Bill will make it harder for us through our regeneration programme to deliver affordable and social rent products, etc, through estate regeneration because we will have less money in the HRA as a result of the 1% rent reduction for one, the sale of high-value assets again – which goes as a payment back to the Government, too – and some of the other factors.

Overall, it will become increasingly difficult, although not impossible, to deliver social rent in the way that we have done it and possibly Affordable Rent and so we will see a hollowing-out of the affordable housing supply.

There are some opportunities for us. We will continue to develop rental housing at various price points and we will continue to use our borrowing potential, for example, to develop housing outside the HRA for market rent and discounted market rent.

The other challenge for us will be through the planning process. It is fair to say that traditionally over the last 10 or 15 years most affordable housing in London has been delivered through the planning system. The provisions of the Housing and Planning Bill will make that much harder given the costs and viability in London. Outside London it is an entirely different situation, which we need to be clear on. Certainly my wish would be that we need to articulate much more clearly what London's ask is around affordable housing in London. At the moment we have a national policy, which works in places like Derby to a degree because the market rent in Derby and the council rent are about the same, you can get a council house fairly quickly if you want one and most people on average salaries can afford to buy. In London that is not the case. The important figure for us certainly in west London is the entry salary or family income that you need to be able to enter the housing market, which is £75,000 plus, when an average property at the lower end of the market is around £450,000 or £500,000.

Another concern for us is that market rent, which we have encouraged and promoted as an alternative, is becoming increasingly unaffordable as well because of the difficulty of getting mortgage finance and because of increases in the retail housing sale market. This is really pushing London into quite a difficult place in terms of where new entrants in the London housing market go.

Shared ownership is popular at acquisition but, as we all know, shared ownership tenants are the least happy of any tenants because they pay higher service charges and very few of them are accumulating a real equity stake and staircasing out. The Housing and Planning Bill will put pressure on shared ownership as well.

There are opportunities for us, but they will require the Government to do some different things and to give the Mayor some additional powers. Again, the Mayor should be seeking the power to say, "We have to retain

all the money in high-value sales and Right to Buy sales within London". There has to be some additional cash that goes in and helps us because we struggle on land values certainly in west London to deliver one-for-one replacement on Right to Buy sales. The chance of us doing two-for-one in London is absolutely remote unless other changes are made. You can make changes to the planning system. You could have a use class for rental housing, for example, which would depress land values and enable us to buy land at a more reasonable cost. You could do in that respect --

Tom Copley AM (Chair): We will return to that later in the meeting, yes.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): There are other things that one could do to a degree. There is obviously a lot of talk about public land and the availability of public land, but clearly a lot of that is still in use for operational reasons and a lot of it is constrained. We have a lot of land and most of it is Green Belt or Metropolitan Open Land and golf courses. Increasing that land supply is difficult for us in terms of where we would build the homes if we had the money to do it. The pressure around affordable housing delivery, even if one has a fairly broad definition of 'affordable', is quite considerable now and --

Steve O'Connell AM: Are we saying that the days of building relatively large-scale council estates of family-sized homes, which I was brought up on, which is why I have an interest --

Jenny Jones AM: Me, too.

Steve O'Connell AM: -- for example The New Addington [Estate]; mine was the Bellingham Estate, which were built in the 1930s and 1940s. For the reasons you said and relatively brief answers: are those days over?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Actually, they ended many years ago. Over the last few years, we have been able to build more than we have done in the past due to the John Healey reforms that the Coalition carried on and freeing up the HRA. We have been able to build social rent accommodation in reasonable numbers --

Steve O'Connell AM: Family-sized houses?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Yes, we have built family-sized houses, but --

Steve O'Connell AM: Social rent?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Yes, social-rent family-sized houses using the HRA. That will become more difficult with some of the changes that I have alluded to, which is possible.

The other thing that we are doing, which goes back to the historical role of municipal housing, is that using our housing company we are building good quality rental housing for those in work, which of course was the original purpose of a lot of the original municipal estates in the 1930s and 1940s. They were to accommodate people in jobs who could not afford to buy in the then housing market. We are doing that and we are using the general fund to do that.

Steve O'Connell AM: Thank you. Ric, do you want to --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is an important question, Steve. A decade ago you were Deputy Mayor, Nicky, I think. Were you Deputy Mayor in 2005/06?

Nicky Gavron AM: I was.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You were; the same year that a minority of social rent was delivered in London. Anyhow, back in --

Nicky Gavron AM: Can I --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Back in 2005/06, 18% of London's completions were three-bed plus. That is all tenures. In 2014/15, the last year we have full figures for, it was 28%.

Tom Copley AM (Chair): Social rent or affordable?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, this is all tenures. It is a really positive thing how the planning system and what you are seeing coming forward is a significant growth in the proportion of larger units. Within the affordable housing, we have continued to really press for a substantial amount of three-bed or larger affordable homes to be delivered and we did about 36% in the last programme, over a third, which is not a bad outcome. It is challenging and it is challenging for a whole range of reasons, the cost of development and the cost of land, but it is possible and it has been something that has been demonstrated to be possible. Personally, I think it is really positive that ten years on from the doldrums of 18% we are now up to 28%.

Steve O'Connell AM: Lastly on this, I am less interested in £2 million four-bedroom houses as a target. I am more interested in potentially building family-sized social rent. That is the first question, which is something that I would like to pursue perhaps later in the next term.

Stephen Knight AM: It was an issue about completion figures and I just wondered, given that the Mayor and the Deputy Mayor were very proud of having achieved such a high completion figure by 31 March last year, there was clearly a lot of political and financial pressure to hit that target on 31 March and to get these schemes complete.

Could I have an assurance from David? If I had gone around and visited every single one of these 18,614 properties on 1 April, would I have really found homes ready for people to move into? One has heard rumours that waivers may have been signed on properties that were not entirely finished in order to hit that deadline.

David Lunts (Executive Director - Housing and Land, GLA): We define 'completion' as homes that are ready for occupation and they will normally have a completion certificate. We do make exemptions or have waivers in certain cases where, for instance, there are issues possibly with utility companies or external landscaping still needs to be finished off. However, in the overwhelming majority of cases, they will be ready for occupation and indeed, in most cases, will be occupied.

Stephen Knight AM: Was there an unusual number of waivers?

David Lunts (Executive Director - Housing and Land, GLA): There were a larger number of waivers than usual, but then that is set against a very large level of completions.

Tom Copley AM (Chair): Proportionally, though?

Stephen Knight AM: Proportionally?

David Lunts (Executive Director - Housing and Land, GLA): I do not have the exact numbers to hand.

Tom Copley AM (Chair): Can we get them? Can we get those numbers? Is that possible?

David Lunts (Executive Director - Housing and Land, GLA): Yes, we could certainly do that.

Tom Copley AM (Chair): Excellent.

Stephen Knight AM: Thank you.

Tom Copley AM (Chair): That would be good.

Nicky Gavron AM: As Ric mentioned 2005/06, I just want to say that you have taken one year and you have made the case very cogently, but one year is just a snapshot and so it depends which year you take and what the proportions are.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I am happy to take eight [years]. Do you want the figures? Do you want the figures for eight [years], Nicky? Let us look at eight years.

Nicky Gavron AM: No. The other thing that I want to say is that when we came in in 2000 the household projections were for smaller householders and then there was a shift in the household projections towards the need for more family housing because London's families were even larger than in the rest of the country. There was a shift in policy towards larger homes, which you inherited or the Mayor inherited in 2008. My observation has been that if we say "three-bed plus", we get three-bed and we do not get enough of the plus. One of the big needs is for four and even five-bed homes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Just in response, Nicky, the latest Strategic Housing Market Assessment (SHMA) showed that there was a real need around smaller units rather than necessarily family-sized units. Notwithstanding that, given what we know outside the SHMA, we have continued to try to press for that. I know, for example, that we did an initiative with Croydon that was looking at trying to deliver very large - I think five-bed - social rented units.

Fiona Twycross AM: This is for Ric in the first instance. One of the things I asked a head teacher in Hackney a couple of years ago was about the biggest difference any policy from the GLA could make to the children in her primary school. She said, "Getting on top of the issue of overcrowding". She had pupils who were several children to a room and it was basically meaning that they were not achieving what they could do at school. She took it from a very theoretical and statistical context to the very real context that there was for the children she had in her care.

I just wondered if you could explain why you think you have missed the target on overcrowding and what steps you took to meet the target and what went wrong.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is a really fair question. One of the things that this mayoralty sought to do was to highlight the challenge around overcrowding. We

completely agree with the impact that that can have on people's health, educational attainment and so on. It is a real issue.

We set an incredibly challenging target to try to halve severe overcrowding within social housing. At one point about two years ago we did halve it and it has now crept back up again. It is now broadly where it was. It is about 3% at the moment. I am disappointed in that, but that was not through a lack of trying and we tried a whole range of things: prioritising larger units through our programme, trying to get chain lettings and trying to get more mobility within housing. As you know, we prioritised overcrowded households as part of Housing Moves. We have done extensions and conversions. We have tried a whole range of things, but it is a big issue. In the timeframe it was not possible to meet that target, but it should still be a priority.

Fiona Twycross AM: Was there anything in that that could explain why it did fall? Was it any of those measures? Which ones actually worked?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I will take it away and we need to look at it in more detail. It would be such a range of different factors. It would be really difficult to analyse and highlight one particular factor because so often you are dealing with individuals and individual households and lots of different things will change within their lives. I will take it away and have a look at it.

Fiona Twycross AM: Do you think it was partly an over-reliance on the 'bedroom tax' [Spare Room Subsidy]? The intention of the 'bedroom tax' was obviously to free up some of the larger properties. Was there an over-reliance on that as a mechanism for freeing up some of the accommodation?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The Spare Room Subsidy did not apply to households over 60, I think I am right to say, where we probably have the highest level of under-occupation. I do not think --

Fiona Twycross AM: It was --, yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- we were ever thinking of it in those terms because you have --

Fiona Twycross AM: That was the intention of the policy from the Government to free up those properties.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Look, what we were focused on were extensions, conversions and the mobility work that we have done - we have had real success to get the buy-in of pretty much every borough in London to Housing Moves; they volunteered to be part of that and that is a really positive thing - as well as focusing on delivering larger units within our programmes.

Fiona Twycross AM: What levers does a future Mayor have or need to have to make a real impact on this problem, do you think?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They do not necessarily have all of the levers. That is just the reality. However, trying to focus on the delivery of larger units is one thing directly within the Mayor's control. It is hard but it is achievable. I guess the second thing is what can be done in partnership with local authorities around promoting and boosting the mobility schemes that exist but clearly could grow, but that would have to be an agreement between the Mayor and the boroughs.

Fiona Twycross AM: Does anybody else have anything they would like to highlight about overcrowding and how it could be tackled by the Mayor or what has gone wrong?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): One of the points I would say is that we are in danger at the moment through the permitted development (PD) conversion of lots of office buildings of creating more overcrowded accommodation because what the PD developers are now doing is looking to convert office blocks into what they call ‘studios’, which are in fact tiny flats. You know full well that these will not be occupied by single individuals and it would actually be undesirable if they were. We are creating through the planning system potentially a worse overcrowding problem in the private rented sector in the future. Again, that is another where London needs an exemption from the PD conversion of office buildings as we are getting a lot of substandard accommodation being built, which will add to the existing overcrowding problem. There is already a big overcrowding problem within the private owner sector let alone the private rented sector. There are lots of people on above-average salaries with two children living in overcrowded flats and they cannot afford to buy anything larger now in London.

Fiona Twycross AM: Are you seeing any trends in overcrowding in your housing stock in Ealing and what do you think the picture is going to look like in a few years’ time?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): The position certainly in the private sector stock - both in the owned stock and in the rented stock - is that overcrowding is clearly increasing. The council stock about stays the same but, again, our turnover is now so low. Understandably, people do not give up a council flat unless they die, effectively; some is obviously sold.

The ‘bedroom tax’ had very little impact in terms of encouraging people to move. We have had success at a small scale with new developments, which have been specifically designed and where the affordable housing is designed for over-55s to move, and people have freed up larger accommodation. However, that is a drop in the ocean in terms of the overall demand for that type of housing.

The pressure will increase. Some of the benefit changes that have moved people out of central London have also pushed more people with families out, again, into smaller accommodation in outer London. Our overcrowding pressures continue. I cannot actually see a lever that could be pulled that would stop that at the moment without much more drastic interventions at the macroeconomic level.

Fiona Twycross AM: Thank you.

Steve O’Connell AM: We are moving the subject now towards rough sleeping and homelessness. I know Matt, Pat [Hayes] and others will probably have some comments and also Ric [Blakeway].

First of all, turning to rough sleeping, we will be aware that the Mayor has had two strategies around this. The first one dated back to No Second Night Out and then moved on, in essence, to No First Night Out on the streets. However, from the figures I have in front of me, rough sleeping has increased with a further 16% or 7,500 people from the last figures we have from 2014/15. Clearly, there is an issue here.

First of all, I would like probably Matt’s comments around what more can be done and then we will investigate that across others and with Pat.

Matt Downie (Director of Policy and External Affairs, Crisis): The first thing to say is to acknowledge the success of No Second Night Out in terms of picking up new rough-sleepers and them not becoming entrenched rough-sleepers. That is a thing to note.

The No First Night Out initiative is exactly right in the principle that it is about prevention, but that system is entirely inhibited by the fact that local boroughs are disincentivised. Effectively, the way in which the system works is that it almost ensures that only the most serious cases of particularly single homelessness will ever be catered for by a local council because of the priority needs system.

As alluded to in some of the paperwork, in Wales we have a system now where there is a duty to prevent homelessness, regardless of who you are.

Steve O'Connell AM: It broadens the criteria?

Matt Downie (Director of Policy and External Affairs, Crisis): It does and it really matters for No First Night Out. Almost 50% of people in No Second Night Out hubs have presented at their local council and have been turned away. We are investing in a system that warehouses and sometimes sends people back to local councils and they are then referred back to a No Second Night Out hub. That is not a good situation. It is a merry-go-round.

On top of all of that good stuff, it is worth standing back for a second and looking at the scale of the situation and also the evidence base as to what works with this cohort of people.

Yes, we are seeing a mass increase in rough sleeping. All forms of homelessness are going up and rough sleeping is going up very fast.

Steve O'Connell AM: I would like to investigate that and the reasons why as well.

Matt Downie (Director of Policy and External Affairs, Crisis): Yes. In terms of what can be done, the international evidence is pretty clear now that the only approach that has a transformative effect on rough-sleeping populations is something called Housing First, which has been taken to scale in some countries in Europe, in a lot of cities in Europe and in a lot of cities in North America, Japan and Australia. Effectively, what it says is that the way in which you help people end their homelessness and resolve the issues that were behind their homelessness is to get them housed first. Surprise, surprise: the solution to homelessness is housing --

Steve O'Connell AM: Putting people in homes, yes.

Matt Downie (Director of Policy and External Affairs, Crisis): -- but this is not about mass housing supply. It is about maybe 1,000, 2,000 or 3,000 units for the entire city. The Mayor of New York has just announced 15,000 Housing First units. We have had cities across Europe, as I said, transform this problem with this approach. What it means is that once you get people into accommodation, you do not require them to have to give up drugs or alcohol and you do not require them to have to comply with a whole range of other things that they would have to comply with in a hostel. You get someone in a tenancy and - surprise, surprise - their ability to cope with the issues that they are facing is transformed.

Steve O'Connell AM: Put them in there and leave them to it?

Matt Downie (Director of Policy and External Affairs, Crisis): You do not leave them to it. There is a support package that absolutely must be delivered. In other countries the hostel providers, which were providing a warehousing dead-end solution to homelessness, are providing the support to get people in

sustained tenancies. That is one thing that really needs to be taken to scale. It is something that the evidence base shows is the only transformative solution out there.

Steve O'Connell AM: That will be applying a significant slice of the housing stock to that particular need and that particular client base?

Matt Downie (Director of Policy and External Affairs, Crisis): When you say "significant slice", it is worth saying that, yes, rough sleeping has gone up but we are not dealing with tens or hundreds of thousands of people. We are dealing with, in London, a few thousand people. You can question the figures one way or another, but it is an entirely solvable problem.

There was one other issue I wanted to come on to, though, which is migrant rough-sleeping. It is worth saying that we are in a situation now where unfolding literally before our eyes is a human catastrophe. We have a cohort of people who are totally ineligible for support and the leading approach taken with these people is to enforce against them. There is a crazy situation that is unfolding around the North Circular where encampments of people are literally being chased from borough to borough. Individual boroughs are paying hundreds of thousands of pounds to enforce against people who then just move to the next borough or they may be forcibly removed to their country of origin and then come back.

This is not a way to approach the issue. Other countries, again, lead the way in terms of how they deal with this. There are practical things you can do to responsibly reconnect people --

Steve O'Connell AM: Yes, but it is quite a new phenomenon with the numbers. We are going a bit off the track at the moment but --

Matt Downie (Director of Policy and External Affairs, Crisis): We are, but I just wanted to make sure that we have a distinguished approach to these.

Steve O'Connell AM: Yes, I take your point.

Matt Downie (Director of Policy and External Affairs, Crisis): There are different cohorts of people and we are at risk at the moment of saying, "The lived experience of homelessness is different for a migrant rough-sleeper and so let us deal with it differently". Of course it is not. You just need different solutions to resolve the issue.

Steve O'Connell AM: I get that completely. I want to bring Pat in because he can talk about the experience of Ealing. I want to also drill down a bit about the increase in the numbers of what is quite inane called 'returners' and 'stock' - you are hopefully preventing those first-timers and doing some work around those - and those unfortunate people who are returning and are constantly going back to the streets for whatever reason. Pat, do you want to add to the debate?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Yes. It is really important to delineate the various groups that we are talking about here.

Steve O'Connell AM: Exactly, yes.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): At one end you have what I suppose you would call your 'traditional' rough-sleeper who probably has drink or alcohol problems. Even in our borough, which has a population of 350,000-odd, it is 10 or 15 people.

Steve O'Connell AM: That is a small number, yes.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): We deal with those through a specialist housing association that provides support and we attempt to get them off the street and into housing.

We then have this second and increasing group – and we have always had it because of our proximity to the airport and the very broad ethnic mix of the borough – of people who are living rough. They are not conventional rough-sleepers but they probably are recently arrived migrants and they have no recourse to public funds. The Government response has been very much on enforcement.

We had a case the other night of a woman who had been assaulted very violently by her partner. We took the decision that we would house her temporarily, which was in breach of the regulations, effectively, because she is not supposed to have recourse to public funds. It was a humanitarian gesture, effectively. We could not leave her sleeping on the floor of the police station.

Therefore, we have that group there as well, which is an increasing problem, and we need to decide how we are going to in outer London deal with that. We are not enforcing against people in that instance but clearly --

Steve O'Connell AM: When I was the Cabinet Member for Public Protection in Croydon, the biggest London borough – the point you make is a good one – we just had a core of 20 or so people whom we supported and managed. That is historic. Now we have a whole new paradigm of rough sleeping and we have a whole new bunch of people coming in who are vulnerable in a different manner. We could take that as an issue.

Also, the debate, which I would be interested in your opinion on, is about broadening the definition of those whom councils are statutorily liable to look after. At the moment in English law, it is purely those most vulnerable: young people, children, whoever. Wales and Scotland, from my briefing, have changed their legislation to broaden it to, as I said at the beginning, those people whom, if presented to councils, the councils then have a statutory responsibility to help.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): This is our fundamental problem, which is what I was going to come on to --

Steve O'Connell AM: You have two big things heading your way, potentially --

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): No, we have three, actually.

Steve O'Connell AM: Give us the third one.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): The third one is the 2,000 people virtually every night whom we have in temporary accommodation and whom we have accepted and have a statutory duty that we cannot avoid. We have no stock to house them in and so we are housing them in temporary accommodation in one of the most expensive cities in the world. With the benefit system, on average for each of those people, the benefit that they receive from the Government is £100 short in terms of the cost of accommodating them. Our ratepayers and Council Tax payers are meeting for each of those people a £100 cost per week to house them.

At the moment we are now the meat in the sandwich because we have the Government changing the benefit rules and pushing more of these people on to us and reducing the benefit levels so that the benefit levels are more and more out of kilter with rent levels. At the same time, we have various legal judgements saying that we cannot house these people outside the borough, etc. We have a very limited supply of rental accommodation for some of the reasons we talked about earlier. To add further duties on us without the finance to do that would cripple us. That is the issue. If you are going to widen local authorities' homelessness duties, it has to come with a change in the benefit law certainly for London that recognises the genuine housing costs in London and it has to come with substantial investment from the Government to help us to do that.

Steve O'Connell AM:

Are you saying that you are not allowed to suggest that many of these young people and vulnerable people are housed outside London? There were some stories - and I am not saying it is right, wrong or indifferent - that some London boroughs were encouraging the housing people up in the north of England where there is more stock and all of that sort of stuff.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Yes, we are housing people outside London and we are looking to acquire temporary accommodation outside London. The issue there is that we can find better quality properties at cheaper prices. What we attempt to make sure of is that we do not do this in places where the labour market is dead so that people can get jobs and can be reintegrated.

We also have a duty to discharge people into the private rented sector. Obviously, when we can enable people to go somewhere where there is a good chance of them getting a job - or at least a reasonable chance - and where they can get better quality, more affordable housing, then we do, yes.

Steve O'Connell AM: Without extending it because, if you were to house young and vulnerable people out in Hull, Newcastle and these wonderful places, they also have their own issues and they need looking after. You are shunting the social services care to another borough. Matt, did you want to comment?

Matt Downie (Director of Policy and External Affairs, Crisis): Yes, just two quick points. It is entirely right to say that families with children are far less likely to be placed out of borough but it is the case - and I am not saying that this happens at all in Pat's [Hayes] borough - that people fight tooth-and-nail to prove a local connection to a borough only to be sent miles away from that borough. There are horror stories of people particularly in the West Midlands arriving unbeknownst to Birmingham Council and being placed with the worst landlords, who have been paid incentives of up to £5,000 a time to take those households.

I just wanted to say on the legislation that of course Pat is right that it is not affordable for local authorities to be thrown a whole set of new categories of people whom they must house. The [briefing] paper we have is not quite right in terms of the Scottish and Welsh models.

Steve O'Connell AM: I apologise.

Matt Downie (Director of Policy and External Affairs, Crisis): Scotland has removed the priority need categories. Wales did not do that but introduced a duty to prevent homelessness so that those opportunities are not just for single people who are not getting housing but for families that actually might have a chance of avoiding the need for social housing or the full homelessness duty. You can intervene with landlords; you can do all sorts of things that will mean it is far less costly. Yes, of course local authorities will have to struggle, but what we have found is that the vast majority of local authorities in England are in favour of the Welsh model.

Steve O'Connell AM: I am impinging a little bit on the next question but, Ric, can you address particularly the rough-sleeping issue that is heading the way of the next Mayor and the numbers and the stuff we have just heard about?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Clearly, it is a really important area. Notwithstanding the challenges around the numbers that you have highlighted, the team in the GLA with the work on rough-sleeping has done an absolutely amazing job about this. I would like to think that London has one of the most co-ordinated responses to this now of any big global city. That is not just my view; Tom, when you went to No Second Night Out, had a very positive view --

Tom Copley AM (Chair): Very good, yes.

Steve O'Connell AM: I have heard that, yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): As Matt [Downie] has highlighted, you cannot escape the fact that 70% of the increase you have referred to is non-United Kingdom (UK) nationals. The reality there is that probably the most effective and sensible response is around voluntary reconnection. We have sought to support the charities working around that with various schemes, Routes Home and other schemes.

Steve O'Connell AM: This is for a non-UK national rough-sleeping, encouraging them to reconnect with their family in their parent country?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Correct. Usually, that is the best outcome for the individual concerned.

Steve O'Connell AM: I would have thought so.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): This is handled very sensitively and there are strong links between organisations working in the UK or working in London and those overseas as well. I visited many years ago in the last mayoral term an initiative in Poland, which was linked up with Thames Reach.

What the figures disguise and what should not be underestimated is that whilst the annual number of people on the streets is higher, the number of people sleeping on any given night - through No Second Night Out and the fact that now just under 80% of people will spend only a single night on the street - is very different to other cities around the world. You will --

Steve O'Connell AM: Ric, you are saying that there is less institutionalised rough-sleeping or 'stock'?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. We have a real focus on stopping entrenchment --

Steve O'Connell AM: It is a horrible word.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, but the --

Steve O'Connell AM: It is not your word; it is the word in my briefing. It is a horrible word and I do not like to use it and I will not again.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is really important to prevent that entrenchment. People will stay ten days or longer on the streets and they will have a combination of mental health challenges, often drink and other issues that will make it harder to find a sustainable route off the street for those individuals. Tackling that and stopping that has to remain a priority. We are completely different to places like New York where 3,500 people a night sleep on the streets. It has a smaller population than London but 3,500 people a night sleep out, whereas it is about 500 in London.

Steve O'Connell AM: They are not so good at solving that problem, yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): If you go to Los Angeles, it is almost 12,000. It is outrageous.

Tom Copley AM (Chair): It is huge, yes.

Steve O'Connell AM: Shocking.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is about 12,000 or 13,000. It is very different. Preventing entrenchment is important.

I slightly disagree with Matt's [Downie] view on Housing First being the solution for this. We were very interested in the Housing First model. We piloted it in London. It was good, but some of the health issues are as important as the housing issues for many individuals here, particularly around mental health. You need programmes to try to address that.

Of all the things that we have been doing, whilst there has been a huge amount of attention on No Second Night Out and rightly so, there is the commissioning approach being taken with the Social Impact Bond. It is one where you identify a clear cohort and then you have milestones set against different elements. One will be housing but also health, employment and things like that. It is about being really flexible with those services. We do not have a very rigid model for how those services should work; we just prescribe the outcome. It is a far more flexible approach to the commissioning. There is something in the Social Impact Bond that we are doing at the moment that could be expanded. Indeed, we are looking at whether we could expand it. Dealing with Steve's different groups, our Social Impact Bond focuses on those people who are in the revolving door between the street and a hostel or other accommodation. The opportunity for a Social Impact Bond focused on entrenched rough-sleepers is probably the next step and it would be really valuable.

Steve O'Connell AM: OK.

Matt Downie (Director of Policy and External Affairs, Crisis): Can I make one final point on that? Just in terms of the best outcome for migrant rough-sleepers, there is virtually no evidence about what happens to people when they are reconnected. It is a bit of a euphemism, really, because 'reconnection' sounds like somebody has found out who it is that you need to be in touch with and there is your family ready with open arms to accept you. That is not what is happening. It is people being put on flights, put in the back of a truck and taken up to Luton Airport --

Steve O'Connell AM: When you walk past people in Victoria Street who clearly do not have the English language, they are in a terrible state and are massively vulnerable and cannot --

Matt Downie (Director of Policy and External Affairs, Crisis): Can I come to that point? One of the things that we do at Crisis is, if there is somebody who is a migrant homeless person and they have an offer of a job or a job, we will guarantee their rent for them upon the sustainability of that work because, quite obviously, the vast majority of people who come here to work get work. For those who fall out of the system and need that guarantee of that support, it really works. We find that we do not have to dip into that pot because people's work is sustained. That tells you that forced reconnection home is not the only option for people.

Steve O'Connell AM: I do not want to extend this, but the cohort I am talking about perhaps is that vulnerable person who is sleeping very rough on Victoria Street, who cannot speak English and who is, therefore, vulnerable from all sorts of angles. Surely at one simple level - and I am a simple person - it would be better for that gentleman to go back to his country and to be around people he can communicate with and try to get support there. That would be more logical.

Matt Downie (Director of Policy and External Affairs, Crisis): In some cases, yes, but unless you investigate exactly what that situation is, it could be somebody who was trafficked or it could be somebody whose employment has been illegal here. It is not --

Steve O'Connell AM: It is complicated.

Matt Downie (Director of Policy and External Affairs, Crisis): You cannot have one --

Steve O'Connell AM: It is complex. Thank you, Chair. That was worth exploring.

Jenny Jones AM: I had better declare that I have volunteered for the Simon Community for the past 20 years. I used to go every week and I had a morning tea run. Latterly it has gone down to something like once a month. There very clearly - this is all anecdotal--, obviously - you see changes in the format of the people who are homeless. Whereas a few years ago they all became younger and more foreign and so on, now I see more and more 20-to-40-year-olds. It is actually people of working age.

I just wondered. You presumably keep records of age, gender, ethnicity and so on about the homeless that you deal with?

Matt Downie (Director of Policy and External Affairs, Crisis): Yes. The homeless population is getting younger, but it depends on what bit of the cohort you are talking about. The sorts of people who go to daycentre services have traditionally been older men and that morphs in different ways as you see different services retreating. Domestic violence services, for example, will mean that different cohorts of people come in. Particularly the issue around the way that the Housing Benefit system has disadvantaged young people and is going to continue to do that with further restrictions means that you get more young people. I guess that is one side of it.

The other thing to say is that the growth in homelessness - aside from the migrant rough-sleeping form of homelessness - in recent years in London is all to do with the loss of an assured shorthold tenancy. That is not to say that there is a bunch of landlords who want to get rid of people. It is that the way in which the benefit system works, again, means that it is much harder for people to meet their rents. Clearly, the delinking of affordability and reality in terms of the Housing Benefit means that people are far less likely to make their rent. We had some research last year that showed that 50% of rough sleepers have been sanctioned and 20% of

those people who have been sanctioned attribute their homelessness to that sanction. That is quite often because people were using their out-of-work benefits to top up the Housing Benefit.

The profile of who we are seeing is really changing and that means that the traditional older man who has been kicked out of home and has drug or alcohol problems that have developed over the years is different, although that cohort of people is still there, too. Sorry, that was a very long answer.

Jenny Jones AM: No, that is fine. In fact, you have moved me on to the set of questions that I was meant to be asking. What do you think the Mayor can do about the situation of homeless households in that case? What do you think?

Matt Downie (Director of Policy and External Affairs, Crisis): It is interesting. It comes back to a similar thing around the overcrowding question that we were talking about earlier. The private rented sector is now what is seen as both the leading cause of homelessness and probably the leading solution to it as well if we can make sure that there is sufficient allocation of affordable units within the private rented sector.

There is the licensing and registration stuff. I am so frustrated with this because it just makes so much sense in London. So many local authorities in London want to do it. The GLA itself has said that it would have wanted more powers back from the DCLG to get rid of this strange block that now exists that the last Secretary of State for Communities and Local Government put in around licensing schemes. Of course, they would be different in different boroughs because not everywhere is like Newham and I would not agree with the way in which Newham has done it all the time. Sometimes it looks like an immigration police type of operation, but it is clearly a way forward. I would also say that the social lettings movement needs to be taken to scale and the GLA can do a lot to incentivise that.

However, it is quite obvious that a lot of the problems in the private rented sector that lead to homelessness and a change in the population of homeless people are outside of the control of the Mayor.

Jenny Jones AM: Are you saying then that local authorities are actually dealing with this as well as they possibly could?

Matt Downie (Director of Policy and External Affairs, Crisis): I really do not want to bash local authorities and the way in which they tackle homelessness because their hands are tied so much in terms of what they can do. We have done some work particularly to 'mystery shop' local authorities where we sent people with experience of homelessness who were aspiring actors into housing option services to present with the scenario that they had lived through themselves. We saw some shocking stuff in London - of course we did - and we have worked with all of those authorities we did mystery shop to try to improve that.

We see desperate measures. Probably one of the most desperate indications that local authorities are struggling are Public Space Protection Orders. Where local authorities have sought to extend their powers to penalise and then criminalise certain things, they have included rough sleeping in that. Where we have seen that, we have fought it and worked alongside local authorities to see what else can be done. That can work with No First Night Out where we can start thinking about pooling services that do not need to be commissioned by just one borough but can be done on a pan-London basis. As Pat [Hayes] said, they are really up against it in terms of what can be done because the statutory duty says this amount of people and then the non-statutory groups grow and grow as well.

Jenny Jones AM: Do you think it is just a matter of finance that local authorities are so squeezed now?

Matt Downie (Director of Policy and External Affairs, Crisis): No. As I say, it is about shifting the approach. We need to move to prevention, accepting what Ric [Blakeway] said about some of the trials of Housing First in London. We have traditionally had what is called a 'staircase' approach to homelessness where you qualify for the next level of entitlements once you are free of drugs or alcohol or some form of behaviour. That has been disproved as the way in which we will address homelessness sustainably. The only proven model is to start with housing and to address mental health and address substance misuse within a housing setting. That needs to happen alongside the prevention agenda. We have to move away from thinking about how we manage the problem to how we think about solving it.

Jenny Jones AM: Thank you. Did anybody else want to say anything on that?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): I would just say that it is important we focus on the fact that rough sleepers are a tiny minority of the homeless population. The majority of the homeless population are living on other people's sofas. They are living in overcrowded flats. They are the 2,000 people that we are dealing with. They are the 9,000 people who are on our housing register, effectively.

Tom Copley AM (Chair): It is an iceberg, is it not, homelessness?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Yes. Also, this is a massive issue for London but, if you go outside London, if I talk to my counterpart in a big metropolitan northern city with a similar population, the number of homeless people - and they say it is terrible - is 120. Ours is 1,220. There is a huge disparity between London and the rest of the country and the ability to deal with it. A lot of big metropolitan cities outside London have vacant council stock that they can house people in. Wigan has several hundred and so, if you present as homeless in that particular city, they can find you a house straightaway. We have to be clear that there is a massive London problem. There is a whole raft of homelessness. Rough sleeping in some ways is the easiest bit of it to deal with and there are interventions that one can do around it.

Fiona Twycross AM: Can I ask how much of an issue sofa-surfing is and how much of that is hidden? Presumably quite a lot of people do not even go to the council in the first place. Do we have accurate numbers for the number of people who are in that situation?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): No. Because resources are very tight and because they have changed the benefit rules, we have to become better and better gatekeepers, effectively, so that people know there is no point going to the council unless you meet certain criteria. We are good at picking up people who are vulnerable, people with children, etc, but if you are a single male your chance of getting a house through us is virtually non-existent unless you have some particular issue. There are huge numbers of people living in the private rented sector or with friends. It keeps London working to a degree but, again, it is back to why we need a reasonable quality supply of good affordable - in its broadest definition - housing. London's economy is working at the moment on people living in entirely random housing circumstances.

Fiona Twycross AM: OK. Thank you.

Stephen Knight AM: This is on the private rented sector, in particular the London Rental Standard. Ric, why has the Mayor's commitment to see 100,000 London landlords accredited to the London Rental Standard been rewritten to be 100,000 properties?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I have two comments. The first is that, again, I pay huge tribute to the team in the GLA, particularly Rhona [Brown, Senior Policy Officer, GLA], for the record, who has done a fantastic job at organising and pushing the London Rental Standard. As we know, the GLA itself has exceptionally limited, virtually non-existent powers around the rented sector.

The thing we recognised very early on in the development of the London Rental Standard - something that you will know, Stephen - is the vast majority of landlords own one or two properties. We are also seeing a substantial increase in the number of properties being managed by agents rather than the landlords themselves. My view is that we should focus on professionalising that agency sector. We had a huge drive, therefore, around accrediting agents. We have over 300 agents now accredited and with staff at every branch trained. There are something like 600 branches there and so there will be hundreds if not thousands of people working on a daily basis around managing properties who will be trained as a result of the London Rental Standards. That is really positive and I think personally it is sensible to measure that success around accrediting agents in terms of properties rather than in terms of individual landlords.

Stephen Knight AM: We have started off with a target of 100,000 landlords, which represents about a third of London landlords, and then shifted the target to 100,000 properties. If you want to measure properties, arguably you should look for a third of London properties. Of course, there are a lot more than 300,000 properties in London. 100,000 properties represents only about a tenth of the properties in the private rented sector. In a sense, you have shifted from a third of the private rented sector to the target being a tenth. Indeed, you have already exceeded 100,000 properties.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, 137,000. You can congratulate us.

Tom Copley AM (Chair): There is no getting around the fact that it is a complete change of target. There is no getting around that.

Stephen Knight AM: You have started off with an ambitious target --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I have explained why.

Stephen Knight AM: -- for us to go from the 13,000 properties already accredited under the various existing --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sorry, landlords. You are mixing up properties and landlords.

Stephen Knight AM: Sorry. To go from 13,000 landlords already accredited under existing schemes to 100,000 was a very substantial increase in accreditation, which was your aim. The current figure is 14,891 landlords.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is about 15,000.

Stephen Knight AM: It is about 15,000?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes.

Stephen Knight AM: There has been a modest increase in the number of landlords accredited across London.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. We have doubled the number in --

Stephen Knight AM: However, there has certainly not been the --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Incidentally, we had doubled the number in the previous mayoral term from what we inherited.

Stephen Knight AM: -- step change from 13,000 to 100,000, has there?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Stephen, there has been a transformation in terms of the GLA's work around the private rented sector. There was virtually nothing happening at the GLA when this Mayor came to office on co-ordinating or overseeing the rented market. We have seen the introduction of the London Rental Standard. I do not know another city in the UK that does something like that. There may be one. I do not know it.

Stephen Knight AM: Yes.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is ground-breaking. The fact that we have so many agents engaging in this is really positive.

Stephen Knight AM: It is obviously welcome that we have made any progress, I suppose.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, it has been fantastic progress. It went from zero to 137,000 properties.

Stephen Knight AM: It has not gone from zero, has it?

Tom Copley AM (Chair): No, it has not. There were existing schemes.

Stephen Knight AM: There were seven existing accreditation schemes covering 13,000 landlords.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): All right. Close to zero.

Stephen Knight AM: OK. A question for you --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): This is a manufactured frustration --

Stephen Knight AM: Can I ask you a question?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- that you are showing here. This has been real progress with no powers.

Stephen Knight AM: Look, we know that there were 13,000 landlords already covered by the seven existing accreditations.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes, because of the work this Mayor has done.

Stephen Knight AM: Do you know how many properties that represented?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Offhand I do not know, but we can assume that the average landlord owns three properties. Let us go for that.

Hold on, Stephen. We doubled that number from the number we inherited because in the first term the Mayor's focus was on expanding things like the London Landlord Accreditation Scheme (LLAS) and then in the second term the Mayor's focus was to say, "Look, why do we not bring in all the other accrediting bodies?" There are about six in total, including those who are dealing with agents rather than landlords. You cannot start the clock ticking from when the London Rental Standard started.

Stephen Knight AM: Is it fair to say that there were already 100,000 properties covered by the seven existing schemes?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No. It is completely wrong.

Stephen Knight AM: Given you have --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Clearly, agents will manage far more properties than an individual landlord will own. It has substantially increased.

Stephen Knight AM: It has substantially increased?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It must have done. It is completely wrong to say --

Tom Copley AM (Chair): We should get the figures, should we not?

Stephen Knight AM: Yes. We do not know what the figures are.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- that those 13,000 landlords managed 100,000 properties. It is completely wrong.

Stephen Knight AM: We know that we have just short of 15,000 landlords managing 138,000 properties.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Stephen, do you not welcome the direction of travel? Do you not welcome the fact that this Mayor is really trying to get a framework around the rented sector?

Stephen Knight AM: The question is simply this. You start off saying you are going to achieve a huge increase in the amount of accreditation. You are going to get 100,000 landlords, a third of London's landlords, accredited. Then you change tack halfway through and say, "No, we are going to get a tenth of London's properties in the private rented sector accredited". That is clearly a much lower target than a third of landlords.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The work that we are doing is exceptionally ambitious.

Stephen Knight AM: It is a lot less ambitious than you started out.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, it is exceptionally ambitious. We have continued to really try to promote and grow this. We have worked with the private sector to try to introduce incentives to encourage more landlords and agents to sign up. The work around the agents, getting over 300 agents signed up -- you have to recognise that over half the market is managed by these agents. There has been real progress. Are you not pleased?

Stephen Knight AM: If you start off with a target that is a third of London's private rented sector and you want to focus on properties, and maybe that is the right way to focus --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is entirely sensible.

Stephen Knight AM: -- then why not have the same target of a third of London's private rented sector?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It was not expressed in those terms. It is entirely sensible for us to have said, "Look, let us go for the agents". They are the ones who are out there saying, "We are the professionals". They are the ones out there who will clearly have greater reach in the market because they are going to have several landlords signed up to their agency. It is entirely sensible, therefore, for us to focus on the letting agents. That approach has succeeded. Over 300 agents signed up is a really positive measure.

Stephen Knight AM: OK. Well --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The other really important point to make is that of course there were accreditation schemes in existence and we were a strong supporter of LLAS in the first mayoral term, but they are all having to do something extra as a result of the London Rental Standard. They have all raised the bar. That is a really positive thing.

Stephen Knight AM: OK.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): To get that coordination around the market with no statutory power whatsoever --

Stephen Knight AM: All right. We are not going to agree about whether or not the target has been weakened. You have clearly made some progress and clearly it is useful to target the agents. Maybe that is the right approach.

Is it the truth of the matter that with any voluntary accreditation scheme you are going to effectively be getting the best landlords joining it anyway and that the real problem landlords, who are irresponsible, are the last people who are going to join a voluntary scheme?

We have seen a number of boroughs around London implement licensing schemes for landlords and we have seen some boroughs prevented from doing so by the Government. Do you think that moving forward, if we are really doing to tackle the problems of this completely unregulated sector, the only way is to have a proper regulatory framework through a formal licensing scheme that perhaps covers all of London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There are a couple of things. Firstly, you are right. Obviously the London Rental Standard is a voluntary measure. We have no statutory powers. Even if it were a statutory obligation, there would still be people who would not comply. With all the licensing schemes you have around London, clearly you have landlords who have ignored that and they end up prosecuted.

It is absolutely right to say that under any system you will have rogue landlords, criminal landlords, and therefore it is absolutely right to tackle that as well. We have done so alongside the London Rental Standard. We have over half the money the Government has made available for tackling rogue landlords being invested in London. There is something like £5 million going through to the boroughs and a whole range of measures, including some legislation, to try to tackle that rump of bad landlords that obviously do tremendous harm to their tenants and blight the reputation of the sector.

Insofar as a London-wide licensing scheme is concerned, personally I am not convinced. It is confusing two things. The licensing schemes are very much focused around building conditions and compliance around that, whereas the London Rental Standard is very much focused around daily management standards and professionalisation of that. There are two slightly different things, I would argue.

Certainly Newham, which is one of the standard-bearers for licensing, started off with a small scheme in one or two wards.

Tom Copley AM (Chair): A trial in one or two wards?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It was very much seen as an approach to go into an area where they had a heavy concentration of properties in poor condition and focus in on that. I would probably say that has merit in more places around London where it is very focused, rather than being a blanket approach.

Stephen Knight AM: You think that more of London should be covered by licensing but not all of London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There is merit in targeted licensing schemes but I am not persuaded by a London-wide licensing scheme.

Stephen Knight AM: Do you think boroughs ought to have the power to have licensing schemes? We recently had the example of Redbridge, which wanted to have a licensing scheme but the Government rejected it.

Tom Copley AM (Chair): Was that an example of localism when the Minister rejected the Borough's desire for a --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are straying into an area where you are trying to hold the Mayor to account for decisions made by others.

Tom Copley AM (Chair): I am interested in your view.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I cannot form a view because I have not seen the application Redbridge made.

Tom Copley AM (Chair): On principle, do you think Ministers should be able to overrule a borough that has consulted on and wants to introduce an accreditation scheme?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There has to be an application process, quite clearly.

Tom Copley AM (Chair): Why not leave it up to boroughs?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There has to be a process. That process could be done in consultation with the Mayor. There are lots of different ways to do it.

Tom Copley AM (Chair): The borough does not have to consult the Government when it wants to build a new leisure centre. Why to introduce a licensing scheme?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There are parameters around what has to be applied for. I am giving you a very direct answer. I am not persuaded by a London-wide system.

Stephen Knight AM: Do you have an assessment of the success or otherwise of the schemes that have been implemented?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Do you mean the licensing schemes?

Stephen Knight AM: The licensing schemes. Has the GLA done an assessment of them? It is not just Newham. There are a number of other boroughs that are doing it now.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure. No, there are. We had a meeting recently through Homes for London with different licensing schemes. We tried to take an overview there. We do not have a full analysis but we have seen lots of information coming forward from Newham in particular and obviously Newham are very positive about their scheme. I am quite interested in going on one of the dawn raids in either Newham or another borough to see how that operates. It is interesting but I am still not persuaded there should be a London-wide scheme.

Stephen Knight AM: Do you think the Mayor should have the power to have a London-wide scheme? A slightly different question.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): In the next few weeks before purdah we are not going to introduce a London-wide scheme. I am not going to ask for a power for something I do not think should be introduced.

Stephen Knight AM: No, it is a slightly different question.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is probably not one for me, though, is it?

Stephen Knight AM: It is not a question about whether or not you, if you were the next Mayor, would do it. It is a question about whether you think the next Mayor should have the power --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is pointless for you to ask me that.

Stephen Knight AM: -- to introduce a London-wide --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Stephen, I just --

Stephen Knight AM: You are not going to answer the question?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I do not think I should sit here and hypothecate about what decision the next Mayor should make.

Stephen Knight AM: No, that is not the question. It is not about the decision.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I think it is.

Stephen Knight AM: It is about whether the next Mayor should have the power to do it, irrespective of whether they decide to do it.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is hypothecating about the next Mayor.

Tom Copley AM (Chair): Can I rephrase this slightly? In Scotland and Wales powers over the private rented sector are devolved matters. Over the last few years when you have been Deputy Mayor, do you think it would have been a benefit to you for those powers to have been devolved to London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We have done --

Tom Copley AM (Chair): That was not the question. Would you have found it beneficial?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I would need to go away and look at exactly which powers would be beneficial for London to support the sort of schemes that we are doing. I would not for a moment say the Government has sought to undermine our efforts around things like the London Rental Standard. Indeed, we have worked effectively with the Government on introducing legislative measures to tackle things such as redress and issues around rogue landlords. It should be recognised that the Government has introduced legislative measures. The fact that now every agent has to be part of a redress scheme is a very positive measure.

Tom Copley AM (Chair): Why do we have to wait for the Government? You welcomed, rightly, some of the things the Housing and Planning Bill is doing on the private rented sector. If London had had devolved powers, the Mayor could have gone ahead and implemented these measures himself.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We have not been held back from getting on with stuff.

Tom Copley AM (Chair): You have been held back, clearly.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, we have not because we have a London Landlord Standard that now has over 300 agents accredited.

Tom Copley AM (Chair): As we know, the bad landlords are not going to submit themselves to voluntary regulation. It is absurd to suggest that they would.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There has been money and there has been legislation to tackle --

Tom Copley AM (Chair): There is no teeth to it.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): There has been money and there has been legislation to tackle rogue landlords.

Tom Copley AM (Chair): You talk about enforcement. In Scotland, I think I am right in saying, you are not registered as a landlord you have no power to evict tenants or anything like that. Essentially you lose all of your legal rights. That is how they enforce the scheme.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): This is not restricted to housing policy. Scotland as a country has a whole range of powers that are different to the GLA.

Tom Copley AM (Chair): Many of which we should have devolved.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure. Let us start with property taxes.

Nicky Gavron AM: Ric, I just wanted to know. Do the letting agents tell you who the landlords they are acting for are?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sorry, you will have to unpack the question for me. There is no register of landlords, obviously.

Nicky Gavron AM: No, but do the letting agents tell you who their landlords are?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are keen to see whether we could create a list of landlords --

Nicky Gavron AM: You have not done that yet?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- who are accredited under agents or rather the agent is managing the property on behalf of the landlord. We would love to create that list. We would love for people to be able to Google or use a search engine as part of that list so that they can identify whether their landlord is accredited or not.

Nicky Gavron AM: You do not ask?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We are trying to work with all the different accrediting bodies to do exactly that. It is not happening at the moment but we would like to.

Nicky Gavron AM: It has not been a condition --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, it has not been a condition because it --

Nicky Gavron AM: -- for the letting agents to tell you who their landlords are? Often, as you know - and you must know - the letting agents are acting for absentee landlords. We do not know who the landlords are, which is why Tom's [Copley AM] point about being able to register landlords is a very good idea, for just a nominal fee as they do in Scotland. A whole raft of things is made possible by that. You are thinking of doing it but you have not done it?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, we have not done it. We are actively talking to the accrediting bodies. My view is that it was far better to get on and get stuff going rather than wait for every piece to be in place.

Nicky Gavron AM: Can I just ask one further question? Do you work with landlords like Grainger?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes.

Nicky Gavron AM: Grainger has how many properties in London?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I do not know Grainger's stock offhand.

Nicky Gavron AM: Thousands and thousands. You work with the very big landlords?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We work with very large landlords. As you know, we are a strong advocate of bringing more institutional-type landlords into the market. We have done a huge amount, not just with Grainger but Greystar, Realstar and all sorts.

Nicky Gavron AM: Are they part of the London Rental Standard?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Absolutely. Yes, clearly. We will double-check but certainly our view is that big professional landlords like that should be signed up. Unless you know something that I do not know, I am not conscious that Grainger has been highlighted as a rogue landlord that needs tackling.

Nicky Gavron AM: No, I am trying to get to the bottom of the number of properties that are in the London Rental Standard.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I see what you are saying.

Nicky Gavron AM: You began by talking about --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Let me check because we might be able to add them on.

Nicky Gavron AM: Could you let me finish?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): You are absolutely right, Nicky.

Nicky Gavron AM: Could you let me finish? Could you not talk over me? Just --

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure.

Nicky Gavron AM: -- let me finish. As you said, the whole picture is very fragmented and most landlords own one or two properties, but there are several very big landlords in London. I would like to know and I would like you to let the Committee know which big landlords you have signed up.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. That is fair. Let me go away and we will provide the Committee with that.

Nicky Gavron AM: Thank you.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It may be additional. Certainly our view is that we should have more big institutions managing rental stock in this city. That is why we have, for example, four GLA-owned sites that will have institutional landlords as part of those schemes.

Tom Copley AM (Chair): This is why I am not sure the switch from landlords to properties is particularly helpful. The big institutional landlords tend to be the good landlords that people do not complain about and it is very easy to get a large number of properties if you sign up a landlord that owns 1,000 of them. It is much more difficult to sign up 1,000 individual landlords who might have one or two.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Sure.

Nicky Gavron AM: That is what I was trying to cover in my --

Stephen Knight AM: I just wondered if we could bring Pat and Matt [Downie] in on this issue of voluntary accreditation versus licensing. Has Ealing considered a licensing scheme? Do you think you ought to have the power to do it?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): We for some time have had a small area scheme, which we have expanded now. That is virtually a borough-wide scheme. Ric is right that there are two issues. One is about regulation and making sure that the minimum standard is conformed to and robustly policing that, which is what a licensing scheme enables us to do because you have the licensing income and you have the mechanism to go around, knock on people's doors and inspect. Without a licensing scheme that is quite difficult.

There is also an issue - and the GLA scheme has been welcome - about raising standards in the rental industry overall. We are doing a lot to encourage the institutional investors to come in. Indeed, we provide market-rented housing ourselves to try to catalyse that market and encourage people to go into that market. There is a lot of work to be done in improving the public perception of the rented sector and getting landlords to do more than just meet the statutory standard - in terms of a safe gas boiler, not damp, etc - and have good-quality letting and management. That is the separate strand there.

We support a borough-wide licensing scheme. We would like the process to be simpler. It is slightly strange. There are a lot of things we can do without going to central Government but we cannot introduce a licensing scheme without going through a lot of hurdles. We had to spend quite a lot of money on proof of why we needed the scheme to have the coverage that it does have.

There is a separate issue around how we collectively, as the 32 boroughs and the GLA, drive up the standards in the private rented sector. That is about working with some of the big institutional landlords. It is also about working with the agents. I would like to be in a position where landlords can see there is a positive advantage in being involved with the borough because you get your formal license, but also you can then get a Kitemark standard like we have for food licensing. For example, you can say, "I am a five-star landlord", or, "I am a three-star landlord", and that means something because there is an enforcement and inspection regime that backs that up. It is twofold.

Stephen Knight AM: Do you think there is a case for having minimum standards enforced as a London-wide licensing arrangement, either a minimum standard in every borough or even a London-wide scheme?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): It would be nice within London for there to be provision that if a borough wants it, then it can have a licensing scheme without having to go through the hurdles it has to go through at the moment. Then individual boroughs could decide whether they want to be in or out. There are parts of our boroughs in which honestly it would be hard for me to argue for a licensing scheme because there is so little rented property in those particular fairly niche but fairly affluent wards. That would not apply to them.

Stephen Knight AM: We know that the private rented sector is growing, even in the affluent areas. Can I just ask you one other question? You said that you as a council are now entering effectively the private rented sector yourselves.

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): Yes.

Stephen Knight AM: Are you as a landlord part of the London Rental Standard? Are you accredited?

Pat Hayes (Executive Director – Regeneration and Housing, LB Ealing): We exceed the London Rental Standard but I am not sure if we have signed up or not. I will have to check. --

Stephen Knight AM: There are quite a few properties there you could sign up.

Matt Downie (Director of Policy and External Affairs, Crisis): Just a brief point. What matters with this is the outcome. What really matters is not the number of people signed up to this or that. As Ric [Blakeway] said, with the licensing scheme you will still get rogue landlords.

Stephen Knight AM: But you can enforce.

Matt Downie (Director of Policy and External Affairs, Crisis): The important measure is whether you are more able to find those landlords with a licensing scheme? Are there levers opened up to a local authority?

Stephen Knight AM: Doesn't the licensing scheme give you not only the power to enforce but also the resources through the licensing system-- to do that enforcement?

Matt Downie (Director of Policy and External Affairs, Crisis): Precisely that. At a time when local authority enforcement team budgets are going, what we have heard from local authorities - where they have it - is that it is really helpful. It is really helpful to be able to find those landlords and link up a number of other powers that they have, particularly with 'right to rent' and that kind of looming scheme around landlords having to provide the migration or national status of their tenants. It really helps to be able to know who your landlords are and to be able to go after those that might do the wrong thing. It does not make any sense to

me to say that, if the local authority sees a need and wants to be able to do it, they would be prevented without any common-sense basis.

Stephen Knight AM: Do you think there is a case for a London-wide scheme as opposed to a patchwork of different schemes around London?

Matt Downie (Director of Policy and External Affairs, Crisis): I would be far more interested in a London-wide investment in the outcomes, if I can put it that way. If there are parts of London where the borough does not want it, is that because there are no issues where they are dealing with rogue landlords or tenants who are complaining and there is no recourse after that? Then you might say, "Where are your outcomes on that?" Clearly not all local boroughs want it. To enforce it, you are into different territory there.

Tom Copley AM (Chair): Thank you. All right, the final question is from me on Build-to-Let. Ric, can Build-to-Let make a significant contribution in addressing the issues with London's private rented sector?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes.

Tom Copley AM (Chair): That was a very succinct answer. Thank you. Do you want to expand on it?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It can and there is a real consensus around the role that the build-to-let and build-to-rent market can play in London. It has a whole range of different benefits. It can help accelerate sites, including those big schemes we were referring to earlier, by offering a different product there that does not have absorption issues and all of that usual stuff. It brings in patient capital and new investors. We have seen a huge amount of work from companies like Legal & General [L&G] and Aviva, and some of the European pension funds and others. It is really interesting, for example, today, that L&G is talking about offsite assembly and creating a huge factory to enable that. Also, it has a benefit around construction methods.

Tom Copley AM (Chair): Nicky would be keen on that.

Nicky Gavron AM: Where is the factory?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): I do not think they have found a location yet but they have said they want to --

Nicky Gavron AM: Who is this?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): L&G.

Nicky Gavron AM: Yes. It is going to be in Leeds, I think.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Is it? OK.

Nicky Gavron AM: Yes. We have known about that for quite a long time.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): They were making a big thing about it today and the £500 million they are going to put behind it.

Nicky Gavron AM: It is great.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is really good. There is a whole host of positive reasons, as well as the experience of the consumer, not just from professional management standards but also from the design of purpose-built schemes. The idea of having communal space and having services that you would not usually find in the amateur rented market is really positive.

Tom Copley AM (Chair): Do you have records of how many build-to-let properties are being built each year? Do we have those figures as a breakdown? Could we have them?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): The Annual Monitoring Report at the moment does not distinguish when it has market completions between market rent and market sale, but we do have other data. For example, at the moment Molior, which provides real-time data, says there is something like 18,000 or 19,000 units --

Tom Copley AM (Chair): A year?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): -- under construction currently.

Tom Copley AM (Chair): Under construction?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Which year they complete in will vary. It will not all be within a single year.

Tom Copley AM (Chair): Sure.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): That is really positive and a huge increase from where we were before. It has been enabled partly through our advocacy of it, partly through some of the planning measures to try to encourage a Montague [r report] style of covenant, and partly through our land release.

Tom Copley AM (Chair): Neal, is there a genuine appetite for build-to-let amongst developers? Is there hard evidence on changes in build-to-let investment in London?

Neal Hudson (Associate Director, Residential Research, Savills): I would slightly clarify your question in that there is a massive appetite for build-to-let particularly from institutional investors. The challenge for the sector is the appetite from developers. It comes back to the underlying issues with the whole of the housing market: it is the availability of land and the opportunity to do so. The big challenge for build-to-let is competing for land for development against your traditional housing development and other uses.

Tom Copley AM (Chair): Do we need a new use class, then?

Neal Hudson (Associate Director, Residential Research, Savills): Some of the detail that is in the Draft Interim Housing Special Planning Guidance (SPG) that was published in May 2015 is very useful for the sector. We within Savills back what it says. There has been a lot of debate around whether use classes are appropriate or whether it should be down a covenant limiting its use for a certain period. The industry's feeling at the moment is that a covenant of a set period of time limiting its use to just institutional invested private rent is the most appropriate way to go. It removes some of the complexities of bringing in a new use class and makes it an easier proposition to explain and to do in practice.

Tom Copley AM (Chair): How can we further incentivise the sector?

Neal Hudson (Associate Director, Residential Research, Savills): It has already been mentioned previously that so far there are two main ways that it is happening. One is on large sites where it is very useful as a means to accelerate development and also the cash flow for developers. I suspect we will see that as a solution becoming more popular amongst developers as we move into more uncertain terms around the affordable homes programme in future years. We have also seen a lot of success where we have seen land released by the likes of the GLA or Transport for London where they have specifically required build-to-let products. That was probably the greatest opportunity for the development of the sector going forward, where we see a requirement for build-to-let properties and developments.

Nicky Gavron AM: Just on fast build, I would like to ask how many fast builds you have created under the Mayor.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Do you mean modern methods of construction and all of that sort of stuff?

Nicky Gavron AM: Yes, modern methods of construction, modular housing.

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We do not have a number for modular housing. It is fair to say that almost every development now will incorporate some form of modern construction method, whether it be cross-laminated timber or the use of bathroom pods or something, which is now pretty typical within the industry. They have all tried to incorporate it. We have been a strong advocate of trying to use modular and things like that. We have funded some providers to that effect. We are keen to see more. We have offered to housing associations, for example, slightly higher grant rates if they use innovative construction methods, to really drive numbers.

Nicky Gavron AM: Which two?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): To housing associations or registered partners.

Nicky Gavron AM: Yes, but which two?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): It is an offer there. As part of continuous market engagement, they can come to us and say, "Look, we would like to use modern construction methods". There is a whole range of different --

Nicky Gavron AM: It has not been taken up yet?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): We would need to check but I suspect not hugely. That does not mean that they are not incorporating it within their schemes in some way.

Nicky Gavron AM: You are offering increased grant?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): Yes. That is one of the --

Nicky Gavron AM: It has not yet been taken up?

Richard Blakeway (Deputy Mayor for Housing, Land and Property): No, not to any great extent, certainly. It may be that there are one or two schemes.

The issue for me here is that whilst there are different innovative methods being adopted, it is not consistent. We need to really think about how we get a more consistent approach to drive this, probably focusing on a few methods and then trying to get those to scale. Part of the problem here is that certainly in the early years, it can be more expensive. It might be quicker but it can be more expensive because you do not have the scale. If we could get to scale with a few methods then you might get the economies that will get the industry adopting those practices.

Nicky Gavron AM: I agree about scale. You need continuity of demand and also you are not going to get that unless you start looking at this as an industrial sector.

Tom Copley AM (Chair): That brings us to the end of the session. Can I thank our guests for their contributions.