

Subject: Question and Answer Session with Housing Associations

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 4 October 2018

This report will be considered in public

1. Summary

- 1.1 This report sets out the background information for a question and answer session with invited chief executives of larger London housing associations.

2. Recommendations

- 2.1 **That the Committee notes the report as background to putting questions to the invited guests on housing association strategy and operations and notes the subsequent discussion.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree any output from the discussion.**

3. Background

- 3.1 In recent years, housing associations have been by far the biggest developers of affordable London homes. In 2016, for the first time, they overtook London boroughs in terms of the total number of homes they owned.¹ Many boroughs now have ambitions to build new council (and sometimes also market) homes, but most are in the early stages of developing their plans. For the foreseeable future, housing associations are likely to continue to play a vital role in the development and management of London's affordable stock.

4. Issues for Consideration

Changing role of housing associations

- 4.1 Most housing associations have charitable roots. Traditionally they have tended to be small to mid-size organisations, providing homes for lower-income or vulnerable groups.

¹ In 2017, housing associations owned 407,240 London homes. Source: Ministry of Housing, Communities & Local Government City Hall, The Queen's Walk, London SE1 2AA

- 4.2 In recent years, however, many housing associations have merged to form much bigger organisations. Housing associations now build large numbers of market homes for rent and sale, as a means of subsidising more affordable properties, serving markets well beyond their original resident groups.

Significance within London's housing market

- 4.3 In particular, the largest London housing associations (collectively known as the g15) are vital partners for the Mayor of London to deliver the new housing he has promised Londoners. This is reflected in the very large share of Mayoral funding they receive.

Transparency and governance

- 4.4 Associations which receive funding from the Mayor must comply with his funding conditions. Their financial operations and governance are overseen by the Regulator of Social Housing. However, housing associations are not democratically accountable. The recent Social Housing Green Paper acknowledges that the Regulator's ability to intervene on 'consumer' standards has been limited.

- 4.5 The Committee may therefore wish to consider:
- For whom housing associations are now building for;
 - How the structure and nature of the sector has changed in recent years and the impact this is having on tenants and residents, as well as the businesses themselves; and
 - The accountability of housing associations to residents, as well as to other public bodies.

- 4.6 The following guests have been invited to attend the meeting and participate in the discussion:

- David Montague, Chief Executive, L&Q;
- Ruth Cooke, Chief Executive, Clarion;
- Geeta Nanda OBE, Chief Executive Officer, Metropolitan; and
- Rod Cahill, Chief Executive, Catalyst.

5. Legal Implications

- 5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

- 6.1 There are no direct financial implications to the Greater London Authority arising from this report.

List of appendices to this report:

None.

Local Government (Access to Information) Act 1985
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List of Background Papers: None.

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