

MDA No.: 1636

Title: Housing Committee – The Affordable Housing Monitor

1. Executive Summary

1.1 At the Housing Committee meeting on 19 October 2023 the Committee resolved that:

A Standing Delegation of Authority be granted to the Chairman, in consultation with party Group Lead Members, to agree the annual Affordable Housing Monitor.

1.2 Following consultation with party Group Lead Members, the Chair is asked to agree the Committee's Affordable Housing Monitor 2024, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chair, in consultation with party Group Lead Members, agrees the Committee's Affordable Housing Monitor 2024, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Sem Moema AM, Chair of the Housing Committee

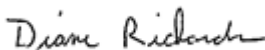
Date: 16 September 2024

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 Officers confirm that the Affordable Housing Monitor 2024 recommendations fall within the Committee's terms of reference.
- 3.2 The exercise of delegated authority approving the report will be formally submitted to the Housing Committee's next appropriate meeting for noting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): 

Printed Name: Diane Richards, Committee Officer

Date: 16 September 2024

Email: diane.richards@london.gov.uk

Financial Implications: NOT REQUIRED


Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Date: Not Required

Legal Implications:

The Chair of the Housing Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 16 September 2024

Email: Monitoringofficer@london.gov.uk

Supporting Detail / List of Consultees:

- Zoë Garbett AM and Lord Bailey of Paddington AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? **NO**

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? **NO**

Lead Officer / Author

Signature: Ross Pike


Printed Name: Ross Pike

Job Title: Head of Financial Scrutiny

Date: 16 September 2024

Email: ross.pike@london.gov.uk

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen

Date: 16 September 2024

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Affordable Housing Monitor

Housing Committee



LONDONASSEMBLY

Housing Committee



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(Chair)
Labour



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Andrew Boff AM
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Léonie Cooper AM
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The London Assembly Housing Committee examines matters relating to housing in London and leads on the scrutiny of the Mayor's housing responsibilities.

To read more about our work, [please visit our website](#).

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Contents

Affordable Housing Monitor	1
Housing Committee	2
Contents	3
Foreword.....	4
About the Affordable Housing Monitor	6
Key findings	8
London's housing context.....	8
The Mayor's affordable housing delivery.....	9
Introduction to affordable housing	10
What is affordable housing?.....	10
Who delivers affordable housing?	11
How is affordable housing funded?	12
What is the Affordable Homes Programme?	13
How much affordable housing is needed?	16
How many new build homes are affordable?.....	18
The Mayor's affordable housing policies and programmes.....	19
What are the Mayor's levers to deliver affordable housing?	19
Housing development on GLA land.....	19
Housing development enabled by the GLA Land Fund	20
The Mayor's affordable housing programmes	21
How many homes has the Mayor delivered each year?	22
How does the Mayor's delivery for each AHP compare?	23
Affordable Homes Programme 2021-26	24
Affordable Homes Programme 2016-23	31
Council homes.....	36
Acquisitions.....	42
Council homes acquisitions	45
Estate regeneration.....	46
Other programmes: Refugee Housing Programme	47
Supported and specialist housing.....	49
How many supported and specialist homes has the Mayor delivered?	51
SSH: Single Homelessness Accommodation Programme	52
Annex: Detail on the Mayor's planning policies.....	53
Other formats and languages	56
Connect with us	57

Foreword



Sem Moema AM
Chair of the Housing Committee

This year's Affordable Housing Monitor is delivered in the context of national and London-wide elections where the need for affordable housing was paramount. Broader social and economic factors such as the ongoing impact of the 2022 mini budget on lending and the Ukraine war have seen a 40 per cent increase in materials cost inflation and higher interest rates. A delay instructed by the then Government to the disbursement of grant funding allocated by the GLA two years prior has also had consequences.

We have also recently seen the publication of the [Grenfell Tower Inquiry phase 2 report](#), a tragedy that led to the completely avoidable loss of 72 lives in 2017. Entirely necessary proposed changes to the way, in particular, affordable housing is constructed, has and will continue to impact delivery of new affordable homes in London.

This is set against the backdrop of increased numbers of Londoners living in temporary accommodation and yet more demand on the private rented sector London faces different and additional housing challenges in comparison to other areas of the country that impact delivery. The housebuilding sector faces a range of complex challenges – from brownfield sites to second staircases. However, we know that meeting these challenges and increasing delivery is essential to meeting London's housing need.

The Mayor and the GLA have a significant role in delivering affordable housing in London and helping to address Londoners' housing need. I am proud that the Committee continues to focus on scrutinising the Mayor's delivery of affordable housing in London, an issue of huge importance to both Londoners and the city's economic growth. This Monitor examines the GLA's progress against its targets and commitments outlined in two Affordable Homes Programmes – AHP 2021-2026 and AHP 2016-23.

In 2023-24, the Mayor's 2021-26 Affordable Homes Programme started building homes towards its target of between 23,900 and 27,100 starts by March 2026. A significant number of homes remain to be started in the next two years of the programme towards that target and the Committee will be continuing to look at progress in future Monitors. So far, the programme is on track to deliver its target of at least 60 percent homes for social rent: I welcome this vital step.

The Monitor also looks at progress towards completions of the Mayor's previous 2016-23 Affordable Homes Programme, which so far has completed 56 per cent of the 116,782 homes started under the programme, with the remainder due by the end of the decade.

The Committee looks forward to continuing to monitor the Mayor's delivery of much needed affordable housing for Londoners.

About the Affordable Housing Monitor

The Affordable Housing Monitor is an annual report by the London Assembly Housing Committee. The Monitor examines the delivery of affordable housing in London and tracks the Mayor's progress against his commitments.

This report focuses on the Mayor's delivery under the Affordable Homes Programmes (AHP), up to March 2024. The AHP is grant funding from Government that has been devolved to the GLA to manage. There have been two overlapping funding periods: 2016-23 and 2021-26. The 2016-23 funding period is now finished, though completions of homes are ongoing. The 2021-26 funding period is underway.

The Mayor was allocated £4.82bn from the previous Government for the AHP 2016-23. The agreed target for the AHP 2016-23 was delivery of 116,000 homes. It was agreed that all starts must take place by March 2023. In March 2023 the Mayor announced that he had met this target, with a total of 116,782 starts.

The Mayor was allocated £4bn from the previous Government for the AHP 2021-26. The agreed target for the AHP 2021-26 is delivery of between 23,900 to 27,100 homes. It was agreed that all starts must take place by March 2026, and most completions must take place by March 2028, with some strategic sites completing by March 2029. In summer 2024 the GLA and the current Government agreed two "flexibilities" to the AHP 2021-26. Firstly, the deadline for completions was extended to 31 March 2030 (although the GLA notes that many projects will still be contractually committed to complete before that date). The second flexibility is around tenure: the GLA states that it is "now able to deploy funding for intermediate homes more flexibly, including for genuinely affordable intermediate rent homes".¹

The Ministry of Housing, Communities and Local Government (MHCLG) oversees the AHP for England. Its role is:

- Securing HM Treasury funding
- Negotiating with the GLA on targets for the number of new homes, and the type of housing (tenure) to be delivered
- Setting deadlines
- Setting some funding conditions

The Mayor/the Greater London Authority (GLA) manages the AHP in London. The Mayor's/the GLA's role is:

- Negotiating targets and tenures with MHCLG
- Allocating funding to providers and managing contracts to ensure housing is delivered
- Setting some funding conditions
- Setting the "grant rate" – the level of funding per home that providers can bid for.

¹ Information shared with the Committee by the GLA

Homes are delivered by local authorities, housing associations and developers (in some circumstances) which use AHP funding, along with borrowing and other resources, to:

- Build new homes
- Acquire homes from the market (in some circumstances)
- Regenerate existing social homes (in some circumstances)

This Monitor first sets out the context around affordable housing in London, then sets out what levers the Mayor has to influence and deliver affordable housing. It then scrutinises what the Mayor has delivered under the AHP overall, and what progress he has made against targets for the AHP 2021-26 and the AHP 2016-23 specifically.

The Monitor also looks at what the Mayor has delivered in terms of council homes, acquisitions, and supported and specialist housing. For these types of delivery, many homes have been funded by the AHP, but some have also been funded by the Mayor's other smaller programmes and projects. These are set out in the relevant chapters.

Key findings

London's housing context

London's housing need

London has an acute need for affordable housing. According to the latest Government data, in 2024 65,280 Londoners were living in Temporary Accommodation² and 323,637 Londoners on council waiting lists for social housing.³ The GLA stated in 2017 that London needs 42,841 affordable homes each year between 2016 and 2041. Among all new builds completed in the capital between 2016 and 2023, the proportion of homes which were affordable had almost doubled. However, London's need for affordable housing continues to exceed the numbers delivered. In 2022-23, the net (gains minus losses) number of affordable homes completed was 8,570 – less than a quarter of the amount needed.

Grant funding

Most affordable homes are delivered through grant funding (from Government and distributed by the Mayor) and Section 106 (planning agreements with developers). Since 2016, grant funding has played an increasing role. In 2016-17, the proportion of all completed new builds that were grant-funded was 4 per cent. This rose to 16 per cent in 2022-23. In 2022-23, 77 per cent of all affordable starts in London were funded by grant.

Delivery challenges

London faces unique delivery challenges. Complex brownfield sites, high land costs, increased interest rates and significant build cost inflation in recent years that has increased prices and challenged the viability of many developments. The number of all new build homes (not just affordable) started in 2023-24 dropped 30 per cent compared to 2022-23.

Affordable housing providers

Affordable housing providers – mostly housing associations and councils – have said that macroeconomic conditions, increased costs relating to their existing stock, and reduced forecast rental incomes, have pressured their budgets for building new homes. Grant funding (such as the AHP) only covers a fraction of the cost to the provider of delivering a home. As a result of these challenging conditions, the GLA has stated that it has had to increase the amount of AHP funding to providers, which reduces the overall number of homes which can be delivered with the funding.

² 65,280 Londoners were living in Temporary Accommodation at the end of March 2024. MHCLG, [Statutory homelessness live tables](#), January to March 2024

³ MHCLG, [Local Authority Housing Statistics data returns for 2022 to 2023](#)

The Mayor's affordable housing delivery

Affordable Homes Programme 2021-26: starts

Under the AHP 2021-26, the GLA must start between 23,900 and 27,100 homes by March 2026. This programme faced delays attributed by the GLA to severely challenging market conditions, and delay by the previous Government to release funding, which led to setbacks in contracts being signed with developers. This resulted in the first homes being started in late 2023. The end of the 2016-23 programme and the start of 2021-26 saw a significant drop in AHP housing starts year on year. To March 2024, 1,777 homes had been started and 215 completed, leaving over 90 per cent of homes left to start in the next two years.

Affordable Homes Programme 2021-26: completions

It was agreed with the previous Government that most developments would be completed by March 2028, with some strategic sites completing by March 2029. In summer 2024 the GLA and the current Government agreed "flexibilities" to the AHP 2021-26, which included an extended completions deadline to 31 March 2030.

Affordable Homes Programme 2021-26: social rent

The GLA has agreed with the Government a target of at least 60 per cent at social rent. This is a much higher proportion than under the AHP 2016-23, which had 39 per cent of starts as either social rent or London Affordable Rent.⁴ The target of at least 60 per cent of starts at social rent is currently on track, with 88 per cent of starts being social rent homes to March 2024. As part of the "flexibilities" agreed between the GLA and Government in summer 2024, the GLA says it is now able to use funding more flexibly for intermediate homes, for example affordable intermediate rent.

Affordable Homes Programme 2016-23: completions

In 2023-24, the GLA completed 10,343 homes under the AHP 2016-23. Overall, 56 per cent of these homes have been completed (65,370 of 116,782), with 51,412 remaining. While there is no deadline for completions, the GLA said in 2023 that it expects most of these homes to be completed by 2029.

Supported and specialist housing: all programmes

The GLA can use Affordable Homes Programme funding for supported and specialist housing and also has some separate funding pots that can deliver affordable supported and specialist homes. As with housing starts overall, supported and specialist housing starts fell significantly in 2023-24 compared to the previous year, from 855 to 167.

Supported and specialist housing: Affordable Homes Programme 2021-26

The 2021-26 AHP has a target of 1 per cent of overall homes to be delivered as supported and specialist, which equates to between 239 and 271 homes. To March 2024, there were 74 supported and specialist starts under the programme.

Council housebuilding and council home acquisitions: all programmes

The Mayor has set targets for 40,000 new council homes to be built by 2030 and 10,000 council home acquisitions "in the next decade". Delivery under the AHP is expected to contribute towards these targets. These targets are not currently specific enough to assess progress, though it is clear that the rate of delivery would need to increase.

⁴ The GLA's data groups social rent and London Affordable Rent (LAR). The Housing Committee's [Affordable Housing Monitor](#) 2023 estimated under 7 per cent of starts were social rent, and 32 per cent were LAR

Introduction to affordable housing

What is affordable housing?

“Affordable housing” is an umbrella term for a variety of tenures for rent and sale. The two most common tenures of affordable housing currently being delivered in London are social rent and shared ownership:⁵

- **Social rent** is usually around 50 per cent of the local market rent and is determined by a formula set by the Government.⁶ Social rent homes are allocated according to council lists. The Mayor has stated that the most acute housing need in London is for low-cost homes to rent, including social rent.⁷
- **Shared ownership** involves purchasing an initial share of a home (from 10 per cent of the overall value) and paying rent on the unbought share. Buyers can use a mortgage to support the purchase but must usually have a deposit of around 10 per cent of the initial share.⁸ Households can buy more shares in the home over time, known as “staircasing”. Shared ownership is a form of “intermediate” housing, which is defined by the GLA as affordable housing that is targeted at people who have little chance of accessing low-cost rented housing, but who are not able to rent or buy a home on the open market.⁹

There are many other affordable housing tenures. These differ as to whether they are low-cost or intermediate housing, whether they are for rent or sale, and how the rent levels or price are calculated. Other tenures delivered in London include:

- **London Affordable Rent** is a low-cost tenure and rents roughly correspond to social rent levels (though are generally slightly higher). This tenure is only available in London and rent levels are pegged to benchmarks set by the GLA.¹⁰ This tenure was used by the Mayor under the AHP 2016-23 and was the main form of low-cost rent delivered during that programme.¹¹
- **London Living Rent** is an intermediate tenure and rent levels are based on average local incomes rather than a proportion of market rent. As such, they are at least 20 per

⁵ MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply

⁶ House of Commons Library briefing, [Social rented housing \(England\): Past trends and prospects](#), August 2022

⁷ Mayor of London, [Homes for Londoners: Affordable Homes Programme 2021-26, Funding Guidance](#), November 2020

⁸ Gov.uk, [Shared ownership homes: buying, improving and selling](#)

⁹ GLA, [Intermediate housing: The evidence base](#), August 2020

¹⁰ London Living Rent benchmarks can be found at: <https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/london-living-rent>

¹¹ London Assembly, [Affordable Housing Monitor](#), November 2023

cent below market rent, but can be lower than this. This tenure is only available in London and rent levels are pegged to benchmarks set by the GLA. This tenure was also introduced by the Mayor under the AHP 2016–23, though the programme delivered relatively few of these properties compared to shared ownership.¹²

- **Affordable Rent** levels are no more than 80 per cent of local market rent. This tenure does not tend to be delivered under the AHP.¹³

The definition of affordable housing is set by the Government’s National Planning Policy Framework and this also applies in London.¹⁴ However, the Mayor has some “preferred” affordable housing tenures which he has identified as being “genuinely affordable”: social rent, London Affordable Rent (or other tenures “based on social rent levels”), shared ownership, and London Living Rent.¹⁵

The Mayor has planning policies which aim to influence which affordable tenures are delivered in London.¹⁶ In general conformity with the Mayor’s London Plan, councils may also set out in their planning policies the affordable tenures which are needed in their areas. In addition, grant funding such as the AHP prioritises certain tenures.

Who delivers affordable housing?

Affordable housing is mainly delivered by councils, housing associations and private developers. These will deliver different types of schemes involving varying amounts and mixes of affordable housing:

- **Councils** can build new homes or buy homes (known as acquisition). Councils can also regenerate homes, which may involve demolition and building replacement homes. Councils in London mainly deliver homes for social rent.¹⁷
- **Housing associations** can also build new homes, acquire homes or regenerate homes. Housing associations often deliver a combination of social rent and other affordable tenures such as shared ownership.¹⁸ Housing associations are mostly non-profit though there are a small number of for-profit housing associations.¹⁹
- **Private developers** usually build homes for market sale or rent. On these schemes, developers are usually required to build a certain proportion as affordable housing under Section 106 agreements. Developers can also partner with councils and housing

¹² London Assembly, [Affordable Housing Monitor](#), November 2023

¹³ London Assembly, [Affordable Housing Monitor](#), November 2023

¹⁴ MHCLG, [National Planning Policy Framework \(publishing.service.gov.uk\)](#), December 2023

¹⁵ Mayor of London, [Homes for Londoners: Affordable Homes Programme 2021–26, Funding Guidance](#), November 2020

¹⁶ Mayor of London, [London Plan](#), March 2021, Policy H4 Delivering affordable housing and Policy H6 Affordable housing tenure

¹⁷ MHCLG, [Live tables on affordable housing supply](#), Table 1011

¹⁸ MHCLG, [Live tables on affordable housing supply](#), Table 1011

¹⁹ Regulator of Social Housing, [List of registered providers – 15 August 2024](#)

associations to build or regenerate homes. Partnerships are often used for big developments which have a mix of private and affordable tenures.

Other organisations may also deliver affordable housing. These include charities and community organisations.

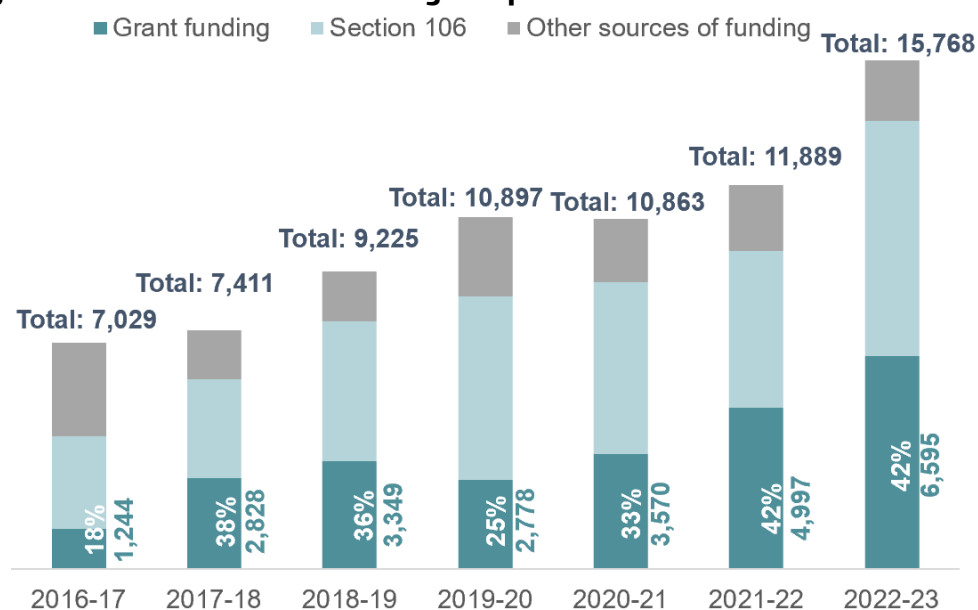
While a range of organisations can deliver affordable housing, there are laws and regulation surrounding who manages some types of affordable housing. Tenures such as social rent, London Affordable Rent and Affordable Rent must be managed by Registered Providers of Social Housing (RPs), which mostly include councils, housing associations and some for-profit Registered Providers. Any allocations of low-cost rent homes to households are managed by councils according to their local lists/needs registers, within a legal framework set by the Government.

Other forms of affordable housing, such as shared ownership and London Living Rent, can be managed and allocated by developers or housing associations. Some councils have registers for intermediate housing, which are used to allocate intermediate housing to households in their areas.²⁰

How is affordable housing funded?

An increasing proportion of affordable homes completions in London have relied on Government grant funding distributed by the Mayor. This grant funding is the main way that councils and housing associations build affordable homes.²¹ The main other source of funding for affordable homes are Section 106 agreements.

Funding sources for affordable housing completions in London



²⁰ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

²¹ MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply

Source: MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply.

Notes: Data is not yet available for 2023-24. Grant funded homes are labelled as 'Homes England/GLA' funded. The vast majority of homes started in London are GLA-funded but figures include a small number (fewer than 500) of Homes England-funded homes during this time period.

In 2022-23, 42 per cent of homes completed in London were supported by **grant** (of which the AHP is the largest source). This is an increase from 18 per cent in 2016. When considering starts, in 2022-23, 77 per cent of starts were funded by grant.

The main other source of funding for affordable homes are **Section 106 agreements** (46 per cent of completions and 18 per cent of starts in 2022-23). These require developers to include an element of affordable housing on a site, when they are building homes for market sale or rent. While most homes delivered by councils and housing associations are supported by grant funding, when private developers deliver affordable housing, this is usually the result of Section 106 agreements.²² Developers usually look to sell these "Section 106 homes" at a discount to Registered Providers of Social Housing (RPs), as by law only RPs can manage low-cost homes.

Section 106 agreements are negotiated through the planning process. The Mayor and councils' planning policies have influence over how much and what type of affordable housing is delivered under Section 106 (see chapter on "The Mayor's affordable housing policies and programmes").

A small number of affordable homes are delivered through **other sources of funding** (12 per cent of completions and 4 per cent of starts in 2022-23). Main sources of funding for councils and housing associations include:

- **Selling homes** in their portfolio or shares of homes (i.e. shared ownership homes) to the market. This allows affordable housing providers to cross-subsidise the delivery of affordable homes by selling market homes.
- **Income** from the rest of their housing stock (e.g. rents) and Right to Buy receipts. For councils, the income they receive from rents can be managed within a Housing Revenue Account.
- **Borrowing** (e.g. against future rental income).

What is the Affordable Homes Programme?

The AHP is currently the main source of grant funding in London for affordable homes starts.²³ It has the largest budget and target of homes to be delivered, across all of the Mayor's grant funded programmes for affordable homes.

The Ministry of Housing, Communities and Local Government (MHCLG) oversees the AHP for England. Its role is:

²² Registered Providers of Social Housing also deliver some Section 106 homes

²³ Mayor of London, [Capital Spending Plan 2024-25](#), February 2024

- Securing HM Treasury funding
- Negotiating with the GLA on targets for the number of new homes, and the type of housing (tenure) to be delivered
- Setting deadlines
- Setting some funding conditions

The GLA manages the AHP in London. Its role is:

- Negotiating targets and tenures with MHCLG
- Allocating funding to providers and managing contracts to ensure housing is delivered
- Setting some funding conditions
- Setting the “grant rate” – the level of funding per home that providers can bid for.

What are the challenges facing affordable housing providers, and how do these relate to the AHP?

London faces unique delivery challenges. Complex brownfield sites, high land costs, increased interest rates and significant build cost inflation in recent years that has increased prices and challenged the viability of many developments. Affordable housing providers – mostly housing associations and councils – have said that macroeconomic conditions, increased costs relating to their existing stock, and reduced forecast rental incomes, have pressured their budgets for building new homes.²⁴

In 2023-24, all housebuilding starts in London dropped by a third compared to the previous year (14,270 in 2023-24 compared to 21,080 in 2022-23).²⁵

Challenges facing wider housebuilding sector

- macroeconomic conditions (increased costs of construction and high interest rates on borrowing)
- changes to building regulations (in particular requirements on tall buildings for second staircases for fire safety)
- workforce challenges (including labour shortages in construction, low-carbon retrofit and asset management)

Challenges facing affordable housing providers

- increased operating costs of existing housing stock (higher energy prices)
- remediation of existing housing stock (decarbonisation, fire safety, and repairs)
- inflation rising faster than caps on rental incomes (caps set by the Government)
- rules on borrowing (for councils)
- skills and capacity (for councils)

²⁴ House of Commons, Levelling Up, Housing and Communities Committee, [The Finances and Sustainability of the Social Housing Sector](#) report, April 2024

²⁵ All housebuilding starts includes all new builds started by private companies, housing associations and local authorities in London. MHCLG [Table 217](#). MHCLG states that 2023-24 figures are provisional and subject to future revisions

Targets and grant rates under the AHP

This delivery context has meant that the AHP 2021-26 has faced more challenges than the AHP 2016-2023, and that housing providers are receiving more grant in the current programme than before. As a result, the AHP 2021-26 is due to deliver fewer homes than the AHP 2016-2023.

When targets for the AHP 2021-26 were first negotiated in 2020, the GLA said that due to the different delivery context and the increased focus on social rent under the AHP 2021-26, it needed to increase the proportion of grant per home which providers would receive (compared to the AHP 2016-23).²⁶ The target was agreed to be 35,000 homes.

However, in the following years, there were increasing delivery challenges (set out above). In 2023, the GLA negotiated with the previous Government to revise down its target for the AHP 2021-26.²⁷ The new target is a range of 23,900 to 27,100.²⁸

The “grant rate” is the level of funding per home that housing providers can bid for. Given the context set out above, grant rates under the AHP 2021-26 have been higher than the previous programme. Another difference is that under the AHP 2021-26, grant rates are usually negotiated rather than set:

- Under the AHP 2016-23, the grant rate was generally equivalent to 15-20 percent of the overall cost of a home.²⁹ The GLA set the grant rate at a specific amount per home, depending on the type of tenure provided, the type of housing provider, and in which year the homes were started. More grant was provided for low-cost tenures, and councils could also receive more grant than housing associations. Generally housing associations could receive up to £70,000 for each London Affordable Rent home and up to £38,000 for each London Living Rent or shared ownership home³⁰ (though providers could also bid for negotiated grant rates, which was increasingly likely towards the end of the programme).³¹ Councils could receive £100,000 for each London Affordable Rent home or up to £38,000 for each London Living Rent or shared ownership home.³²
- Under the AHP 2021-26, the GLA introduced negotiated grant rates rather than setting standard rates.³³ Therefore the amount of grant which providers can receive per home will differ depending on tenure, type of provider (e.g. councils may receive more grant than housing associations) and on other aspects of negotiations between the provider

²⁶ London Assembly, Budget and Performance Committee meeting, [Transcript of Agenda Item 10 – 2023-24 GLA Group Outturn for Affordable Housing](#), 23 July 2024

²⁷ MHCLG, [Update from MHCLG on targets on the 2021-26 Affordable Homes Programme](#), 30 July 2024

²⁸ London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023

²⁹ London Assembly, Housing Committee, [Transcript of Agenda Item 5 – Affordable Housing Delivery in London](#), 18 October 2022

³⁰ Mayor of London, [Affordable Homes Programme 2016-21 Funding Guidance Addendum for 2021-22](#), June 2018

³¹ Information shared with the Committee by the GLA

³² Mayor of London, [Building Council Homes for Londoners](#), May 2018

³³ Mayor of London, [Homes for Londoners: Affordable Homes Programme 2021-26, Funding Guidance](#), November 2020

and the GLA.³⁴ The GLA not yet said how much grant rates are on average per tenure across the AHP 2021-26.³⁵ The GLA has not made public the average grant rates per tenure across the AHP 2021-2026 as rates are depending on scheme specific requirements.

In summer 2024 the GLA and the current Government agreed two “flexibilities” to the AHP 2021-26. Firstly, the deadline for completions was extended to 31 March 2030 (although the GLA notes that many projects will still be contractually committed to complete before that date). The second flexibility is around tenure: the GLA states that it is “now able to deploy funding for intermediate homes more flexibly, including for genuinely affordable intermediate rent homes”.³⁶

Section 106 homes

Developers look to sell Section 106 homes to Registered Providers of Social Housing (RPs), which mainly consist of housing associations and councils. However, RPs’ capacity to buy Section 106 homes has also been challenged by the pressures on their budgets.³⁷ In a Housing Committee meeting in December 2023, the Committee heard that there is limited demand from RPs for buying Section 106 homes, which means that this route is delivering less affordable housing.³⁸

How much affordable housing is needed?

While affordable housing completions have risen since 2016, London’s need for affordable housing continues to exceed the numbers delivered.

In 2017, the GLA stated that London needs 42,841 affordable homes each year between 2016 and 2041.³⁹ This is a net figure, which accounts for new builds and acquisitions, but also takes into account reductions to the affordable housing stock. These reductions include demolitions, sales under Right to Buy and fully staircased sales of Shared Ownership homes.

³⁴ London Assembly, Housing Committee, [Transcript of Agenda Item 5 – Affordable Housing Delivery in London](#), 18 October 2022

³⁵ London Assembly, Budget and Performance Committee meeting, [Transcript of Agenda Item 10 – 2023-24 GLA Group Outturn for Affordable Housing](#), 23 July 2024

³⁶ Information provided to the Committee by the GLA

³⁷ It has also been reported that RPs have other concerns around management, quality and design of Section 106 homes which reduce their demand for purchasing these homes. Savills, [The challenges for affordable housing delivery in London, 27 August 2024](#)

³⁸ [Letter from London Assembly Housing Committee Chair to Mayor of London](#), February 2024

³⁹ Mayor of London, [The 2017 London Strategic Housing Market Assessment](#), November 2017

Affordable housing in London: gains, losses and net

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Affordable housing stock gains							
Total affordable completions	+7,029	+7,411	+9,225	+10,897	+10,863	+11,889	+15,768
Affordable housing stock losses							
Demolitions	-1,487	-1,071	-1,240	-2,242	-1,153	-918	-1,278
Right to Buy Sales	-3,124	-2,169	-1,710	-1,459	-1,194	-1,864	-2,055
Fully staircased Shared Ownership sales	-1,786	-1,112	-1,274	-1,668	-1,508	-2,022	-1,676
Other sales⁴⁰	-801	-817	-777	-713	-820	-756	-820
Difference							
Net new affordable housing	-169	+213	+2,027	+3,699	+3,665	+4,691	+8,570

Sources: MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply, detailed breakdown by local authority and MHCLG, [Live tables on social housing sales](#), Social housing sales open data.

Notes: Total affordable completions includes acquisitions, new builds and unknown. Total affordable completions covers affordable homes delivered through all funding sources including GLA grant funding, Section 106 and other sources.

In 2022-23, the net number of affordable homes completed was 8,570 affordable homes, compared to the housing need of 42,841 affordable homes.

This figure of 15,768 affordable completions included 6,595 GLA grant-funded homes.⁴¹

⁴⁰ Other sales includes 'sales to sitting tenants', 'other sales to sitting tenants' and 'other sales'

⁴¹ Table 1011 data from MHCLG can be broken down by region, tenure and provider/funding source. This figure is derived from London completions categorised as 'Private Registered Provider HE/GLA funded' and 'Local Authority HE/GLA funded' across all tenure types. The Committee asked the GLA about differences between figures from GLA Housing Statistics and MHCLG data, the GLA has said that figures are grouped and categorised differently in the different data sources.

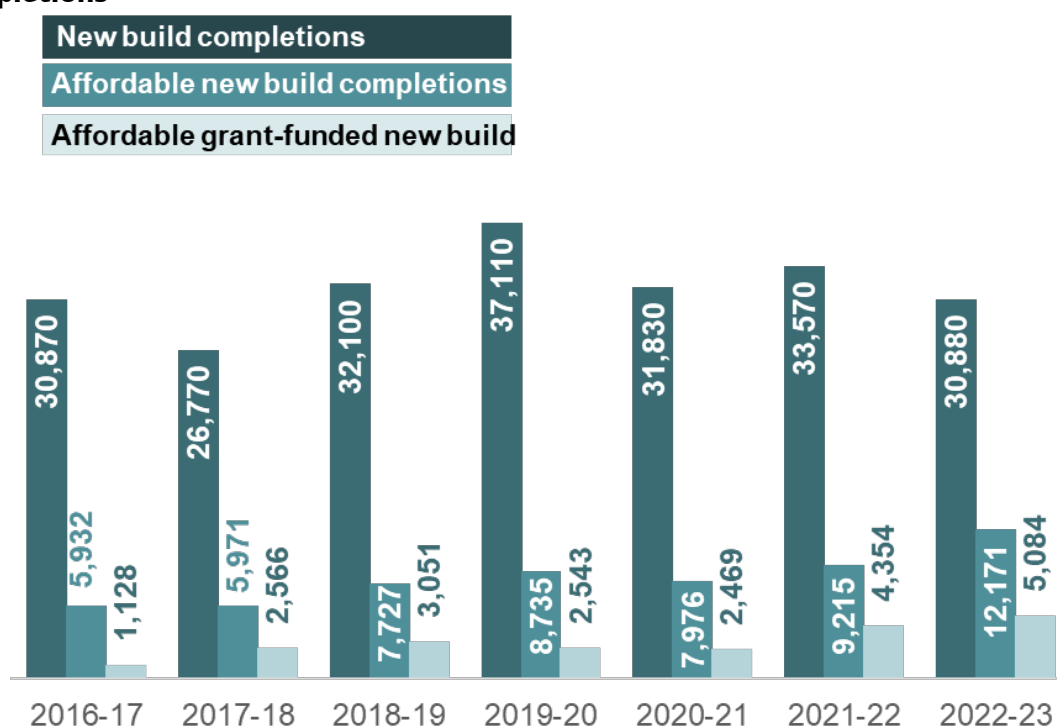
How many new build homes are affordable?

The Mayor's London Plan, published in 2021, set a strategic target for 50 per cent of all newly built homes a year to be affordable.⁴²

Data from the Ministry for Housing, Communities and Local Government (MHCLG) shows that out of all new build homes completed in London, the proportion which were affordable doubled from 19 per cent in 2016-17 to 39 per cent in 2022-23.^{43 44} During the same period, the proportion of all new builds that were grant-funded has also risen: from 4 per cent in 2016-17 to 16 per cent in 2022-23.

The proportion of affordable homes has not yet hit the Mayor's target of 50 per cent of all new build homes. The following chapter sets out the Mayor's levers through the planning system for influencing the amount of affordable homes on developments.

New builds in London: affordable and grant-funded completions compared to overall completions



Sources: MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply, detailed breakdown by local authority and MHCLG, [Live tables on dwelling stock](#), Table 118: annual net additional dwellings and components.

Note: This chart excludes homes completed that were acquisitions or marked as "unknown" as to whether they were new builds or acquisitions in the source.

⁴² Mayor of London, [London Plan](#), March 2021. Policy H4 Delivering affordable housing

⁴³ Data is not yet available for 2023-24

⁴⁴ This is distinct from the approach which the GLA takes to monitor the proportion of affordable homes in the London Plan Annual Monitoring Report: <https://www.london.gov.uk/programmes-strategies/planning/implementing-london-plan/monitoring-london-plan>

The Mayor's affordable housing policies and programmes

What are the Mayor's levers to deliver affordable housing?

The Mayor's London Plan, published in 2021, set a strategic target for 50 per cent of all newly built homes a year to be affordable.⁴⁵ The London Plan states that on public land and former industrial land in particular, each site should deliver at least 50 per cent affordable housing.

In most cases, these are targets, rather than requirements which developers and housing providers must adhere to. However, the Mayor's planning policies in the London Plan are intended to influence development in London towards these targets.⁴⁶ These planning policies include the "fast track route" approach, under which planning applications which deliver at least 35 per cent affordable housing (50 per cent on public land and former industrial land), can be fast-tracked through the planning system.⁴⁷ The Mayor's planning policies state that all schemes should "make the most efficient use of available resources" to "maximise the delivery of genuinely affordable housing" – and therefore that developers should seek grant funding to deliver more affordable housing than they would have been able to do without grant.⁴⁸ Further details of the fast track route is in the Annex, as is the GLA's "Accelerated Funding Route" which sets out how grant funding can be used.

Apart from planning policies, there are three other main levers which the Mayor has to deliver affordable housing more directly. These are:

- Housing development on GLA land
- Housing development which has been enabled by the GLA Land Fund
- Housing development which has been grant-funded by the GLA

These levers are set out in more detail below.

Housing development on GLA land

While the Mayor uses his planning policies to influence the amount of affordable housing being delivered in London, he is also able to use land owned or controlled by the GLA to have more direct control over what is delivered.

The GLA owns and controls a large amount of land in London, which it is using for housing delivery, in partnership with councils, developers and housing associations. The GLA inherited

⁴⁵ Mayor of London, [London Plan](#), March 2021, Policy H4 Delivering affordable housing

⁴⁶ The Mayor is able to influence planning because boroughs' local planning policies are required to be "in general conformity" with the London Plan. The Mayor also uses the London Plan when making decisions on planning applications that are referable to him.

⁴⁷ Mayor of London, [London Plan](#), March 2021. Policy H5 Threshold approach to applications

⁴⁸ Mayor of London, [London Plan](#), March 2021. Policy H5 Threshold approach to applications

635 hectares of land in 2012 from legacy public sector bodies.⁴⁹ The GLA has tended to dispose of the land freehold once development has been completed, though has retained a freehold interest in some projects.⁵⁰ From 2012 to the late 2040s, the GLA aims for up to 68,000 new homes to be delivered on this land and through joint ventures, with a target of 50 per cent affordable for all land disposed of since 2016. The GLA Land and Property's 2022-23 Annual Report stated that since 2012, there had been 9,100 affordable starts and 5,600 affordable completions.⁵¹

Housing development enabled by the GLA Land Fund

In addition, the GLA controls a fund of £736m known as the Land Fund. The aim of the Land Fund is to increase the supply of all housing, including affordable housing. The Land Fund can be used for a range of activities including buying land for housing delivery, loan finance facilities and/or grant for developers and housing associations, to enable infrastructure for sites, or supporting partners to deliver sites for housing. Of this money, £250m was invested by the Mayor in 2017, and a further £486m was allocated by the Government in 2018. The GLA aims to deliver 8,000 homes (not just affordable) in London by 2030, with the £486m money from the Government.⁵² The agenda for the Homes for Londoners Board in December 2023 outlined:

- A forecast of 15,796 homes by 2030 (including 7,929 affordable homes, 50 per cent affordable homes by habitable room), made up of:
- The fully committed £486m DLUHC Land Fund is forecast to overachieve on the 8,000 homes target by 6,796 homes, delivering a total of 14,796 homes.
- The Mayor's Land Fund was established as a £250m fund available for deployment, using GLAP capital. To date the funding so far committed is forecast to deliver 1,000 homes.⁵³

The GLA has said that the majority of affordable starts through this funding are counted under the Affordable Homes Programme, although GLA Housing Statistics show that there have been 343 direct affordable starts (i.e. affordable starts with this funding which have not received Affordable Homes Programme funding) since 2019.⁵⁴

⁴⁹ The GLA delivers housing through its subsidiary housing delivery company, GLA Land and Property Limited (GLAP). GLAP was established in 2012, when the GLA inherited 635 hectares of land from the London Development Agency, London Thames Gateway Development Corporation and the former Homes and Communities Agency.

⁵⁰ Lord Kerslake, [Review of GLA Group housing delivery](#), February 2022

⁵¹ GLA Land and Property Limited [Annual Report 2022-23](#), April 2024

⁵² Mayor's Decision 2207 [Homes for Londoners Land Fund](#), signed December 2017

⁵³ [Homes for Londoners Board](#), December 2023

⁵⁴ GLA, [Affordable Housing Statistics](#)

The Mayor's affordable housing programmes

The Mayor's third main lever to influence the delivery of affordable homes is funding. The Mayor has a number of different programmes through which he can fund the delivery of affordable homes. Of these, the AHP has the largest budget and target of homes to be delivered.⁵⁵ This report focuses on the AHP, though also monitors delivery under some of the Mayor's other programmes, which include:

- Several supported and specialist housing (SSH) programmes⁵⁶ (see chapter on SSH)
- Refugee Housing Programme (see chapter on acquisitions)

The Mayor also delivers affordable housing through several other smaller programmes and projects. These include:

- GLA Land and Property and Land Fund Programmes (as set out above)
- Community Housing Fund⁵⁷
- Other projects
- Projects delegated by the GLA to Homes England⁵⁸

This Monitor does not look at all of these programmes and projects. Where data in this report refer to 'all GLA programmes', these include the projects and programmes listed above. Between 2015 and 2023, starts under all of these programmes were counted towards the Mayor's target for 116,000 homes under the AHP 2016-23 and therefore will be included when referring to starts and completions under that programme.

⁵⁵ Mayor of London, [Capital Spending Plan 2024-25](#), February 2024

⁵⁶ Supported and Specialist Housing can be delivered under the Affordable Homes Programmes as well as through other funding streams separate from the AHP

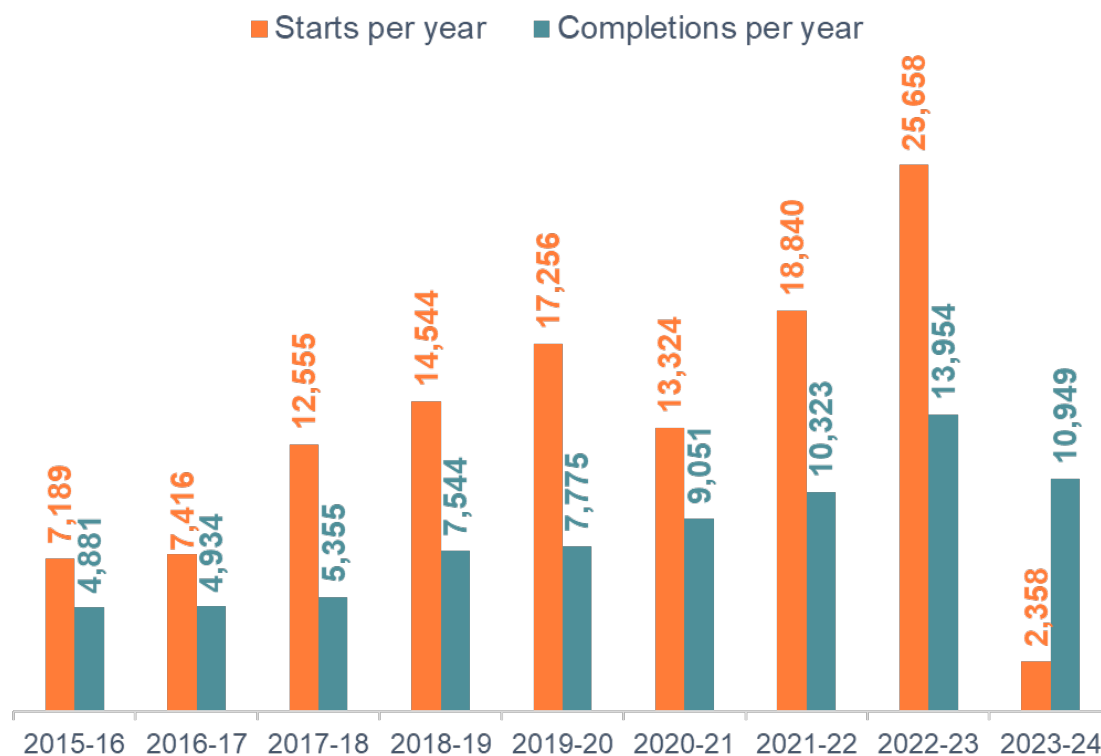
⁵⁷ The Community Housing Fund is £38m allocated by the Government in 2018. The target is for 500 affordable homes, originally with a deadline of March 2023 though the deadline has since been removed. The GLA is prioritising funding for projects which can start by March 2026. Since 2021, there have been 74 affordable starts and 47 affordable completions.

⁵⁸ The GLA delegates the management of selected housing programmes to Homes England. Since 2016 these programmes have mostly delivered market homes rather than affordable homes, though they have delivered some intermediate or shared ownership homes.

How many homes has the Mayor delivered each year?

The chart below shows all starts and completions under the Mayor's affordable housing programmes over time. The majority of these starts and completions have been funded by the AHP. There have been two overlapping funding periods of the AHP: 2016-23 and 2021-26. The AHP 2016-23 is now finished for starts, though completions of homes are ongoing. The AHP 2021-26 funding period and starts are underway.

All GLA affordable housing programmes, starts and completions, by year



Source: GLA, [Affordable Housing Statistics](#)

Note: In earlier years, completion figures will include some completions from homes that were started under previous programmes (under the previous Mayor).

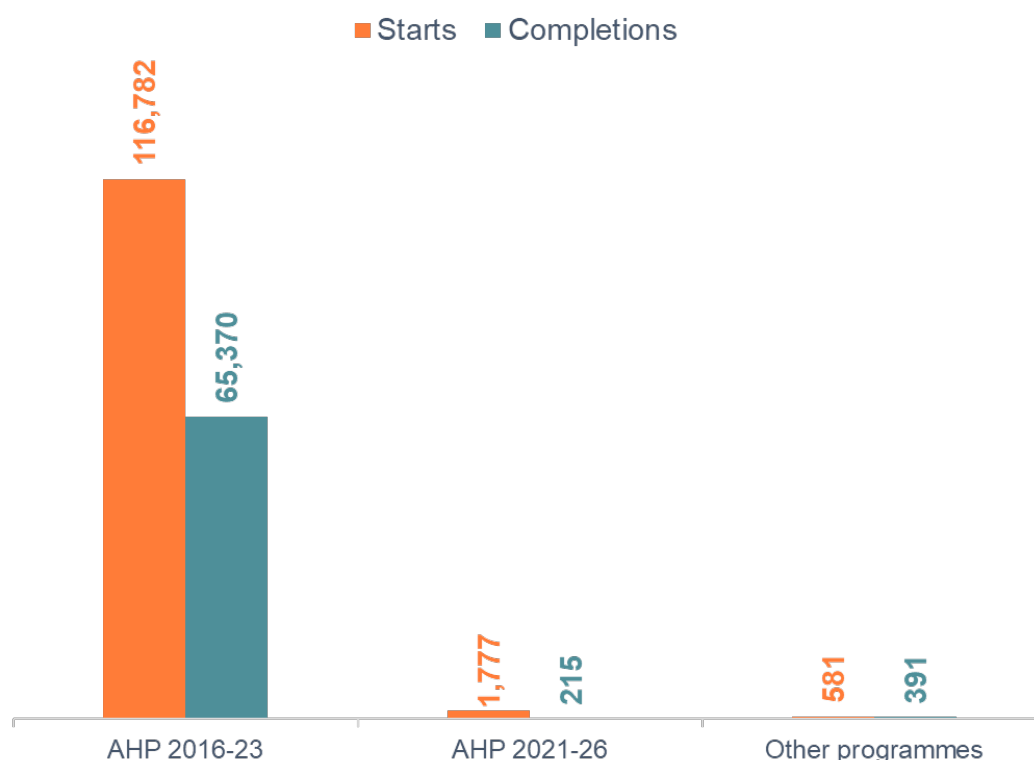
2022-23 saw a much higher number of starts than the following year, with the Mayor meeting his target to start 116,000 homes under the AHP 2016-23 by March 2023. 2023-24 saw a much lower number of starts. Homes started in 2023-24 were the first to contribute to the target under the AHP 2021-26. There was also a small number of starts relating to the Mayor's other smaller affordable housing programmes.

How does the Mayor's delivery for each AHP compare?

All of the starts under GLA programmes since 2015 were part of the Mayor's AHP 2016-23 target for 116,000 starts by March 2023.

The Mayor's new target for the AHP 2021-26 is a range between 23,900 and 27,100. Starts under the AHP 2021-26 began in 2023-24 and are counted separately from starts for the Mayor's other smaller affordable housing programmes.

All GLA affordable housing programmes, starts and completions, by programme



Source: GLA, [Affordable Housing Statistics](#)

Notes: AHP 2016-23 starts includes all GLA programmes from 2015-23 as these contributed to the Mayor's 116,000 target; completions are completions relating to those starts. From 2023-24, other programmes do not contribute to the 2021-26 programme and therefore 'other programmes' relates to 2023 onwards.

Affordable Homes Programme 2021-26

Key facts and context

Funding

In 2020, the Mayor was allocated £4bn from the Government for the Affordable Homes Programme 2021-26.

Targets

The original target, set in 2020 by GLA and the previous Government, was for 35,000 starts. In 2023, the GLA and the previous Government reset this target to between 23,900 and 27,100.⁵⁹ The current Government stated that this was due to the increased proportion of social rent homes in the programme as well as the challenging delivery context, which involved:

"higher than expected increases in construction costs and other pressures on social landlords' financial position since contracts had been signed, including interest rates and the cap on rent rises in social housing in 2023-24".⁶⁰

At the Housing Committee's October 2023 meeting on the Affordable Homes Programme 2021-26, the Deputy Mayor for Housing and Residential Development Tom Copley stated that delays he attributed to the Government "prevented [the GLA] from signing contracts for nearly a year" and that:

"...the extremely unfavourable market conditions, which has also led to some unavoidable delays, especially when set against the aforementioned DLUHC sign-off processes. Experts are now forecasting a decline in housebuilding and that is housebuilding across the board, not just for affordable housing delivery partners, but for home builders up and down the country. These macroeconomic headwinds were felt particularly acutely after the September 2022 Mini Budget, which landed in the untimely context of an economy already struggling with the impacts of Covid-19, the war in Ukraine, and Brexit."⁶¹

The GLA has set a target for at least 60 per cent of these homes to be delivered at social rent with other tenures such as affordable home ownership and intermediate rent making up the remaining homes.⁶²

⁵⁹ London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023

⁶⁰ MHCLG, [Update from MHCLG on targets on the 2021-26 Affordable Homes Programme](#), 30 July 2024

⁶¹ London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023

⁶² London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023

GLA tenure target breakdown: 2021-26

The deadline to start all homes is March 2026. The original deadline set in 2020 by the GLA and the previous Government was for most completions to take place by March 2028, with some strategic sites completing by March 2029.

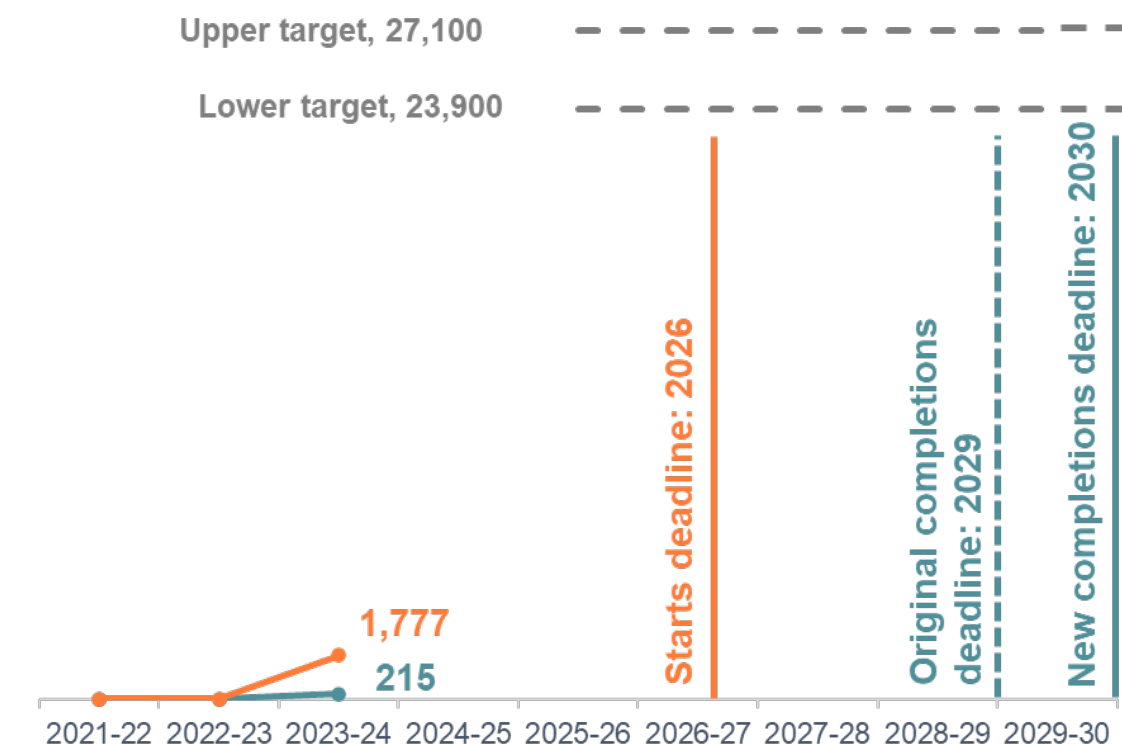
In summer 2024 the GLA and the current Government agreed two “flexibilities” to the AHP 2021-26. Firstly, the deadline for completions was extended to 31 March 2030 (although the GLA notes that many projects will still be contractually committed to complete before that date). The second flexibility is around tenure: the GLA states that it is “now able to deploy funding for intermediate homes more flexibly, including for genuinely affordable intermediate rent homes”.⁶³

⁶³ Information provided to the Committee by the GLA

London's 2021-26 programme

2023-24 saw the first starts from the 2021-26 programme. There were just under 1,800 starts up to March 2024, against a lower target of 23,900 by March 2026.

GLA Affordable Homes Programme 2021-26 starts and completions



Source: GLA, [Affordable Housing Statistics](#)

The GLA has started 7 per cent of homes, against the lower target of 23,900. This leaves between 22,123 and 25,323 by March 2026 to meet its target. In July 2024 a GLA officer stated:

“We have spent the last year working with partners on thousands and thousands of homes... Lots of those projects are now secured within the Programme and they may not start until 2025/26 but there are many homes behind the more limited number [of starts] that have been reported so far.”⁶⁴

By March 2024, the GLA had completed 215 homes under this programme, equating to 12 per cent of the homes it had started. The GLA must complete all homes by March 2029. This means it has a minimum of 23,685 further homes to complete, depending on how many homes are started.

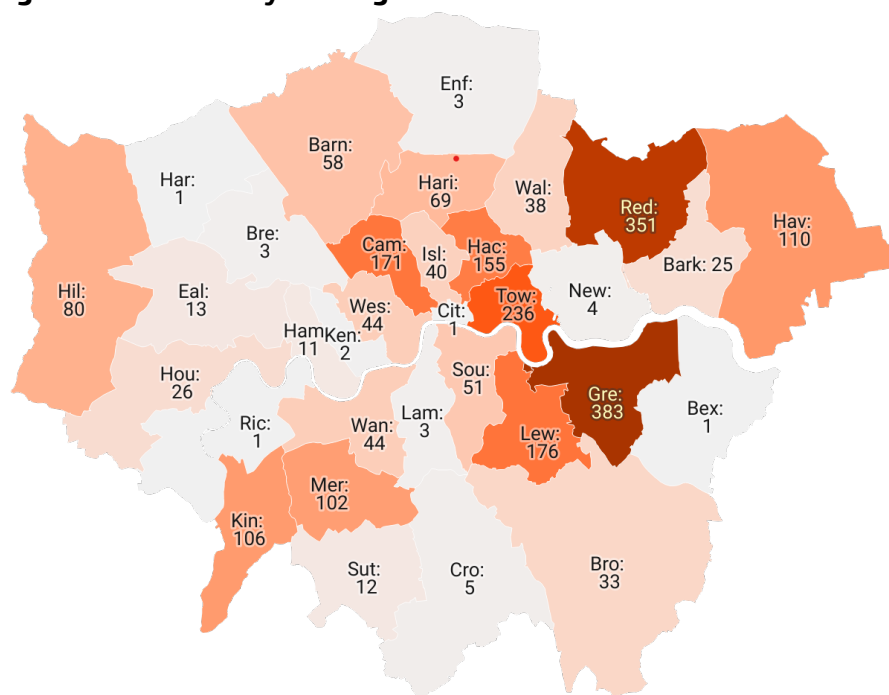
The GLA has not published targets for how many starts and completions it plans to achieve for each of the years in the programme.

⁶⁴ London Assembly, Budget and Performance Committee meeting, [Transcript of Agenda Item 10 – 2023-24 GLA Group Outturn for Affordable Housing](#), 23 July 2024

Where are homes being started?

There was significant variation in the number of GLA-funded starts across London boroughs in 2023-24. Most, though not all, of these starts related to the AHP 2021-26.

All GLA programmes: starts by borough in 2023-24



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

Source: GLA, [Affordable Housing Statistics](#)

Note: This chart includes starts in 2023-24 for all of the GLA's affordable housing programmes, not just the AHP 2021-26. It does not include affordable housing starts which were not funded by the GLA.

There were 2,358 starts under GLA-funded programmes in 2023-24. 1,777 of these starts relate to the AHP 2021-26, and the remainder relate to other smaller programmes.⁶⁵

The boroughs with the highest number of GLA-funded starts were Greenwich and Redbridge at 383 and 351 respectively. These areas, plus Tower Hamlets and Lewisham as the next two highest, accounted for almost half of starts across all boroughs.

By comparison, ten boroughs had fewer than ten GLA-funded starts in their area. At present the differing reasons for this variation are unclear and it may be that some areas have a large number of starts coming forward in future years.

⁶⁵ These smaller programmes include the GLA's legacy Supported and Specialist Housing programmes, the Single Homelessness Accommodation Programme, the Care and Support Specialised Housing Programme 2023-25, the Refugee Housing Programme, GLA Land and Property, Land Fund, projects delegated to Homes England, and other projects.

Focus on: Social rent

The Mayor currently aims to start approximately 15,000 social rent homes by 2026 under the AHP 2021-26. This is in addition to 7,896 social rent homes started under the AHP 2016-23.

The GLA states it is aiming for at least 60 per cent of the homes delivered under the AHP 2021-26 to be for social rent. This is a much higher proportion than under the AHP 2016-23, which had 39 per cent of starts as either social rent or London Affordable Rent. (The GLA's data does not distinguish between social rent and London Affordable Rent. The Housing Committee's Affordable Housing Monitor 2023 estimated under 7 per cent of starts were social rent, and 32 per cent were London Affordable Rent.)⁶⁶ The Affordable Homes Programme 2021-26 does not fund London Affordable Rent, and the GLA has said that it would only consider delivering this type of housing in supported and specialist schemes.

The tenures prioritised for each AHP are negotiated between the Mayor and the Government. The Mayor has stated that the most acute housing need in London is for low-cost homes including social rent.⁶⁷

Social rent is the most expensive tenure for housing providers to deliver. The GLA has stated that the average amount of grant going to providers is higher in the AHP 2021-26 (compared to the AHP 2016-23), both because of the more challenging delivery context but also because of cost inflation increases and prioritisation of social rent homes. This means that there is a balance between the number of social rent homes which can be delivered with the number of homes that can be delivered overall.⁶⁸

⁶⁶ London Assembly, [Affordable Housing Monitor](#), November 2023

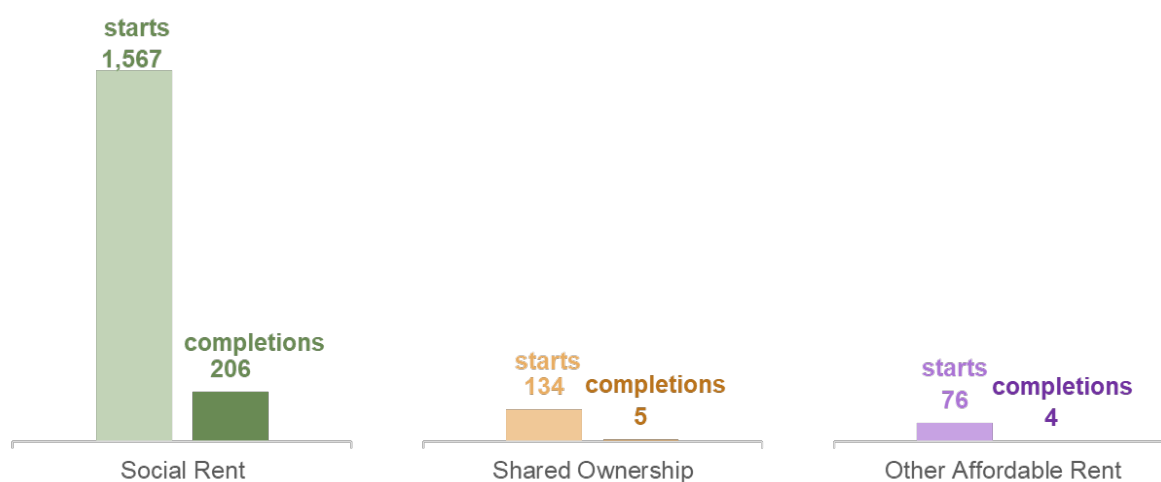
⁶⁷ Mayor of London, [Homes for Londoners: Affordable Homes Programme 2021-26, Funding Guidance](#), November 2020

⁶⁸ London Assembly, Budget and Performance Committee meeting, [Transcript of Agenda Item 10 – 2023-24 GLA Group Outturn for Affordable Housing](#), 23 July 2024

How many social rent homes are there under the AHP 2021-26 in London?

So far, most GLA starts under the AHP 2021-26 (88 per cent) have been social rent, compared to 8 per cent shared ownership.

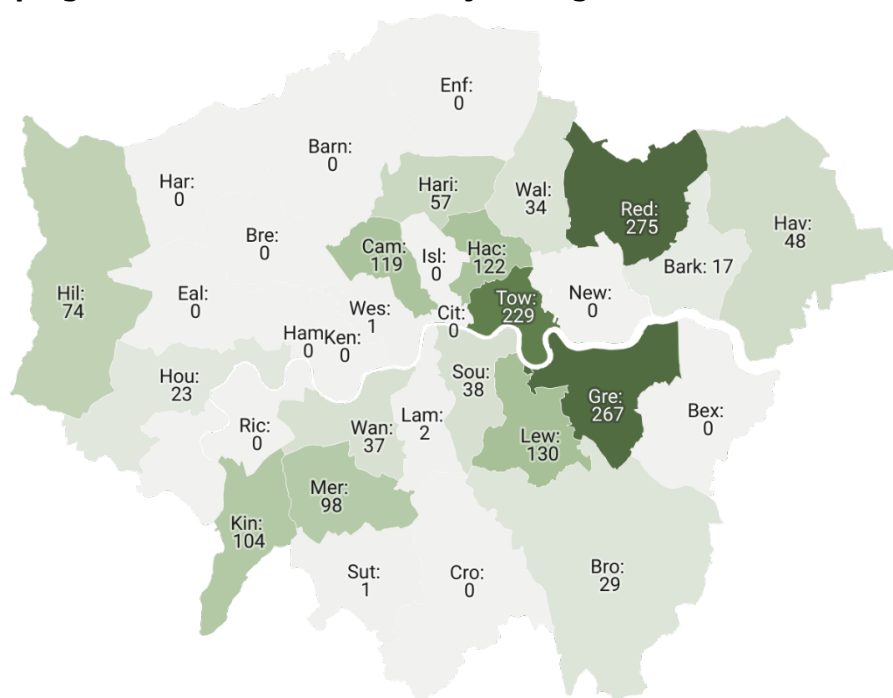
Starts and completions by tenure 2021-26 programme



Source: GLA, [Affordable Housing Statistics](#)

Where are London's new social rent homes?

All GLA programmes: social rent starts by borough in 2023-24



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

Source: GLA, [Affordable Housing Statistics](#)

Note: This chart includes social rent starts in 2023-24 for all of the GLA's affordable housing programmes, not just the AHP 2021-26. It does not include affordable housing starts which were not funded by the GLA.

There were 1,705 social rent starts under GLA-funded programmes in 2023-24. 1,493 of these starts relate to the AHP 2021-26, and the remainder relate to other smaller programmes.

Of the boroughs which had high numbers of affordable starts overall, a significant proportion of these were social rent – 70 per cent in Greenwich and 78 per cent in Redbridge. In several boroughs, almost all starts were social rent starts, for example in Tower Hamlets (229 out of 236) Kingston-upon-Thames (104 out of 106) and Merton (98 out of 102). Other boroughs saw smaller proportions of their starts as social rent tenures, for example Havering (48 out of 110) and Barnet (0 out of 58).

How many of London's new affordable homes are accessible?

Developments with 10+ homes funded by the AHP 2021-26 are expected to ensure that all new build homes meet standards for accessible and adaptable dwellings (Building Regulation M4(2)). In addition, at least 10 per cent of all homes in the development must be suitable for wheelchair users (Building Regulation M4(3)).⁶⁹

In February 2024, the Mayor stated:

“Under the 2021-26 Affordable Homes Programme the detailed information on unit types is not mandatory until projects claim start on site milestones as achieved. Based on the information within GLA systems, so far, providers have indicated that 391 homes will be ‘wheelchair accessible & adaptable homes’. This information is likely to change as the programme progresses and more information is shared by providers in GLA systems.”⁷⁰

⁶⁹ Mayor of London, [Homes for Londoners: Affordable Homes Programme 2021-26, Funding Guidance](#), November 2020

⁷⁰ MQ2023/4737, [Wheelchair accessible homes \(1\)](#), 21 December 2023

Affordable Homes Programme 2016-23

Key facts and context

Funding

In 2016 the Mayor was allocated £3.15bn from the Government for the Affordable Homes Programme 2016-23. In 2018, the Mayor was allocated a further £1.67bn from the Government for this programme.

Targets

The original target, with the 2016 funding, was 90,000 starts. Following further funding, this target increased to 116,000 starts.

Deadlines

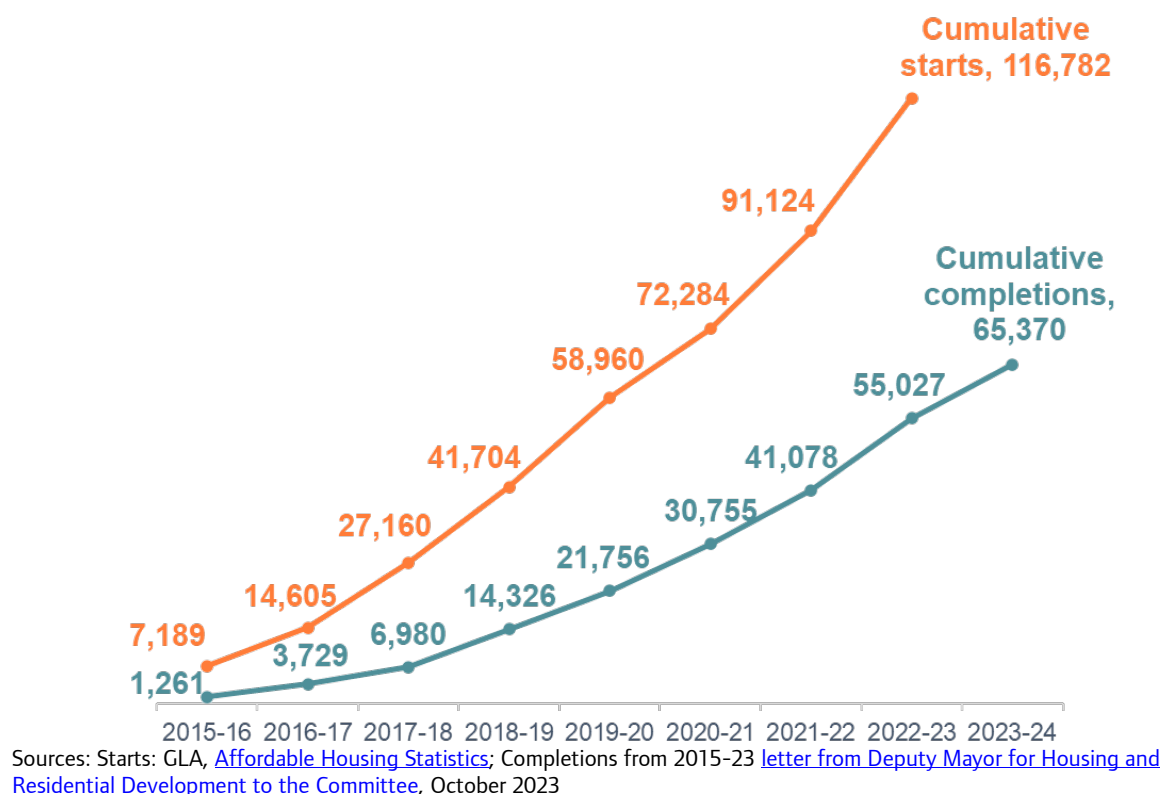
The original deadline for starts was March 2021. This was extended to 2023 due to the further funding in 2018 and later due to the pandemic.⁷¹ There is not a deadline for completions.

⁷¹ London Assembly, [Affordable Housing Monitor](#), November 2023

2016-23 programme, progress by the GLA

The Mayor met his target for 116,000 starts by March 2023. In 2023-24, there were 10,343 completions. To March 2024, 56 per cent of the 116,782 homes started had been completed.

GLA Affordable Homes Programme 2016-23 starts and completions



This leaves 51,412 homes that have been started but not yet completed.

Unlike the 2021-26 programme, there is not a deadline by which homes have to be completed under the 2016-23 programme. The GLA has not published yearly targets for completions. In 2023, the GLA stated that it expected most homes to be completed by 2029 and a small number in the early 2030s.⁷²

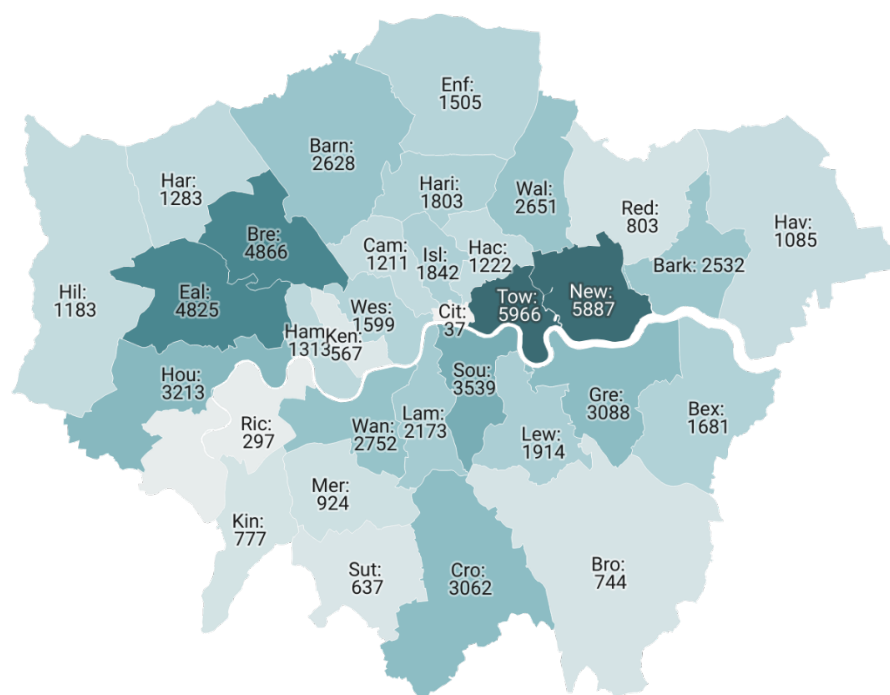
When combined with the completions from the 2021-26 programme, this amounts to at least 75,000 homes needing to be completed by 2029 (under the current parameters of the 2021-26 programme).

⁷² London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023

Where have GLA-funded homes been completed?

GLA-funded completions since 2016 (across all GLA programmes) by borough range from 297 to 5,966 (excluding City of London).

All GLA programmes: completions by borough since 2016



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

Source: GLA, [Affordable Housing Statistics](#)

Note: This chart includes completions from 2016-17 to 2023-24 for all of the GLA's affordable housing programmes, not just the AHP 2016-23. Therefore, this also includes completions of homes which had been started in previous years (before 2016). This chart does not include affordable housing starts which were not funded by the GLA.

Completions are broadly similar when comparing Inner (33,110) and Outer London (36,499).⁷³

In Inner London, a significant proportion of completions were in east London, for example Tower Hamlets and Newham, compared to west London boroughs such as Kensington & Chelsea. In Outer London, a significant proportion of completions were in Ealing and Brent compared to outer boroughs south of the river, such as Richmond-upon-Thames.

⁷³ [London Plan](#) definitions of Inner and Outer London

How many homes are family-sized?

The Mayor's 2018 Housing Strategy defines family-sized homes as containing at least three bedrooms. The Housing Strategy states that family-sized affordable housing is important:

"Family-sized housing in the social housing sector helps those households who need a larger home – and where overcrowded families move into a bigger home, they free their existing home for another household to move into, potentially creating a beneficial chain of moves." ⁷⁴

However, the Housing Strategy notes the additional cost associated for people looking to rent these homes. For instance, with relation to households receiving Universal Credit or Housing Benefit to help with paying rent, there is a benefit cap which limits the total amount of benefit which households can receive. ⁷⁵ The Housing Strategy states that the benefit cap may mean that families are not able to afford to pay the rent of larger homes, particularly newly built homes. ⁷⁶

While the Mayor has said that he wishes to see family-sized homes funded through the AHP, ⁷⁷ there is not a requirement in the Programme on providers to deliver certain sizes of homes. In 2022, the Mayor stated:

"My Affordable Homes Programme does not seek to impose size mix targets on councils or other affordable housing providers. My London Plan introduces a new requirement for local authorities to set out guidance on the size mix of social housing on the basis of local evidence of need. The increased flexibility on grant rates in the 2021-26 Affordable Homes Programme will make it easier for providers to respond to this guidance." ⁷⁸

Within the GLA's Affordable Housing Statistics, the GLA publishes some data on bedroom sizes overall rather than for specific programmes, with the caveat that bedroom data is not collected for all of its programmes and is therefore incomplete. ⁷⁹

From 2016-24, the most common bedroom size for completions was two bed homes. Breakdown by bedroom size has remained consistent between completions for 2016-24 and starts in 2023-24.

Completions of homes by number of bedrooms can be compared with housing need as assessed in the GLA's Strategic Housing Market Assessment (SHMA) 2017. The SHMA sets out how

⁷⁴ Mayor of London, [London Housing Strategy](#), May 2018

⁷⁵ [Benefit cap: Benefits affected by the cap - GOV.UK \(www.gov.uk\)](#)

⁷⁶ Mayor of London, [London Housing Strategy](#), May 2018

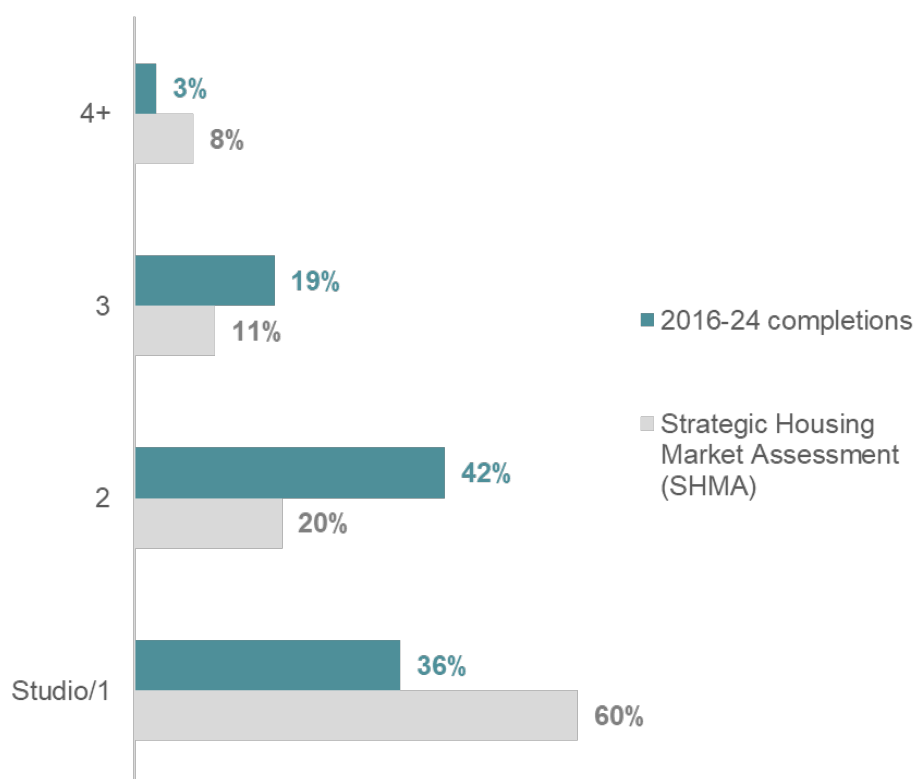
⁷⁷ The Housing Strategy 2018 states: "The Mayor welcomes bids for funding from his Affordable Homes Programme to support the development of familysized affordable homes, expecting providers to build homes that match local and pan-London needs, in terms of both size and typology."

⁷⁸ [Family-sized housing | London City Hall](#)

⁷⁹ GLA, [Affordable Housing Statistics](#)

many affordable homes are needed and of which size (i.e. how many bedrooms).⁸⁰ This is not a target for GLA-funded homes specifically.

All GLA recorded programmes: completions 2016-24 by bedroom compared to assessed bedroom need



Source: GLA, [Affordable Housing Statistics](#)

The 2016-23 and 2021-26 programmes achieved a higher proportion of two-bedroom homes compared to the SHMA and a smaller proportion of one bedroom or studios. Similarly, the GLA delivered a higher proportion of three bedrooms compared to the SHMA but saw a smaller proportion of four plus bedrooms.

How many homes are wheelchair-accessible?

The GLA does not publish data on how many homes under the AHP 2016-2023 are wheelchair accessible. In July 2024 the Mayor stated:

“The AHP 16-23 has a number of subprogrammes for which we did not collect information on wheelchair user and accessible/adaptable dwellings and for the main programmes, there was a question whether homes meet the programme’s space/accessibility standards. We therefore do not hold data on whether these specific regulations have been met on individual funded homes.”⁸¹

⁸⁰ Mayor of London, [The 2017 London Strategic Housing Market Assessment](#), November 2017

⁸¹ MQ2024/2074, [Supplying accessible housing \(2\)](#), 18 July 2024

Council homes

Key facts and context

Context

The Mayor has said that London needs more council homes to meet its low-cost housing need and address the crisis in temporary accommodation, and has taken steps to support councils to deliver homes.⁸²

Councils in London deliver a higher proportion of homes at low-cost rent (social rent and London Affordable Rent) than housing associations, but currently deliver less housing overall.⁸³ They also face specific challenges (e.g. rules on borrowing, varying skills and experience) that restrict their capacity to build. Some councils have Housing Revenue Accounts (HRA), which is a ring-fenced account relating to their existing housing stock. The HRA is used to record both expenditure on housing stock and income (e.g. from rents and service charges). Councils may wish to use their HRA to build new homes, by borrowing against their income.⁸⁴ The amount of rent that councils expect to receive from their tenants in future years is therefore an important factor for their fund to build new homes. The Government determines how social rent levels are set and how much they can increase by, and the previous Government introduced a cap on rent level increases.⁸⁵ At the Housing Committee's October 2023 meeting the Committee heard from one council's housing director who said that the HRA's capacity to borrow was "one of the biggest risks for local authorities" and added:

"The HRA is also facing a number of pressures, needing to invest significantly in existing stock for a number of reasons because they are old and because of new requirements, new regime, new regulations. The rent cap means that we have had to pay more to our contractors but are getting less rent."⁸⁶

Funding

Almost all GLA-funded council homes so far have been funded via the Mayor's two Affordable Homes Programmes, but some homes have been funded through other funding streams.

⁸² Mayor of London, [Council Homes Acquisition Programme](#), Funding guidance, November 2023

⁸³ MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply

⁸⁴ [Housing Revenue Account - GOV.UK \(www.gov.uk\)](#)

⁸⁵ MHCLG, [Policy statement on rents for social housing](#), 14 December 2022

⁸⁶ London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023

Targets and deadlines

In the Mayor's 2024 manifesto, he committed to 40,000 new council homes by 2030.⁸⁷ He has said that this target are likely to be delivered through the AHP and "equivalent" future funding allocations from the Government, which have not yet been allocated.⁸⁸

The Mayor has been counting council homes started under his programmes since 2018. The Mayor stated in July 2024 that "Further information about the council homes target will be shared in due course but I expect it to include all homes funded by my programmes."⁸⁹ The GLA has said that it is working through further details of target monitoring, it has said that the 40,000 council homes is related to completions across all programmes, but did not specify when completions towards this target would start from. Therefore, this chapter monitors council homes delivered by all of the Mayor's programmes since 2018.

⁸⁷ Sadiq Khan 2024 manifesto: [Building a fairer, safer, greener London for all](https://www.sadiq.london/building-a-fairer-safer-greener-london-for-all). ([sadiq.london](https://www.sadiq.london))

⁸⁸ MQ2024/1786, [Council homes \(5\)](#), 20 June 2024

⁸⁹ MQ2024/1784, [Council homes \(7\)](#), 20 June 2024

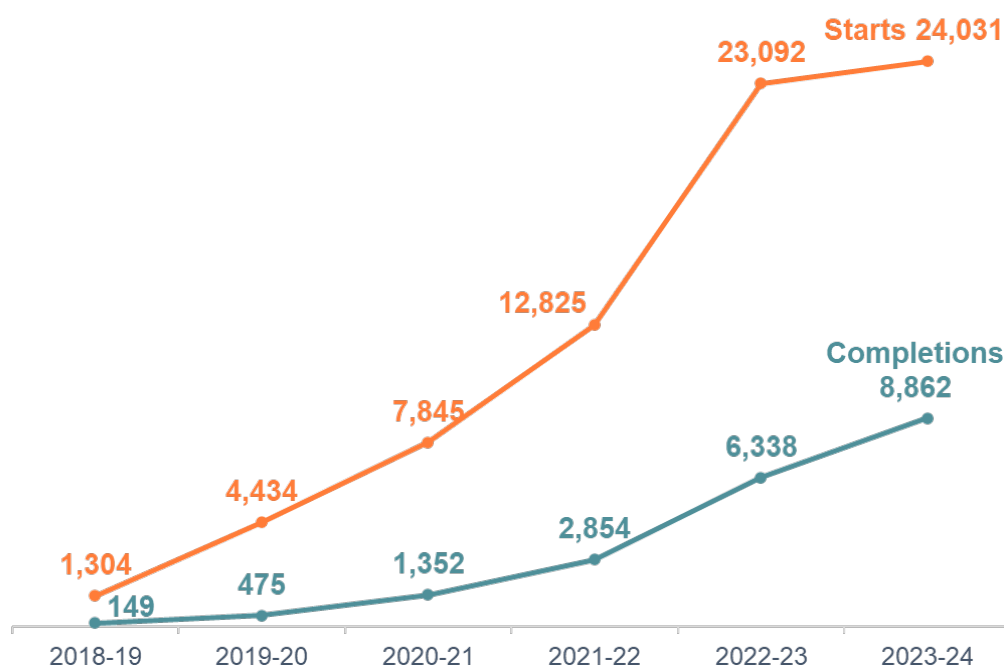
How many council homes have been delivered in London from 2018 to 2024?

Since 2018, there have been 24,031 council homes started and 8,862 completed under the Mayor's affordable housing programmes. These include homes which have been acquired from the private sector and converted into council homes (see chapter on acquisitions).

Data on how many council homes have been funded by the Mayor's programmes before 2018 is not published in the GLA's affordable housing statistics.

The GLA has stated that, council home starts funded by the GLA in 2022-23 (10,270) represented the highest number of council homes started by London boroughs since the 1970s.⁹⁰ This year marked the end of the AHP 2016-23. In 2023-24, the first year in which the AHP 2021-26 began to deliver starts, the number of council home starts was much lower, at 939.

Council homes under all Mayoral programmes since 2018 starts and completions



Source: GLA, [Affordable Housing Statistics](#): Council Homes Starts and Completions.

Notes: Data is available from 2018 on the number of GLA-funded council homes started and completed in London. These include acquisitions.

⁹⁰ GLA, [Housing in London 2023](#)

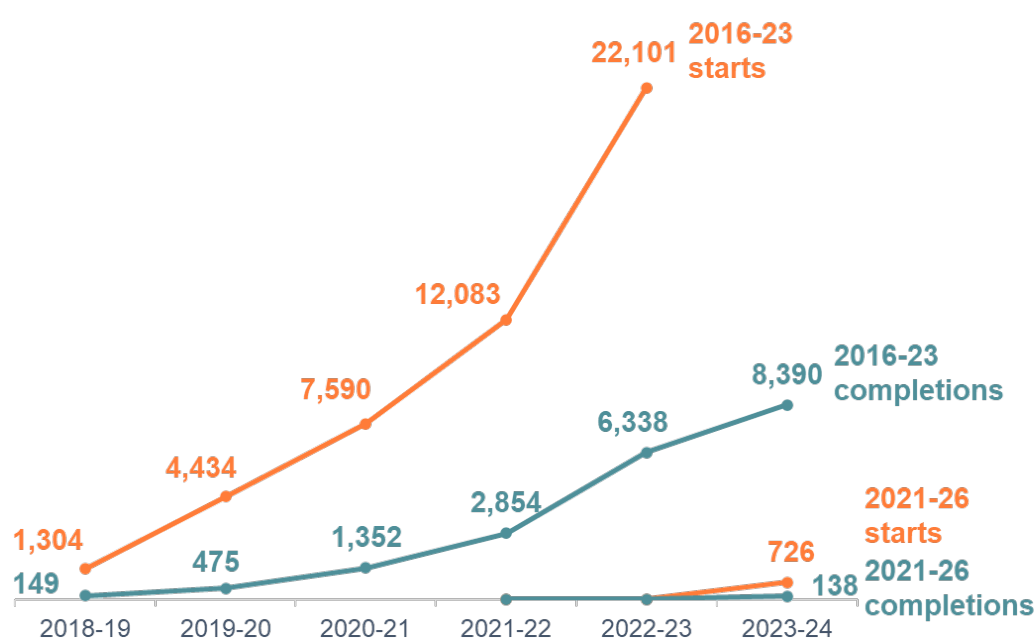
So far, the Mayor has had two clear targets in relation to council homes: 10,000 starts by March 2022⁹¹ and 20,000 starts by March 2024.⁹² Both targets for starts were met. Of the 24,031 council homes started, as of March 2024, 15,169 were not yet completed.

Most of these council homes are at social rent or London Affordable Rent levels (19,167 starts of 24,031) compared to Other Affordable Rent (2,323), Shared Ownership (2,138), London Living Rent (339) or Other Intermediate (64).

This includes funding from all of the Mayor's affordable housing programmes and other funding,⁹³ but most homes since 2018 have contributed to the AHP targets:

- 2016-23 programme: **22,101 starts** and **8,390 completions**
- 2021-26 programme: **726 starts** and **138 completions**.

Council homes under Affordable Homes Programmes 2016-23 and 2021-26 since 2018: starts and completions



Source: GLA, [Affordable Housing Statistics](#): Council Homes Starts and Completions.

⁹¹ GLA website, [GLA Right to Buy Back Revenue Fund](#)

⁹² GLA press release, [Sadiq hits landmark council homes target](#), 3 May 2023

⁹³ The GLA also uses funding from its "Right to Buy ringfence" to fund council homes

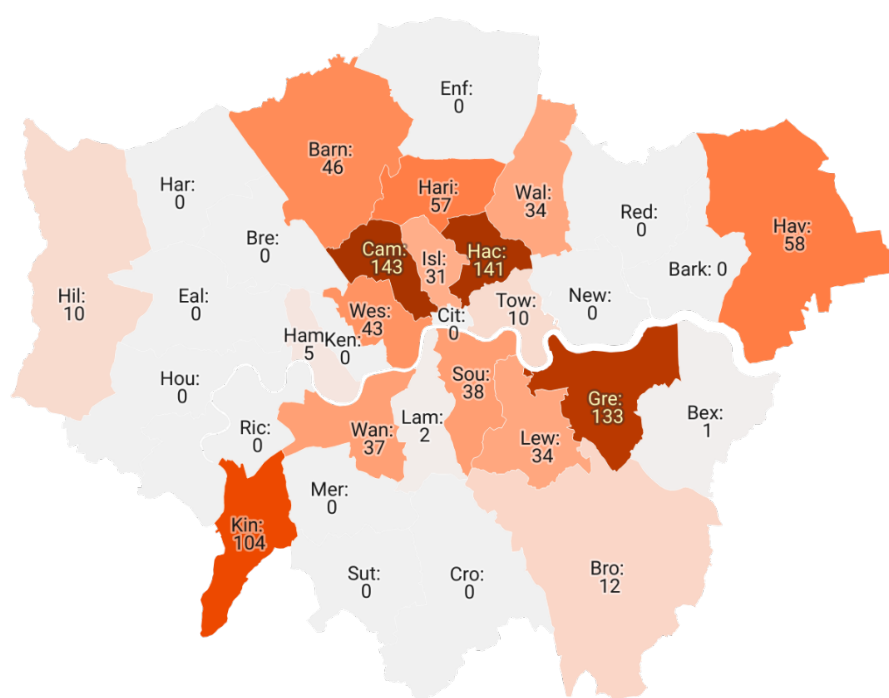
Four councils started a significant proportion of all GLA-funded council homes in 2023-24.

Of the 939, Camden, Hackney, Greenwich and Kingston-upon-Thames started over 100 council homes each and together represent over half (55 per cent) of GLA-funded council home starts across London in the last year.

By contrast, 15 councils did not start any GLA-funded council homes last year. This could be for a variety of reasons, for example Southwark started 38 homes in 2023-24 but completed 480, suggesting higher delivery of starts in previous years. This pattern can be seen across a number of boroughs. Conversely, while Hackney had a high number of starts this year, it did not record any completions.

Most of these council home starts were funded by the AHP.

All programmes: council homes starts by borough in 2023-24



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

Source: GLA, [Affordable Housing Statistics](#): Council Homes Starts and Completions

Note: this map does not include affordable housing starts which were not funded by the GLA

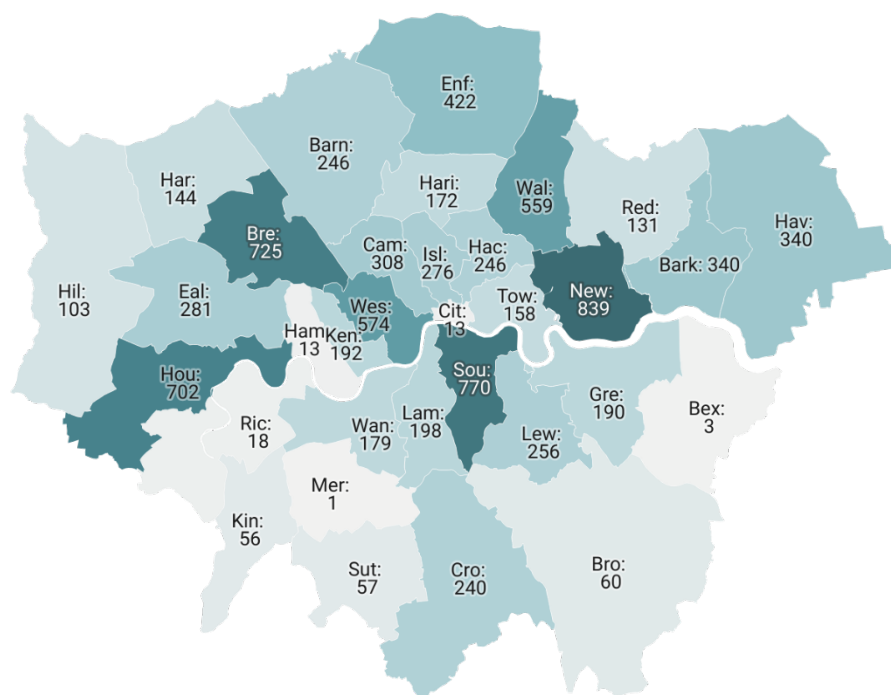
Some boroughs have a high proportion of GLA-funded council homes completions in their borough relative to GLA-funded affordable completions overall.

GLA data suggests that since 2018, boroughs such as Southwark, Westminster and Hounslow have had a high proportion of their GLA-funded home completions as council homes. For Southwark, a high proportion of its completions were in 2023-24 (480 out of 770).

Boroughs such as Newham and Brent also had a high number of these homes, but this is consistent with having a high number of completions overall. Tower Hamlets have the highest number of GLA-funded completions since 2016 of any borough (5,966), but a small number of council homes (158).

This data includes all completions of council homes funded by the GLA since 2018.

All programmes: council homes completions by borough since 2018



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

Source: GLA, [Affordable Housing Statistics](#): Council Homes Starts and Completions

Note: this map does not include affordable housing completions which were not funded by the GLA. It is not directly comparable with the overall completions by borough data as it includes a small number of homes funded through separate ring-fenced funding.

Acquisitions

Key facts and context

Context

Instead of building new homes, councils and housing associations may use AHP funding to acquire homes which have already been built. These can include “off the shelf” acquisitions (where newly built homes are bought from developers before they are put on the market and “flipped” to be affordable homes), or “second hand” acquisitions (where existing homes are bought on the market).⁹⁴ Acquisitions can provide affordable housing quicker than new builds, though do not provide new housing overall. The Government sets caps on the proportion of the AHP budget that can be used for acquisitions, in order to encourage focus on new housebuilding.⁹⁵

Funding

Councils and housing associations can acquire homes using AHP funding. The Mayor has used the AHP to fund schemes which specifically incentivise councils to acquire homes:

- Under the AHP 2016-23, the Mayor’s programme to do this was the “Right to Buy Back” programme. The total AHP fund was £4.82 billion and there was not an amount ring-fenced for the Right to Buy Back programme.
- Under the AHP 2021-26, the Mayor’s programme is the Council Homes Acquisition Programme (CHAP). The total AHP fund is £4 billion. There is not an amount ring-fenced for the CHAP, though there is a Government cap of 30 per cent of overall AHP budget that can be used for acquisitions.⁹⁶

Not all acquisitions funded by the AHP 2016-23 or AHP 2021-26 (e.g. acquisitions made by housing associations) would have been through Right to Buy Back or CHAP.

Separate from AHP funding, councils can also acquire homes using “Right to Buy receipts”. These receipts arise from the money councils get back from Right to Buy sales. The GLA previously had a scheme called the “Right to Buy ringfence” which gathered the receipts from councils and returned the funding to councils as grant funding for social homes.⁹⁷

⁹⁴ GLA, [Affordable Homes Programme 2021-2026 – Frequently Asked Questions \(FAQs\)](#), November 2021

⁹⁵ The GLA told the Committee that the cap applies to a percentage of the budget. A Mayor’s Question states that the cap applies to a percentage of the number of homes: [Council Homes Acquisition Programme \(1\)](#)

⁹⁶ This cap on acquisitions also applies to replacing demolished affordable homes (that are not obsolete) and refurbishing supported housing

⁹⁷ MD2368, [Right to Buy Ringfence Offer](#), November 2018

The Mayor also received £126m of Government funding under the Refugee Housing Programme. This funding is expected to go towards councils to acquire homes for those with acute housing needs who have arrived in the UK via the Ukrainian and Afghan resettlement.

Targets and deadlines

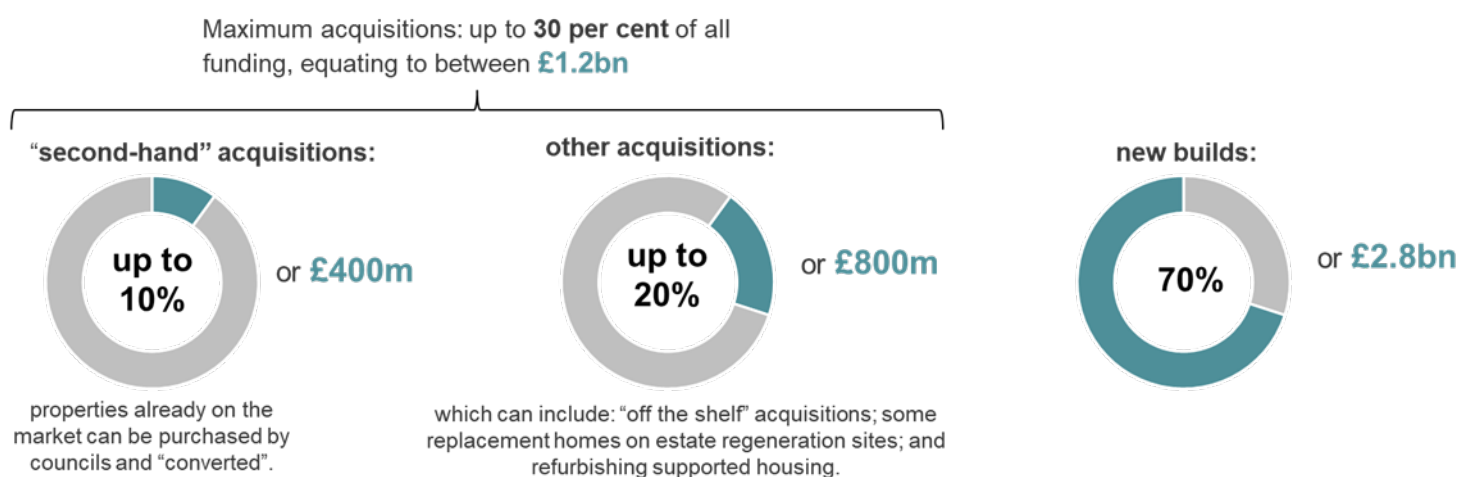
There is no target under the CHAP, as the Mayor has said that it will be “demand-led”.⁹⁸ However, the Mayor has committed to 10,000 council home acquisitions “in the next decade” from November 2023 to March 2033. He has said that this target will be delivered through the AHP 2021-26 and future funding allocations from the Government, which have not yet been allocated.⁹⁹ It is unclear at this stage how the 10,000 acquisitions will relate to the Mayor’s other target for 40,000 new council homes by 2030.

The Refugee Housing Programme started in April 2023 with the objective to deliver up to 630 affordable homes by March 2024.

How many homes can be acquired under the AHP?

For the 2021-26 programme, there is a 30 per cent cap on the proportion of funding that can be used for acquisitions.¹⁰⁰

The below diagram shows the proportion of funding that can be acquisitions, including different types, compared to new builds under the 2021-26 programme:



Source: [Council Homes Acquisition Programme \(1\)](#)

⁹⁸ MQ2022/4741, [Council Homes Acquisition Programme](#), 12 December 2023

⁹⁹ Mayor of London, ‘[New report shows Mayor’s plans to acquire 10,000 new council homes will slash boroughs’ temporary accommodation costs by £1.5bn](#)’, March 2024

¹⁰⁰ Plenary, [Council Homes Acquisition Programme \(1\)](#), 7 December 2023

Comparing acquisitions under the AHP 2016-23 and AHP 2021-26

Of the AHP 2021-26 starts to March 2024, 14 per cent (240 of 1,777) have been acquisitions. This includes 90 acquisitions of previously occupied homes and 150 “off the shelf” acquisitions.¹⁰¹

For the **2016-23 programme, 12 per cent of homes** were acquisitions (14,382 of 116,782).¹⁰²

¹⁰¹ MQ2024/1901, [Affordable homes programme acquisitions \(4\)](#), 20 June 2024

¹⁰² London Assembly, [Affordable Housing Monitor](#), November 2023

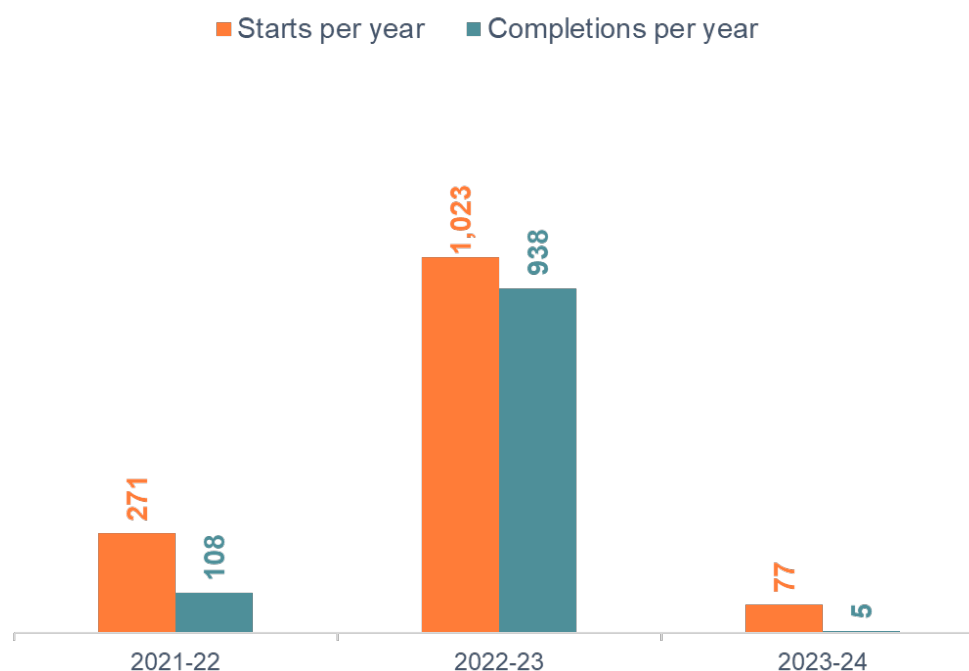
Council homes acquisitions

The Mayor has used the AHP to specifically incentivise councils to acquire homes. Since 2018, 1,371 homes have been acquired by councils through the AHP.

Under the GLA's 2016-23 programme, the Mayor's scheme for councils acquiring council homes between 2021 and 2023 was the "Right to Buy Back" scheme. Under this scheme, 1,294 homes were started by councils and 1,046 completed.¹⁰³ This included 37 homes for Afghan refugees.¹⁰⁴

Under the GLA's 2021-26 programme, the Mayor's scheme for councils acquiring council homes is called the Council Homes Acquisitions Programme.¹⁰⁵ In 2023-24 there were 77 starts under this programme.

Council homes acquisitions under the Affordable Homes Programmes since 2021



Source: GLA, [Affordable Housing Statistics](#): Council Homes Starts and Completions

The Mayor's Council Homes Acquisition Programme is currently entirely funded through the AHP 2021-26, and is intended to encourage councils to bid for AHP funding to acquire homes to convert to either social rent or Temporary Accommodation for homeless households.¹⁰⁶ For those council homes acquisitions funded by the AHP 2021-26, the Mayor has stated that there

¹⁰³ Mayor of London, [Mayor's Right to Buy-back sees 1,500 homes return to council ownership](#), 9 August 2022

¹⁰⁴ MQ2024/2406, [Funding and support for refugees and asylum seekers](#), 18 July 2024

¹⁰⁵ Mayor of London, [Council Homes Acquisition Programme](#), Funding guidance, November 2023

¹⁰⁶ Mayor of London, [Council Homes Acquisition Programme](#)

is no set target for acquisitions or ring-fenced funding set aside, and that numbers will be “demand-led” based on council’s bids.¹⁰⁷

In March 2024, the Mayor committed to a target of 10,000 acquisitions by councils “in the next decade”. The Mayor has said that to reach his target, future rounds of AHP funding from the Government will be required.¹⁰⁸

There are some differences between funding conditions for acquisitions under CHAP versus the mainstream AHP 2021-26 funding. For example, there is a set grant rate for acquisitions under CHAP. This is up to £200,000 per home for social rent and up to £85,000 per home for accommodation for homeless households¹⁰⁹ (under the Right to Buy Back, these grant rates were previously £100,000 per each social rent home and up to £65,000 for accommodation for homeless households).¹¹⁰ There is not a set grant rate for homes under the mainstream AHP 2021-26 – this is negotiated per project.

Separate from AHP funding, councils can also acquire homes funded by the “Right to Buy ringfence”. Councils collect funds from Right to Buy sales (called “Right to Buy receipts”). The GLA ringfences Right to Buy receipts from certain councils; this funding is collected by the GLA and then returned to councils as grant funding for social homes.¹¹¹ Since 2018, GLA statistics have recorded 615 starts and 303 completions under this scheme.¹¹²

Estate regeneration

AHP funding (though not through the CHAP)¹¹³ can be used for rebuilding replacement homes on estates where existing homes have been, or will be, demolished. The funding condition is that these homes must be part of a project that will increase the number of homes overall.

Where homes are demolished and replaced, they are counted towards the cap on acquisitions (unless the homes being replaced were considered “obsolete”). This means that there is a restriction on the number of non-obsolete homes that could be demolished and replaced using AHP 2021-26 funding.

In October 2023, the GLA stated that, out of all of the AHP 2021-26 funding that had been approved so far, around 4 per cent would be applied to homes replacing obsolete homes on estate regeneration projects.

¹⁰⁷ However, there is an overall cap on acquisitions under the AHP 2021-26 of 30 per cent of the overall number of homes

¹⁰⁸ Mayor of London, ‘[New report shows Mayor’s plans to acquire 10,000 new council homes will slash boroughs’ temporary accommodation costs by £1.5bn](#)’, March 2024

¹⁰⁹ Mayor of London, [Council Homes Acquisition Programme](#), Funding guidance, November 2023

¹¹⁰ GLA, [Right to buy back, bidding information](#)

¹¹¹ MD2368, [Right to Buy Ringfence Offer](#), November 2018

¹¹² GLA, [Affordable Housing Statistics: Council Homes Starts and Completions](#)

¹¹³ The GLA expects that homes acquired under the Council Homes Acquisitions Programme “must not form part of any known or anticipated plans for demolition within that timeframe”. Mayor of London, [Council Homes Acquisition Programme](#), Funding guidance, November 2023

Under the Mayor's planning policy, any proposals (not just AHP-funded proposals) which entail the demolition of affordable housing:

- should follow the Viability Tested Route (see Annex) and seek to provide an uplift in affordable housing, in addition to the replacement affordable housing floorspace
- should provide at least the equivalent amount of affordable housing floorspace
- should re-provide any existing social rent homes for existing tenants who are exercising the right to return
- should retain, refurbish or replace existing supported or specialised accommodation, where this meets an identified need.

The GLA website states that since 18 July 2018, the Mayor has required any landlord seeking GLA funding for estate regeneration projects that involve the demolition of affordable housing to show that residents have supported their proposals through a ballot. The requirement applies to projects that involve the demolition of any affordable housing and the construction of 150 or more homes (of any tenure).¹¹⁴

There are some exemptions to the requirement, including some projects that were already under way when the resident ballot requirement was introduced. The GLA publishes a list of projects exempt from a ballot and a list of positive ballots (ballots where residents have voted in favour of plans).¹¹⁵ A positive ballot is determined by a simple majority of residents voting 'yes', and there is no minimum requirement of turnout.

The GLA publishes data on estate regeneration projects where the GLA has approved funding (under any programme, not just the AHP) since introducing the Resident Ballot requirement.¹¹⁶ For homes funded by the AHP specifically, the GLA has said that investment partners are not routinely asked to provide information on how many social rent homes will be demolished and rebuilt or the number of social rent homes funded in addition to these replacements, and that it does not hold data on the number of starts and completions by tenure that are set to replace homes demolished through estate regeneration projects.

Other programmes: Refugee Housing Programme

Separate to the AHP, the Mayor also has the Refugee Housing Programme for council home acquisitions. This programme started in April 2023 with £126m of Government funding to deliver up to 630 affordable homes by March 2024 for those with acute housing needs who have arrived in the UK via the Ukrainian and Afghan resettlement schemes.¹¹⁷ The GLA has told the Committee that nationally the end date was extended to quarter one of 2024-25, with the programme expected to close completely by October 2024 at the latest.

¹¹⁴ GLA website, [Estate regeneration](#)

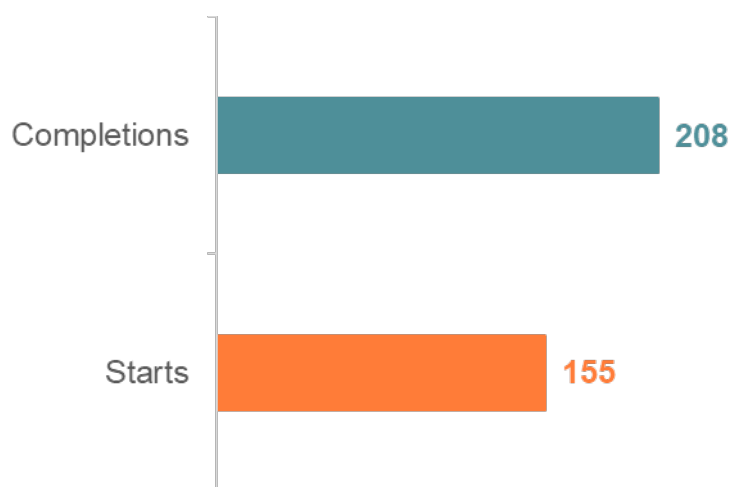
¹¹⁵ GLA website, [Positive ballots and Exemptions to the residential ballot requirement](#)

¹¹⁶ GLA website, [List of estate regeneration schemes](#)

¹¹⁷ MD3102, [The Mayor's Refugee Housing Programme London](#), March 2023

The GLA Housing Statistics show 155 starts and 208 completions under the Refugee Housing programme in 2023-24. The Committee asked the GLA about the number of completions within its statistics being higher than the number of starts under this programme and it said that this was due to some homes being counted as starts under the Land Fund and completions in the Refugee Housing programme. To June 2024, the GLA said that it had delivered **205 starts and 322 completions** and that figures had been reported in this way to MHCLG. The number of homes contributing to the GLA's target of 630 homes under this programme is not clear from the published dataset.

Refugee Housing Starts and Completions 2023-24



Source: GLA, [Affordable Housing Statistics](#)

In March 2024, the Mayor said he had allocated 370 homes with nine partners for this programme.¹¹⁸ However, in July 2024, the Mayor said he had allocated 323 homes with eight partners.¹¹⁹

When asked in March 2024 about whether he would meet the aim of up to 630 homes, the Mayor said:

“We expect to meet the programme deadlines to deliver those [370 allocated] affordable homes for those in acute housing need from both the Afghan and Ukrainian cohorts. The government chose to launch a competing programme in London [Local Authority Housing Fund] which is more flexible for some councils than this programme allows, regrettably making programme delivery more challenging.”¹²⁰

¹¹⁸ MQ2024/1018, [London Refugee Housing Programme](#), 15 March 2024

¹¹⁹ MQ2024/2406, [Funding and support for refugees and asylum seekers](#), 18 July 2024

¹²⁰ GLA website, [London Refugee Housing Programme](#)

Supported and specialist housing

Key facts and context

Context

Supported and specialist housing (SSH) is accommodation provided for a specific client group that includes support, supervision or care to help people live as independently as possible in the community. Client groups can include (but are not limited to) disabled Londoners, older Londoners, Gypsies and Travellers, Londoners experiencing homelessness and people fleeing domestic abuse.¹²¹ The need for SSH in London is not known but evidence suggests that there is more need than there are homes.¹²²

Funding

The GLA can use Affordable Homes Programme funding for supported and specialist housing and also has some separate funding pots that can deliver affordable supported/specialist homes. These funding pots include:

- **Single Homelessness Accommodation Programme:** £75m in capital funding and £31m revenue funding
- **Care and Supported Specialised Housing 2023-25:** Funding allocations are negotiated annually with the Department of Health and Social Care. £11.8m capital funding has been allocated in 2024-25 to meet existing commitments for projects that have already started on site.
- **Legacy GLA Supported and Specialist programmes:** these include several legacy programmes funded by different sources. These programmes have contributed 6 starts and completions in 2023-24 so are not a focus in this Monitor.¹²³

¹²¹ The Mayor also considers community-led housing to be a form of specialist housing. The GLA states that it aims to support communities to develop new housing themselves that is affordable to local people and remains so in perpetuity; examples of community-led housing can include co-housing, cooperative housing, and community land trusts. Community-led housing is not covered in this Affordable Housing Monitor and is not counted as a supported and specialist housing in the GLA Housing Statistics.

¹²² A report sponsored by the National Housing Federation states: "The most complete data on the scale of the sector is from national surveys commissioned by the government. The government does not routinely monitor demand for supported housing and has limited data on supply. Without this information, there can be no planning of supply to meet demand, now or in the future. This suggests a lack of oversight at a national and local level." National Housing Federation, [Supported housing in England: Estimating need and costs to 2040](#), April 2024

¹²³ The GLA data defines these as: "projects from the legacy Care and Support Specialised Housing, Move on, Homelessness Change, Platform for Life programmes and the Rough Sleepers Accommodation Programme (RSAP)."

Targets and deadlines

Under the AHP 2021-26, the GLA has a target of one per cent of total homes to be delivered as supported and specialist. This is down from an original target of five to ten per cent of total homes (which related to the original target of 35,000 homes for the AHP 2021-26). The current target equates to between 239 and 271 supported and specialist homes. The Deputy Mayor for Housing and Residential Development outlined that this target had been reduced to one per cent in October 2023:

“the supported housing target was initially set by the Government at ten per cent. The initial bidding round produced nothing like what we would need in terms of meeting that target and the Government has since reduced that to one per cent.”¹²⁴

Under the AHP 2016-23, the GLA had a target of 2,000 supported and specialist homes.¹²⁵ This target was met.

For the other funding pots which are not related to the AHP, some, but not all, have targets:

- Single Homelessness Accommodation Programme: up to 800 completions by March 2025.¹²⁶
- Care and Support Specialised Housing 2023-25: no specific target set but the funding allocated in 2024-25 aims to deliver up to 500 completions by 31 March 2025.

¹²⁴ Minutes from Housing Committee, [Affordable Homes Programme 2021-26](#), 19 October 2023

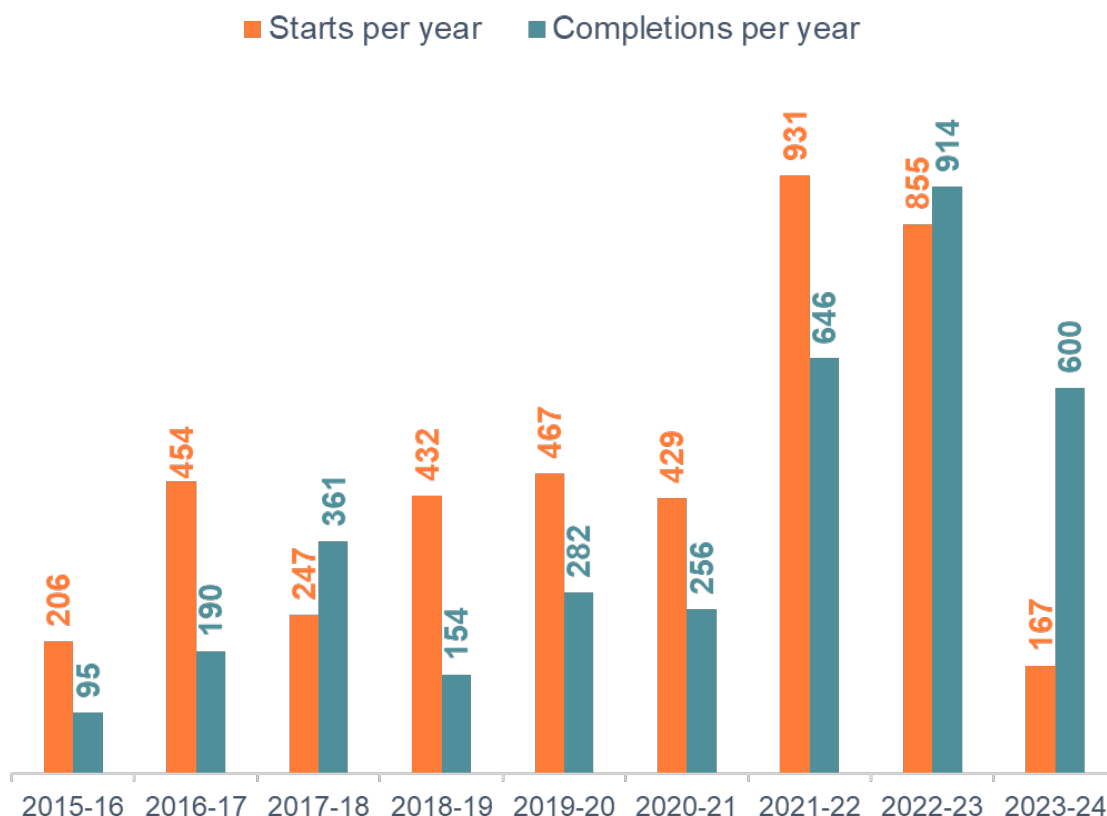
¹²⁵ [Correspondence](#) from the Deputy Mayor for Housing and Residential Development in March 2023

¹²⁶ MD3046, [Single Homelessness Accommodation Programme](#), December 2022

How many supported and specialist homes has the Mayor delivered?

In 2023-24, there were 167 starts of supported/specialist homes, compared to 855 in 2022-23.

All GLA programmes: supported and specialist homes, starts and completions, by year



Source: GLA, [Affordable Housing Statistics](#)

Starts in 2023-24 were delivered mostly through the 2021-26 AHP:

- AHP 2021-26: **74** starts towards a lower target of 239
- Single Homelessness Accommodation Programme: **50** starts towards a target of 800 completions by 31 March 2025
- Care and Support Specialised Housing 2023-25: **37** starts
- Legacy GLA Support and Specialist Housing programmes: **6** starts¹²⁷

Completions in 2023-24 were funded mostly through the 2016-23 AHP:¹²⁸

- AHP 2016-23: **498** completions
- AHP 2021-26: **72** completions

¹²⁷ The GLA has indicated that these starts were from the Rough Sleeping Accommodation Programme

¹²⁸ The GLA has indicated that across the 498 completions through the AHP 2016-23 and 6 completions through legacy SSH programmes, completions were from the following programmes: Care and Support Specialised Housing (275 completions), Homelessness Change and Platform for Life (129 completions), Rough Sleeping Accommodation Programme (91 completions), Mayor's Move-on Programme (9 completions)

- Single Homelessness Accommodation Programme: **24** completions
- Legacy GLA Supported and Specialist Housing programmes: **6** completions

In 2023-24, the GLA indicated delivery of supported and specialist housing for the following client groups:

Client group	Starts	Completions
Older people	75	283
People who have slept rough or been homeless	56	253
Adults with disabilities and/or health conditions	36	64

SSH: Single Homelessness Accommodation Programme

In 2023-24, the first year of SHAP, there were 50 starts and 24 completions under the Single Homelessness Accommodation Programme (SHAP).

The SHAP supports rough sleepers with high or complex needs and vulnerable young Londoners experiencing or at risk of experiencing homelessness.

The GLA has been given £75m in capital funding by Government to complete up to 800 homes by March 2025.¹²⁹ It also provides revenue funding to support Londoners.

Last year, the programme **started 50 homes** and **completed 24**, with a capital forecast 2023-24 outturn of £14m.¹³⁰ This leaves most homes to be started and completed in the current financial year, with a budget of £60.5m for 2023-24 in the Mayor's capital spending plan.¹³¹

A Mayor's Question from February 2024 outlines £61.5m to be allocated in 2024-25 across both capital and revenue (£54.1m capital and £7.3m revenue).

¹²⁹ MD3046, [Single Homelessness Accommodation Programme](#), December 2022

¹³⁰ [The Mayor of London's Capital Spending Plan 2024-25](#), February 2024

¹³¹ [The Mayor of London's Capital Spending Plan 2024-25](#), February 2024

Annex: Detail on the Mayor's planning policies

“Threshold” approach or “fast track route”

Under planning policies, developers are generally required to deliver a proportion of housing on their site as affordable. Section 106 agreements specify the obligation agreed for a specific development and enable it to be enforced. The Mayor’s planning policies aim to ensure that developers provide as much “genuinely affordable” housing as is viable on a development.¹³²

Under the Mayor’s planning policies, relevant planning applications can be fast-tracked through the planning process if they meet the “threshold” of 35 per cent affordable housing (or 50 per cent on public-sector land¹³³ or some types of industrial land).

If planning applications do not meet this threshold, they must go through the “Viability Tested Route” with local authorities (and the Mayor, in the case of “referable” applications – see below). The GLA’s draft London Plan Guidance on Affordable Housing states that the Viability Tested Route involves the developers/ housing providers providing:

“detailed viability information to determine the maximum viable level of affordable housing. These are subject to viability reviews at different stages of the development process to assess whether additional affordable housing can be provided over the lifetime of the development.”¹³⁴

In this case, the specific amount, tenure and mix of affordable housing to be provided would be subject to local planning policies set by the council, and to negotiations between the developer and council. However, the Viability Tested Route can be protracted and involve lengthy negotiations between developers / housing providers and local authorities. Therefore the Mayor’s London Plan states that the fast-track route is intended to provide:

“the opportunity to move away from protracted viability debates, create certainty in terms of affordable housing requirements, embed the requirements into land values, and offer a clear incentive for developers to increase affordable housing delivered through the planning system above the level in planning permissions granted in recent years.”¹³⁵

Planning applications seeking to follow the fast-track route must also meet some other requirements that apply to all residential development. For example, generally the tenure mix must include:

¹³² Mayor of London, [London Plan](#), March 2021, Policy H4 Delivering affordable housing and Policy H6 Affordable housing tenure

¹³³ There is an exception to this. The GLA states “where a public landowner has an agreement in place with the Mayor to provide 50 per cent affordable homes across a portfolio of sites, individual sites that meet or exceed the 35 per cent affordable housing threshold and required tenure split may be considered under the FTR [Fast Track Route]”

¹³⁴ Mayor of London, [London Plan Guidance, Affordable Housing, Consultation Draft](#), May 2023

¹³⁵ Mayor of London, [London Plan](#), March 2021

- a minimum of 30 per cent low-cost rented homes – either London Affordable Rent or social rent
- a minimum of 30 per cent intermediate homes considered by the Mayor to be “genuinely affordable”, including London Living Rent and shared ownership
- the remainder to be made up of the low-cost or intermediate tenures set out above, as determined by the council depending on local need¹³⁶

In addition, the GLA’s draft planning guidance states that in order to follow the fast-track route, planning applications must “take into account the strategic 50 per cent target and use grant to increase the level of affordable housing beyond 35 per cent”.¹³⁷ (See subsection on grant funding and the fast track route below).

“Referable” applications

The Mayor has the power to decide planning applications which are particularly significant, known as “referable” applications as they are referred to the Mayor for decision. Criteria for referable applications include development of more than 150 residential units, over 30 metres in height (outside the City of London), or on Green Belt or Open Metropolitan Land.¹³⁸

The policy on the fast track route applies to all applications, including referable applications. If referable applications do not follow the fast track route, they must follow the Viability Tested Route under which the GLA states that affordable housing must be “maximised”. The GLA states that factors that may be relevant for the Mayor when deciding on referable applications include:

“proposed schemes that fail to provide the maximum viable level of affordable housing over the lifetime of the development and/or affordable housing that fails to meet the relevant tenure and affordability requirements.”¹³⁹

The GLA’s draft planning guidance states that referable schemes in particular must “maximise the delivery of affordable housing through grant and other forms of subsidy where available”.¹⁴⁰

¹³⁶ Mayor of London, [London Plan](#), March 2021, Policy H6 Affordable housing tenure

¹³⁷ Mayor of London, [London Plan Guidance, Affordable Housing, Consultation Draft](#), May 2023

¹³⁸ GLA, [What powers does the Mayor have for planning applications?](#)

¹³⁹ Mayor of London, [London Plan Guidance, Affordable Housing, Consultation Draft](#), May 2023

¹⁴⁰ Mayor of London, [London Plan Guidance, Affordable Housing, Consultation Draft](#), May 2023

Grant funding and the fast-track route

The GLA states that developers / housing providers “should seek to provide 35 per cent affordable housing without grant in the first instance”, but that they should seek grant funding to provide an additional amount of affordable housing on top of the 35 per cent.¹⁴¹

The intention of this policy is to ensure that developers are incentivised to provide as much affordable housing on a site as is viable, while not being unnecessarily subsidised by grant funding.

In March 2024, the GLA updated its policy with relation to grant funding and the fast-track route.¹⁴² The GLA stated:

“Many of the GLA’s investment partners have reported that a number of their projects cannot deliver 35 per cent affordable housing without grant, which is the threshold in the London Plan for the Fast Track Route. As a result, partners may delay delivery or seek to reduce the proportion of affordable housing through the Viability Tested Route.”¹⁴³

The GLA therefore stated that developers may deliver 20 per cent (rather than 35 per cent) affordable housing without grant, seeking grant on additional affordable housing above that amount, as long as the project delivers 40 per cent or more affordable housing overall.¹⁴⁴

This updated policy is known as the Accelerated Funding Route. The GLA state that it “may amend or withdraw” this policy “if market conditions change”.¹⁴⁵

¹⁴¹ Mayor of London, [London Plan Guidance, Affordable Housing, Consultation Draft](#), May 2023

¹⁴² [Mayor unveils major new £100m Housing Kickstart Fund to accelerate stalled developments and boost delivery across the capital | London City Hall](#)

¹⁴³ [GLA, Accelerated Funding Route Guidance](#), March 2024

¹⁴⁴ Ibid

¹⁴⁵ Ibid

Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email assembly.translations@london.gov.uk

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Vietnamese

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Hindi

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Arabic

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