

**MDA No.: 1764**

# **Title: Housing Committee Report – The Mayor's Affordable Homes Programme**

## **1. Executive Summary**

1.1 At the Housing Committee meetings on 10 July and 9 September 2025 the Committee discussed accessible housing in London and resolved that:

*Authority be delegated to the Chair, in consultation with party Group Lead Members, to agree any output arising from the discussion.*

1.2 Following consultation with party Group Lead Members, the Chair is asked to agree the Committee's report on the Mayor's Affordable Homes Programme as attached at **Appendix 1**.

## **2. Decision**

2.1 **That the Chair, in consultation with party Group Lead Members, agrees the Committee's report on the Mayor's Affordable Homes Programme, 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:** **Zoë Garbett AM, Chair of the Housing Committee**

**Date:** **23 January 2026**

### **3. Decision by an Assembly Member under Delegated Authority**

#### **Background and proposed next steps:**

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Group Lead Members, on 20 June 2025 under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the report and its recommendations fall within these 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: 23 January 2026

Email: [diane.richards@london.gov.uk](mailto: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: 22 January 2026

Email: [Monitoringofficer@london.gov.uk](mailto:Monitoringofficer@london.gov.uk)

#### **Supporting Detail / List of Consultees:**

- Lord Bailey of Paddington AM and Sem Moema AM (Deputy Chair)

### **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**

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**Lead Officer / Author**

Signature: Tim Gallagher

Printed Name: Tim Gallagher

Job Title: Senior Policy Officer

Date: 23 January 2026

Email: [tim.gallagher@london.gov.uk](mailto:tim.gallagher@london.gov.uk)

**Countersigned by Executive Director:**

Signature:



Printed Name: Helen Ewen

Date: 23 January 2026

Email: [helen.ewen@london.gov.uk](mailto:helen.ewen@london.gov.uk)

# Assessing delivery, challenges and opportunities of the Mayor's Affordable Homes Programme

Housing Committee

January 2026



**LONDON ASSEMBLY**

# Assessing delivery, challenges and opportunities of the Mayor's Affordable Homes Programme - Housing Committee

January 2026

2



Zoë Garbett AM  
Chair  
Green



Sem Moema AM  
Deputy Chair  
Labour



The Lord Bailey of  
Paddington AM  
Conservatives



Andrew Boff AM  
Conservatives



Léonie Cooper AM  
Labour



James Small-Edwards 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.

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## Contents

Foreword.....	4
Executive Summary .....	5
Recommendations.....	7
Introduction .....	9
Background.....	10
What is “affordable housing” and who is it for? .....	11
How is social and affordable housing delivered in London? .....	11
The Mayor’s Affordable Homes Programmes .....	12
Building the homes that Londoners need most .....	15
The need for family-sized homes .....	15
Delivering family-sized homes.....	16
Delivering accessible homes for Deaf and Disabled Londoners .....	19
Sites for Gypsy, Roma and Traveller Communities.....	21
Supported housing.....	22
Meeting targets and pace of delivery .....	24
Delivery under the Affordable Homes Programme 2016-23.....	24
Delivery under the Affordable Homes Programme 2021-26.....	25
Why has delivery been slow? .....	26
The Affordable Homes Programme 2026-36.....	29
Delivering homes for social rent .....	30
Working with the GLA.....	32
Further ways of delivering new homes .....	34
Unlocking stalled sites.....	34
Acquisitions.....	36
Estate regeneration .....	38
Committee Activity.....	40
Other formats and languages .....	41
Connect with us .....	42

## Foreword



**Zoë Garbett AM**  
**Chair of the Housing Committee**

For me, the most telling failure of decades of housing policy is how hostile London has become to families. The numbers are well rehearsed, but no less shocking. 90,000 children in London go to and from school from temporary accommodation – more than one child in every classroom. The trend of councils shutting down primary schools will soon spread to secondary education, as families, like key workers, are leaving London en masse. It's an emergency that is devastating lives and has the potential to haunt our city for decades.

Social housing, where rents are connected to what people can actually afford, is a lifeline for many Londoners. It is a counterweight to a pumped-up housing market that has become so out of reach for ordinary people, and a private rented sector chewing up more and more of renters' incomes.

The Affordable Homes Programmes are important interventions in this landscape, particularly given their growing focus on social housing. Like its predecessors, the next programme will not, in its current guise, see the kind of housebuilding that led to over a third of Londoners living in social housing in the early 1980s, nor will it help all the 340,000 households waiting for a council home. But it has the potential to help some Londoners stuck on housing registers, or unable to afford a home of their own, to have a future in our city that is safe, secure and affordable.

As this report shows, the Mayor should be taking a more hands-on approach to wring the most out of this programme. Buying existing homes, front-loading delivery and improving reporting on controversial estate 'regeneration' schemes are essential, common-sense measures. We also heard loudly from councils that grant-levels in previous programmes made it challenging to deliver certain kinds of desperately needed homes, like family-sized and accessible homes for social rent. In the next programme, the Mayor must do more to prioritise and accelerate the delivery of homes facing the most chronic shortages, which the planning system is not routinely providing.

The scale and depth of our crisis means the Mayor should not passively administer the Affordable Homes Programme, but to strategically shape the kind of housing that comes forward to respond to what Londoners most desperately need.

## Executive Summary

The need for more good quality homes that are genuinely affordable for Londoners is paramount, as more and more Londoners find themselves living in temporary accommodation, poor quality housing, or being pushed out of the city altogether.

Despite significant investment since 2016, the provision of new affordable homes has slowed considerably in recent years, as part of a wider drop-off in housing development. Inflated construction costs, a shortage of contractors, high interest rates, and costly, complex sites have made building new housing more expensive. Additionally, Registered Providers of Social Housing (Registered Providers) are spending large amounts of capital upgrading existing housing due to building safety requirements, retrofit and decarbonisation, and the long-standing need to properly address issues such as damp and mould.

In October 2025, it was announced that the level of affordable housing at which developers in London get fast-tracked through the planning process would be reduced from 35 per cent to 20 per cent. The meetings for this investigation were held before this announcement was made. It is not, therefore, discussed in this report.

### **The homes Londoners need**

There is a particular shortage of affordable family-sized homes and accessible homes in London, especially for social rent. These types of housing are more expensive to deliver, compared with smaller homes and homes that have not been adapted for Londoners with accessibility needs. Yet, they are desperately needed. We recommend new measures to enable and incentivise the provision of family-sized and accessible homes. We acknowledge that an increase in these types of homes may result in fewer homes delivered overall.

The supported housing sector faces unique and complex challenges, especially the lack of revenue funding available, which is crucial for the ongoing services provided by this type of housing. The Mayor's Affordable Homes Programme does not currently provide revenue funding to Registered Providers. We urge the Government to address this and ensure that this type of funding is made available.

### **The Mayor's Affordable Homes Programmes**

Under the Mayor's Affordable Homes Programmes, the Mayor receives funding from central government, which he then allocates to Registered Providers to build social and affordable homes in London. There have been two programmes delivered by the Mayor of London to date, spanning two overlapping time periods: 2016-23 and 2021-26. The 2021-26 programme ends in March 2026 and will be replaced by a new, 10-year programme, the 'Social and Affordable Homes Programme' 2026-36.

The GLA met its target for starts under the 2016-23 programme in March 2023, but completions are ongoing. Whilst a third of homes started under the programme have not yet been completed, the GLA is confident that most homes will be completed by 2030, with a few longer-term projects extended to the early 2030s.

For the 2021-26 Affordable Homes Programme, the GLA has a target of 17,800-19,000 starts by March 2026. The initial target for this programme was 35,000 starts, but due to the difficult market conditions in London, this target has been lowered twice. Given how close we are to the end of the programme, we are concerned that the revised target will still not be met.

### **Addressing delivery challenges**

Registered Providers currently face severe and multiple challenges delivering new homes in London, including the considerable cost of land, higher costs of construction, increased interest rates on borrowing, and additional costs and delays as a result of new building safety regulations. Under the next programme, it is imperative that the Mayor works with government to design a programme that enables homes to be built as quickly as possible. Interim targets set for delivery partners (recipients of GLA capital funding) for the 2026-36 programme will be essential to ensure delivery occurs across the 10-year period.

Purchasing existing homes is an important, supplementary route for councils to deliver new social and affordable homes in London, allowing councils to circumvent some of the challenges to homebuilding in the capital. However, grant rates allocated through the acquisition programme make it harder for Registered Providers to acquire homes for social rent or larger properties. We recommend that the next Affordable Homes Programme includes an acquisitions programme, with higher grant rates to enable councils to make the best use of the funding.

Unlocking stalled sites in London will be key to increasing the overall number of social and affordable homes for Londoners. The Committee is pleased that the Mayor has committed to doing this through the new City Hall Developer Fund, which has been allocated £322m. We recommend that, in addition to this, the Mayor should lobby government so that the Recycled Capital Grant can be combined with other grant funding and used to maintain viability on existing developments. This should, in turn, improve the financial capability of Registered Providers, so that they can invest in a larger pipeline of new homes.

### **Data and transparency**

The Committee heard evidence from delivery partners about how estate regeneration can provide new social and affordable homes in London. However, we are concerned by the lack of transparency and public reporting on estate regeneration under the current programme. For instance, the tenure of homes demolished, and tenure of replacement homes are not published by the GLA. We recommend a more transparent approach.

We were pleased to hear that the GLA is committed to bringing forward more Gypsy, Roma and Traveller sites through the Affordable Homes Programme. We recommend that the number of sites brought forward is monitored and published, so that we can measure this commitment going forward.

## **Recommendations**

### **Recommendation 1**

The 2026-36 Affordable Homes Programme should provide an uplift in grant funding for family-sized homes to incentivise and enable the delivery of these homes. This should be standard practice rather than implemented on a case-by-case basis. The GLA should ensure Registered Providers are made aware of this before bids are submitted in early 2026.

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### **Recommendation 2**

The GLA should set targets for family-sized homes as part of the 2026-36 programme, to ensure that larger homes are brought forward.

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### **Recommendation 3**

The GLA should provide an uplift on grant rates for the delivery of accessible homes under the 2026-36 programme. This should be standard practice rather than implemented on a case-by-case basis. The GLA should ensure that Registered Providers are made aware of this before bids are submitted in early 2026.

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### **Recommendation 4**

In 2026, the GLA should publish an action plan to engage councils to deliver Gypsy, Roma Traveller sites through the Affordable Homes Programme 2026-36. The Mayor should write to the Committee confirming that an action plan will be developed.

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### **Recommendation 5**

The GLA should record and publish the number of sites that come forward for Gypsy, Roma and Traveller communities through the 2026-36 Affordable Homes programme. This should be published as part of the quarterly monitoring reports and should be included in the first quarterly report under the 2026-36 programme.

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### **Recommendation 6**

The Government should include revenue funding in the Affordable Homes Programme, specifically to enable the GLA to provide essential funding to supported housing providers where appropriate. As part of ongoing discussions with government about the Affordable Homes Programme 2026-36, the GLA should continue to lobby for additional revenue funding to be included in the programme. The Mayor should provide an update on this issue to the Committee at the next review of the Affordable Housing Programme.

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### **Recommendation 7**

Under the 2026-36 programme, the Mayor should set interim targets for delivery partners to ensure starts and completions are delivered as quickly as possible and are staggered throughout

the programme. These interim targets should be set in 2026 when initial grant allocations are announced. We ask that the Mayor share the proposed targets with the Committee by March 2026.

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## **Recommendation 8**

The GLA should consult with delivery partners to understand the challenges with using the Open Project System and use these findings to make improvements for the 2026-36 programme before delivery partners are required to use it to submit bids. We ask that the Mayor write to the Committee before the end of 2026 confirming that improvements to OPS are being considered.

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## **Recommendation 9**

The GLA should provide the Committee with further details of how the City Hall Developer Fund will work, including how funding will be used and distributed in London to stabilise existing sites.

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## **Recommendation 10**

The GLA should urge government to consider implementing greater flexibility around how the Recycled Capital Grant Fund can be used by Registered Providers. This should include the ability to use these funds alongside other grants. The Mayor should write to the Committee by March 2026 setting out his conclusions on this issue and any plans to introduce greater flexibility.

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## **Recommendation 11**

The GLA should bring forward a successor to the Council Homes Acquisition Programme (CHAP) as part of the 2026-36 programme. The successor programme should increase the amount of grant per home for councils so that more social rent homes can be brought forward through the programme. This should include increasing the cap on funding per home specifically to allow for councils to acquire larger properties. The Mayor should write to the Committee when the new programme is agreed, setting out the details of a new acquisition programme if agreed or reasons why it has not been included.

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## **Recommendation 12**

The GLA should publish the following information on estate regeneration schemes funded through the Affordable Homes Programme 2021-26 and should publish the same information for the 2026-36 programme. This includes:

- the number and tenure of homes demolished, including how many were classed as 'obsolete'
- the number and tenure of homes replaced

For the 2026-36 programme, this information should be published as part of the quarterly monitoring reports and should be included in the first quarterly report under the 2026-36 programme.

## Introduction

London is in the midst of a housing emergency, with an urgent need for significant numbers of social rent homes. Other kinds of sub-market homes for rent and purchase also have a role in meeting unmet housing need. Providing grant funding for social and affordable homes has been an aspect of national and GLA policy for several years. The GLA has received Government funding for two Affordable Homes Programmes, covering 2016-23 and 2021-26, and is soon to embark on a new ten-year programme covering the period 2026-36.

However, delivering new affordable housing has proven to be challenging for Registered Providers (mainly councils and housing associations). While many homes have been built over recent years, delivery has not been at the expected level. There has been a notable drop-off in affordable home starts since 2023.<sup>1</sup> The context for this drop-off will be discussed later in the report.

It is in this context that the London Assembly Housing Committee set out to examine the Mayor's current Affordable Homes Programmes, and his plans for the 2026-36 programme. The key aspects of our investigation were:

- Publishing a call for written evidence aimed at recipients of Affordable Homes Programme grant funding.
- Drawing on the data analysis published by the Committee in the annual Affordable Housing Monitor, produced by the Assembly's Research Unit.
- Holding an evidence-gathering meeting with councils, housing associations, and a supported housing provider.
- Scrutinising a panel of guests from the GLA, including the Deputy Mayor of Housing and Residential Development.

The Committee welcomes these contributions and submissions, which provided important insights to inform the development of this report.

The report sets out to examine the challenges faced in delivering current programmes, in order to inform priorities for the upcoming 2026-36 programme. We have identified a number of specific issues that we believe the Mayor should seek to address, and have made recommendations aimed at ensuring that more of the affordable homes we need are delivered in London.

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<sup>1</sup> [Affordable Housing Monitor 2025](#)

## Background

There is a national shortage of all homes, including social and affordable housing in England, but this shortage is most acute in London. The consequences have been severe and devastating, with record numbers of Londoners living in temporary accommodation and on social housing waiting lists. There is an even greater need for certain types of social rent homes, including family-sized homes (3+bedrooms) and homes that are accessible. Despite this need, the supply of new affordable housing in London is far from meeting demand.

The Mayor of London has a vital role to play in alleviating London's lack of social and affordable homes. This type of housing in London is primarily delivered by housing associations and councils, with capital funding being one of the main routes of supporting new developments. The Mayor's Affordable Homes Programme is the largest source of capital funding available for affordable housing in London.

- London includes the top five councils in England with the longest waiting lists for family-sized social homes.<sup>2</sup> Of these five, the top three, Westminster, Enfield and Merton, would take over 100 years to clear the waiting lists for these homes.<sup>3</sup>
- Almost all London boroughs have a higher proportion of households in temporary accommodation than the average in England as a whole. In 2024, 69,000 London households were in temporary accommodation. This is 50 per cent higher than the equivalent figure from a decade earlier, and data from the start of 2025 suggests this has increased again.<sup>4</sup>
- The cost of temporary accommodation is pushing councils towards bankruptcy. In September 2025, it was reported that London boroughs are collectively spending almost £5m daily on temporary accommodation provided mainly by the private sector.<sup>5</sup>
- One in 50 Londoners are homeless and 1 in 21 children in London live in temporary accommodation.<sup>6</sup>

<sup>2</sup> The Mayor's 2018 Housing Strategy defines family-sized homes as containing at least 3 bedrooms

<sup>3</sup> National Housing Federation, [Over a hundred years' wait for a family-sized social home](#), 08 April 2025

<sup>4</sup> Trust for London, [London's temporary accommodation crisis – the latest data](#), 3 September 2025

<sup>5</sup> London Councils, [Borough Homelessness Costs Soar to £5.5 Million a Day](#), 30 September 2025

<sup>6</sup> London Councils, [London's homelessness emergency](#), October 2024

## What is “affordable housing” and who is it for?

Affordable housing is an umbrella term for a variety of tenures (legal agreements) for rent and sale. The National Planning and Policy Framework identifies affordable housing as “for those whose needs are not met by the market” and includes several tenures:

- social rent (around 50 per cent of local market rents)
- other affordable housing for rent (up to 80 per cent of market rents)
- discounted market sales housing<sup>7</sup>
- other routes to home ownership<sup>8</sup>

This definition applies in London but the Mayor of London has “preferred” affordable housing tenures which he categories as “genuinely affordable”.<sup>9</sup> This includes social rent and:

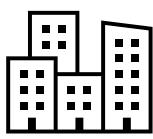
- **London Affordable Rent:** rent levels roughly corresponding to social rent levels (though generally slightly higher) and are pegged to benchmarks set by the GLA<sup>10</sup>
- **Shared ownership:** a part-buy, part-rent scheme that allows people to purchase a percentage of a property while paying rent on the remaining share
- **London Living Rent:** rent levels are based on a third of average household incomes and are adjusted for the number of bedrooms<sup>11</sup>

The definition of “affordable housing” is widely contested. Housing campaign groups such as Shelter argue that social rent is the only genuinely affordable housing tenure, as rents are linked to local incomes.<sup>12</sup> Tenures like shared ownership have been criticised for being unaffordable.<sup>13</sup>

## How is social and affordable housing delivered in London?



**Capital grant funding** supplied by government and distributed through the GLA. In 2023-24, 37 per cent of affordable homes completed in London were supported by grant, of which the Affordable Homes Programme is the largest source.<sup>14</sup>



**Developer contributions:** These are planning obligations – known as Section 106 agreements – which require developers to include an element of affordable housing on site when they are building homes for rent or sale. These homes are then bought by Registered Providers. In 2023-24, 49 per cent of affordable homes completed in London were delivered through

<sup>7</sup> For example, the [First Homes scheme](#)

<sup>8</sup> [National Planning Policy Framework](#) (p.70)

<sup>9</sup> [The London Plan 2021](#) (p.182-83)

<sup>10</sup> This tenure was used by the Mayor under the Affordable Homes Programme 2016-23 and was the main low-cost rent delivered during the programme. It is not clear how benchmarks were determined by the GLA.

<sup>11</sup> GLA, [‘London Living Rent’](#)

<sup>12</sup> Shelter, [Brick By Brick – A Plan to deliver the social homes we need](#), 11 July 2024

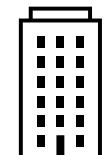
<sup>13</sup> Evidence on the unaffordability of shared ownership can be found in the Housing Committee’s report on leasehold, [“Worry and stress”: life as a leaseholder in London](#), published in June 2025.

<sup>14</sup> MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply, detailed breakdown by local authority.

Section 106.<sup>15</sup> However, reports over the last year state there has been a rapid decline of housing associations bidding for these homes.<sup>16</sup>



**Borrowing:** Since 2010, Registered Providers have increasingly borrowed money to fund housing delivery. According to the G15 – the group of London's leading housing associations – today the majority of funding for the delivery of affordable homes is through debt and private equity.<sup>17</sup>



**Cross-subsidy:** A funding model where some of the profit from selling or renting housing at market rates is used to build affordable homes.<sup>18</sup>

## The Mayor's Affordable Homes Programmes

The Affordable Homes Programme is a national programme used to deliver affordable homes in England. Funding is distributed to Registered Providers to **build new homes, acquire homes from the market, and redevelop existing housing estates.**<sup>19</sup>

In London, the Affordable Homes Programme has been devolved to the GLA since 2011.<sup>20</sup> Under the current 2021-26 programme, London is the only area of the country with devolved powers. Registered Providers outside of London receive funding through Homes England. However, the 2026-36 Affordable Homes Programme will be devolved to six Mayoral Strategic Authorities in London, in addition to London.<sup>21</sup>

The Mayor has a number of programmes through which he can fund the delivery of affordable homes, but of these, the Affordable Homes Programme has the largest budget and target of homes to be delivered.<sup>22</sup>

The GLA's main responsibilities for the Affordable Homes Programme include:

- negotiating targets and tenures with government
- setting some rules and procedures for delivery partners<sup>23</sup>, outlined in the GLA's Affordable Housing Capital Grant Funding Guide<sup>24</sup>
- agreeing the level of funding per home with partners, known as the "grant rate"
- allocating funding to providers and manage contracts to ensure housing is delivered<sup>25</sup>

<sup>15</sup> MHCLG, [Live tables on affordable housing supply](#), Table 1011: additional affordable housing supply, detailed breakdown by local authority.

<sup>16</sup> Inside Housing, ["Why aren't housing associations bidding for Section 106?"](#) 13 June 2025

<sup>17</sup> G15, [Increasing London's Affordable Homes](#), September 2024

<sup>18</sup> House of Commons Library, [Affordable housing in England](#), Tuesday 16 July 2024

<sup>19</sup> London Assembly Research Unit, [Affordable homes programmes in London](#), July 2025

<sup>20</sup> Centre for London, [Devolution in London: an unfinished story](#), 2024

<sup>21</sup> GOV UK, [Social and Affordable Homes Programme \(SAHP\) 2026 to 2036](#), 7 November 2025

<sup>22</sup> [The Mayor's Capital Spending Plan 2025-26](#)

<sup>23</sup> Delivery partners are Registered Providers that receive capital funding through the Affordable Homes Programme

<sup>24</sup> GLA, [Affordable Housing Capital Funding Guide](#)

<sup>25</sup> London Assembly Research Unit, [Affordable homes programmes in London](#), July 2025

Under the current Mayor of London, there have been two affordable homes programmes to date, as well as the upcoming 2026-36 programme.

### **The Affordable Homes Programme 2016-23**

Total allocation: £4.8bn

Target: 116,000 starts by March 2023. This target was met. There was no deadline for completions under this programme.

Delivery focus: The GLA had a target to deliver at least 50 per cent of the programme as shared ownership or another type of intermediate housing.

### **The Affordable Homes Programme 2021-26**

Total allocation: £4.06bn [this includes £4bn at the start of the programme and an additional £60m secured in 2025]<sup>26</sup>

Target: 17,800-19,000 starts by March 2026. To date, 6,370 homes have started under the programme. The deadline for completions is 2030.

Delivery focus: The GLA have a target to deliver at least 60 per cent of homes as social rent. Homes delivered under this programme to date meet this target.

### **Affordable Homes Programme 2026-36**

Total allocation: Up to £11.7bn (30 per cent of national fund)

Target: to be confirmed

Delivery focus: The GLA have a target to deliver at least 60 per cent of homes as social rent.

Timeline: Bids for funding are open in winter 2025-26 and it is expected that targets will be set by government in April 2026.

<sup>26</sup> [Homes for Londoners: Affordable Homes Programme 2021–2026 | London City Hall](#)

## **Assessing delivery, challenges and opportunities of the Mayor's Affordable Homes Programme - Housing Committee**

January 2026

14

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The Affordable Homes Programme 2026-36 was announced at the Spending Review in June 2026. At the Spending Review, the Chancellor also announced a wider package of measures to support the affordable housing sector. This included several changes to the way rent is governed and managed in the social housing sector, like rent convergence. The sector has long lobbied government for these changes, and it is expected that they will increase the rental income of Registered Providers. As a Committee, we welcome these announcements, which should help to rebuild the financial capacity of Registered Providers so they are able to invest in new homes.

## **Building the homes that Londoners need most**

Targets for the Affordable Homes Programmes are set for the number and tenure of homes delivered. However, there are no targets for the size of homes brought forward. Targets for the percentage of accessible housing delivered through new development in London are set out in the London Plan. The GLA does not record whether these targets are met through homes funded by the Mayor's Affordable Homes Programme.

Throughout our investigation, delivery partners told us that the current programme is not designed in a way that enables or incentivises the delivery of family-sized or accessible homes, which are more expensive to deliver. Given the urgent need for these homes, we call on the Mayor to work with government to adjust grant rates for delivery partners seeking to deliver them. The Committee notes the need to increase the overall number of affordable homes across London, and acknowledges that increasing grant rates for certain types of homes would reduce the overall number of 'units'. But we believe this is necessary, as a programme solely focused on units delivered rather than habitable rooms or accessible housing does not respond to the most acute housing need in the capital.

### **The need for family-sized homes**

London needs more social and affordable homes, but it particularly needs family-sized homes. This can include 3+bed flats, maisonettes or houses – it is not restricted to a specific property type.

The need for family-sized housing was clear through evidence received by the Committee. The G15 told us "our housing management teams consistently report a strong and growing need for family-sized homes".<sup>27</sup> The G15's Resident Group – a forum used to promote resident voice in social housing – told us that the next Affordable Homes Programme in London "must be protected and expanded to address the capital's acute [housing] need, particularly for family-sized social rent homes".<sup>28</sup>

The shortage of family-sized homes in London has had serious consequences for households in need of this housing. Waiting times for family-sized homes are much longer compared to smaller homes. City-wide, the average wait for a 1-bedroom property is 2 years and 3 months, compared to 6 years and 3 months for a family-sized home of 4 or more bedrooms.<sup>29</sup> Boroughs are increasingly reliant on placing homeless families in bed and breakfasts (B&Bs). In 2024, London Councils reported a 662 per cent increase in families placed by London boroughs in B&Bs between 2022-24.<sup>30</sup>

<sup>27</sup> [Ref No. AHP002](#), G15

<sup>28</sup> [Ref No. AHP003](#), G15 Resident Groups

<sup>29</sup> Centre for London, [London's Social Housing Waiting Times](#), 25 October 2024

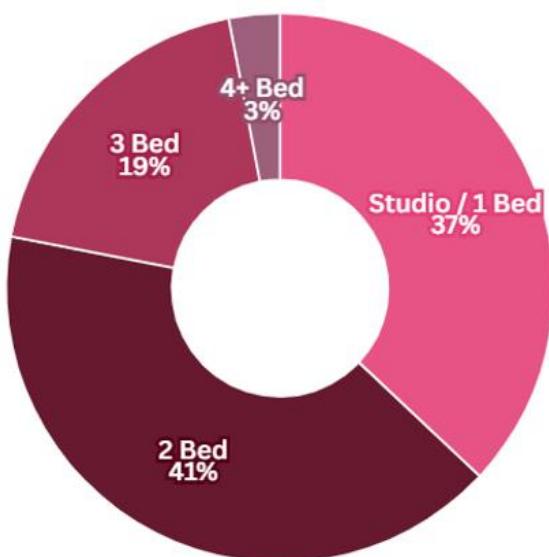
<sup>30</sup> London Councils, ['Emergency' warning issued as London homelessness hits new records](#), 24 October 2024

*“Family homes cost more to deliver and are of the greatest need for addressing homelessness in London”.*<sup>31</sup>

## Lewisham Council

The GLA records and publishes some data on the size of homes funded through its Affordable Homes Programmes.<sup>32</sup> From this data, the most common bedroom size for completions between 2016 and 2025 was two-bedroom homes, making up 41 per cent of total homes delivered, followed by one-bedroom homes at 37 per cent. Three-bedroom homes make up 19 per cent of the total and four-bedroom homes make up three per cent of the total.<sup>33</sup>

**All GLA recorded programmes: completions 2016-25 by bedroom size (%)**



Data Visualisation produced by the London Assembly Research Unit. Source: GLA, [Affordable Housing Statistics](#)

## Delivering family-sized homes

Building family-sized homes is expensive and difficult.<sup>34</sup> Once they are built and occupied, Registered Providers accrue less rental income (relative to the additional cost of building) compared to smaller units.<sup>35</sup> As a result, Registered Providers often borrow significantly to cover

<sup>31</sup> [Ref No. AHP005](#), London Borough of Lewisham

<sup>32</sup> Approximately 80 per cent for homes started and 88 per cent for homes completed across all the Mayor's affordable housing programmes

<sup>33</sup> GLA, [Affordable Housing Statistics](#)

<sup>34</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.14)

<sup>35</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.15)

the cost of larger homes, even with a GLA grant. Osama Shoush, Strategic Lead, Southwark Construction, London Borough of Southwark, told us:

“It is the same grant you get for a five-bedroom home as a one-bedroom home. Rents are also not proportional to the additional cost and that makes sense because just because you need a five-bedroom home does not mean you can afford to pay more rent than someone in a one-bedroom home. However, what that means is it is much more pressure on the HRA [Housing Revenue Account].<sup>36</sup> Basically, we have to do much more borrowing to build a five-bed than we would have to do to build a one-bed and that is tricky”.<sup>37</sup>

Most delivery partners told us that the design of the current programme does not incentivise or enable delivery partners to build family-sized homes. The G15, for example, told us that grant rates are generally relatively flat, and there is no uplift or flex in grant to deliver them.<sup>38</sup> Brent Council told us there are “no incentives” to deliver family-sized homes and that “there are currently no flexibilities around grant funding allowing for larger units”.<sup>39</sup>

At the meeting with the GLA, Deputy Mayor Tom Copley highlighted the importance of one and two-bed homes in encouraging tenants in larger homes to downsize, in turn freeing up family-sized homes.<sup>40</sup> There is no data available to show whether the one and two-bed homes built under the Affordable Homes Programmes have freed up more family-sized properties through encouraging downsizing.

## Higher grants for larger homes?

The majority of evidence we heard from delivery partners indicated that the current programme is not designed to deliver larger homes for families. Brent Council told us that the “relative inflexibility” of the Affordable Homes Programme does not allow it to build the kinds of homes that meet local needs, including homes for families.<sup>41</sup>

We received several written submissions arguing that grants should be allocated on the basis of habitable rooms rather than units, which would help incentive the delivery of family-sized homes. Barnet Council recommended that for the 2026-36 programme, targets should be based on “Floor/Bed Space/habitable rooms rather than units”.<sup>42</sup> The G15 made a similar point, stating:

“[...] Allocating grant based on habitable rooms rather than per unit would better reflect the cost and space requirements of different home types, supporting delivery that aligns with local need”.<sup>43</sup>

<sup>36</sup> Housing Revenue Accounts (HRAs) are ring-fenced landlord accounts that record income and expenditures pertaining to the provision of council rented housing by local authorities

<sup>37</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.15)

<sup>38</sup> [Ref No. AHP002](#), G15

<sup>39</sup> [Ref No. AHP004](#), London Borough of Barnet

<sup>40</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.15)

<sup>41</sup> [Ref No. AHP001](#), London Borough of Brent

<sup>42</sup> [Ref No. AHP004](#), London Borough of Barnet

<sup>43</sup> [Ref No. AHP002](#), G15

At our meeting with the GLA, we asked officers and the Deputy Mayor whether they'd consider increasing grant rates for Registered Providers delivering a higher number of family-sized homes. Deputy Mayor Tom Copley told us that "the team are already able to take that into account" and that he believes "there are cases" where this has happened.<sup>44</sup> He went on to say:

"obviously we have to be mindful of the overall AHP [Affordable Homes Programme] target, but of course, if it is possible to flex funding to achieve other important priorities, then that is an option that is available and it is exercised in certain cases".<sup>45</sup>

We appreciate that in some cases, funding has been adjusted to bring forward larger homes. But the evidence we received overwhelmingly suggests that the inflexibility of grant funding is a barrier to achieving this. As a Committee, we think that grant should be adjusted for any bid delivering family-sized homes and not just in certain cases.

### Targets for family-sized homes

In 2017, the GLA published the Strategic Housing Market Assessment (SHMA), which sets out how many affordable homes are needed in London and of which size.<sup>46</sup> It was published ahead of the 2021 London Plan, which set out the Mayor's spatial development strategy for London until 2026. A new SHMA is due to be published ahead of the 2026 London Plan. The SHMA does not include specific targets for GLA-funded homes. However, it does inform housing targets for boroughs, broken down by size and tenure, in the London Plan.

At our meeting with the GLA, we asked the Deputy Mayor whether the GLA would consider introducing targets for family-sized homes through the Affordable Homes Programme. He said:

"it is very difficult within an overall global target then also to be managing delivery against another target. The place for this to be decided is through the planning system and is through providers' own assessment of the needs of their residents, which they are much better able to assess than we are".<sup>47</sup>

We see no reason why targets could not be set for affordable, family-sized homes, as they were in the 2010 and 2014 Housing Strategies under a previous mayoralty. The targets set for a certain percentage of homes to be delivered as social rent under the Mayor's current programmes demonstrates the successful implementation of a specific target within the overall "global target". The Mayor should work with government to develop a programme which incentivises and enables the delivery of these homes through setting targets for family-sized homes and ensuring an uplift on grant to deliver them is standard practice.

The Committee notes that allocating higher grant rates to certain homes will impact the overall number of units that can be delivered with the current funding allocation. However, a strategic use of funds, linking grant more closely to the number of habitable rooms or floor space, would result in the Affordable Homes Programme better meeting London's most urgent housing need.

<sup>44</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.21)

<sup>45</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.21)

<sup>46</sup> GLA, [The 2017 Strategic Housing Market Assessment](#)

<sup>47</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.23)

The recommendations below which aim to bring forward more family-sized homes through the Affordable Homes Programme are the same provisions the GLA introduced to bring forward social rent homes through the 2021-26 programme, through targets and uplift on grants.

## **Recommendation 1**

The 2026-36 Affordable Homes Programme should provide an uplift in grant funding for family-sized homes to incentivise and enable the delivery of these homes. This should be standard practice rather than implemented on a case-by-case basis. The GLA should ensure Registered Providers are made aware of this before bids are submitted in early 2026.

## **Recommendation 2**

The GLA should set targets for family-sized homes as part of the 2026-36 programme, to ensure that larger homes are brought forward.

### **Delivering accessible homes for Deaf and Disabled Londoners**

There are not enough affordable, accessible homes being built in London to meet demand.<sup>48</sup> At our Committee meeting in June 2025 on accessible housing, we heard about the ongoing and severe shortage of social rent accessible homes in London. We were pleased to hear at this meeting that the GLA intends to build more accessible, affordable homes through the 2026-36 programme. However, we were concerned by the poor monitoring of affordable, accessible housing through the programme and the absence of targets for accessible homes. Following this meeting, we recommended that the Mayor sets targets for accessible homes and includes details of the accessible homes delivered through the programme, broken down by tenure, in the GLA's monitoring reports going forward.

In its written submission to the Committee, the disability campaign organisation, Inclusion London, told us that Deaf and Disabled Londoners:

- are disproportionately represented in social housing and so are more affected by the shortage of social rent homes compared to non-Disabled people
- typically face greater housing affordability challenges than non-Disabled people due to lower-than-average incomes and higher housing costs.<sup>49</sup>

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*'We are alarmed that the shortage of accessible socially rented homes in the capital is forcing more Deaf and Disabled Londoners into temporary accommodation and the private rented sector where rents are spiralling out of control, leading to a rise in poverty and inequalities'.*<sup>50</sup>

## **Inclusion London**

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<sup>48</sup> Housing Committee – [Letter to the Mayor on Accessible Housing in London](#)

<sup>49</sup> Inclusion London, London Assembly Housing Committee's investigation into the Mayor's Affordable Housing Delivery, [Additional written evidence](#)

<sup>50</sup> Inclusion London, London Assembly Housing Committee's investigation into the Mayor's Affordable Housing Delivery, [Additional written evidence](#)

Figures are not published on how much it costs on average to build an accessible, social rent home in London. But, Inclusion London told us that the high cost of building social rent homes in London and the high cost of building wheelchair user homes in England indicates it is likely to be “significantly high”.<sup>51</sup>

In its written evidence, Brent Council told us how financial challenges faced by councils makes delivering new, accessible, affordable housing difficult:

“The AHP [Affordable Homes Programme] 2021-26 certainly has the aspirations to meet the needs of deaf and disabled Londoners but [...] due to the financial challenges the Council and many others are experiencing, it is becoming difficult to meet these aspirations with new housing”.<sup>52</sup>

### Delivering accessible, affordable homes through the Affordable Homes Programme

All housing developments are required to meet targets for accessible homes outlined in the London Plan. London Plan requirements state that 10 per cent of new build homes delivered must be wheelchair accessible and 90 per cent must meet some accessible and adaptable standards.<sup>53</sup> There are no targets for accessible homes broken down by tenure; for example, targets for social rent accessible homes.

Nonetheless, the GLA told us that affordable, accessible housing is best secured through planning requirements in the London Plan rather than through the Affordable Homes Programme.<sup>54</sup> The Deputy Mayor told us:

“Planning is the area where accessible housing is best secured. We have got requirements in the London Plan. It is difficult for us to put requirements within the AHP [Affordable Homes Programme] grant funding requirements”.<sup>55</sup>

Tim Steer, Executive Director of Housing and Land, GLA, told us that delivery partners need to meet the targets set out for accessible housing in the London Plan. He added that, where delivery partners put forward proposals to deliver a proportion of accessible homes that exceed this target, the GLA will consider this as part of the “bid assessment work” with the Government.<sup>56</sup>

Given the chronic issues of data collection around the London Plan, we do not know exactly how many homes of different levels of accessibility and tenure are being delivered through planning. The available data, however, suggests that the London Plan is failing to produce a pipeline of affordable, accessible housing.<sup>57</sup>

<sup>51</sup> Inclusion London, London Assembly Housing Committee’s investigation into the Mayor’s Affordable Housing Delivery, [Additional written evidence](#)

<sup>52</sup> [Ref No. AHP001](#), London Borough of Brent

<sup>53</sup> [The London Plan](#)

<sup>54</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.27)

<sup>55</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.27)

<sup>56</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.28)

<sup>57</sup> London Assembly Housing Committee, [Accessible housing letter](#), (p.3-5)

Our June 2025 meeting on accessible housing revealed that there is a lack of clear, consistent and transparent data on the number and tenure of accessible homes delivered through the Affordable Homes Programmes.<sup>58</sup> As a Committee, we find this incredibly concerning and, in our letter to the GLA published in August 2025, we included the following recommendation:

“The Mayor’s next Affordable Homes Programme should include clear targets for the number of affordable homes delivered that meet accessibility standard M4(2), M4(3)(a) and M4(3)(b), broken down by tenure”.<sup>59</sup>

The insufficient data for accessible homes delivered through the Affordable Homes Programme means we cannot know whether delivery partners are meeting the targets for accessible homes set out in the London Plan. However, we can evaluate whether the programme is currently designed in a way that enables and supports them to bring forward these homes. The evidence we received throughout this investigation suggests the programme is not designed in a way that facilitates the delivery of accessible, affordable homes, as like family-sized homes, grant is not adjusted to allow for this.

### **Recommendation 3**

The GLA should provide an uplift on grant rates for the delivery of accessible homes under the 2026-36 programme. This should be standard practice rather than implemented on a case-by-case basis. The GLA should ensure that Registered Providers are made aware of this before bids are submitted in early 2026.

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### **Sites for Gypsy, Roma and Traveller Communities**

There is an urgent need in London for more and better housing provision for Gypsy, Roma and Traveller Londoners who experience overcrowding and homelessness due to a lack of pitches. Sites that are provided to this community are often unsuitable and of a poor standard.<sup>60</sup>

At our meeting with the GLA, Deputy Mayor Tom Copley told us that he is “very interested in how we [the GLA] can get more gypsy and traveller pitches” as there has not been enough delivery to date.<sup>61</sup> We agree – more sites need to be brought forward through the next programme.

The 2017 GLA’s Strategic Housing Market Assessment does not include a London-wide assessment of housing need for Gypsy, Roma and Traveller communities. However, ahead of the next London Plan the GLA is publishing a “Gypsy and Traveller Accommodation Needs Assessment”.<sup>62</sup> We think this assessment of need is crucial in order to identify what type and level of housing support this community requires in London (although it should be noted that this assessment is not connected to the Affordable Homes Programme).

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<sup>58</sup> London Assembly Housing Committee, [Accessible housing letter](#), (p.4)

<sup>59</sup> London Assembly Housing Committee, [Accessible housing letter](#), (p.6)

<sup>60</sup> MQT, [2024/4023](#)

<sup>61</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.29)

<sup>62</sup> MQT, [2025/2852](#)

We asked the Deputy Mayor whether the GLA would consider setting targets for sites to be brought forward through the next Affordable Homes Programme. He told us:

“Is the proposition that if a borough does not deliver a certain number of pitches they cannot access AHP [Affordable Homes Programme] funding? I am not quite sure how it is envisaged that a target would work within the AHP [Affordable Homes Programme]. The best way for us to deal with this is how we promote that funding, with my conversations with borough leaders and housing and regeneration leads, to encourage them to come forward. I have had, in recent times, some positive conversations with certain boroughs who are interested in bringing forward sites”.<sup>63</sup>

We are pleased to hear this intention to engage with local authorities to bring forward sites for Gypsy, Roma and Traveller communities. As a Committee, we would like to see an action plan to engage councils to bring forward sites. We are also concerned that the number of sites brought forward through the Affordable Homes Programmes are not recorded and published. Under the 2026-36 programme, the GLA should monitor and publish this information.

## **Recommendation 4**

In 2026, the GLA should publish an action plan to engage councils to deliver Gypsy, Roma Traveller sites through the Affordable Homes Programme 2026-36. The Mayor should write to the Committee confirming that an action plan will be developed.

## **Recommendation 5**

The GLA should record and publish the number of sites that come forward for Gypsy, Roma and Traveller communities through the 2026-36 Affordable Homes programme. This should be published as part of the quarterly monitoring reports and should be included in the first quarterly report under the 2026-36 programme.

## **Supported housing**

**Supported housing** is accommodation where residents receive **support, supervision or care**. There are many different kinds of people that live in supported housing. Examples include: older people, people with mental health problems, Deaf and Disabled people, people who have experienced domestic abuse, and people with experience of the criminal justice system.

Supported housing providers face many of the same challenges delivering new homes in London as other Registered Providers. However, a specific barrier faced by the supported housing sector is access to revenue funding, which is needed for the ongoing support and care provision. Revenue funding is used to cover costs like paying carers or for specialist facilities.

<sup>63</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.30)

Supported housing providers primarily rely on local authority funding for revenue. The Mayor provides some revenue funding through specialist housing schemes, such as the Domestic Safe Accommodation Homes Programme.<sup>64</sup> But, revenue funding is not available through the Affordable Homes Programme. At a previous Housing Committee meeting, the GLA highlighted that this is a constraint of the programme, as some housing schemes – particularly specialist and supported housing or community-led housing – cannot access the revenue needed to maintain or expand schemes.<sup>65</sup>

At our meeting, Heather Thomas, Chief Executive at Sapphire Independent Housing, told us that supported housing providers are struggling to remain open without sufficient access to revenue:

“We are and started off as a supported housing provider at Sapphire, and we would love to develop supported housing and it is not that the capital grant is not available under the GLA, it is just that the revenue support side is really the issue. Supported housing providers (a) are pulling out, as you probably know, and (b) they are doing that because of concerns about the fact there is no increase in revenue funding and the fact that the revenue funding grant, when it is commissioned, is not ring-fenced. That is really a barrier to expanding the provision of supported housing”.<sup>66</sup>

At our meeting with the GLA, the Deputy Mayor recognised the importance of revenue funding for the supported housing sector. He said:

“We are very alive to the fact that, if you have got supported housing, really you have to have revenue funding. We are in discussions with the Government about it. We are very conscious that revenue funding is tight, but we are making the case that revenue funding is important for supported housing”.<sup>67</sup>

The Committee supports the Mayor’s position that the Government should provide revenue funding for supported housing delivered under the next Affordable Homes Programme where appropriate. This will be particularly important for small providers of supported housing, who provide an essential service for many Londoners.

## **Recommendation 6**

The Government should include revenue funding in the Affordable Homes Programme, specifically to enable the GLA to provide essential funding to supported housing providers where appropriate. As part of ongoing discussions with government about the Affordable Homes Programme 2026-36, the GLA should continue to lobby for additional revenue funding to be included in the programme. The Mayor should provide an update on this issue to the Committee at the next review of the Affordable Housing Programme.

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<sup>64</sup> GLA, Domestic Abuse Safe Accommodation Programme, [Prospectus and Guidance for London](#), March 2025

<sup>65</sup> London Assembly Housing Committee - 24 July 2024 Transcript of Agenda Item 9 - Community Land Trusts and Cooperative Housing – [Panel 2](#), page 14

<sup>66</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.5)

<sup>67</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.17)

## Meeting targets and pace of delivery

London urgently needs more social housing, and other types of sub-market housing. But over the past five years, the pace of housing delivery has massively slowed down. As a Committee, we recognise how wider financial challenges have impacted new supply. London cannot, however, afford for the slow pace of delivery to continue.

The Mayor has a critical role in ensuring that homes under the 2026-36 programme are built much more quickly. While broader macroeconomic conditions affect the pace of delivery in London, we also believe the design of the programme – for example, how delivery targets are set – can influence how quickly new homes are built. In fact, it is precisely because of these macroeconomic challenges that the next programme must be designed to expedite delivery and support Registered Providers to deliver new homes at pace.

### Delivery under the Affordable Homes Programme 2016-23

The 2016-23 Affordable Homes Programme was also known as the Shared Ownership and Affordable Homes Programme. It had a strong focus on shared ownership and the GLA's target was to deliver at least 50 per cent of the programme as shared ownership or intermediate housing.<sup>68</sup> In 2016, the Mayor was allocated £3.15bn from the previous Government for the programme. The Mayor was allocated an additional £1.67bn in 2018 (also from the previous Government). The original deadline for starts was March 2021 but this was extended in 2023 due to the further funding in 2018 and later due to the Covid-19 pandemic.<sup>69</sup>

The Mayor met his target for starts under the 2016-23 programme (116,000 starts) in March 2023, with the largest annual delivery of starts falling in the final year of the programme (25,658 starts compared to the second highest annual delivery, 18,840, the year before).<sup>70</sup> The GLA has previously described this pattern of delivery as resembling a “hockey stick” as delivery is concentrated at the end of a programme.<sup>71</sup>

Deputy Mayor Tom Copley, told us that the GLA expects the majority of homes to be completed under the 2016-23 programme by 2030.<sup>72</sup> Tajmina Jetha, Head of Programme Management in Housing and Land at the GLA, confirmed this, and added that she expects about four projects to continue into the 2030s.<sup>73</sup> As of September 2025, this leaves 38,448 homes started but not completed (33 per cent of the 116,782 starts).<sup>74</sup>

<sup>68</sup> GLA, [Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance](#), November 2016

<sup>69</sup> London Assembly Research Unit, [Affordable homes programmes in London](#), 10 July 2025

<sup>70</sup> GLA, [Affordable Housing Statistics](#)

<sup>71</sup> London Assembly Budget and Performance Committee – [2023-24 GLA Group Outturn](#), Tuesday 23 July 2024, (p.1)

<sup>72</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.2)

<sup>73</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.2)

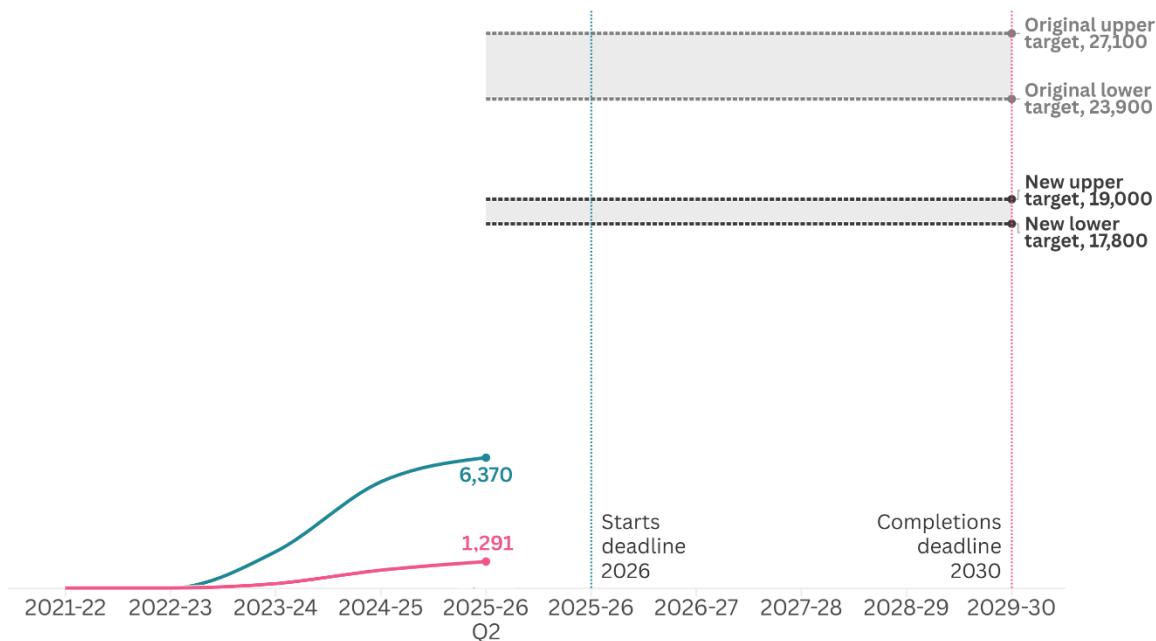
<sup>74</sup> GLA, [Affordable Housing Statistics](#)

## Delivery under the Affordable Homes Programme 2021-26

The original target for the 2021-26 programme was 35,000 starts before March 2026. However, this target has been adjusted twice. Citing challenging delivery conditions, in May 2023, the GLA and the Government reset this target to between 23,900 and 27,200.<sup>75</sup> In 2025, this was reduced again to between 17,800 and 19,000 starts. In June 2025, the Mayor commented on the second reduction, which he said was informed by GLA officers' "best and current understanding of the remaining delivery potential of the programme".<sup>76</sup>

However, even against this lower target, delivery has been slow. Up to September 2025, there have been 6,370 affordable homes started under the Affordable Homes Programme 2021-26, against the lower target of 17,800 by March 2026.<sup>77</sup> This represents just 36 per cent of homes against the lower target.

### GLA Affordable Homes Programme 2021-26 starts and completions



Source: Produced by the London Assembly Research Unit. Data used was drawn from GLA, [Affordable Housing Statistics](#)

At our meeting with the GLA, Deputy Mayor Tom Copley told us that, based on information provided by delivery partners, the current target for starts will be met.<sup>78</sup> He also told us that over the last year, there has been a 70 per cent increase in starts across all affordable housing programmes under the Mayor. We are glad that delivery has picked up over the last year.

<sup>75</sup> London Assembly, Housing Committee, [Transcript of Agenda Item 7 – Affordable Homes Programme 2021-26](#), 19 October 2023, (p.5)

<sup>76</sup> MQT, [2025/2024](#), 19 June 2025

<sup>77</sup> GLA, [Affordable Housing Statistics](#)

<sup>78</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.3)

However, this increase is from a very low base, and still leaves the GLA a long way from meeting its target for starts by March 2026.

We heard some concern from delivery partners about meeting this target. Tom Oliver, Development Programme Director at Peabody, told us: "there is now a huge pressure on the timings of this AHP [2021-26 Affordable Homes Programme], and that probably does need to be a conversation around whether the terms are achievable in the timescales of March 2026".<sup>79</sup> The G15, a group of London's leading housing associations, also highlighted the need for flexible delivery timescales with the GLA "to ensure that the remaining homes can be brought forward without compromising quality or financial sustainability".<sup>80</sup>

Given how close we are to the end of the programme, we are concerned that this target will not be met. In the remainder of this chapter we discuss issues that we have identified as contributing to the relatively slow delivery of the programme.

### Why has delivery been slow?

The affordable housing sector has faced long-standing challenges to building new homes in London. However, it is clear from the evidence we received that the sector is now experiencing unprecedented challenges on multiple fronts, which is holding it back from delivering the volume of affordable homes that London needs. In September 2024, the G15 said housing associations are now stretched to their "absolute capacity".<sup>81</sup> It therefore came as no surprise to hear from delivery partners about the complex challenges they have faced throughout the course of the 2021-26 programme. At our meeting with councils, Alice Lester MBE, Corporate Director for Neighbourhoods and Regeneration, London Borough of Brent, told us that due to these challenges, the pipeline for building new homes in Brent has "effectively dried up now".<sup>82</sup>

#### High interest rates

A key challenge faced by Registered Providers over the course of the 2021-26 programme has been the increased cost of borrowing. Brent Council, for example, told us that the cost of borrowing has "exponentially increased" in this time period.<sup>83</sup> At our evidence-gathering meeting, Alice Lester MBE told us that if Brent Council were able to "access cheaper borrowing at lower interest rates" this would make a difference to the financial viability of new schemes.<sup>84</sup> The G15 told us that rising interest rates have placed "pressure on development pipelines".<sup>85</sup>

#### High cost of land

The cost of land in London is much higher than in England as a whole, which makes it difficult for Registered Providers to acquire land to build new homes. Brent Council told us that current

<sup>79</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.11)

<sup>80</sup> [Ref No. AHP002](#), G15

<sup>81</sup> G15, [Increasing London's Affordable Homes](#), G15 research report. September 2024

<sup>82</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 2](#), (p.22)

<sup>83</sup> [Ref No. AHP001](#), Brent Council

<sup>84</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 2](#), (p.3)

<sup>85</sup> [Ref No. AHP002](#), G15

funding available through the Affordable Homes Programme 2021-26 is “insufficient to offset the high land acquisition and construction costs in Brent”.<sup>86</sup> The G15 stated “Delivering in London and the South-East is more challenging due to higher land, build and compliance costs”.<sup>87</sup>

## High building costs and insecure contractors

Building costs are particularly high in London. Newham Council told us that social rent needs significant subsidy and that this is a challenge to deliver because of rising build costs.<sup>88</sup>

We also heard about challenges with contractors. The first issue we heard about was the inflated cost of construction. Brent Council told us that prices of contractors have increased since the programme began. It said that they are now evaluating bids from contractors that are priced from £6,000 per m<sup>2</sup>, compared to £3,000 per m<sup>2</sup> at the beginning of the programme.<sup>89</sup>

The second issue was around smaller contractors being at a higher risk of insolvency than larger companies, which disproportionately affects smaller housing providers who are more likely to use them.<sup>90</sup> The housing association Southern Housing told us that when its contractor fell into administration, Southern Housing had to procure new contractors which increased its overall expenditure and slowed down delivery.<sup>91</sup>

At our meeting, Barbara Richardson, Managing Director at Square Roots, told us the increase in build costs shows no signs of slowing down.<sup>92</sup> In October 2025, the Building Cost Information Service predicted that building costs continue to rise by 15 per cent over the next five years.<sup>93</sup>

## Building Safety

Since 2021, Registered Providers have been required to implement a number of substantial regulatory changes, driven by the Social Housing (Regulation) Act 2023 and Building Safety Act 2022. We support these legislative changes which fundamentally aim to improve the safety and quality of social housing. However, Registered Providers have not been supported financially to cover the costs of meeting new regulatory standards both in terms of upgrading existing stock and implementing these standards for new homes. As a result, their financial capacity to invest in new homes has been severely constrained.

The Building Act 2022 was implemented after the Grenfell Tower fire in 2017, to improve building safety through stricter regulatory standards, especially for high-rise residential buildings.<sup>94</sup> The Act created the Building Safety Regulator, which oversees the safety and performance of all buildings in England. At our meeting we heard extensively about the challenges as a result of new building safety regulations. The G15 told us “we have had to plan

<sup>86</sup> [Ref No. AHP001](#), Brent Council

<sup>87</sup> [Ref No. AHP002](#), G15

<sup>88</sup> [Ref No. AHP006](#), London Borough of Newham

<sup>89</sup> [Ref No. AHP001](#), Brent Council

<sup>90</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.11)

<sup>91</sup> [Ref No. AHP008](#), Southern Housing

<sup>92</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.14)

<sup>93</sup> [BCIS building forecast](#), 2 October 2025

<sup>94</sup> [The Building Safety Act - GOV.UK](#)

for and deliver extensive building safety works across our portfolio, particularly on multi-home blocks".<sup>95</sup> In its written submission, Lewisham Council told us changes in the planning system due to the Building Safety Act added "cost and time" to major housing projects.<sup>96</sup>

We also heard about delays caused by building safety regulations, particularly for 'Gateway 2 approval processes', which must be approved by the national regulator.<sup>97</sup> Gateway 2 is one of the three key stages of approval introduced under the Act for higher-risk buildings, and occurs before the construction stage. The G15 told us:

"The most significant risks to completing the [Affordable Homes] programme include unlocking financial capacity and navigating the Building Safety Gateway 2 process for high-rise schemes, which can introduce delays and uncertainty".<sup>98</sup>

Barbara Richardson, Managing Director at Square Roots, told us in July 2025:

"We have sites where we have started with enabling works, but obviously we cannot start piling yet until we get those gateway approvals through. One of our projects, which is in the GLA AHP [Affordable Homes Programme] 2021-26, the application for gateway 2 was submitted in August 2024 and still has yet to be determined. That gives you some indication of the delay, and there is no way that we can start piling until we get that gateway 2 approval process".<sup>99</sup>

At the Spending Review in June 2025, the Government announced over £1 billion of new investment "to accelerate the remediation of social housing".<sup>100</sup> This will give Registered Providers the same level of access to the Building Safety Fund as private building owners, to support with the cost of building safety.<sup>101</sup> We welcome this announcement. However, we think there is more the Mayor could do to support Registered Providers to deliver new homes in London. This is outlined in the next chapter, 'Further ways of delivering new homes'.

### Delays to the start of the 2021-26 programme

Some delivery partners told us that long waits to find out about grant allocations under the 2021-26 programme slowed down delivery and increased costs.<sup>102</sup> Heather Thomas, Chief Executive at Sapphire Independent Housing, told us:

"The only barrier [...] is really about delay in the announcement. The AHP [Affordable Homes Programme] 2021-26, there was a delay in that, and as we have said, that has an impact not just in terms of getting schemes started, but potentially increasing costs, because we have been in a period where inflation has been high. Just that delay of a few

<sup>95</sup> [Ref No. AHP002](#), G15

<sup>96</sup> [Ref No. AHP005](#), Lewisham Council

<sup>97</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.3)

<sup>98</sup> [Ref No. AHP002](#), G15

<sup>99</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.10)

<sup>100</sup> GOV.UK, [Building Safety Fund: Information for leaseholders and tenants](#), accessed 7 October 2025

<sup>101</sup> GOV.UK, [Building Safety Fund: Information for leaseholders and tenants](#), accessed 7 October 2025

<sup>102</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.11)

months in hearing what the grant allocation is going to be means, when you go back to the contractor, their costs have gone up.”<sup>103</sup>

Lewisham Council told us that the switch from fixed grant rates to negotiated grant rates slowed down delivery. It said: “the delivery process has been slowed and complicated by individual grant negotiations on each individual scheme or transaction”.<sup>104</sup> The evidence we received was broadly positive about the change from fixed to negotiated grant rates, which will be discussed later in the report. But we recognise that this may have had an impact on the speed of delivery.

At our September meeting, Deputy Mayor Tom Copley told us that the previous Government had delayed signing off the 2021-26 Affordable Homes Programme, which contributed to slow progress against delivery targets. He argued that “we were only able to start this [2021-26] AHP effectively in October of 2023, because the previous Housing Secretary did not sign off on the AHP [Affordable Homes Programme]”.<sup>105</sup>

However, it has also previously been suggested by GLA officers that the 2021-26 programme did not start until 2023 because the GLA “was very, very focused on the end of the previous [2016-23] Programme and we could only do so much in terms of planning for this one”.<sup>106</sup>

The Committee cannot be certain of the extent to which the switch to negotiated grant rates and delays in sign-off from the previous government affected the rate of delivery across the programme. What is clear to the Committee, however, is that homes must be built and acquired much faster under the 2026-36 programme.

## **The Affordable Homes Programme 2026-36**

The new Affordable Homes Programme has generally been welcomed by the sector. A 10-year funding period gives Registered Providers more certainty over their future grant income, which frees up capacity to invest in new housing.<sup>107</sup> Additionally, the total figure of £11.7bn is a larger overall funding pot compared to previous Affordable Homes Programmes. However, at our first meeting, we also heard concerns that the £11.7bn will not be enough to meet London’s housing need.<sup>108</sup> Tracey Cullen, Chief Executive of the Croydon Churches Housing Association, told us:

“It is not enough. We have the biggest housing crisis in London. We have the biggest issues around building safety. The allocation should have reflected that... I would be concerned that we are not going to be able to deliver what we need with that”.<sup>109</sup>

<sup>103</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.11)

<sup>104</sup> [Ref No. AHP005](#), London Borough of Lewisham

<sup>105</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.8)

<sup>106</sup> [Appendix 2 - Budget and Performance Transcript - Affordable Housing 13.06.2023.pdf](#) (p.8)

<sup>107</sup> [Ref No. AHP008](#), Southern Housing

<sup>108</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.21)

<sup>109</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.21)

We are pleased that government has increased London's funding allocation for the 2026-36 programme, which is an extra £170m annually compared to the 2021-26 programme. However, we are concerned that, given the scale of challenges delivering new homes in London, it is not enough to meet overall demand for social and affordable homes.

We also welcome the longer programme, which should make it easier for Registered Providers to deliver more social and affordable homes in London through greater certainty of future grant income. However, there are also risks with a longer programme. If, like previous programmes, delivery is back-ended to its final years, there could be a considerable delay before homes are delivered.

It will therefore be imperative that the Government and the GLA work together at pace to deliver homes for Londoners under this next programme. While the Committee welcomes the longer timeframe of the next programme, we believe it is vital that there is continuous delivery across its lifetime, and not just in its final stages. To ensure this, the GLA must set interim targets across the 10-year period for Registered Providers.

## **Recommendation 7**

Under the 2026-36 programme, the Mayor should set interim targets for delivery partners to ensure starts and completions are delivered as quickly as possible and are staggered throughout the programme. These interim targets should be set in 2026 when initial grant allocations are announced. We ask that the Mayor share the proposed targets with the Committee by March 2026.

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### **Delivering homes for social rent**

The number of Londoners living in temporary accommodation is rapidly growing. Many are on waiting lists, not knowing if they will ever have a decent home. Many Londoners are forced to live in private rent homes they cannot comfortably afford. The need for more social housing is therefore essential.

Even with grant funding through the Mayor's Affordable Homes Programmes, Registered Providers face significant challenges delivering homes for social rent. Social housing is the most expensive tenure to deliver and requires the highest levels of subsidy. In September 2024, the G15 reported that in London the average subsidy requirement for a social rent home is £273,000 compared to £44,000 for a shared ownership home.<sup>110</sup>

Throughout our investigation, delivery partners were broadly positive about the switch to negotiated grant rates, which we were told was necessary so that higher grant rates could be accessed to deliver social rent homes.<sup>111</sup> The G15 told us: "We welcomed the move away from fixed tariff rates used in the 2016-21 programme toward a more flexible model under the AHP 2021-26" and said the more flexible approach to grant rates "better reflected the diversity of delivery contexts across London".<sup>112</sup>

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<sup>110</sup> G15, [Increasing London's Affordable Homes](#), September 2024

<sup>111</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.14)

<sup>112</sup> [Ref No. AHP002](#), G15

## Grant rates

Under the 2016-23 programme, there was a standard, fixed grant rate, generally equivalent to 15-20 percent of the overall cost of a home.

A key addition to the 2021-26 programme was the introduction of flexible grant rates\*. This means the amount of grant which providers can receive per home will differ depending on tenure and type of provider.

*\*Flexible grant rates are also referred to as negotiated grant rates. These terms are used interchangeably.*

However, we were told that higher grant rates are not enough to cover the cost of social rent homes. Osama Shoush, Strategic Lead, Southwark Construction, London Borough of Southwark, told us that grant rates through the Affordable Homes Programme cover around 30 to 40 per cent of the overall cost. He said:

“The main focus of our housing delivery programme is council homes for social rent, and that is difficult because the grant rates cover 30 to 40 per cent of it. We need to find the other 60 per cent. When you factor in the rent you get over the [lifetime of the homes] period, it covers maybe 20 per cent of the total cost. That still means we need to find 40 per cent of the costs from borrowing or maybe from cross-subsidy. That is the real big difficulty”.<sup>113</sup>

This was reiterated by Alice Lester MBE, Corporate Director for Neighbourhoods and Regeneration at the London Borough of Brent, who told us: “We just have not been able to make the viability for schemes stack up even with the grants. It just does not come close to enabling us to make these viable”.<sup>114</sup> Similarly, Heather Thomas, Chief Executive of Sapphire Independent Housing told us:

“I would say that we had an allocation under the previous AHP which was at tariff grant rates and that was quite difficult to deliver. In comparison, the AHP 2021-26 has been more positive [...] We welcome the return to social rents, that has been positive, and obviously the higher grant rates that comes with that. I would just add one caveat though, with rising prices, which you will know about, it is still quite difficult to deliver schemes where we have to acquire sites and develop out at some of the grant rates that are available, just due to rising costs”.<sup>115</sup>

<sup>113</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.4)

<sup>114</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.3)

<sup>115</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 1](#) (p.1)

However, despite the concerns of Registered Providers, we heard that the next programme is unlikely to increase grant rates to support social housing delivery. Deputy Mayor Tom Copley told us that flexible grant rates will continue for the 2026-36 programme, but went on to say that the Government has a “strong desire for grant rates certainly not to increase and potentially to come down”.<sup>116</sup> This information was provided in the context of the “wider package of measures” announced at the Spending Review in June 2025 [referenced in chapter two] which he said should provide “additional capacity” for delivery partners to build new homes.<sup>117</sup>

We do not yet know the extent to which these new measures will strengthen Registered Providers’ capacity to build new homes in London. Given the evidence we heard about the challenging financial environment for Registered Providers seeking to build social homes in London, and given that the measures announced at the Spending Review have not yet been implemented, we are very concerned about the capacity of Registered Providers to deliver social housing – even at the current grant rates.

## **Working with the GLA**

### **Engagement with the GLA**

The Committee was pleased to hear very positive feedback from delivery partners about their experiences of working with the GLA. Alice Lester MBE, Corporate Director for Neighbourhoods and Regeneration, London Borough of Brent, told us GLA officers strike a good balance between holding the council to account and being understanding about the difficult market conditions that make building new homes hard. She said:

“I have always found that the GLA, whilst it holds us, quite rightly, to account and we have to explain our delivery milestones, challenges, financial issues and so on, I have always found the GLA staff members that I have engaged with very willing to try to help and be flexible where they can. Yes, it is very positive...”.<sup>118</sup>

Heather Thomas, Chief Executive at Sapphire Housing, told us that the GLA has been “very encouraging to smaller providers” and that “their understanding of the market conditions and, under the AHP [Affordable Homes Programme], their ability to flex grant, has been very helpful to us”.<sup>119</sup> Lewisham Council reiterated this and said the GLA had been “sensitive and flexible” in response to the macroeconomic challenges with delivering new homes.<sup>120</sup>

Tracey Cullen, Chief Executive and Board Member, Croydon Churches, told us that liaison with the GLA team has improved under the 2021-26 programme compared to the 2016-23 programme. She said:

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<sup>116</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.25)

<sup>117</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.25)

<sup>118</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 2](#), (p.1)

<sup>119</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.11)

<sup>120</sup> [Ref No. AHP005](#), London Borough of Lewisham

“I would say that what I found more positive, this AHP than last AHP, is my liaison with my GLA team has been more regular, and that is really helpful. They are super accessible outside of regular meetings, but we do have regular meetings every month, two months, and they are kept to religiously, and that is useful”.<sup>121</sup>

As a Committee, we are pleased to hear that the GLA has maintained positive relationships with delivery partners and has adopted a flexible approach in response to the challenges of building in the capital. We encourage the GLA to continue this approach into the 2026-36 programme.

### **Improving monitoring systems**

However, we heard that delivery partners faced challenges with the IT system used for the Affordable Homes Programme. This system is called the Open Project System (OPS) and used by the GLA's delivery partners to submit bids, track project progress, and report on milestones. Barbara Richardson, Managing Director at Square Roots, said: “Unless you have ever used the GLA's OPS portal, you will not realise how painful [it] can be at times”.<sup>122</sup> Heather Thomas, Chief Executive, Sapphire Independent Housing, added “Any way that it [the OPS system] could be simplified would be helpful”.<sup>123</sup>

Whilst we recognise that such monitoring systems are essential and will inevitably take up some time and resource of delivery partners, we are concerned at how cumbersome this one appears to be. We do not want Registered Providers – particularly smaller, less-resourced ones – to be burdened by this. The system for monitoring should be simplified to make it easier for GLA delivery partners. Before any changes are made, the GLA should consult with delivery partners to understand the key issues with the system.

### **Recommendation 8**

The GLA should consult with delivery partners to understand the challenges with using the Open Project System and use these findings to make improvements for the 2026-36 programme before delivery partners are required to use it to submit bids. We ask that the Mayor write to the Committee before the end of 2025 confirming that improvements to OPS are being considered.

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<sup>121</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.15)

<sup>122</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.15)

<sup>123</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.16)

## Further ways of delivering new homes

There are various routes to delivering affordable homes in London. Through the Affordable Homes Programme, the Mayor can fund Registered Providers to acquire homes on the open market or undertake estate regeneration projects to increase social and affordable homes in the capital. This chapter considers the Mayor's acquisition and estate regeneration programmes in turn. We also heard that additional support is needed to unlock stalled sites in London, to expedite the delivery of social rent homes. This chapter considers how the Mayor could do this.

### Unlocking stalled sites

In September 2025, through Freedom of Information requests sent to councils in London, the BBC reported that an estimated £120 million has been spent on housing developments in the capital that have now been put on hold.<sup>124</sup> Through our investigation, delivery partners told us about the need for funding to stabilise existing schemes. The G15 told us how supporting existing developments can increase the number of new homes built overall:

“Where cost increases arise on live schemes, additional grant funding can help maintain viability. While this may seem counterintuitive, absorbing cost overruns, including those caused by contractor insolvencies, on current projects directly affects our ability to unlock future pipeline. Strategic use of grant to stabilise existing delivery would enable us to continue investing in new starts”.<sup>125</sup>

### The City Hall Investor Fund

At our meeting with the GLA, we explored what steps the GLA could take to unlock existing sites where development has stalled. Deputy Mayor Tom Copley told us that the City Hall Developer Investor Fund will play a key role in unlocking stalled sites going forward. He said:

“In the context of stalled sites, what is going to become really important will be the City Hall Developer Investment Fund, which is something the Mayor has called for and now the Government has committed to, and we will be working through the details of that. What that will do is enable us to provide different types of financing that will help to get some of these stalled sites moving once again”.<sup>126</sup>

In October 2025, it was announced that the City Hall Developer Investor Fund would receive £322 million.<sup>127</sup> GLA officers informed the Committee that, “The Fund will aim to unlock housing on stalled sites and act innovatively to bring forward strategic sites including those with challenging viability and infrastructure requirements”.<sup>128</sup>

<sup>124</sup> BBC, [The millions spent on homes that are on pause](#). 2 September 2025. Data was obtained for 31 councils.

<sup>125</sup> [Ref No. AHP002](#), G15

<sup>126</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.26)

<sup>127</sup> GOV UK, [New measures announced to ramp up housebuilding in London](#), 23 October 2025

<sup>128</sup> Information sent directly to the scrutiny team on 3 October 2025

The GLA told us that it intends to launch the fund in Spring 2026.<sup>129</sup> We are pleased to hear about the potential of this fund to stabilise existing sites and to free up Registered Providers' capacity to deliver new homes. The Committee looks forward to reviewing additional detail on the programme to judge how effectively it is stabilising existing developments in London.

## **Recommendation 9**

The GLA should provide the Committee with further details of how the City Hall Developer Fund will work, including how funding will be used and distributed in London to stabilise existing sites.

### **Repurposed grant for existing sites**

If GLA partners are not able to spend grant funding, this funding is returned to the GLA and repurposed for other development schemes. At our meeting, Tracey Cullen, Chief Executive of the Croydon Churches Housing Association, explained that her organisation had returned funding to the GLA, which can then be used by other Registered Providers.<sup>130</sup>

When delivery partners return grant to the GLA, it can either be returned directly to the GLA and redistributed to other Registered Providers or, in certain circumstances, placed into the Recycled Capital Grant Fund (RCGF). When it is placed in the RCGF, the delivery partner has three years to use it, after which it must be fully returned to the GLA.<sup>131</sup>

Through our investigation, we heard that greater flexibility around how funding in the RCGF is used could support Registered Providers to stabilise existing developments and, in turn, free up their capacity to invest in new homes. Southern Housing, for example, told us that it would be helpful if it could be used alongside the Affordable Homes Programme grant. It also told us it would be useful if it could be used alongside funds to support with the cost of building safety regulations and decarbonisation.<sup>132</sup>

The G15 reiterated this and said:

“Greater flexibility in how we can use the Recycled Capital Grant Fund (RCGF) would also support this goal. Specifically, permitting RCGF to be used alongside other grant sources (such as AHP [Affordable Homes Programme] grant, the Building Safety Fund, or decarbonisation grants) would help maintain viability on stalled schemes”.<sup>133</sup>

Cases where new homes have been planned and agreed, but development has stalled, are particularly frustrating. While there may be complex reasons for why this occurs, the Committee would urge the GLA to ensure that it is taking steps to unlock development. One measure we have examined and offers potential to help address this issue is greater flexibility for partners in using the Recycled Capital Grant Fund.

<sup>129</sup> Information sent directly to the scrutiny team on 3 October 2025

<sup>130</sup> London Assembly Housing Committee, The Mayor's Affordable Housing Delivery, Thursday 10 July 2025 – [Panel 1](#) (p.13)

<sup>131</sup> [MD3341](#), 26 February 2025.

<sup>132</sup> [Ref No. AHP008](#), Southern Housing

<sup>133</sup> [Ref No. AHP002](#), G15

## **Recommendation 10**

The GLA should urge government to consider implementing greater flexibility around how the Recycled Capital Grant Fund can be used by Registered Providers. This should include the ability to use these funds alongside other grants. The Mayor should write to the Committee by March 2026 setting out his conclusions on this issue and any plans to introduce greater flexibility.

### **Acquisitions**

Alongside building new homes, councils and housing associations may use funding through the Affordable Homes Programmes to purchase homes on the open market. The amount of total programme funding that the GLA can use to fund acquisitions in this way is capped at 30 per cent by government.<sup>134</sup> Up to March 2025 under the Affordable Homes Programme 2021-26, 27 per cent of council home starts have been acquisitions and 63 per cent of council homes completions have been acquisitions.<sup>135</sup>

Buying up existing homes does not add to the overall stock of London's housing. However, there are benefits to acquiring homes rather than building new ones, as it increases the amount of affordable housing whilst avoiding many of the challenges associated with building new homes in London. A report commissioned by the GLA and written by the New Economics Foundation in 2024 also highlighted the following benefits to the acquisition approach:

- homes can be bought relatively quickly (compared to building new ones)
- homes can more closely match the type and size of homes that residents need<sup>136</sup>

The report also states that the approach can improve the environmental efficiency of our housing stock through improving the quality and energy of homes.<sup>137</sup> Furthermore, acquiring homes avoids the negative environmental impact of building new homes; for example, the significant carbon footprint of the production and use of materials such as cement, steel and aluminium.<sup>138</sup>

Under the current Mayor, there have been two programmes to incentivise councils to acquire homes which have both formed part of the Affordable Homes Programmes. The current programme is the Council Homes Acquisition Programme (CHAP). The CHAP was launched in 2023 and runs until March 2026. In 2023, the Mayor announced an ambition to deliver 10,000 acquisitions from 2023-2033. Homes acquired through the CHAP will contribute to this target.<sup>139</sup>

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<sup>134</sup> MQT, [2023/4441](#)

<sup>135</sup> [Affordable Housing Monitor 2025](#)

<sup>136</sup> New Economics Foundation, [Buying Back Better: How social housing acquisitions in London can tackle homelessness and help councils avert bankruptcy](#), March 2024

<sup>137</sup> New Economics Foundation, [Buying Back Better: How social housing acquisitions in London can tackle homelessness and help councils avert bankruptcy](#), March 2024

<sup>138</sup> UN environment programme, [Building materials and the climate: constructing a new future](#), 12 September 2023

<sup>139</sup> MQT, [2023/4441](#)

The evidence we received from councils was broadly positive about acquisitions as a means of delivering homes for Londoners and supportive of a similar scheme as part of the next Affordable Homes Programme. Haringey Council, for example, told us:

“We would also ask for ongoing focus on the significant potential of our acquisitions programme to meet the borough’s needs by bringing homes from private to the public ownership”.<sup>140</sup>

Barnet Council highlighted some improvements that could be made to the acquisitions programme but was positive about acquisitions as “an additional and important more immediate source of new supply.”<sup>141</sup> Lewisham Council highlighted the need for there to be different routes to deliver homes in addition to building new ones, “such as acquisitions”.<sup>142</sup>

However, we heard that grant rates under the acquisitions programmes are not high enough to acquire homes for social rent.<sup>143</sup> Osama Shoush, Strategic Lead, Southwark Construction, London Borough of Southwark, told us the council has only purchased a few homes under the CHAP and that, whilst they are looking at acquiring more, “it is difficult to make numbers add up and we have not been able to make it work so far”.<sup>144</sup>

We heard some evidence that acquiring homes can be an effective way for councils to meet the need for family-sized homes in boroughs. Barnet Council said the next Affordable Homes Programme should “acknowledge that meeting the need for the largest affordable homes is sometimes best secured through acquisitions from the existing housing stock”.<sup>145</sup> However, we also heard that the caps on grant for acquisitions are not enough to buy the size of homes that are needed. Alice Lester MBE, Corporate Director of Neighbourhoods and Regeneration, told us:

“The acquisitions I referred to are from the AHP where we have grant on them, but we also have some CHAPs [Council Home Acquisition Programmes]. I think it is about 40 properties and we are on track to meet that by the March 2026 deadline. The problem is that it is capped. I think it is £200,000 per unit, which just does not buy the size of the homes that are really needed. Whilst we are making use of it, it is not addressing the pressing need for larger-sized units”.<sup>146</sup>

We recognise the benefits of the acquisition approach to delivering homes for Londoners. At our meeting, the Deputy Mayor Tom Copley told us that, at this stage, the GLA is not able to confirm whether there will be an acquisitions programme in the next Affordable Homes Programme, as negotiations with Government are ongoing.<sup>147</sup> It is vital that the next Affordable Homes Programme also includes an acquisitions programme. However, the evidence we

<sup>140</sup> [Ref No. AHP009](#), London Borough of Haringey

<sup>141</sup> [Ref No. AHP004](#), London Borough of Barnet

<sup>142</sup> [Ref No. AHP005](#), London Borough of Lewisham

<sup>143</sup> [Ref No. AHP004](#), London Borough of Barnet

<sup>144</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.20)

<sup>145</sup> [Ref No. AHP004](#), London Borough of Barnet

<sup>146</sup> London Assembly Housing Committee, The Mayor’s Affordable Housing Delivery, Thursday 10 July 2025 - [Panel 2](#), (p.20-21)

<sup>147</sup> London Assembly Housing Committee, [The Mayor’s Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.34)

received suggests that higher grant rates will be needed under this programme to enable councils to make the best use of the funding.

## **Recommendation 11**

The GLA should bring forward a successor to the Council Homes Acquisition Programme (CHAP) as part of the 2026-36 programme. The successor programme should increase the amount of grant per home for councils so that more social rent homes can be brought forward through the programme. This should include increasing the cap on funding per home specifically to allow for councils to acquire larger properties. The Mayor should write to the Committee when the new programme is agreed, setting out the details of a new acquisition programme if agreed or reasons why it has not been included.

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## **Estate regeneration**

Affordable Homes Programme funding can be used for building homes on estates where existing homes have been, or will be, demolished. The GLA sets a funding condition that homes must form part of a project that will increase the number of homes overall.<sup>148</sup> Deputy Mayor Tom Copley told the Committee that “in nearly all cases” there is an uplift of homes through estate regeneration schemes funded through the GLA.<sup>149</sup> However, the list the GLA publishes of estate regeneration projects funded through the Affordable Homes Programme, which includes the ‘expected number of new homes’ through regeneration, is partial, subject to change and, according to the GLA, “should not be seen as a definite list of all estate regeneration projects in receipt of GLA funding”.<sup>150</sup>

The GLA also does not publish the tenure of replacement homes on estates, so we do not know how many social rent homes are replaced on a ‘like-for-like’ basis. This is concerning as, in research recently published on estate regeneration in London, it states that “council estate regeneration consistently overproduces the type of housing London has the least need for – market sale and rent – and, despite significantly increasing estate densities, underdelivers (and in all but one case reduces), the tenure of housing Londoners are in most need of – council and social housing”.<sup>151</sup> We are concerned by this statement, however, without the data, we cannot know whether this applies to the estate regeneration funded through the current Affordable Homes Programme.

The Deputy Mayor told us that the GLA will be publishing more detailed information on estate regeneration soon.<sup>152</sup> We welcome the commitment by the Deputy Mayor to bring forward more information on estate regeneration, including the tenure of replacement homes on estates.

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<sup>148</sup> London Assembly Research Unit, [Affordable homes programmes in London](#), July 2025

<sup>149</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.36)

<sup>150</sup> GLA, [Estate Regeneration Projects approved after July 2018](#), last updated: 4 March 2025

<sup>151</sup> Public Interest Law Centre, University College London, [The promise of cross-subsidy: why estate demolition cannot solve London's housing emergency](#), 2024

<sup>152</sup> London Assembly Housing Committee, [The Mayor's Affordable Housing Delivery](#), Tuesday 9 September 2025, (p.36)

## **Recommendation 12**

The GLA should publish the following information on estate regeneration schemes funded through the Affordable Homes Programme 2021-26 and should publish the same information for the 2026-36 programme. This includes:

- the number and tenure of homes demolished, including how many were classed as 'obsolete'
- the number and tenure of homes replaced

For the 2026-36 programme, this information should be published as part of the quarterly monitoring reports and should be included in the first quarterly report under the 2026-36 programme.

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## Committee Activity

### Committee meetings

The Committee held its first meeting on the Mayor's Affordable Housing delivery on 10 July 2025 with the following guests:

- **Tom Oliver**, Development Programme Director, Peabody
- **Tracey Cullen**, Chief Executive & Board Member, Croydon Churches Housing Association
- **Barbara Richardson**, Managing Director at Square Roots
- **Heather Thomas**, Chief Executive at Sapphire Independent
- **Alice Lester MBE**, Director of Regeneration, Growth and Employment at the London Borough of Brent
- **Osama Shoush**, Housing Strategic Lead, Southwark Council

The Committee held its second meeting on the Mayor's Affordable Housing delivery on 9 September 2025 with the following GLA guests:

- **Tom Copley**, Deputy Mayor for Housing and Residential Development
- **Tim Steer**, Executive Director, Housing and Land
- **Heather Juman**, Head of Area, South
- **Tajmina Jetha**, Head of Programme Management

### Call for evidence

The Committee published a call for evidence in July 2025 and received nine responses from councils, housing associations, and a social housing tenant group:

- The G15
- The G15 Residents Group
- Southern Housing
- London Borough of Lewisham
- London Borough of Brent
- London Borough of Redbridge
- London Borough of Haringey
- London Borough of Newham
- London Borough of Barnet

## 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](mailto:assembly.translations@london.gov.uk)

### Chinese

如您需要这份文件的简介的翻译本，请电话联系我们或按上面所提供的邮寄地址或 Email 与我们联系。

### Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

### Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

### Turkish

Bu belgenin kendi dilinize çevrilmiş bir özettini okumak istereniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasla geçin.

### Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਹੁੰ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਭਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

### Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

### Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

### Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

### Arabic

إذا كنت أنت أو أحد معارفك بحاجة إلى هذا التقرير مطبوعاً بخط كبير أو بطريقة برايل، أو ترغب في الحصول على الملخص والنتائج الرئيسية بلغة أخرى، فيرجى التواصل معنا على: 020 7983 4100 أو عبر البريد الإلكتروني [assembly.translations@london.gov.uk](mailto:assembly.translations@london.gov.uk)

### Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો થીય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટ્યાલ અથવા ઇ-મેઈલ સરનામાં પર અમારો સંપર્ક કરો.

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