

# MAYOR OF LONDON

**Sem Moema AM**

Chair of the London Assembly Housing Committee  
C/o [Sarah-Jane.Gay@london.gov.uk](mailto:Sarah-Jane.Gay@london.gov.uk)

**Our ref:** MGLA280322-7867

**Date:** 11 May 2022

Dear Sem,

I am writing to you as the new Chair of the London Assembly Housing Committee, in response to the letter of 25 March received from Sian Berry AM regarding the Committee's investigation into non-construction methods for expanding the stock of social housing in London, which includes recommendations for me to consider.

I welcome the work of the Committee in exploring how the Greater London Authority (GLA) can increase the number of homes for social rent in London, which as you know is one of my top housing priorities. To this end, I have had a particular focus on supporting the delivery of new council housing, and I am delighted that in March this year I exceeded my target to support the delivery of 10,000 new council homes since 2018 by nearly 3,000 homes.

As Mayor, I am doing everything in my power to increase the supply of genuinely affordable homes in London – including, in some circumstances, by supporting alternative methods for the construction of new homes. Your letter recommends that my officers undertake an official assessment of the models outlined in your letter to expand new supply via non-construction methods – including buying homes of other tenures for conversion to social rent; bringing empty homes back into use; and, change of use. I have set out some responses to this recommendation below.

As the Committee will be aware, in July 2021 I launched my Right to Buy-back (RtBB) fund. My RtBB fund forms part of my Affordable Homes Programme (AHP) 2016-23 and provides boroughs with capital funding to purchase and convert market homes into homes for social rent or accommodation for homeless households. In August 2021, I expanded this offer to make additional funding available for Afghan families resettling in London. In March 2022, I launched a new £1 million RtBB revenue fund to further stimulate uptake of my RtBB fund. These activities demonstrate that I recognise there is a role for utilising London's existing housing stock to meet the immediate housing needs of Londoners.

However, as recognised in your letter, while increasing social rented homes through the utilisation of existing homes can make an important and rapid contribution to addressing housing need, the construction of new housing more directly alleviates London's housing affordability pressures. My London Plan 2021 sets a target for 52,000 new homes to be built each year of which 50% should be genuinely affordable. Therefore, I have chosen to prioritise the construction of new homes and it is only appropriate that I dedicate a majority of my resources towards this effort.

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The Department of Housing, Communities and Local Government (DLUHC) also recognises the importance of new supply in alleviating housing affordability. This is why DLUHC has placed caps on the number of homes that can be purchased via our Affordable Homes Programme 2021-2026 and introduced restrictions on the number of acquisitions that can be funded by councils through their locally held Right to Buy (RtB) receipts.

While the number of empty homes in London is currently at a low level compared to its historic average, I agree with the Committee that – as long as we are in a housing crisis – no home should be left unnecessarily empty. That is why I have called for higher council tax to be levied on higher value empty homes to tackle the scandal of homes being left deliberately empty. I will continue to lobby government on this issue. However, as Mayor, I currently have limited powers to bring empty homes into use or otherwise intervene in this part of London's housing market.

Broadly speaking, I am not in favour of utilising Permitted Development Rights (PDR) to convert commercial property into housing as a way to increase social housing supply. For one, these commercial buildings serve a wider function to London's economy, beyond the delivery of housing. Moreover, as the Committee will be aware, the use of PDR can result in the creation of homes that are not especially suitable for social housing. This is because these homes are typically not required to provide accessible or adaptable dwellings, or include outdoor space. The location of these homes may not be appropriate in that they may not be well connected to shops and services, or provide the right type of amenities.

Your letter also recommends that work on my next housing fund bid to government should include an investigation into the potential costs and value for money of non-construction methods of creating social housing, as a complement to subsidy for new construction. I am happy to commit to considering this recommendation in the future, at the point where my officers are negotiating (or renegotiating) the terms of a GLA housing programme or when we are agreeing a future funding settlement with government. With that being said, these negotiations are complex and involve many competing priorities. My overriding priority in these negotiations is typically to secure an agreement that enables as much of the lowest cost, genuinely affordable housing as possible. I was delighted to secure a settlement with government that enables a majority of homes built through my AHP 2021-2026 programme to be delivered as social rent. These affordability considerations will be at the forefront of my mind in the context of any future negotiations with government.

The Committee's final recommendation relates to reviewing the application of current conditions for acquisitions in my capital funding guidance, particularly to examine whether there could be more flexibility applied to standards. All homes purchased via RtBB must rightly meet the Decent Homes Standard. Your letter suggests that space standards set out in my Affordable Housing Capital Funding Guide (CFG) present a specific barrier to increased delivery of acquisitions. However, my Affordable Housing CFG makes express provision for exemptions from space standards for acquisitions. I am therefore not minded to review these standards in my funding programmes, as I believe the current requirements strike the correct balance in terms of ensuring quality, well-designed homes for Londoners.

While the construction of new affordable homes remains my top priority, I am also keen to support non-construction methods for expanding social housing stock. My RtBB programme has demonstrated that there is an appetite from boroughs to utilise acquisitions alongside their new build development programmes. I will continue to support and promote RtBB until the 2016-23 AHP closes at the end of March 2023, and I am eager to continue to work positively with the Housing Committee to find innovative solutions to address London's housing affordability challenges.

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Thank you again for writing to me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

**Sadiq Khan**  
Mayor of London