

The London Federation of Housing co-operatives broadly welcomes the Mayors new plan. We have commented on those parts of the plan that we feel will affect our member most and in which we can contribute with some informed comment. We there have focused on chapter 4. For this reason this document follows the sequence (and numbering) of the GLA draft chapters and sections. Not all sections of the plan are commented upon. Only those which we feel are relevant to our members, client groups and potential client groups.

The London Federation of Housing Co-ops is a membership funded organisation supporting approximately three hundred co-operatively owned or managed housing organisations in the capital. These organisations vary in size from less than a dozen units to thousands of properties. Properties may be freehold, leasehold, managed on behalf of a landlord, on a short-life basis or a combination of these. They house about 150,000 people in 68,000 properties across London. The London Federation provides an umbrella for these groups to meet and develop common approaches to the needs of their members and tenants.

We have strong links with other community and voluntary sector organisations in London and outside it (e.g. the National federation of TMO's, Confederation of Co-operative Housing, and The London Tenants Federation.) that also have an interest in housing, planning and community related issues.

## **CHAPTER 4 HOUSING**

### **Policy H1 Increasing housing supply**

Having a single target for all types of homes needed in London gives the impression that delivery of homes, regardless of type and tenures is essential and is meeting need while often is it only meeting need at the top end.

Successive London Mayors have argued that delivering of more market homes (than evidence suggests is required) is the best way to bring down house prices. However, an increasing range of media commentators say that building more homes (regardless of type) will not deal with the housing crisis and won't bring down house prices.

The Kate Barker national [review](#) of housing supply of 2004 recognised this, saying that even if private housebuilding roughly doubled from 120,000 to 240,000, house prices would still continue to rise on a trend of 1.1 per cent above inflation. The review said that to stop house prices rising at all would imply a level of market housebuilding that would be “undesirable and unachievable”.

The evidence of need for social-rented homes in London is enormous. The SHMA identifies this at 47%, but taking 25 years to meet the backlog of need. If the very high levels of backlog of need for social rented homes (at 163,000) was to be met over a 10-year period this would require 62% or more of homes delivered to be social rented.

We proposed that policy H1:title be changed to '**increasing supply of the range of homes needed in London**';

should provide targets for the different tenures of homes required over a 10-year period setting out need as identified in the SHMA (but with alterations we suggest in Policy H12) along with an overall total; require a cap on delivery of homes above targets, except in the case of social / low-cost rented homes, where there is such a high backlog of need.

### **Policy H2 Small sites**

While some protection for exiting social-rented homes is provided in respect of larger scale estate regeneration and demolition (Policy H1o), we are worried that social housing estates will be targeted for small scale demolition and development through this policy, resulting in on going loss of precious social-rented homes, green and play spaces. Section B(1) is of concern in this respect.

We support the inclusion in Policy H2A(4) – providing support for custom, self-build housing, but feel that the policy should be strengthened to include Co-operative Housing.

We propose the following:

- Policy H2 should more actively encourage custom, self-build and Co-operative housing – particularly where it meets social / low cost rented need;
- it should require boroughs to establish relationships / work closely with local custom, self-build and Co-operative housing organisations to delivery social / low cost rented homes; Leathermarket JMB being a good example of this;
- design codes should not be determined on clear measurable standards;
- the following text (in bold should be added to section F7 - **social housing estates, including** estate regeneration schemes, unless full consultation has been carried out and full agreement attained in line with the Mayor's good practice guide on estate regeneration.

- Many Estates proposed for wholesale redevelopment development are already densely occupied we propose that there should be a preference for refurbishment in these cases rather than regeneration.

### **H3 Monitoring housing targets**

3.1 We propose :

- monitoring of homes lost through demolition (section A) should occur when demolition takes place. The current practice of not taking loss through demolition into account until new homes have been delivered means that net housing data in the London Plan Monitoring Reports is incorrect much of the time;
- additional social rented homes should be monitored separately from London Affordable Rent homes;
- These loss of social rented homes through change of tenure, ownership or the disposal of Registered Providers stock should also be monitored.
- benchmark targets for student housing (section C) should be set for each borough, along with a requirement to cap delivery above targets set, particularly in parts of London where too much 'studentification' has occurred;
- benchmark targets should be set for self-contained older people's housing, also set out in forms of tenure, (section D) and also for care homes.

### **H4 Meanwhile uses**

4.1 We feel the Mayor should actively support short life user groups / co-operatives in housing people on a short-term basis. We propose that the Mayor actively collate London-wide information of where 'meanwhile' use housing is available and invite short-life user groups to manage homes, as they have done in the past.

4.2 We are concerned that perfectly good social-rented homes are often left empty for many years (in estate regeneration schemes) resulting in loss of income in terms of rent and council tax – sometimes amounting to amounting to millions of pounds. We suggest that policy should prevent this occurring.

4.3 'Meanwhile housing can be provided in the form of precision manufactured housing' should be added to the policy (from the supporting text). We would, however, like to be assured of that good quality materials are used and fire risk is properly considered.

### **H5 Delivering affordable homes**

5.2 We are concerned that the SHMA identifies households that can afford market rents, but who want to eventually buy a home, as having a need for intermediate housing. This is a departure from the way that SHMAs have been carried out in the past. It significantly contrasts with situations in which households that can

only genuinely afford social-rented homes, yet are housed in private-rented homes that they will never be able to afford without the support of housing benefit, but are not deemed to need social rented homes. This treats lower income households with inequality. It results in a higher target for intermediate housing than would previously have been assessed. We note, in addition, that the backlog of need for intermediate housing has fallen considerably since the 2013 SHMA was carried out - from 45,705 to just 4,056. The backlog of need for social rented housing however is now 40 times that of intermediate housing, having more than doubled since 2013.

We question the SHMA's departure from usual practice. We note that Bert Provan, Occasional Senior Research Fellow at the Centre for Analysis of Social Exclusion at the LSE and who worked for many years as a Senior Civil Servant in the DWP and DCLG, assessed quite recently (using DCLG data)<sup>2</sup> that nationally only one in five households that benefit from help to buy schemes (such as shared ownership) have incomes below the median. He also highlights that for three out of five households it simply helped them to buy sooner – but would inevitably have bought.

The big question in terms of Policy H5 is 'affordable to who? So-called 'affordable' housing covers housing that a wide range of households with incomes can access from less than £12,000 a year (we note that the average social housing income is on average £17,500 a year) to households earning £90,000 and who are in the top 15% of households in London. 'Affordable' housing is thus a subjective term. Sub-market housing is a more accurate description for such a wide variety of tenures.

Most types of 'affordable housing' do not meet the needs of households with below median income levels. Policy H5 fails to address this. It sets a target for only 15% of homes delivered to be social rented and leaves boroughs to determine whether there may be any additional. The likelihood is that in attempts to deliver 50% affordable housing, boroughs will choose to deliver intermediate housing as more can be delivered for the same cost.

The Mayor should set a strategic London-wide target as has occurred in previous London Plans, in order that London-wide need might be delivered.

We propose:

- The title of policy H5 be renamed, more accurately, 'sub-market housing'.

- The policy should refer by name to the different types of sub-market housing.
- Targets should be set that address the need identified in the SHMA but reverting to the previous way of assessing need for intermediate housing (that is for households not able to meet the cost of market homes – including private renting).
- This should be 65% sub-market housing, comprising 50% social / low cost rented homes and 15% intermediate. It should be noted that 30,973 social / low-cost rented homes need to be delivered annually over the next 25 years in order to deal with existing and backlog of need. Delivery of less than will continue to increase the backlog of need and increase the number of years that it will take to address the backlog. It should say that if the backlog of need were to be addressed over a 10-year period the social housing target would need to be 62% (of all homes) or higher.
- The Mayor should renegotiate with the Government around the use of all affordable housing grant to enable it in total to be used to deliver social-rented homes.
- The Mayor should require that all section 106 to be used to deliver social-housing.
- Intermediate housing should be delivered without affordable housing grant.

### **H6 Threshold approach to applications**

Having a threshold 35% target for 'affordable homes' will not necessarily address evidenced need.

### **Policy H7 – Affordable housing tenure**

7.1 We propose that this policy should be renamed '**sub-market housing tenures**'.

7.2 The term '**genuinely affordable**' should be defined more rigorously. Genuinely affordable to who?

7.3 We propose that

- H7A(1) should be altered to at least 50% (of all housing) to be social / low cost rented – to meet need identified in the SHMA.
- H7 A(2) should be altered to 15% (of all housing) to be intermediate housing to take into account the need identified in the SHMA – but also accounting for the fact that the SHMA figure is not accurate in terms of evidenced need.
- H7A(3) This should be removed. We are extremely concerned this will result in delivery of more intermediate housing than is evidenced as being needed at the expense of delivery of social / low cost rented homes.
- current text should be removed. Alternative text should say 'boroughs should ensure that all affordable housing grant is used to deliver low cost rented

homes and section 106 should also be prioritised for delivery of social rented homes’.

#### 7.4 Regarding Policy H7 supporting text

4.7.3 **Social-rented** should be included. The government has said that some affordable housing grant might be spent on delivering social-rented homes and also some boroughs may be able to deliver social-rented homes on their own land without access to affordable housing grant. Social-rented should be defined as **homes with existing social rents and service charges** and with any future rent increases as determined by government policy (not 50% higher than existing council rents – see comment below).

4.7.4 It is incorrect to say that **London Affordable Rents** are based on traditional social rents. They are based on the targets for convergence which it was assumed social-rents would reach through ‘rent restructuring’ by 2012. As this had not occurred the Lib-Dem / Conservative coalition extended the deadline for convergence to 2015/16. However, convergence was not reached by that date and in high value property areas like London, the gap between actual rents and the target rents had actually widened.<sup>3</sup> The government ended the convergence policy in 2015/16 and introduced social rent reductions of 1% for four years (to reduce housing benefit costs). London affordable rents are based on the higher convergence target<sup>4</sup> which are actually 50% higher than existing council rents and around 30% higher than existing housing association rents; a significant uplift.

We understood that ‘affordable rents’ should include service charges, but London Affordable Rent does not. With service charges added, housing costs can be £35 a week or more, we fear that in some instances above benefit caps.

We propose a cap be applied to London Affordable Rent plus service charges, ensuring that they are always below benefit cap levels.

4.7.5 – It should be made clear that **London Living Rents** are only accessible to middle income households with incomes of up to £60,000 a year. The text should be clear as to whether the ‘average’ is the median or mean income in London (the mean being **£51,770 and the median being £39,100**)

The supporting text should state that intermediate housing should be delivered without access to affordable housing grant. There are private companies already providing intermediate housing in this way.

4.7.6 The text of this paragraph should specify the levels of household incomes that may be able to access London Shared Ownership homes.

### **H8 Monitoring affordable housing**

8.1 We propose that policy H8A also require that boroughs to monitor how much affordable housing is delivered through section 106 agreements.

## **Policy H10 – redevelopment of existing housing and estate regeneration**

- 9.1 Proposed alternative policy text to H10B 'Where loss of existing affordable housing is proposed, it should not be permitted unless it is replaced by equivalent or better-quality accommodation, providing at least the equivalent level of affordable housing floorspace, **flat sizes, density and tenure. Rental and service charge costs should be as existing.** and generally should produce an uplift in affordable housing provision. **Where additional homes are delivered this should comprise 65% affordable homes (50% social rented and 15% intermediate). Refurbishment options, to demolition. should always be considered.**
- 9.2 Proposed additions / alterations to (c) For estate regeneration schemes the existing affordable housing floorspace should be replaced **at least** on an equivalent basis **(including floor space, flat size and density). Any replacement social housing should be of the same tenure, rents and service charges as existing. Where additional homes are delivered this should comprise 65% affordable homes (50% social rented and 15% intermediate). Refurbishment rather than demolition should always be considered. A thorough comparative analysis of social, economic and environmental costs and benefits should always be carried out.**
- 9.3 We propose addition of the following – 'In all instances involving loss of social rented homes through estate regeneration (whole estate or sections of estates), should only go ahead where agreed by the majority of tenants, determined via a ballot.'

## **Policy H11 – Ensuring the best use of stock**

- 11.1 Given high levels of needs for new homes it is essential to take good care of existing homes. This policy needs to be far stronger in respect of requiring good management and maintenance of existing stock of all tenures.
- 11.2 The policy for example could require that in any estate regeneration scheme that there is a full fire statement / independent fire strategy is required (as D11B)
3. Section C should mention of Airbnb, as this is a significant problem in some areas.
- 11.4 We propose that there should be a requirement for all new housing to last for at least 150 years and for good quality management and maintenance plans to be put in place in order that we plan for longevity of our housing stock.

## **Policy H12 – Housing size mix**

1. The SHMA incredibly assesses that the need for one-bedroom homes has more than doubled since 2013 (from 16,381 to 36,335). This is based on an assumption of zero under-occupation in all but owner-occupied homes, which we feel is incorrect.

2. A [formal evaluation](#) of the bedroom tax carried out for the DWP, published in Dec 2015 found that “not more than 8% of those affected” had downsized to smaller properties. There was some evidence that larger homes had been re-let, and there had been a “small increase” in the numbers of overcrowded tenants rehoused. Landlords were apparently reporting that there was an insufficient supply of new properties for downsizers to move to.
3. However, Policy in Practice <http://policyinpractice.co.uk/housing-benefit-reforms-impact-tenants-towns-cities-london-boroughs-update/> says that a significant share of tenants impacted by the bedroom tax have chosen to remain in their homes and top up the rent instead – therefore not freeing up family sized homes.
4. We are also concerned that building so many homes for single people or couples is not reasonable. Older people may need separate rooms and / or space for someone caring for them at some stage. Most single people do, later, have children.
5. We are generally concerned that the targets will fail to deliver mixed and balanced communities – particularly in new large-scale development areas.
6. We are also concerned that delivery of such high levels of particularly one-bedroom homes is environmentally unsound – families and people sharing produce less CO2 emissions and use less water per person.
7. We feel that following a reassessment of need for family sized dwellings that a strategic target for delivery should be set.

### **H13 Build to Rent**

13.2 We are of the view that this type of sub-market housing should be delivered without access to affordable housing grant.

### **H17 Purpose-built student accommodation**

17.1 We propose that the following be added to this policy

- Student housing should not compromise capacity to meet the need for conventional homes (particularly social / low cost rented homes).
- New student housing should be avoided in boroughs that already have the highest concentrations: Camden, Islington, Southwark and Tower Hamlets – identified in the last London Plan and any other boroughs that may also have very high levels of studentification.
- There needs to be a way of measuring where development of student housing does / doesn't contribute to delivering mixed and inclusive neighbourhoods.

**Additional Policy – Co-operative / community led housing.**

We propose that the Mayor should

- i. work with existing, newly formed or developing London-based co-operatives, TMOs and CLTs to assess their existing and future potential (including resources and capacity) to develop new social / low-cost rented homes;
- ii. with the boroughs, identify and set aside public land that might be available to them to deliver community led housing;
- iii. with the boroughs, develop a London-wide list / online map of potential small development sites to match co-operatives / community led housing organisations with available development sites (particularly public land) for homes that will remain in perpetuity at costs that can be afforded by households of below median income levels;
- iv. provide support social housing tenants who wish to manage or collectively own their own homes.