

London Tenants Federation

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Response to the Affordable Housing Commission

1. **Introduction:** London Tenants Federation (LTF) brings together borough- and London-wide federations and organisations of tenants (including leaseholders)¹ of social housing providers. Our membership also includes the London Federation of Housing Co-operatives and the National Federation of Tenant Management Organisations. A number of LTF members involve both council and housing association tenants and a few (a minority) also involve some private tenants.

LTF's main focus is on engaging its member organisations in London-wide and national strategic housing and planning policy issues. LTF is a key player within London's voluntary and community sector organisations that have an interest in strategic housing policy.

LTF delegates are often invited to engage in London Assembly Housing and Planning Committee investigations, including the Housing Committee's May 2018 investigation into tenant involvement in decision-making post Grenfell. In this instance we assisted the committee in facilitating a special session for them to meet with social tenants and their representatives from across London.

LTF was invited to the Examination in Public of the draft new London Plan at City Hall as a result of its written response to the consultation last year. Representatives of seven LTF member federations and organisations engaged in the policy debates on issues such as housing need and supply, 'affordable housing', build to rent, strategic and local regeneration, student and older peoples housing, housing size mix, delivering good design, fire safety and housing monitoring.

Our submission to the affordable housing commission, below, provides comment on the questions the commission is looking at.

Section 1 Understanding the affordability challenge

Q1 What does affordability mean for different people in different places?

(Covers definitions and measures, who and where (urban/rural/low and high demand areas), links with welfare system, housing conditions/standards and security of tenure, young and old).

- 1.1 **London's specific issues:** Lack of affordability of housing is most acute in London where we have high land and property values. Market housing to buy or rent, in the capital, is at least double the national average. Social rents are high and have risen considerably since 2002. Other forms of so called 'affordable housing' are mostly unaffordable or inaccessible to households that have below the

¹ When referring to 'tenants' we mean both tenants and leaseholders (as set out in our Articles of Association)

equivalised median income levels, despite some being deemed to be ‘genuinely affordable’ by the London Mayor.

We note that while in some parts of the country (e.g. in the North East) affordable rents, at up to 80% market rents were/ are cheaper than social rents. In London they are more than double and, in some instances, nearly treble existing social rents.

We argue that there is a case for national housing policy to acknowledge regional differences. National policy may need to be applied differently in different parts of the country and funding targeted to address particularly regional needs.

- 1.2 Definitions of affordable housing: Broadly LTF’s position is that housing is affordable if, *‘having paid all housing costs, households still have (at least) enough income left to cover all other reasonable costs equivalent to the minimum income standard (as assessed without housing costs).’*

Recent analysis carried out by Loughborough University for Trust for London finds that 41% of Londoners couldn’t afford a decent standard of living² in 2018, compared to 29% nationally. One of the key differences in London is the additional costs of housing. Three quarters of the households that don’t have a decent standard of living are either living in social or private rented homes. We suspect that most likely those in in this category who are living in private rented homes actually need to be in social housing.

- 1.2 In planning terms affordable housing is an extremely broad definition that makes little sense to most ordinary people. In London it is applied to an increasing number sub-market housing types, ranging from social housing that might best meet the needs (in cost terms) of the least well off, to shared ownership housing which is accessible to households with incomes of up to £90,000 in London (that is within the top 10-15% income range). We doubt that households with an annual income as high as £90,000 are actually unable to afford market housing.

It’s not surprising that many social housing tenants and would be social housing tenants tend to respond cynically to any mention of ‘affordable housing’ as being a ‘con’ or simply laugh and ask ‘affordable to who?’

- 1.3 The term has become more confusing in London with the introduction of the term ‘genuinely affordable’, introduced by the London Mayor, Sadiq Khan, who seems to infer, himself, that any other ‘affordable housing’ product is not ‘genuinely affordable’.
- 1.4 The London Mayor deems London Affordable Rent to be ‘genuinely affordable’. However, actually (in cost terms) it is pretty much the same as the previous Mayor’s capped ‘affordable rents.’

Additional confusion (and some anger from tenants) has been created by the London Mayor and boroughs increasingly referring to London Affordable Rent as social housing or being the same as social housing.

² <https://www.trustforlondon.org.uk/publications/minimum-income-standard-london-2018/>

Actually, London Affordable Rents are around 50% higher than existing social rents. While this may not seem too much for high grade officers, it's not insignificant for lower income households. Necessarily this would also require higher levels of housing benefit to sustain the social housing tenants renting them. London Affordable Rents are also subject to rent increases of CPI + 1% (since 2016) while social rents have decreased by 1% each year over this time period.

- 1.5 The Mayors' *London Living Rent* is also deemed 'genuinely affordable'. While based on 'average local earnings', on average it is pretty much the same (in cost terms) as the as previous Mayor's 'average' affordable rent at around 67% market rent (London-wide).

The significant difference between the two is that the Mayor's London Living Rent is that it is exclusively for 'middle income' households who may at some time be keen to buy a home.

The term middle income is not defined.

Households that are languishing on housing waiting lists and may need to claim some housing benefit to meet the cost of their homes are expressly excluded from accessing this type of housing, even though in rental terms, it would be cheaper to them, and the housing benefit bill, than full market rent.

In an attempt to assess how many households with below equivalised median income levels might be able to afford London Living Rent, LTF has compared the cost of benchmark London Living Rent in the capital's 632 wards, with a third of the equivalised median income level in London.

We found London Living Rents to be affordable on this basis in only 147 (23%) of London's 632 wards for a one-bedroom home, 62 (10%) of wards for a two-bedroom homes, 14 (2%) of wards for a three bedroom and just four wards (0.6%) for a four-bedroom home.

Only five inner London boroughs have any wards where homes at London Living Rents are affordable at a third of equivalised median income levels. London Living Rent is unaffordable by this definition in all wards in ten boroughs - Bromley, Camden, Hammersmith & Fulham, Islington, Kensington & Chelsea, Kingston, Richmond Upon Thames, Tower Hamlets, Wandsworth, Westminster and the City of London.

Our analysis on the affordability of London Living Rent is attached.

- 1.6 We are of the view that sub-market housing is a better generic term for so-called 'affordable housing'
- 1.7 Social rented housing is probably the only type of housing that is really affordable to households with low income and below the equivalised median income levels.

Those waiting for social housing have the greatest levels of need and should be prioritised, but are, however, treated with the greatest inequality.

Affordable and genuinely affordable housing: London Mayor, Sadiq Khan has renamed or added to the 'affordable' housing types in London and describes some as 'genuinely affordable'. Social and London Affordable Rent are together described as 'low cost rented' homes. The draft new London Plan says 50% of all homes should be 'affordable', but up to 70% of these could be intermediate / shared ownership homes.

Housing type	The cost in London	Who is it for?	Affordable / Genuinely Affordable																												
Social rent	<p>Average weekly rents and service charges: Council £106 + £9 (2017/18) Housing Association £122 (2018) + £11</p> <p>Council and housing association rents increased by 70% and 92% respectively between 2002/03 and 2016/07. 1% rent reductions were set by Government (nationally) from 2016-20 because of the impact of rent rises on housing benefit payments.</p>	Households on the waiting list for social housing.	Described as ' genuinely affordable '. Despite high increases and wide variations across the boroughs, social rent is the only housing type really affordable to lower income Londoners.																												
Affordable rent	<p>Rents at up to 80% market rents. Previous Mayor Boris Johnson had two categories - 'capped' at 50% market rent and 'discounted' affordable rent at up to 80% market rents. These included service charges.</p>	Households on the waiting list for social housing.	Described as ' affordable '.																												
London Affordable Rent	<p>Weekly London Affordable Rents are set out below. A 2017/18 3-bed London Affordable Rent is just less than 50% market rent. It is 52% higher than the average 2017/18 council rent and 32% higher than the average 2018 housing association rents. Service charges are extra.</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Bedsit & one beds</td> <td>£144.26</td> <td>£150.03</td> <td>£155.13</td> </tr> <tr> <td>Two beds</td> <td>£152.73</td> <td>£158.84</td> <td>£164.24</td> </tr> <tr> <td>Three beds</td> <td>£161.22</td> <td>£167.67</td> <td>£173.37</td> </tr> <tr> <td>Four beds</td> <td>£169.70</td> <td>£176.49</td> <td>£182.49</td> </tr> <tr> <td>Five beds</td> <td>£178.18</td> <td>£185.31</td> <td>£191.61</td> </tr> <tr> <td>Six or more beds</td> <td>£186.66</td> <td>£194.13</td> <td>£200.73</td> </tr> </tbody> </table>		2017/18	2018/19	2019/20	Bedsit & one beds	£144.26	£150.03	£155.13	Two beds	£152.73	£158.84	£164.24	Three beds	£161.22	£167.67	£173.37	Four beds	£169.70	£176.49	£182.49	Five beds	£178.18	£185.31	£191.61	Six or more beds	£186.66	£194.13	£200.73	Households on the waiting list for social housing.	<p>London Affordable Rent is pretty much the same as the previous Mayor's 'capped affordable rent' (see above) but has been renamed and now described by Sadiq Khan as 'genuinely affordable'.</p> <p>Even more confusingly, the Mayor also sometimes refer to London Affordable Rent as 'social rent', which it is not.</p>
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London Living Rent	<p>London Living Rent is set at a third of average gross local earnings. On average, across London, they are about 67% market rents. Renters must also save for a deposit to buy their home. Most households with incomes in the bottom 50% could not afford this without paying more than a third of their incomes on rent²</p>	Exclusively for middle income (up to £60,000) households who want to buy a home.	Intermediate housing, described as ' genuinely affordable '. While cheaper than private rents they are not accessible to those on housing waiting lists.																												
London shared ownership	Pay a deposit, rent, service charges and a mortgage.	Households with up to £90,000 incomes.	Described as ' genuinely affordable '.																												

²1 Data from the Valuation Office assesses an average weekly 3-bed private rented home in London to be £340 *2 LTF analysis (included in the London Plan EIP Library) - www.london.gov.uk/sites/default/files/default/files/ad_54_ltf_analysis_ltr_-_breifing_households_with_below_median_income_levels.pdf and www.london.gov.uk/sites/default/files/ad_55_ltf_analysis_of_ltr.pdf

Q2: Why is housing unaffordable?

Covers main barriers and drivers (stagnating incomes, rising land values, housing as a financial investment, deregulation etc), shift in tenure and inter-generational aspects

- 2.1 House builders restrict the number of homes delivered, to keep house prices up. MHCLG analysis found 313,700 homes were given planning permission in 2016-17, but only 183,570 were built.
- 2.2 In London, too much market housing is consistently being delivered at the expense of delivery of homes that most Londoners can afford. Many market homes are not built as secure homes for families to live but rather as a means of profit making or property speculation.
- 2.3 Subsidy has shifted considerably over the years from delivering secure low cost rented home to supporting delivery of market homes.

The UK Housing Review of 2018 reported that 79% of government investment in housing was going to support the private market and that this year (as reported in an article by John Perry in Inside Housing)³ the share of the cake is exactly the same.⁴

- 2.4 There has rightly been endless criticism of Help to Buy, including that it has helped housebuilders to boost profits, increased the prices of new-build homes and are constructed with shoddy workmanship. According to the LSE's Bert Proven, few are assessable to households with below median incomes and most would have bought a home anyway, in time.⁵
- 2.4 Failure to deliver social rented homes and failure to plough capital receipts from Right to Buy back into delivering new social rented homes (since the introduction of RTB) has had a major impact on affordability of homes for lower income working-class households particularly in London.
- 2.5 Nationally, at its highest numbers, around 30% of households rented council homes and in London the percentage was higher. The shift to housing associations rather than local authorities providing social housing, dependent on some match funding from the private sector, meant that the cost of delivering homes and the rental costs for housing association tenants have always been higher than for council housing. Since housing associations are private registered providers, they do not gain access to cheaper borrowing rates from the Public Loans Board.

³ <https://www.insidehousing.co.uk/comment/the-government-commits-billions-to-private-housing--its-time-to-fund-social-homes-instead-60892>

⁴ <https://www.insidehousing.co.uk/comment/comment/government-policy-needs-to-return-to-building-homes-let-at-modest-rents-55397> and <https://www.insidehousing.co.uk/comment/comment/the-government-commits-billions-to-private-housing--its-time-to-fund-social-homes-instead-60892>

⁵ How Help to Buy helps mainly the privileged - <https://blogs.lse.ac.uk/politicsandpolicy/how-help-to-buy-helps-the-privileged/>

- 2.6 Many tenants that qualify for social housing in London have been forced into high cost private rented homes simply because of the lack of social housing that might best meet their needs in terms of affordability. The costs of these shifts, which are based on political ideology rather than financial prudence, has been higher costs (to the public purse) in covering housing benefit to help keep the roof over the heads of tenants who are paying much higher costs than they really should. The only people benefiting from this are private landlords.
- 2.7 Working-class people are increasingly employed in low paid service industry jobs rather than better paid industrial jobs, which has added to the problems.
- 2.8 We note that since the introduction of rent restructuring by the Labour government in 2002, a policy which was supposedly about rents better reflecting the things that tenants valued in their homes, was just another con.

Actually, the policy was about increasing council rents to the higher housing association rent levels, initially as a ploy to reduce one of the arguments used by tenants against stock transfers. Rents (both council and housing association) were to meet a ‘convergence target’ within 10 years. This target was in part based on local property values and in part on local manual earnings (will limits or caps on annual rent increases). Traditionally for council tenants, rents were based on the running costs of homes and paying back interest on loans taken out to build the homes in the first place.

A review of the ‘rent restructuring’ process resulted in housing associations arguing for increased assumed property values to be used in the calculations, ultimately resulting in higher ‘targets’ and rents.

The convergence target was not reached in 10 yrs and was extended to 12 years. Even then it had not been achieved in high property value areas like London.

We note that despite the 1% rent decreases for existing social housing tenants, that for new social-rented homes and relets, the full target rent is being charged (at a much higher cost than existing social rents in London). This has created an unreasonable and unfair two-tier system. It has also created social rents that are even more unaffordable for newer tenants.

- 2.10 We assess that average weekly council tenants’ rents in London increased by more than 68% (from £63.44 to £105.24) between 2002 and 2017/18 and housing association tenants’ rents by more than 88% (£65.94 to £124.07).⁶ Over the same time frame the weekly increases in equivalised household disposable incomes (before housing costs) rose by just 7.2% (from £501 to £536).⁷

Many social housing tenants have also incurred increased service charges (part of our housing costs) which leave many with increased costs of combined rents and service charges, despite the 1% rent decrease.

⁶ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies> (see tables 702 and 704)

⁷ <http://researchbriefings.files.parliament.uk/documents/CBP-8191/CBP8191-regional-incomes---online-tables.xlsx>

Prior to rent restructuring rents and service charges were combined in 'rents' for council tenants, so the actual costs of the two combined have likely meant housing costs of much more than 68% for council tenants.

2.11 MHCLG provide live table on rents, but service charges are not properly monitored. Local authority CORE data provides information on service charges for new lettings of council homes and the Homes and Communities Agency provides some average data on service charges, but there is a huge lack of transparency around the different costs being charged by councils and PRPs.

2.12 Clearly there are differences in the costs of borrowing for councils and housing associations with councils being able to borrow at lower interest rates through the Public Loans Board.

Councils that have carried out some stock transfers, but still retain some stock will have found higher costs of managing and maintaining homes per housing unit.

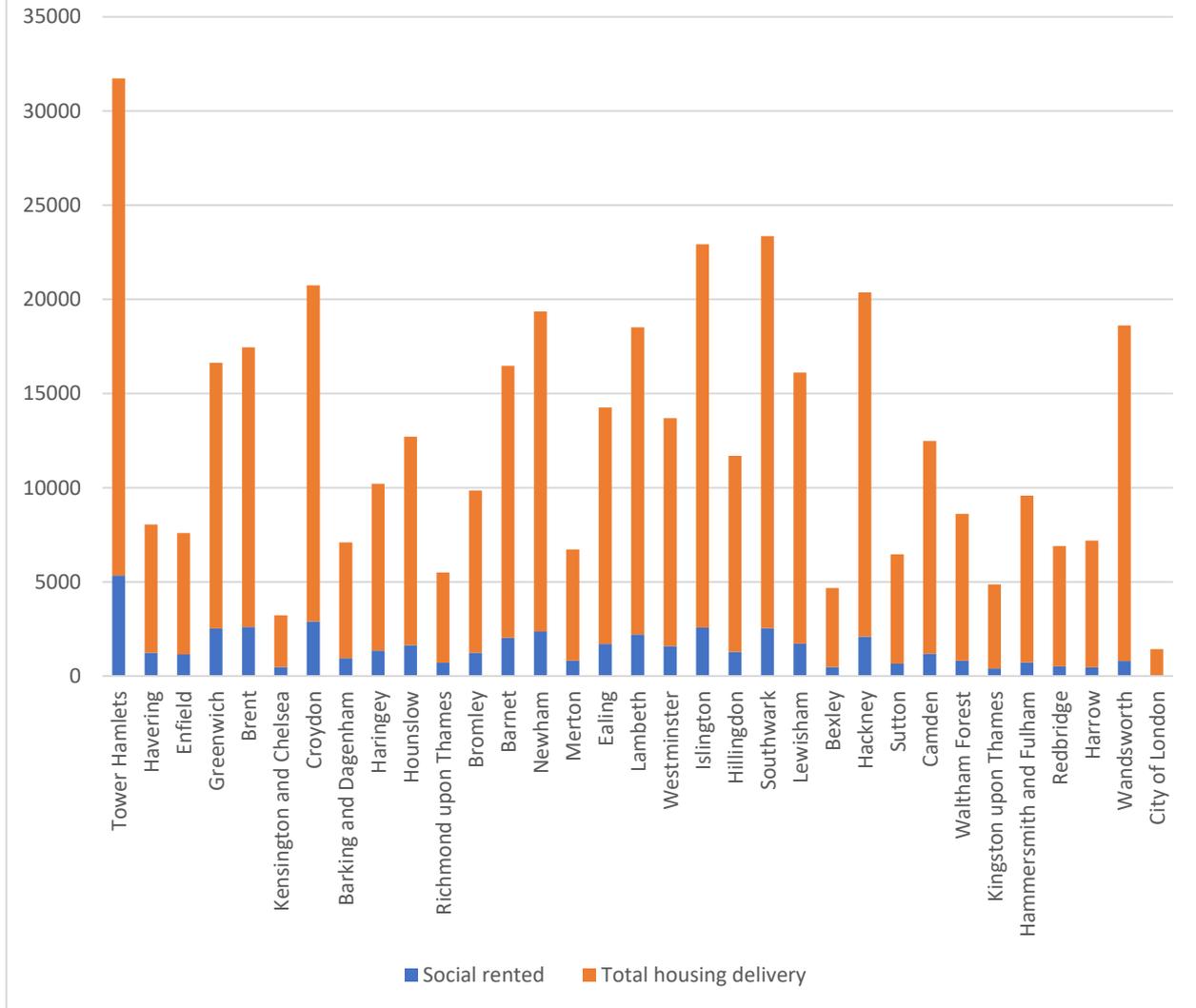
2.13 We also note that while private rents are unreasonably high, social rents have increased at a higher percentage rate than private rents.

2.14 Failure to deliver London Plan targets for social rented homes through planning processes has been significant in London. Over the years 2014-17 more than 120,000 new homes were delivered but only 11% of these (13,143) were social or affordable rent homes, when the London Plan target was, over this time period, 24%.

2.15 Targets for social rented homes was 35% (of all homes) in the first, Ken Livingstone, London Plan then the equivalent of 24% under Boris Johnson. Delivery across London from 2005-17 was just 13%.

Please see an LTF graph on page 8 and chart on page 9. NB boroughs highlighted in light blue in the chart are outer London boroughs.

Best to worst % delivery of social rented homes 2005-17 ranging from Tower Hamlet's 20% to City of London's 2%



	Social rented	Total housing delivery	Non-social housing	% social rented
Tower Hamlets	5334	26392	21058	20
Havering	1238	6802	5564	18
Enfield	1157	6430	5273	18
Greenwich	2530	14094	11564	18
Brent	2607	14850	12243	18
Kensington and Chelsea	474	2740	2266	17
Croydon	2891	17858	14967	16
Barking and Dagenham	953	6145	5192	16
Haringey	1350	8865	7515	15
Hounslow	1640	11063	9423	15
Richmond upon Thames	704	4789	4085	15
Bromley	1233	8617	7384	14
Barnet	2026	14435	12409	14
Newham	2360	16994	14634	14
Merton	818	5908	5090	14
Ealing	1704	12549	10845	14
Lambeth	2203	16322	14119	13
Westminster	1596	12102	10506	13
Islington	2580	20346	17766	13
Hillingdon	1278	10416	9138	12
Southwark	2544	20810	18266	12
Lewisham	1728	14378	12650	12
Bexley	484	4196	3712	12
Hackney	2087	18286	16199	11
Sutton	650	5809	5159	11
Camden	1189	11291	10102	11
Waltham Forest	819	7791	6972	11
Kingston upon Thames	398	4466	4068	9
Hammersmith and Fulham	722	8863	8141	8
Redbridge	506	6393	5887	8
Harrow	455	6743	6288	7
Wandsworth	798	17809	17011	4
City of London	26	1403	1377	2
	49082	365955	316873	13

Q3 Costs and consequences of unaffordable housing – what’s at stake and who are the priority groups that most need support?

Covers whose worst affected and personal impacts, wider socio-economic impacts (on public finances, economy /productivity etc), other impacts (on homelessness, mixed communities, problem debt/dampen savings potential etc), future housing needs and demands.

3.1 While there is very high need for new social rented homes across the country, the evidenced need in London is much greater. This is clearly the greatest priority in the capital.

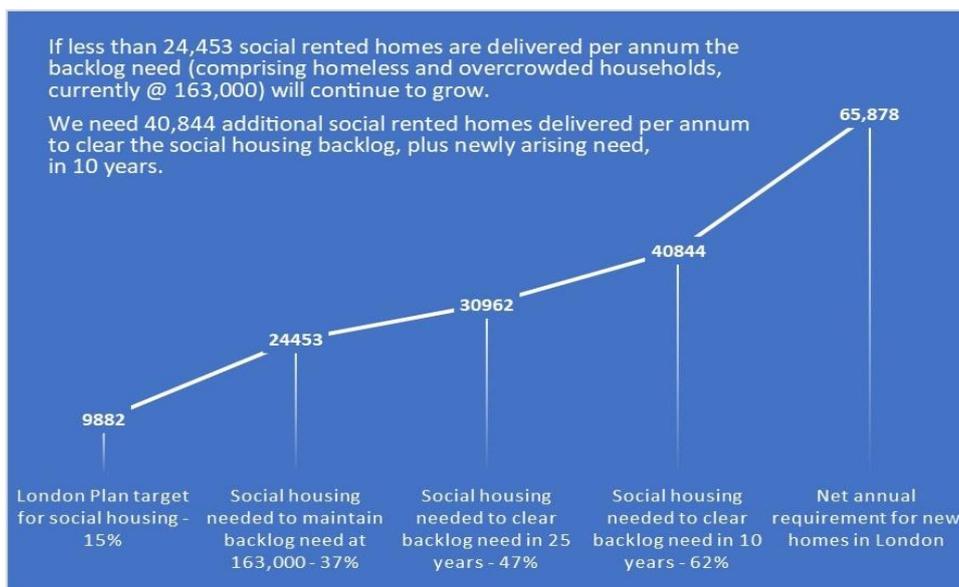
Almost 50% of those assessed as requiring housing in London (according to the London Mayor’s Strategic Housing Needs Assessment) need social rented homes. This assessment is based on clearing the horrendous backlog need for social rented housing in a 25-year period. The number of social rented homes needed each year in London would amount to 30,962 per year (or 47% of the draft new London Plan annual target). If the backlog were to be met over a more reasonable 10-year period (we note that central government used to require backlog need to be met in 5 years) this target would rise to 40,844 (62%).

The backlog of social housing identified in the London Mayor’s 2017 SHMA⁸ is an incredibly high 163,000 (and likely higher now). This is 78% of the total backlog of all types of housing in London.

The backlog comprises homeless, hidden homeless and overcrowded homes. The 2017 SHMA notes that 12.9% of social / low cost-rented households are overcrowded. That’s **102,551** overcrowded social rented households. This is not just a numbers game – but a serious issue for families’ and children’s health and well-being.

We would need 37% of all homes delivered each year in London to be social rented just to hold that backlog at the current level.

Without significant changes in the funding needed to support social rented homes and to ensure that all boroughs across London take on their fair share of London’s need, we can only anticipate that need will grow and the direction of travel will continue to force more low-income households out of London.



⁸ https://www.london.gov.uk/sites/default/files/london_shma_2017.pdf

3.2 The consequences of failure to address the need for social rented homes are increased levels of households that are:

- living in overcrowded homes;
- living in temporary private housing at much higher costs than the households are actually able to afford – some outside London, a long way from family and essential support networks. The Guardian reported in October 2018⁹ that “the number of households being moved out of London by councils has increased dramatically, rising by almost 50% in the first half of this year as town hall leaders blame rising homelessness, tightening public finances and a chronic lack of new cheap homes in the capital”.

The report said that councils have sent homeless households as far away as Glasgow, Newcastle and Cardiff in the last year - 740 households relocated to Kent, 574 to Essex, 30 to the West Midlands and 69 to Surrey.

More than 1,200 households were sent out of the capital in the first six months of this year – a 46% rise in the number of out-of-London placements. Six hundred and eighty-eight households were sent away between April and June alone, the highest rate in at last six years, up from 113 households in the first quarter of 2012-13.

This is presumably also in part the ongoing impact of the introduction of local housing allowance, which created displacement of households as the rents in central and some inner London boroughs rose above LHA limits. While government data repeats that most displacement has occurred within London’s boundaries, anecdotal evidence soon after the introduction of LHA limits was that inner London boroughs were moving households to outer London boroughs and outer London boroughs moving households to areas outside London – both at the edges of the capital and further afield.

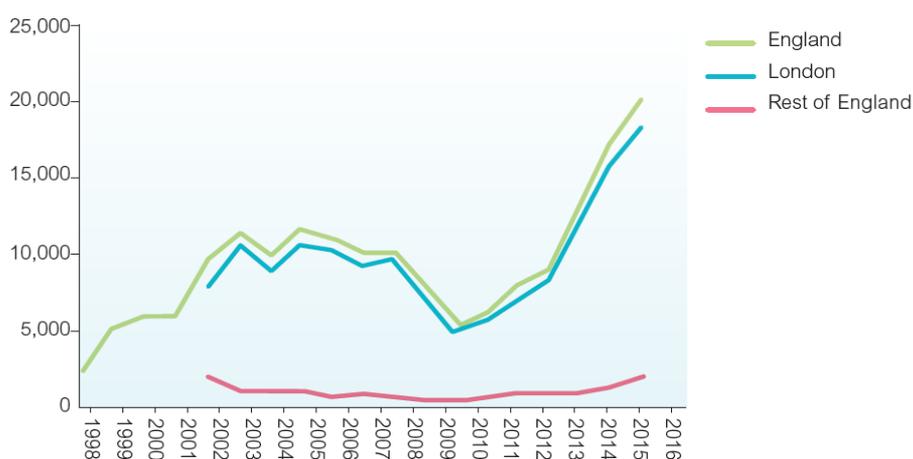


Chart 5 Number of households in temporary accommodation outside the placing local authority
Source: DCLG Homelessness Live Tables

⁹ <https://www.theguardian.com/society/2018/oct/29/number-of-homeless-households-moved-out-of-london-soars>

- 3.4 The full roll out of Universal Credit cannot yet be assessed but Inside Housing reported in October 2018 that two thirds of private rented tenants claiming Universal Credit were in arrears.
- 3.5 LTF representatives from Camden report that 23% of new council tenants are already in rent arrears.

Q4: What's being done and is it working, and what are the implications and policy trade-offs?

Covers more recent central/local government response (housing support to FTBs, Buy to Let, Housing Benefit/Universal Credit etc), actions by housing providers and lenders and others, and costs and consequences on other policies (e.g. on welfare system, life chances, local growth and prosperity)

- 4.1 There seems to be little being done that is 'working' – in terms of addressing affordability or delivering the secure homes that we need in London and might help to build or retain sustainable communities here.

In terms of affordable housing the Government and the Mayor's office has continued to seek to meet the needs of middle-class households rather than low and lower-income working class households that are in greatest need.

In London we have had many years of failures to deliver sufficient social rented homes and inevitably too much market housing – to the extent that the need for market housing in London is now for only 35% or for 'affordable housing' 65% (most being for social rented).

- 4.2 While the evidence is quite poor or insufficient, much of the new homes being built by local authority housing companies are private homes and it would seem few are social rented. We are working with an academic from UCL who is carrying out more research on this.
- 4.3 Build to rent which potentially provides homes with longer term private rented tenancies and better housing management is not going to address the needs of households with below median income levels. We suspect that the developers / owners of this type of housing will be reluctant to house people on benefits. The London Mayor's draft new London Plan requires them to deliver some affordable housing but we fear that most of this this won't be housing that will meet the needs of households with below median income levels. We note that at the Examination in public of the draft new London Plan that developers were arguing strongly against the need to develop any affordable housing in these developments.
- 4.4 As already mentioned, we have huge concerns about what will occur with the full roll out of Universal Credit.
- 4.5 We have a situation in terms of planning where affordable housing is supposed to be delivered on the back of market housing development. This means in London that we will continue to get too much market housing and nowhere near the amount of social rented homes that we actually need. When the assessed

requirement for market homes in London is just 35% of the total this model is just not working.

- 4.6 We have seen considerable levels of displacement of low-income households in London. This is not captured in data collated by the London Mayor or MHCLG albeit that homeless households placed in temporary private rented homes outside London are counted as ‘backlog need’.

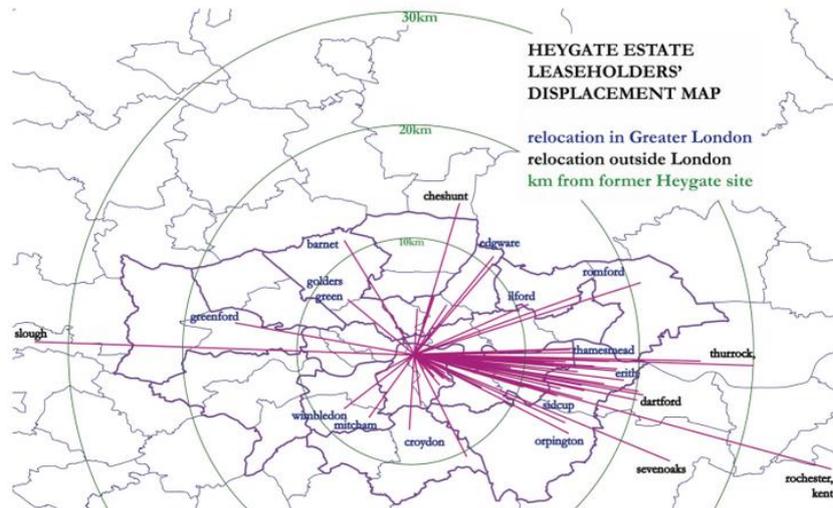
Displacement includes both the homeless families and instances where demolition of perfectly sound social rented homes has occurred in what is deemed to be estate regeneration.

The London Assembly Housing Committee report of 2015 – ‘Knock it down or do it up’¹⁰ reported that 8,000 social rented homes had been demolished in the previous 10 years.

- 4.7 LTF has been working with Professor Lorretta Lees’ (Leicester University) on her current research project, focused on gentrification, displacement and the impacts of estate renewal in London in the C21st¹¹. This shows that a conservative estimate of 135,000 London council tenants have been displaced since 1997, through 54,263 council homes being demolished or slated for demolition in schemes of 100 units or more. NB this include displacement is both inside and outside London.

The database with full details is currently in the London Plan Examination in Public library.¹²

- 4.8 Please see map below on leaseholder displacement from the Heygate Estate demolition.



Map produced for and originally published in LTF, Just Space, SNAG and Lees, L. (2014) Staying Put: An Anti-gentrification Handbook for Council Estates in London.

¹⁰ https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/KnockItDownOrDoltUp_0.pdf

¹¹ <https://www.urbantransformations.ox.ac.uk/project/gentrification-displacement-and-the-impacts-of-council-estate-renewal-in-c21st-london/>

¹² <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/examination-public-draft-new-london-plan/eip-library#> Ref: NLP/AD/112

- 4.9 The London Mayor's good practice guidance on estate regeneration schemes now require tenant ballots. While we have generally supported this, we feel that there should be much stronger policy to prevent ongoing loss of structurally sound social rented homes via demolition, given the enormous / ever increasing need for social rented homes in the capital.

Demolishing social rented homes means that affordable housing grant is spent on replacing existing homes rather than on delivering the additional social rented homes so desperately needed.

Throughout the years, social rented homes have often not been replaced by social rented homes at existing social rents, but have been replaced by other types of so called 'affordable housing'. Even where replacement social rented homes are delivered the best that can be expected is London Affordable Rent homes with rents that are 50% higher than existing social rented homes.

- 4.9 We would like the commission to consider the following reports

LSE Anne Power's paper 'Does demolition or refurbishment of old and inefficient homes help to increase our environmental, social and economic viability'.¹³

London Tenants Federation's 'Holding on to the homes we have now and why (which includes case studies on loss of social rented homes)'¹⁴

UCL Engineering Exchange report Demolition or Refurbishment, a review of the evidence.¹⁵

Section 2 Towards a new affordable housing offer – increasing supply

Q1. What role should housing providers play and what products old and new should be backed by government and how?

Covers roles of social landlords (scaling up provision by councils, housing associations and others), affordable PRS, new products (key worker housing schemes etc), new vehicles (local housing companies) and new approaches (community-led housing etc)

- They should all contribute to meeting London's extreme level of need for social rented homes as a priority. It is unacceptable that planning authorities such as Wandsworth that are delivering so much new housing have such poor records on delivering social rented homes (see LTF graph on page 8 and chart on page 9)
- Councils should expect new social housing to be delivered at existing social rent levels.
- The London Mayor should work hard on achieving rent controls for the private rented sector.

¹³ <http://eprints.lse.ac.uk/33116/>

¹⁴ [http://www.londontenants.org/publications/other/Holding%20onto%20what%20we%20have%20\(LTF\)%20FF%20.pdf](http://www.londontenants.org/publications/other/Holding%20onto%20what%20we%20have%20(LTF)%20FF%20.pdf)

¹⁵ <http://www.engineering.ucl.ac.uk/engineering-exchange/files/2014/10/Report-Refurbishment-Demolition-Social-Housing.pdf>

- Local authorities and housing associations should protect existing social-rented homes (i.e. not carrying out any demolitions unless buildings are structurally unsound). The London Mayor should require them to do this and refuse to provide funding for replacement homes unless those planned for demolition are structurally unsound.
- Research is required into the types of homes that Local Housing Companies are delivering. There are too many developers delivering market homes, so there is no need for LHCs to deliver more.
- Our members include the London Fed of Housing Co-ops and the NFTMO and community led housing is strongly supported by LTF, as long as it meets need for social rented homes. Support is required from Local Authorities on this and in identifying small land sites for community led housing to be developed.

Q2: What planning reforms would deliver more affordable housing?

Covers new central/local planning powers, planning gain and land value capture/CPO; land supply, affordable housing zones/growth areas; other planning reforms

- The term affordable housing should be dropped and replaced with ‘sub-market’ housing.
- London planning policy should require targets for addressing overcrowded homes within 10 years.
- It should require backlog need to be addressed in 10 years.
- Delivery of social rented homes should be made an absolute priority in both the NPPF, London and Local Plans.
- Public land should be protected exclusively for delivering social rented homes and associated infrastructure. Since 1979 approximately 2m hectares of UK land has disappeared from public hands; the vast majority into private hands (rather than charities or community-based groups). Much handed over to developers hasn’t been developed since developing too many homes too soon ‘risks disturbing market prices’ and thus developers’ profits.

Brett Christophers, professor from University of Sweden wrote in the Financial Times in November 2018:

“If it is hard to see any material gains from the history of land privatisation in Britain, examples of disbenefits are hiding in plain sight. Ex-public land fills the land banks that buttress housebuilder share prices that, in turn, determine housebuilder executive remuneration. The £75 million bonus recently ‘earned’ by the former chief executive of the UK builder Persimmon must be understood in this light.

Land privatisation is also intimately linked to the declining capacity of the public sector, especially the local public sector, to continue to provide many of the basic social and environmental infrastructures that it has done historically. Such benefits include affordable housing to allotments, libraries to leisure facilities, and playgrounds to parks, all of which depend on the ready supply of land.”

Q3: How can government support the funding and financing of affordable housing and what needs to change with the current system?

Covers investing more in affordable homes, public funding (capital subsidies/council borrowing), private finance, capital versus revenue subsidy and new investors

- The Government and the London Mayor should make delivery of new social rented and protection of existing social rented homes (at existing social rents) an absolute priority when it comes to grant funding.
- Central government should stop propping up /subsidising failed market housing. If the private sector is that good, it should pay for itself.
- Government (central government and the London Mayor) should end funding for intermediate homes. This again props up a failed housing market and takes money away from where there is greatest need (for social housing). We have already referenced Bert Proven, LSE's analysis.
- Central government and the London Mayor should support rent controls in the private rented sector and provide much stronger protection for private tenants.
- Legislation should require that existing social rented homes are protected and not demolished unless structurally unsound.
- A step-change is required to grant fund council and community-led housing rather than housing associations. This should be supported by central government and the London Mayor.

Q4: What needs to change to ensure the skills and capabilities are in place to deliver more affordable housing? Covers construction (offsite, skills shortages), lack planners/place makers, low awareness of alternatives like community led housing and self-build.

The term affordable housing is meaningless. (See suggestions made elsewhere in this response).

**Section 3 Towards a new affordable housing offer:
managing demand**

Q1: What tax and macro-economic policies and changes in mortgage lending would help ensure housing is more affordable?

Covers property/land taxes, tax relief, role BoE/macro financial controls, reforms to mortgage lending/new lenders (councils)

Q2: What regulatory reforms and new products/schemes are needed to make both social and private housing more affordable?

Covers social rents regime, rent controls in the PRS, new rents to incomes schemes ('living rents', personalised rent), new types of low-cost mortgages

- We have already provided much detail in this submission on the significant increases in social rents in London and our call for rents of new social rented homes to be at no higher than existing rents. It is unreasonable that social renters

have to pay so much towards paying off loans taken out to build their homes in the first place, when they gain nothing from the capital value of their homes.

- The London Mayor should fund delivery of social rented homes at existing social rents rather than London Affordable rent homes.

Q3: How can we ensure the better use of existing stock

Covers Right to Buy, Affordable Rent conversions, right sizing, empty/second homes and other interventions (RTB buybacks)

- We propose the Right to Buy should be suspended. This is not because we are against tenants owning a home, but rather that RTB or actually Buy to Let / Airbnb has had negative on social housing estates in London. Instead of helping to create stable and sustaining communities, it has created high levels of transience, problems relating to management and maintenance of homes and potentially problems around the breaching of compartmentalisation of homes in blocks of flats, which could be creating health and safety / fire risks for tenants and residents in blocks of flats. In some instances, there has been tensions between tenants and leaseholders relating to proposed capital works.
- As already highlighted LTF is keen to see stronger policy on protecting existing social rented homes with funding available to support refurbishment rather than demolition, which is socially, economically and environmentally damaging.

A number of academics have written quite a lot about this, some working with London Tenants Federation and another community-based organisation - Just Space. We have reference some of this in previous sections of this response.

Q4: How can the welfare system ensure that those on low incomes, with particular needs or those experiencing financial shocks have the right level of support in a timely way to reduce housing stress

Covers housing benefit system, LHA, mortgage support, and temporary accommodation

- We are concerned that the greatest rise in housing benefits claimants is those who are in work. Additional, as already highlighted, recent analysis carried out by Loughborough University for Trust for London finds that 41% of Londoners couldn't afford a decent standard of living¹⁶ in 2018, while nationally this is 29%. One of the key differences in London is the additional costs of housing. Three quarters of the households that don't have a decent standard of living are either in social rented homes or private rented homes. We suspect that most likely those in private rented homes should be in social rented housing.
- Cheaper rents = less dependence on and pay out in benefits. We must see a change in supporting the delivery of social rented homes in London at existing social rents.

¹⁶ <https://www.trustforlondon.org.uk/publications/minimum-income-standard-london-2018/>

Section 4. What else needs to change?

Q1: What other areas of policy need to change, such as reforms to the machinery of government, governance of housing providers, place-making and public realm?

Covers: physical and social infrastructure, economic development, institutional change (Homes England), devo/localism, link to Brexit, new governance/ownership models

- There is also need for Government investment in social and community infrastructure. In large scale development areas in London there is often conflict between delivery of sufficient 'affordable' - particularly low-cost rented homes, and essential social and community infrastructure. A number of the Development Infrastructure Funding Studies that have been carried out across London make this very clear (for example those of the OPDC, the Isle of Dogs and Vauxhall, Nine Elms and Battersea Opportunity areas).

Q2: How can an agenda for change get backing from the public and what should others (beyond government and the housing world) be doing to help?

Covers public attitudes and actions by others such as actions by employers, building a consensus for sustained change.

- We feel there are some changes in relation to younger people who are, it is being reported, keener to have secure, well managed rented housing rather than necessarily home ownership.
- In terms of social rented housing ongoing comments / reports by CIH and Shelter can't but help. However, it will take a lot to change general negativity towards social housing tenants (who are collectively seen as getting something for nothing) which impacts on the views of social housing. We hope that some of the public coverage of Grenfell tenants' comments may have challenged some of this negativity.

Pat Turnbull and Pauline Hutchison

Regional delegates
London Tenants Federation