

29<sup>th</sup> September 2020

## **LTF response to Changes to the current planning system**

**Introduction:** London Tenants Federation brings together borough- and London-wide federations and organisations of tenants (including leaseholders)<sup>1</sup> 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 our members involve both council and housing association tenants and a few (a minority) also represent some private tenants. LTF's main focus is on engaging its member organisations and individual tenants' associations in London-wide strategic policy – particularly relating to housing, regeneration and planning.

We have strong links with other community and voluntary sector organisations in London that also have an interest in housing, regeneration, planning and community related issues.

### **1. The standard method for assessing housing numbers in strategic plans**

#### **1.1 Our key concern is that, whatever the method of assessing housing need in London, will the type of housing that actually meets needs be delivered in sufficient numbers?**

The 2017 London Strategic Housing Market Assessment shows that almost 50% of the new homes required in London are social rented, based on (i) a total target for all types of housing for which there is unproven capacity to deliver and (ii) addressing the backlog of unmet need over an unacceptably long 25-year period.

The total backlog of unmet need for social rented homes (alone) in London was 163,000 in 2017.

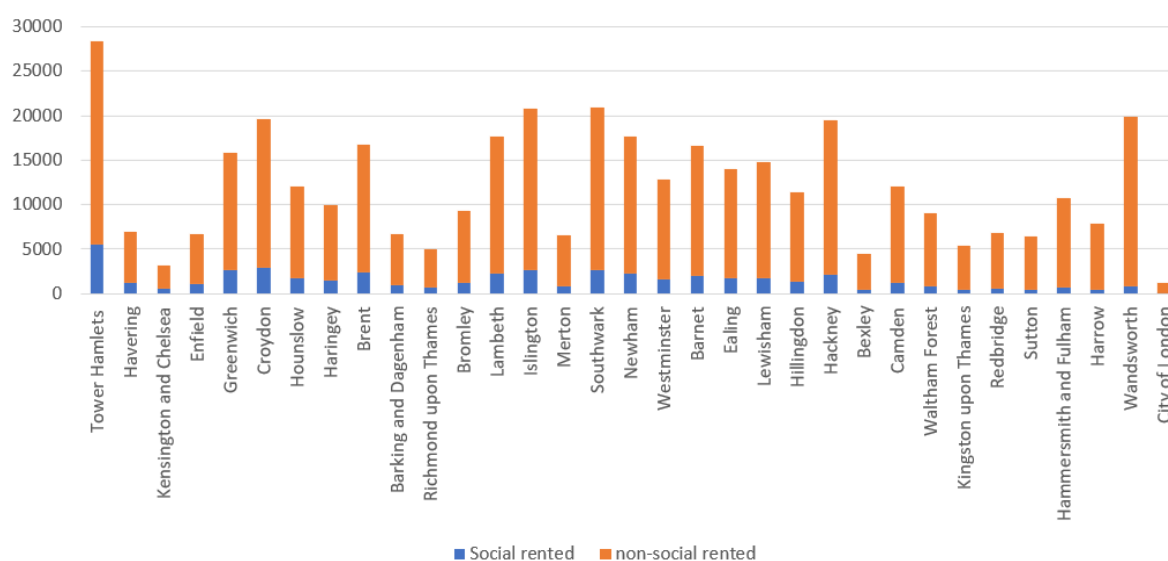
Between 2005/06 and 2017/18 only 12% of homes delivered in London were social rented, while 75% of homes delivered were private/market homes.

We note that even where boroughs have had available land to build a large number of homes from 2005-18, none have delivered anywhere near enough to contribute their equal share to address the assessed need for social rented homes in London. Some have delivered better than others (albeit far from enough). For example, 20% of the total homes delivered in Tower Hamlets were social rented while in Wandsworth it was just 4%.

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

Highest to lowest percentage delivery of social-rented homes by London boroughs 2005-18 - from Tower Hamlets 20% to City of London 2%



It seems to us that we not only need an accurate way of assessing housing need by tenure types and sizes of homes in London but also (i) sufficient Government funding and support to deliver the social rented homes needed in London and (ii) all boroughs across London to contribute their fair share to meeting need where they have the capacity to do so.

Failure to ensure this has contributed to growing levels of: households on housing waiting lists, overcrowding<sup>2</sup> (this disproportionately affecting BAME households), homelessness, households living in inadequate temporary homes<sup>3</sup> and displacement of low- income households from their families and support networks.

1.2 **The proposed new method of assessing housing need would see an annual target for 93,000 homes (of all types in London). This is almost a third of the 337,000 target for the whole country.** It's complete fantasy to consider that this number might ever be delivered when on average, over the last 10 years, delivery has been just 32,000 per annum. It is also clear that this will not properly address London's wide and varied needs. The proposed assessment method fails to consider: overcrowding and the need for family sized homes (particularly at social-rents), levels of homelessness, the backlog of unmet need, vacant homes, second homes and under-occupancy.

1.3 **There is no evidence that the strategy for this revised assessment method will actually help deliver the homes, along with the green and play spaces and community and social infrastructure, needed in London.**

It is based on the theory that delivering more market homes is the best way to bring down house prices.

<sup>2</sup> 118,000 overcrowded social rented homes<sup>2</sup>, many being from BAME communities

<sup>3</sup> 58,680 homeless households living in temporary housing (as of December 2019) including 90,090 children

Yet experts agree that building more homes (regardless of type) will not deal with the housing crisis and particularly won't bring down house prices. A strategy that is based principally on demand and supply is faulty in respect of the housing market. Housing investment markets operate differently to consumer goods markets.

The 2004 Barker Review of national housing supply showed 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 require a level of market housebuilding that would be both "undesirable and unachievable"<sup>4</sup>.

1.4 **Our fears are that in London**, with the Government continuing to channel the majority of subsidy toward development of market / private homes (at the expense of delivering social rented homes, for which there is greatest need) we will end up with developers:

- over-developing small homes at high density levels, while the level of need for low-cost social rented homes continues to increase;
- leaving insufficient land available for the social and community infrastructure, such as green and play spaces, needed to support the development of sustainable communities;
- demolition of structurally-sound social rented homes to make room for more expensive homes that don't meet the needs of the existing tenants and residents, let alone newly forming households.

In total we would argue that this would impact negatively in terms of achieving economic, environmental and social sustainability. Worse still, the least well off will remain in overcrowded, insecure and unsuitable accommodation and continue to suffer the highest levels of Covid-19 deaths, to the Government's shame.

1.5 **We need:**

- full and regularly updated assessments of the need for housing, particularly social rented homes in the capital;
- full and regularly updated assessments of where land is available to deliver new homes along with the green, play, community and social infrastructure needed to support them (without demolishing perfectly sound existing homes);
- all public land suitable for residential development to be preserved for social rented homes along with any required green, play, social and community infrastructure;

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<sup>4</sup> [http://webarchive.nationalarchives.gov.uk/20120704150620/http://www.hm-treasury.gov.uk/d/barker\\_review\\_report\\_494.pdf](http://webarchive.nationalarchives.gov.uk/20120704150620/http://www.hm-treasury.gov.uk/d/barker_review_report_494.pdf)

- Government to stop propping up the private / market housing sector with subsidy that currently amounts to three times that allocated for 'affordable homes.' Surely, if market solutions were such an effective way to address the housing crisis, they wouldn't need propping up with public subsidy;
- Government to provide funding to support delivery of public and community owned homes that remain low-cost, in perpetuity.

## **2. Delivering First Homes**

- 2.1 **We object to the development of First Homes in London.** There is absolutely no evidence of the need for this type of housing (no more than there was for starter homes). It will take money away from where there is greatest need to support households with some of the very highest incomes in London.
- 2.2 The GLA's response to the First Homes consultation<sup>5</sup> highlighted that 'with a 30% discount First Homes would only be affordable to 2% of households based on incomes and savings.'
- 2.3 Section 106 funding should not be used to support First Homes, or any type of so-called 'affordable housing' other than social rented.
- 2.4 We object to any funding from the Affordable Homes Programme being used to pilot the development of First Homes in London.
- 2.5 The consultation paper suggests that Help to Buy and Right to Buy have helped to make the dream of home ownership a reality. However, evidence is that Help to Buy has for the most part simply lined the pockets of property developers and existing homes owners at the expense of households who desperately need and would love to have a social rented home at a rent that they can afford.
- 2.6 The National Audit Office (NAO) found that only 37 per cent of the 211,000 buyers who used the scheme to claim almost £12bn to the end of 2018, wouldn't have otherwise been able to afford a home and almost one in five borrowers weren't first-time buyers at all. The NAO study found, as many economists and property experts had predicted when the scheme was first launched, that the scheme had simply boosted profits for big property developers - Redrow, Bellway, Taylor Wimpey, Barratt and Persimmon.
- 2.5 The Right to Buy, along with stock transfers and estate demolitions, has left London with only half the number of council homes for social rent than in 1997. Indeed, for all the funding and targets for housing associations to deliver social rented homes in the capital, we have around 20,000 less social rented homes in London now than we had in 1997. From 2014-18 in London, 6,000 more homes were sold via Right to Buy than the net gain of new social rented homes delivered.

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<sup>5</sup> Section 106 funding should not be used to support it or any other type of so-called affordable housing other than social rented.

- 2.6 Increasing numbers (42%) of Right to Buy homes in London are now Buy to Let.<sup>6</sup> The negative impact on communities living in council homes is greater transience and thus less stable and sustainable communities.

**3. Supporting small and medium developers and small sites planning policy.**

- 3.1 Given the need for social rented homes in London we think it is inappropriate to exclude the requirement for affordable (particularly social rented homes) in developments of up to 40 or 50 units, particularly since there is no evidence that profitability of a development per unit is driven by the size of the development.
- 3.2 We propose that, instead, small sites should be used exclusively for delivering social rented homes by community-led organisations.

**4. Extension of the permission in principle consent regime.**

- 4.1 We are concerned about the impact of increasing permission in principle to developments of 150 homes from just 10. The issue here is not just the increase in numbers but the type of development that might result, lacking the green, play, community and social infrastructure that are needed to support this level of development.

We also fear the extent to which this might reduce community involvement in the decision-making processes, especially as this is already low in respect of low-income households.

**5. Public Sector Equality Duty**

The combined impact of the proposals set out in this consultation will contribute to the continued failure to properly assess and address the shocking levels of housing need in London. This will disproportionately harm ethnic minorities, women and low-income households. We are particularly concerned about the impact on homeless households living in inadequate temporary housing or living in overcrowded homes that leave them most at risk of death as a result of Covid-19.

Pat Turnbull and Pauline Hutchison

LTF Regional Delegates  
London Tenants Federation

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<sup>6</sup> [www.insidehousing.co.uk/news/news/london-councils-spend-22m-a-year-renting-back-right-to-buy-homes-59819](http://www.insidehousing.co.uk/news/news/london-councils-spend-22m-a-year-renting-back-right-to-buy-homes-59819)

