CIH London Board
Response to London Mayor’s housing strategy consultation

1. Introduction

CIH London Board is the regional board of CIH in the capital. CIH is the professional body for people working in or with an interest in housing, and our London region has over 1600 members. These are housing professionals across all functions and all officer levels, and we draw on their first-hand experience and expertise to shape our work to respond to consultations, and to shape our work to support housing professionals in the capital, in sharing good practice and new solutions for our housing challenges.

2. General comments

CIH London welcomes the Mayor’s housing strategy and its comprehensive approach to tackling the acute housing shortage and affordability problems in the capital and the inexorable rise in homelessness arising from this. We support the Mayor’s priorities in the draft of building homes for Londoners: delivering genuinely affordable homes; high quality homes and inclusive neighbourhoods; a fairer deal for private renters and leaseholders; and tackling homelessness and rough sleeping.

These are very much echoed by the priorities identified by CIH London Board as the critical issues we face, and which are the focus of our policy and support for members: increasing investment and supply; affordability and welfare reform impacts; homelessness and allocations; connecting housing health and care; and diversity. We have focused our response on some of the new measures around these priorities introduced in the draft strategy.

3. Specific comments on policies and proposed actions

3.1 Increasing the supply of land for new homes (Policy 3.1)

CIH London welcomes the proposal to support the appropriate development of new homes on brownfield land, and in / around existing town centres (proposal Ai), where the additional demand on facilities and services that will result can be accommodated and, in respect of brownfield sites, where there is a good connection with existing or planned new transport links and opportunities for new business development where possible, to support sustainable local economies.
We support the proposal to shift to increasing density of development, providing this is done with appropriate measures to ensure the quality and safety of construction (proposal Aii). We note the proposal commits to exploring new fiscal incentives to encourage landowners to release inefficiently used land alongside the commitment to protect the green belt. Whilst it is valuable to consider all measures to bring land forward and step up build out rates, this should not add further costs to development or to the viability of increasing the numbers of affordable homes on such sites. We also question whether the numbers of new homes required can be met without any use of green belt land at all. It may be appropriate for the Mayor to work with councils to identify areas of poor environmental quality where it could also be demonstrated that development would bring social/economic benefits to the local community (for example, through a requirement to deliver more affordable homes on such sites).

We support the proposals (B ii/iii) for the Mayor to work with councils and housing associations on land acquisition and assembly. Access to suitable land is a key problem in London, and partnership approaches will be vital to help to address it. Examples of this were detailed in a recent CIH report, Building Bridges: a guide to better partnership working between local authorities and housing associations. The additional resources of the Mayor’s Homes for Londoners team will increase the capacity to do this in London.

CIH has called for better use of public sector land to deliver more affordable homes, so we support the proposal for the Mayor to work with public sector landowners to achieve this (proposal Cii). We have argued for greater flexibility in the use of public sector land to deliver wider social and economic value rather than simply highest price sales. This could be tied into the needs of public sector services; for example extra care housing for older people with support needs, or affordable homes for NHS staff being included on developments of NHS land.

3.2 Investment to support housing delivery (Policy 3.2)

We agree that targeting investment in Housing Zones and where the delivery of new and genuinely affordable homes can be maximised (proposal Ai) is important to achieve the step up in delivery needed in London. In the long term we need to monitor the impacts of this proposal, and find innovative ways to
develop affordable housing where it is most needed, even where that is more difficult to achieve.

We are concerned with the proposal to find a sustainable successor to the Help to Buy scheme (Aii), as emerging evidence shows that this has contributed to the increase in house prices, and does not extend the opportunities as widely as alternative low cost home ownership models do, such as shared ownership. We think it is important to shift from this approach, although we acknowledge that this shift will take time given the use by housing associations of market sales to cross subsidise affordable housing. In the long term, it would be more appropriate to look at increasing capital investment to support more genuinely affordable homes (for rent and ownership).

This does not need to be ‘new’ money, but could be achieved by a shift in government’s existing investment. In CIH’s submission to the 2017 Autumn Budget, we argued for a redirection of funding for measures such as Help to Buy and Starter Homes to the affordable homes programme, where an additional £1.5 billion investment a year between 2018/19-2020/21 could deliver an additional 28,000 homes a year at social rent, and a proportion of that would make a significant difference for London households.

3.3 Diversifying the home building industry (Policy 3.3)

Given the continued growth of the private rented sector (PRS), and the numbers and range of households living in it (including over 600,000 children), measures that increase the supply and quality have to be integral to the London housing strategy. So we welcome the proposal to support Build to Rent schemes through planning, and in particular to deliver homes across a range of rent levels are welcome (Aii). It is important that these schemes are developed to address the range of needs of lower and middle income Londoners, and that it provides greater opportunities for longer and more secure tenancies. Nationally the number of households in the PRS with an assured shorthold tenancy (and therefore the least security) has almost doubled in 20 years (CIH’s UK Housing Review 2017) from 42 per cent of households in the PRS to 81 per cent.

The strategy includes a range of actions under proposal B to support the development of small sites, and encourage small and medium sized builders, including streamlining the planning process and addressing the level of upfront
costs required through CIL and so on. Measures that reduce the risk for smaller builders and help them to compete for and access land are welcome. CIH strongly supports this, as we need all possible players involved and contributing to the delivery of more homes.

We also welcome the proposals for developing strategic partnerships with housing associations (Ci) and to support smaller associations through a consortia approach (Cii). More can be delivered if we harness the complementary expertise and resources of councils and associations in partnership, and the Mayor has a key role in leading and supporting that (as referenced above to CIH’s report Building Bridges, and also in Working together to meet housing needs).

3.4 Delivering more affordable homes (Policies 4.1 and 4.2)

CIH has estimated that nationally, around 250,000 of the most affordable homes—those for social rent—could be lost by 2020, as a result of right to buy sales, conversions to affordable rents and a focus on new delivery for affordable rent or low cost home ownership. In view of the high cost of housing in London, we welcome the proposal to support London affordable homes to rent with the benchmark set at social rent levels, to support councils that choose to develop new council homes for rent (Aii), and to refuse more conversions from social to affordable rents (Aiii). However, this will have an impact on overall numbers that social providers are able to deliver, unless there is a significant step up in subsidy through access to land and/or increased grant levels. So whilst welcoming this, we acknowledge the tension between the drive to deliver more housing and the need to ensure that other policies help to support that.

We welcome the GLA innovation fund to support new models of affordable housing delivery (policy 4.2, proposal Bi), and strongly support the proposals to increase affordable homes delivery to 35 per cent in the Housing Zones, and to 50 per cent overall on publically owned land brought forward under this administration (proposals B and C). We agree with the incentive of a fast track route to planning permission on those sites being dependent on delivery of the 50 per cent target of affordable homes.
3.5 Protecting affordable homes (Policy 4.3)

We referred above to our analysis of the potential loss of 250,000 social rented homes by 2020. CIH has called for changes to the way Right to Buy receipts are administered (for example, in Keeping Pace) and therefore we are strongly supportive of the Mayor’s proposal to call for reform and to oppose plans to force councils to sell their higher value assets (proposal C).

We have previously called for more investment in regeneration and published examples of effective and successful regeneration projects, in Regeneration revival: making housing-led regeneration work across England and our sector showcase, (Proposal D).

3.6 High quality homes and inclusive neighbourhoods (Policy 5.2)

We strongly support the ongoing commitments in proposal A to ensure that more homes are accessible for older and disabled people. There is a strong case for developing a strategy for older people’s housing in London to recognise their specific housing needs and shape a strategic response. The commitment to invest £75million in supported housing for older and disabled Londoners (Bi) to support independent living is welcome, particularly now that the proposal to limit rents to LHA levels in supported housing has been removed. It will be important that the development of the proposed new ‘sheltered rent’ ensures the long term viability of these new schemes.

3.7 Community support for home building (Policy 5.3)

We welcome the proposal to reserve the right to publish viability assessments as greater transparency will remove some of the upward push in land prices from speculative bids that in turn impact on the level of affordable housing that can be delivered (Ci). We recognise the same drive for transparency in the proposal to publish information where cash payments are taken in place of on-site affordable homes, and how these are used. However, publishing the use of cash payments should not have the unintended consequence of encouraging community support for this rather than on-site provision, so this should be accompanied by clear evidence and promotion of the benefits of more housing development, including affordable housing for the local area and community.
We support the proposal (Ei) for the Mayor to call on government to develop a package of reforms to support better regulation and rights for social tenants.

3.8 Improving standards for private renters (Policies 6.1, 6.2, 6.3)

We welcome the proposals in these policies, including supporting greater collaboration across councils with a new London Boroughs PRS Partnership (Ai) and the use of regulatory powers to improve lettings practice. CIH has called for the development of a universal code for lettings agents, and for ways to strengthen the security and length of tenancies available in the PRS.

3.9 Preventing and addressing homelessness (Policy 7.1)

CIH strongly supports the Homelessness Reduction Act 2017, but we have been clear that there will be significant resource needs for local authorities to fulfil their new duties (proposal Aii).

We welcome the proposal (Aiii) to prevent youth homelessness through investing in accommodation. However, there is significant concern in the sector about the long term revenue funding for short stay supported housing schemes, which are a key solution for homeless households, and this may limit the impact of such investment, unless providers can be reassured about long term continued funding. CIH has raised concerns about the impact of welfare policy and cuts on the opportunity for younger people to access safe and secure housing, so we welcome the commitment to lobby on the issue of housing benefit for 18-21 year olds.

More investment in accommodation for homeless households is always needed and welcome, as is the commitment to work with councils to coordinate procurement of accommodation (Bi) and to build the case for fairer funding for temporary accommodation (Biii). The Mayor and councils need also to involve their housing association partners to increase available accommodation including in providers' general needs housing. Research has underlined the ongoing importance of partnership working between councils and housing associations to tackle homelessness (Tackling homelessness together: the importance of local authorities and housing associations working together in partnership).
Effectively connecting people who are homeless with wider services that can help them to access and sustain tenancies is also crucial to achieve the ambition to prevent homelessness (e.g. money and debt advice services, tenancy support, etc.)

3.10 Supporting rough sleepers off the streets (Policy 7.2)

We support the proposals to establish a No Nights Sleeping Rough Taskforce (Ai) and to use additional and future funding to develop new services (Bii). The investment of £1 million to promote innovative services through the Rough Sleeping Innovation Fund is a valuable resource. It would be useful to map out existing services and identify the gaps to help to target funding most effectively. CIH has published a guide on Housing First schemes and how these might be implemented across the UK, which may be a valuable approach.

Whilst we strongly welcome the proposal to earmark £50 million to provide move on accommodation from hostels and refuges (Ciii), where that move-on is to other supported accommodation, the government’s existing proposals for revenue funding may make achieving this more difficult.

4. Contact

CIH London would be happy to discuss this response further if that would be helpful.

For any questions about this paper, please contact sarah.davis@cih.org