

London Community Neighbourhood Co-operative (LCNC) reply to Mayor Sadiq Khan London Housing Strategy 2017

In general LCNC does not consider that this document is valid for the following two reasons:

1) relationship with its evidence base

The document is supposed to be based on evidence, included in the Strategy (1.2) Two key elements of the evidence on which it is based have not been published yet and will appear only when the draft London Plan is published, a few days before these consultations close. The two key documents are

1.The 2017 **Strategic Housing Market Assessment** (SHMA) which is the latest assessment of needs and demands for housing in London by people at various income levels. The GLA has been very good in including community groups of which LCNC is one in preparatory meetings and we have made strong representations about how it should be done but we have no idea whether the final study will prove adequate and no-one can evaluate the Strategy until the SHMA is available.

2.The 2017 **Strategic Housing Land Availability Assessment** (SHLAA) is the same. The Mayor should not assume any further losses of industrial/workspace land or any council estate “regeneration” unless and until they had been agreed by all concerned in proper procedures. Again, no-one can evaluate the Strategy until the SHLAA is available.

b)The relationship with **the London Plan** itself is unacceptable.

If the Housing Strategy is adopted, with or without modifications, it will pre-determine many key issues in the London Plan in particular so either this consultation is invalid (if the issues can be re-opened at the LP stage) or the LP consultation is invalid (if the key decisions on housing will have been pre-determined). Similar problems arise with all the Mayor’s other strategies and we recommend that none of them be finalised until after the Inspector has reported on the London Plan EiP.

2.Housing in London and the Mayor’s vision

This chapter is essentially the GLA’s analysis of what is wrong. It is not an acceptable analysis and that is why so many of the proposals are inadequate or dangerous. The essence of the GLA position is that “The origins of London’s housing shortage can be traced to a failure over decades to provide the homes that people working in London’s growing economy require.” (2.2) and this way of seeing the crisis leads to the Mayor’s obsession with getting as much housing built as possible, raising densities and prioritising this as being much more important than what kind of housing is built, at what prices and for whom. This interpretation (again in 2.27) down-plays the shrinkage of the social housing stock and the massive expansion of credit to drive up prices, the dramatic growth of income and wealth inequality, the surges of local and global speculative investment and falling real wages for much of the population. All these things have contributed to the London housing crisis and the impoverishment of so many Londoners. Policies to eliminate or manage them are essential because more and more of us are exposed to the market to determine what housing we can get (if any) and we confront it on increasingly unequal terms. Solving the problem through building more would take many many decades to bring market rents and prices down (even if developers continued to turn out homes while prices fell), and so much of what gets built is snapped up by the wealthy that the benefits for low- and middle-income Londoners are minimal or adverse. The inflammatory ‘housing crisis’ language needs to be

more nuanced to the reality of London today. There is not a 'housing crisis' in London but a crisis of council controlled, low rent, decent and secure housing. The building of this type of housing is where the Mayor's efforts need to be directed.

2.24 The reference to the Grenfell Tower fire is wholly inadequate: it did not simply highlight safety issues —though those are massive— but also the failures of society to devote adequate resources to low-income people's housing or to accord them effective control over their housing conditions. A much stronger response from the Mayor is called for, on resources, regulation and self- management.

3 Building homes for Londoners

3.2 Agreed that London's over-reliance on developers' housing for private sale has produced an unbalanced supply and that most of the homes built are not affordable to most Londoners. But the account of **why** is misleading and ignores the role of land prices (3.3). Development cost differences don't explain the high price of new homes in London: it's the sum of profits and payments to landowners which is exceptional and which has squeezed out the margin within which S106 social housing and other social gains could and should (and to a degree used to be) secured. Ignoring the land values issue leads to mistaken policies and obscures the crucial importance of getting land values down, or at least arresting their increase.

Interventions which tend to raise house/land prices (as Help to Buy clearly does) need to be studiously avoided or —where the government is responsible— opposed. The suggestion that the Mayor should use some of the available budget to subsidise "mid-market homes for sale" §3.7 is wrong because it could have an upward effect on prices, it avoids the top priority needs (for lower-income housing to be supported) and becomes a gift to the lucky beneficiaries in a most unfair, unjust way.

POLICY P3.1 A (i) Brownfield Land. The focus on "brownfield land " should be heavily qualified for London because a great deal of the land now being pressed into use for new housing is not the abandoned industrial land conjured up by the term 'brown'. Too much of it is land actually in use for industrial and other productive purposes or represents people's homes, now that government has declared that council estates are brownfield land. So much of the land being built upon causes major losses to the economy and society of London and to its communities. Elsewhere the Mayor acknowledges some of this damage but he must be clear about it in policy. This is particularly true in Estates Redevelopment where land that is in use, is being reclassified as 'brownfeild' without residents knowledge or any consultation or recourse to object once it is classified. This is a misuse of the 'brownfield' planning laws again serving the needs of those in power against the needs of council estate residents and communities.

Close the loop where building developers can change the use of a building from commercial use (i.e. have to pay business rates for an empty building) into residential (only liable for council tax). They then leave the properties empty for years. In these circumstances, the change of use should ONLY come into effect for a particular unit once a new tenant takes occupation.

4. Delivering genuinely affordable homes

On affordability: following LTF analysis closely.

4.5 The account of shrinkage of the social rented stock concentrates on Right to Buy, ignoring losses through estate clearances, sales by councils and housing associations and the “conversion” of social to higher rents. These other losses have been very serious and only the “conversion” issue is dealt with (inadequately) in policy.

P4.1 Genuinely Affordable Homes

P4.1A (ii) The Mayor’s decision to refuse further conversion from social rents is welcome but our understanding is that he can only implement that in the few cases where his financial support is sought for new schemes. Conversion needs to be halted urgently across the whole social stock and for that the Mayor would need to press for additional powers. (also in §4.20).

Comments on the detailed categories of rents proposed follow. Just Space groups are profoundly dissatisfied with all the categories and with the proposed distribution of effort between the categories.

“**London Living Rent**” is proposed as a form of temporary renting aimed at middle income households with expectations of being able to pay rents at 33% of local average household incomes **and** simultaneously save a deposit to buy. These tenancies would last for 10 years (p 102) or ‘at least 3 years’ (page 103) after which, by implication, tenants not able and willing to proceed to full or partial ownership would have to leave. LCNC regards this tenure package as a very low priority, serving only households with incomes of up to £60,000 p.a.

There are also proposals to expand the programme of **shared ownership** which is described as “successful”. It is aimed at households with incomes up to £90,000 p.a. and this is a low priority compared with meeting serious housing need and relieving homelessness. It would be wrong for the Mayor to invest public money (4.25) in what amounts to free gifts to this income group. There are strong criticisms of the whole shared-ownership system including the difficulties which participants have in selling their partial “ownerships”.

Notwithstanding these criticisms, we support the proposal to establish a charter on service charges for such tenancies (4.26 and P4.1C(ii)) so long as they exist.

Policy 4.1A (i) “**London Affordable Rent**” homes would be let at levels which the Mayor describes as “based on social rent levels”. The London tenants Federation has pointed out, however, that these rents are actually well above average social rents: “ they are ‘capped’

formula rent levels, exclusive of service charges. This is the highest amount of rent that a council or housing association may currently charge for social-rented homes. Rents at this level are quite a lot higher than average social-rents in London. According to the latest available data from DCLG (2015/16) the average London council rent in was £107.93 and the average London Private Registered Provider rent was £125.27. If service charges are added then gross levels are often as high as 50% of market rents. “As average social-rented household incomes in London are only £17,500 this is a significant hike in rent levels.” (LTF 2016)

Policy 4.3: Protection of London’s Affordable homes

“The Mayor will act to ensure any affordable homes that are demolished are replaced like for like. This will include:

- i. new funding and planning requirements for affordable homes demolished as part of estate regeneration projects to be replaced on a like for like basis; and*
- ii. calling on Government to fund any financial gap that arises when ensuring social housing is replaced like for like, including following demolition in cases where buildings cannot be made safe through improvements, or where other improvements cannot be made without compromising a building’s safety.” (p. 119)*

§ 4.69

“following the tragedy of the Grenfell Tower fire, it is essential to make sure all high-rise blocks are made safe for their residents. Where buildings cannot be made safe through improvements, or where other improvements cannot be made without compromising a building’s safety, the Mayor has said they could be demolished and replaced. In these cases, the Mayor is calling on Government to fund any financial gap that arises when ensuring all the social housing is replaced like for like.” (p. 125)

The replacement of social and affordable housing that Policy 4.3D proposes should be more specific than ‘replaced on a like for like basis’. It should ensure that social housing tenants whose homes are demolished are rehoused with the *exact same* (or better) rent, tenancy, perpetuity, space and in the same area. The policy should also ensure that the landlord does not change from the local authority to another housing provider (housing association, Special Purpose Vehicle or private developer) unless this is approved by a binding ballot among the tenants and residents, just as the law has long required for Stock Transfers.

In addition to this, the policy should ensure that estate regeneration schemes do not only replace the existing social and affordable housing, but also provide new homes on social rents for low-income households and new affordable homes for middle-income households in addition to the existing ones. Policy 4.3.D.ii, combined with paragraph 4.69, suggest incentivizing the demolition of social housing tower blocks. The Grenfell fire should not be used to justify the erroneous view that high-rise tower blocks are unsafe. They are not intrinsically unsafe. There should in each case be an independent technical evaluation of the safety of the building, which looks at whether refurbishment works can make the building safe or demolition is the only option. When refurbishment is still possible, demolition can only happen if approved by a binding ballot among the tenants and residents.

The term “regeneration” is repeatedly used in the draft Housing Strategy to refer to demolition and redevelopment schemes. This is a misuse of the term, since regeneration implies working with the existing people and situation (i.e. refurbishment of homes, improving community and public spaces, introducing new uses and facilities, and building new infill housing). Demolition and redevelopment should not be called ‘regeneration’, it should be called ‘demolition and redevelopment’.

Policy 5.2: Meeting London’s diverse housing needs

We challenge the weak/fluid language of policy. Expecting that things will happen doesn’t overcome intransigence/ injustice. Tighter monitoring and scrutiny will help with this. The Mayor needs to be tougher with Boroughs to ensure that they act to meet needs for gypsy and traveller sites and to support the refurbishment of existing sites as well as provision of new ones. (5.2 A iii)

The Londoners whose homes are in boats on waterways need also to be considered. They are coming under increasing pressure from speculative development of waterfronts and unsympathetic treatment by the CRT. Their absence is a gap in the LHS and suggests that the Mayor is not thinking widely enough about London’s diversity..

BME communities are over-represented in the PRS, with retaliatory evictions disproportionate (Shelter report). Local Authorities don’t have the capacity or will to pursue private landlords who are discriminatory and Mayor-led licensing, or Mayoral pressure on Borough licensing could address this.

Secure housing is an important enabler for accessing mental health services which disproportionately affects BME people. The Mayor also needs to ensure provision of supported housing for those leaving the criminal justice system, also disproportionate for BME communities.

The Race Equality Strategy and other Equality Strategies should link with the LHS. It is important to tackle the intersection of inequalities between and within groups eg Stonewall is a Housing Association with LGBT tenants, the majority of whom are also BME.

BME Housing Associations face particular challenges competing with the larger Housing Associations which needs to be addressed by the Mayor.

Policy 5.3 Community Support for Homebuilding

“Working with councils and others, the Mayor will support Londoners to be involved in planning and delivering new homes. This will include:

- i. supporting the expansion of community-led housing schemes through a new Community-Led Housing Hub for London; and
- ii. investing in community-led housing schemes and lobbying Government for a share of the national Community Housing Fund.”

The Mayor will improve protections for Londoners living in social housing, including those affected by estate regeneration projects, and ensure their views are properly heard and acted upon. This will include:

- i. calling on Government to implement a package of reforms to support better regulation and rights for those living in social housing, including appointing an independent Commissioner for Social Housing Residents; and
- ii. implementing the Mayor’s Good Practice Guide to resident engagement in estate regeneration projects.

5.74

“Estate regeneration schemes will be led by the landlord, who will almost always be a council or housing association.”

Policy 5.3A proposes a ‘Community-Led Housing Hub for London’. While LCNC, as a community-led building co-op, particularly appreciate the initiative, we have some concerns: There is no involvement of community groups in the process of creating of the Hub. Given that it aims to be a ‘Community-Led Housing Hub’, the process of creating the Hub must involve community groups, grassroots organisations and networks that are proposing community-led initiatives.

It is not clear who is going to chair the Hub and whether community groups and grassroots organisation will participate in the decision-making of the Hub. As discussed above, a ‘Community-Led Housing Hub’ should be community-led.

If the Hub and the process of creating it were community-led, it would easier to determine which are the needs that the Hub should cover. The needs that the Hub should cover ought to include:

- Supporting communities and CLTs etc that want to get ownership (or long lease) of land in London.
- Supporting communities on obtaining loans for buying the land or assets. Guide communities to apply to low interest loans.
- Ensuring that SHLAA data and data for smaller sites is available in an open-access map form.
- The Hub needs expertise on viability assessments.
- The Community-led Housing Hub will initially be funded by public funds. However, it is expected that it will eventually be self-sustained without public funds. This kind of initiative, which aim to ensure more public participation and involvement in

planning, should secure permanent public funding for functioning and not depend on private investment.

- The draft London Housing Strategy does not mention neighbourhood planning, community right to build orders, or other planning frameworks included in the Localism Act 2011 that give power to communities to make decisions about future developments in their area. There should be an explicit reference on how the Hub will provide support for community groups who want to use the planning tools available in the Localism Act 2011.

In addition to this, overall, there is a general concern that the Hub exclusively addresses the needs of CLTs and other community organizations that want to carry out new housing developments in small sites, while it does not consider the possibility of tenants and residents in social housing estates wanting to carry out community-led regenerations. According to paragraph 5.74, social housing regeneration will be led by local authorities or housing association with only a consultation and engagement process. As was discussed in the meeting between Just Space and the GLA regarding the housing strategy on the 31/03/2017, the Community-Led Housing Hub should also support communities living in social housing estates who want to lead a regeneration process that implies refurbishing and retrofitting the existing homes, improving the public spaces and community facilities, and building new homes with an infill strategy. As the GLA suggested in the meeting with Just Space, the Community-led Housing Hub Should be incorporated in the Good Practice Guide. The draft version of the Good Practice Guide did not mention the Hub.

This concern about the lack of inclusion of estate regeneration in the Hub comes also from Policy 5.3E. The title of the policy (Community Support for Homebuilding) is contradictory with its content. Policy 5.3E does not aim to support communities to lead or co-produce the regeneration process of their estate, but it provides guidelines (through referencing the Good Practice Guide) for local authorities and housing associations on how to involve the residents in the process. As noted above, paragraph 5.74 states that “estate regeneration schemes will be led by the landlord, who will almost always be a council or housing association” and does not consider the possibility of communities leading (or co-producing with the local authority or housing association) a regeneration process. Policy 5.3E should address how the Hub will support *community-led* estate regeneration.

In this context the Community Right to Transfer should also be mentioned since it was created precisely to enable residents to take control of their estates.

Policy 5.3E also proposes the Government appointing an independent Commissioner for Social Housing Residents at national level. While the Mayor does not have statutory power to appoint this commissioner at national level, he does have power to appoint one at London

level. Policy 5.3E should include the appointment of a London-wide independent Commissioner for Social Housing Residents who would defend the rights of the tenants and residents in social housing, particularly those affected by regeneration and redevelopment schemes. The situation of social housing regeneration is very different in London from the rest of the UK. Housing prices in London put a lot of pressure in social housing regeneration schemes and this is why it is necessary to have an independent commissioner in London.

This Commissioner for Social Housing Residents should not comprise just one person. This could be a community-led organisation, organism or commission that fights for the rights of social housing tenants and residents. The policy should build on the existing community-led structures that are already fighting for the rights of the tenants and residents.

In addition to this, the draft London Housing Strategy is not clear enough on how the Good Practice Guide for Estate Regeneration is going to be implemented and to what extent it is statutory. Policy 5.3E.ii says it will implement “the Mayor’s Good Practice Guide to resident engagement in estate regeneration projects”, but it does not say how nor establish mechanisms for implementing it. Paragraph 4.68 says “The Mayor will consider compliance with his Good Practice Guide when decisions are made about GLA funding”, but this is rather vague and excludes schemes which do not involve GLA funding. The introduction of the draft Good Practice Guide says “The Mayor will furthermore seek to incorporate relevant parts of the final Guide into his new London Housing Strategy”. However, there are not sufficient links between the draft Good Practice Guide and the draft Housing Strategy, particularly on how the Guide will be implemented and, as discussed previously, how the Guide connects with the ‘Community-Led Housing Hub’.

Community groups should have priority access to empty council buildings and land before the private sector. This could be facilitated by the Community Housing Hub.

Housing Co-operatives / Community Groups should receive 100% relief of business rates in empty commercial buildings when they provide meanwhile housing in London.

There should be government help for community groups who want to take over empty buildings and cash incentives for building owners who agree to such schemes. This could be a proportion of the rent collected from tenants.

The Mayor should sign up to a target of 2000 new community-led homes to be started during his time in office

6 A fairer deal for private renters and leaseholders

The Mayor is right to work with Boroughs on landlord licensing, encouraging all Boroughs to be as active as the best, incentivising this and drawing attention to the fact that the work can

be self-financing from fees and penalties.

Because boroughs vary in their commitment to, and resourcing of PRS work, it is important that key tenant rights can also be enforced by tenants themselves, with access to legal and environmental health aid as necessary to make this a reality. Independent support services to tenants are thus crucial and need resourcing.

Registering/licensing landlords, premises and letting agents with actual scrutiny of the people and the premises is crucial; merely naming “rogue” landlords is not nearly good enough because it is crucial to raise standards and re-balance power in the whole sector

Landlords should be ‘fit and proper persons’ (as in Scottish law) and bad behaviour (not only bad premises and leases) should lead to their de-licensing,.

The Mayor should push for (ideally) open-ended PRS leases (or at least a 3-5 year norm) with a minimum notice period for tenants; landlords able to terminate only on legally-defined grounds, as in Scotland and most European countries. This of course must include the ending of 21 eviction which is used to get rid of those who assert their rights.

Logically such improvements in security of tenure would be much weakened if rent levels and increases remain uncontrolled because landlords could simply price-out those tenants they could not evict. Just Space called in the Community-led Plan for the Mayor to start research on rent control and regulation measures in readiness for a more sympathetic government. His failure to consider this topic is a major failing of the Strategy and at least a research commitment should be added.

A strong Mayoral line on security and rents would not only help existing PRS tenants, but would also send the right signals to the embryo Build-to-Rent sector, discouraging excessively greedy investors and making it less likely that these assets will fall into the hands of private wealth and ‘vulture’ funds as has happened in Germany.

The GLA needs to be mindful that a growing proportion of PRS tenants are elderly people, many of whom are deeply concerned about the insecurity and possible rent escalations they face (see AgeUK London evidence).

Just Space and some of its component groups are impressed by the possibilities of the “London Model” for regulating the PRS and would like to work with City Hall on developing the idea.

Given the Mayor’s stated opposition to “Right to Rent” we would urge him to use his influence via the newly formed London Boroughs’ Private rented Sector Partnership to make

sure that local authorities focus their efforts and resources solely on property licensing and do not get distracted into assisting/combining this with border control activities that are the responsibility of other agencies.

Policy 6.3 B iii is inadequate. A priority in estate regeneration or other schemes involving CPOs is for improved compensation or re-housing of (resident) leaseholders to enable them to stay in their localities and be no worse off. Better rights for them would increase the cost of schemes involving displacement but we would welcome this as tending to re-balance the refurbishment/demolition decision in favour of refurbishment.

7. Tackling homelessness more sympathetically and helping rough sleepers

If successive governments had wanted to maximise homelessness they would have adopted just the policies and practices which we are suffering under now: shrinking the social housing sector through Right to Buy, “estate regeneration” and “conversion”; depending more and more on unregulated markets while income and wealth inequalities grow; cutting and capping benefits and paying UC in arrears which triggers evictions. Some borough and GLA practices contribute too. The answers would lie in chapters 1-6, if they were toughened-up.

Closure of hostels, DV refuges and similar establishments has exacerbated the street-sleeping problem, the situation is expected to worsen and the Mayor’s proposals are not good enough.

The Mayor should discourage Boroughs and charities working “with” the homeless from colluding in the deportation of street sleepers with EU citizenship. The argument that many have health problems which could be better-treated in their countries of origin is not a justification but a sham. They could be offered the option of re-patriation, or indeed of treatment here. “London is Open” should not cease to apply if a person becomes homeless.