

## GLA - PLANNING FOR LONDON: Affordable housing

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### JUST SPACE RESPONSE 31/12/23

*Just Space is a Londonwide network of community groups focused on planning issues. The response below is drawn from a variety of comments made, and is not exhaustive or definitive. A more comprehensive set of proposals is set out in our [Community-Led Plan](#) and [Recovery Plan](#)*

#### 1. What are London's most pressing housing needs?

In no particular order:

- Homelessness and temporary accommodation crisis - see below
- Insufficient pipeline of affordable housing
- Private rents far too high for a sustainable city
- Appalling lack of controls over the private rented sector, to control rents, conditions, evictions
- Appalling lack of control of housing associations - as reported in today's [Observer](#)
- Purchase price of market housing unaffordable for all but the already rich
- Market housing being used not for residential use, but for (overseas) investment and kept vacant
- Hidden homelessness e.g. dozens in one bedroom/ garden shed etc.

All of this is the result of a convection of national policy decisions which have skewed the economy to become focused on financialization and asset ownership. Returns from asset ownership are outstripping traditional earnings (Piketty), so we have now entered a vicious cycle of remorselessly rising land values (with no corrections since 1991) where the more market housing built the more existing asset owners (at home or abroad) can buy this up and push the land values ever higher, only to leave the asset sterile or to rent it out at an economically crippling price, exacerbating the vicious cycle. Our entire national economy has become geared to this, and there are a sufficiently large minority of asset owners determined to defend their windfall and manipulate this debate.

But to even begin to answer London's pressing housing needs, we need an up-to-date SHMA - the current one was published in 2017 and was an update of the 2013 SHMA. To do this we need an accurate way of establishing the amount of housing is being left unoccupied and under-occupied (using data from the energy companies on property use?). Given the ever exacerbating problems, which include both hidden homelessness and hidden vacancy rates, the entire methodology of the SHMA needs an overhaul.

#### 2. How can we better plan to meet affordable housing need and tackle homelessness?

##### **Homelessness**

Earlier this year the Chair of the London Housing Panel, the Deputy Mayor of London for Housing and Residential Development and the co-chairs of the London Housing Directors' Group wrote an open letter to Michael Gove, Secretary of State for Levelling Up, Housing and Communities, on the subject of 'London's growing homelessness crisis'. The letter was endorsed by a wide range of individuals and organisations. It said: 'The number of

households living in temporary accommodation is now at its highest point since 2005' with almost 60 per cent of those in England being in London. 'At the same time London is now facing an unprecedented crisis in procurement and supply of temporary accommodation. We include in this all forms of temporary accommodation provided by local authorities discharging their homelessness duties, by the Home Office or under the Children Act.' When temporary accommodation is not 'a stepping-stone back into suitable, settled homes' it can 'prove damaging to health and wellbeing'. The letter refers to 'the severe challenge of sourcing suitable temporary accommodation and securing affordable homes, in particular social rented homes, for homeless households to move into.'

The letter's first key section is entitled 'Prevent homelessness – Invest in the next generation of social rented homes': 'Long-term investment in new and existing social rented homes is the only way to bring down the numbers in temporary accommodation and address housing inequalities in London.'

Local Housing Allowance levels need to be raised, the letter adds. It also homes in on the poor standards of much temporary accommodation, and the particular effect this has on children.

#### ***Temporary Accommodation***

In September 2023 the London Assembly launched a Call for Evidence into temporary accommodation, prompted by the same concerns. In its introduction it points out that at the end of March 2023, there were 60,040 London households in temporary accommodation and adds: 'During 2022-23, 2.3 per cent of properties in London were affordable to those claiming Local Housing Allowance. In June 2023, Capital Letters, a pan-London procurement and management company, said that it could only find 18 homes in London that were within the Local Housing Allowance.' This is in a situation where 'boroughs in London collectively spend £60 million a month on temporary accommodation.' The paper adds: 'At the end of March 2023, 24,120 London households in temporary accommodation were placed in temporary accommodation in a different borough to their own, compared to 5,820 households in the rest of England.'

#### ***Impact of Estate Regeneration and RTB***

We need more social rented housing because it is the only type that offers the security and the rent levels most Londoners can afford. But we are not getting it. In 2019-20 only 2 per cent of the housing built in London was social rented. At the same time we are constantly losing social rented housing through estate demolitions – 23,000 social rented homes were demolished in London between 2012 and 2022 – and Right to Buy. Roughly 40 per cent of council homes sold under Right to Buy are now let as private rented properties, insecure and very expensive.

### **3. What measures should the Mayor, government and others take to deliver more social and affordable homes. Which of these measures should be prioritised?**

The current London Plan in practice allows councils, housing associations and developers to build large developments with very little social rented housing. A recent example is the Cavalry Barracks housing development on public Ministry of Defence land in Hounslow. Only 35 per cent of the housing on this large development is affordable – bearing in mind that 'affordable' includes shared ownership aimed at households earning up to £90,000 a

year, affordable rent at up to 80 per cent of market rent, London Living Rent aimed at households earning up to £60,000 a year saving to buy, London Affordable Rent which is about 50 per cent higher than social rent, and even some types of housing for sale. London Plan Policy aims for 50 per cent affordable housing. In fact the developers at first proposed only 25 per cent. In the first phase of 765 homes only 62 will be social rented. At first the developers had no social rented housing at all. The Mayor of London called the scheme in in March 2023 but allowed Hounslow to determine the application itself.

The GLA recently conducted a consultation on proposals to tighten up recommendations (Local Planning Guidance) on Affordable Housing and Development Viability. London Tenants Federation made a submission welcoming certain proposals to tighten the guidelines but also drawing attention to weaknesses in the current London Plan which need to be rectified in the next one, including:

- The London Plan only stipulates that 30 per cent of such affordable housing as is provided should be 'low cost' which includes London Affordable Rent as well as social rent. Of the other 70 per cent, 30 per cent is intermediate, and 40 per cent is left up to the provider to decide. At least 70 per cent needs to be social rented. [what does the SHMA show?]
- Low cost rent needs to be more clearly specified, for example it used to be set on the basis of 30 per cent of the lowest quartile median household income.
- Public sector land should be used to provide public, social rented housing
- Tenants and other members of the public should be able to access all housing information, including viability proposals, easily from the GLA website
- Housing should be developed on the basis of need, not 'viability' i.e. developer profit levels.

#### **4. How can current economic and delivery challenges for affordable housing be overcome?**

Maximising financial value is increasingly the main objective for landowners and developers, including local authorities (given their appalling cut in core finance) in respect of a) land that they own , and b) potential for obtaining contributions through s106 from private developers. Whether a scheme meets objectives set out in a local plan has therefore become generally secondary to try and make up the financial shortfall from central govt in terms of housing grant and core finance.

Until this problem is addressed at national govt, planning requires radical solutions:

- a) A planning framework which allows LAs to reject development proposals not in line with a local plan, and discounting financial aspects, such as development viability and profit margins (without developers being able to appeal)
- b) Local plans having to allocate sites (irrespective of ownership) to meet development needs assessed through an evidence base, with detailed briefs for individual sites
- c) Power of LAs to acquire land at existing use value and to take over development sites where no development underway or where proposals fail to meet development needs
- d) Adequate funding for LAs to provide transport, utility and social infrastructure, including social rented homes, so LA not dependent on development deals with private sector.

**5. Is there anything else that should be considered to help address affordable housing need in London?**

An analysis of recent development consents on major sites, in relation to policy compliance and viability would be useful.

Getting more social housing by protecting housing estates from wholesale demolition - by prioritising refurbishment and additions (the Circular Economy policy requires pre-redevelopment audits, which properly consider refurb/retrofit/additions, and should include a stock survey plus a *community-focused analysis of social benefits of the existing estate*)

Lifetime Neighbourhoods - families are being broken up; new development isn't prioritising this through an appropriate mix of homes, particularly social homes

Lobbying government to provide the funding needed for repair and maintenance, retrofit and construction, and Buy Back of social rented homes, and for limiting or eliminating RTB

Councils obliged to work with tenant organisations to improve services and refurbish/ retrofit/ add to the social housing stock, by building and maintaining tenant organisation