

<b>MAYOR AND CABINET</b>		
<b>Report Title</b>	London Housing Strategy	
<b>Key Decision</b>	Yes	Item No.
<b>Ward</b>	All Wards	
<b>Contributors</b>	Executive Director Customer Services	
<b>Class</b>	Part 1	Date: 12 February 2014

## 1. Purpose

- 1.1. In November 2013 the Mayor of London released a draft London Housing Strategy for consultation. The strategy was shortly followed by a Funding Prospectus, which set out how the funding associated with the strategy would be allocated.
- 1.2. This report outlines the main content of that draft strategy, and includes a draft response to the consultation for the consideration of Mayor and Cabinet. This draft response was also considered at a meeting of the Overview and Scrutiny on 10 February. The comments of that Committee regarding the proposed response will be provided as an addendum at the meeting.

## 2. Recommendations

The Mayor is recommended to:

- 2.1 note the contents of this report
- 2.2 note the proposed response to the consultation on the Mayor of London's Draft Housing Strategy,
- 2.3 note any comments made by the Overview and Scrutiny Committee in relation to the same proposed response,
- 2.4 subject to any required changes, agree that the draft response be submitted to the GLA consultation on the Draft London Housing Strategy.

## 3. Policy Context

- 3.1. Addressing issues relating to the quality and quantity of housing stock in the borough relates directly to the Council's Sustainable Communities Strategy (clean, green and liveable) and to the Council's corporate priorities (decent homes for all).

3.2. The Lewisham Housing Strategy 'Homes for the future: raising aspirations, creating choice and meeting need' set three strategic objectives, which were:

- **Extending choice and fairness in access to housing** – delivering a real and flexible suite of housing options, ensuring that people in Lewisham are able to access the right sort of housing as and when they require it.
- **Meeting need and managing demand** – ensuring that the most vulnerable people have access to housing and support that meets their needs and enables them to live full, independent lives.
- **Promoting opportunity and aspiration** - in order to expand and improve the housing options available to people, we will provide them with the tools and opportunities to make the most of what is available, particularly by supporting people into work.

#### 4. Background

4.1. A London Housing Strategy was published in 2010 and was subsequently updated in 2011. In December 2013 the Mayor of London published a draft new version of the Housing Strategy and initiated a period of consultation which closes on 17 February 2014.

4.2. The draft strategy sets out a series of policy objectives, and also creates the framework for new housing delivery over the coming three year period. This framework is set out in more detail in the associated Funding Prospectus, which was released shortly after the draft strategy. The Prospectus sets out the basis on which bids for capital subsidy for new affordable housing delivery by Registered Providers will be assessed. The Council may also choose to bid for capital subsidy from this programme for the homes that will be delivered as part of the New Homes, Better Places project.

4.3. Lewisham worked effectively in partnership with Registered Providers under the terms of the previous strategy and funding regime to secure affordable housing delivery in the borough. DCLG statistics show that Lewisham delivered more affordable homes than any other London borough in 2012/13, and that in the previous year it delivered the third highest number of affordable homes nationally. The content and requirements of the draft new strategy and the availability of capital subsidy to support affordable house building will therefore be critical to the Council's on-going efforts to maximise the supply of housing of all tenures, and especially of affordable housing.

4.4. Lewisham, and London more generally, faces severe housing pressures. A combination of the effects of welfare reform, rising property prices and rents, and rapidly increasing demand across all housing tenures is leading to a significant increase in demand for all accommodation types in Lewisham and London. The number of homeless acceptances in Lewisham has increased by more than 20 per cent in the last year alone, and at the same time there has been a 17 per cent fall in available lettings, and it is within this context that the new draft strategy should be considered.

4.5. Responses to the consultation should be submitted to the Mayor of London by the 17 February 2014. Following this, the draft will be revised and it is intended

that a final proposed version will be submitted by the Mayor to the London Assembly and then subsequently to the Secretary of State in Spring 2014.

## **5. Mayor of London's Draft Housing Strategy**

5.1. The draft strategy sets out a proposed programme of activity and delivery, London-wide, in relation to four key areas:

- Finance - through the implementation of a long-term settlement for housing, with greater autonomy over property taxes and borrowing;
- Product - through an increased offer of support to the working Londoners critical to economic growth;
- Land - through fully exploiting the potential for increased levels of housing in highly accessible areas;
- Quality - through building to high and consistent design standards, while also improving the condition and environmental performance of London's homes.

5.2. The draft then proposes 50 policies grouped into a number of areas, as set out below:

- Supporting working Londoners
- A more structured intermediate market;
- Supporting home ownership;
- Recognising the importance of the private rented sector;
- Rethinking affordable housing allocations;
- Facilitating mobility;
- Towards a London rental policy;
  - Meeting a range of housing needs;
  - Financing housing delivery;
  - Bringing land forward for development;
  - Increasing development capacity.

5.3. Appendix A contains a draft response to the draft London Housing Strategy. For the most part this response is self-explanatory. However, in order to supplement that draft response the following section contains some additional information in relation to tenure mix, rent levels and tenancy terms, which is intended to provide further context, and to explain the basis on which the draft response has been formulated.

### Overall Supply

5.4. The strategy sets a target for 420,000 homes of all tenures across London in the next ten years. This equates to 42,000 new homes per year, an increase of 20 per cent on the previous target of 35,000 per year. Over the past ten years the average number of actual completions of new homes has been 20,000 per year, and so on that basis were this target to be achieved it would require delivery rates to more than double.

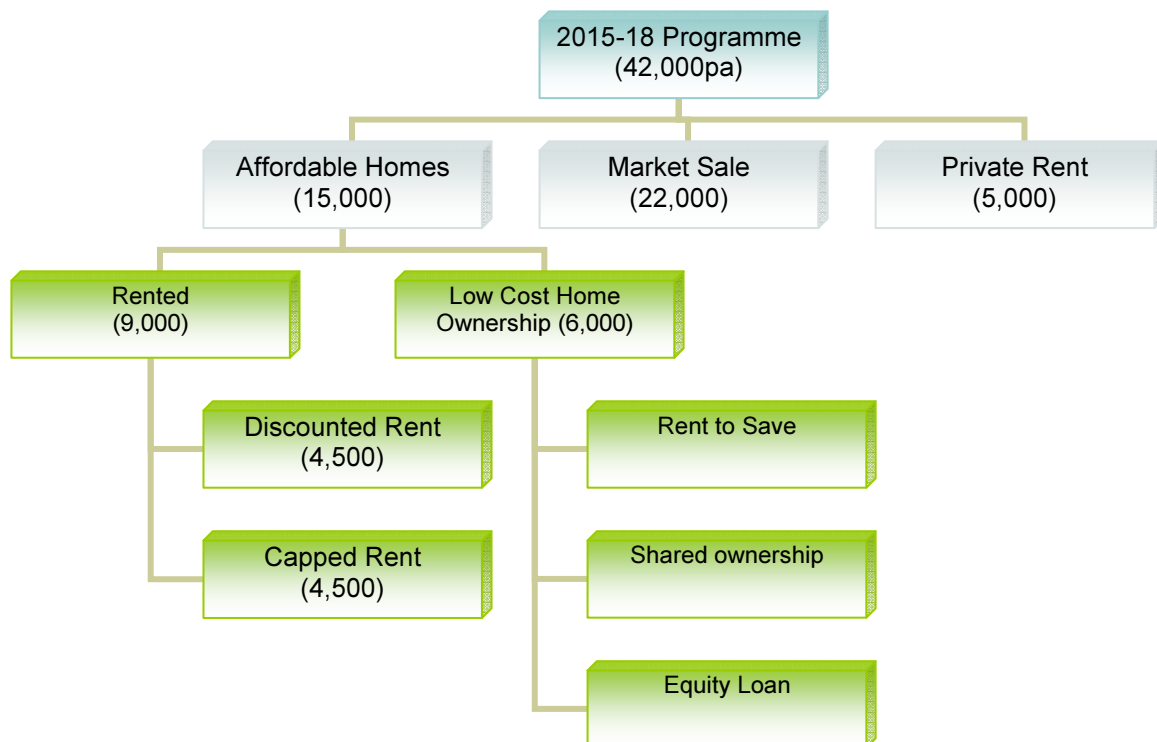
5.5. The target for the delivery of new homes in Lewisham has been increased accordingly. Lewisham's annual target will be 1,343 new dwellings of all tenures per annum, which is a 22 per cent increase on the previous target of 1,105.

## Tenure types and rents

5.6. Within the target of 42,000 homes per year the draft strategy proposes a tenure split across three tenure types as follows:

- 22,000 new homes for open market sale (52 per cent)
- 5,000 new purpose built homes for private rent (12 per cent)
- 15,000 new affordable homes of all types (36 per cent)

5.7. Within the 15,000 new affordable homes per year, there are further splits between different types of affordable products, as illustrated below:



5.8. This proposal includes two new affordable rental products. The first of these products is “Capped” rent, which the strategy states will be “low affordable rents”, and which are set at not more than 50% of local market rents, including service charges. This is a new product, as rents at this level were not funded during the previous funding round, which instead simply required all rents to be set at up to 80% of market rents. Therefore the introduction of a new product with a cap at a much lower level than previously could lead to the delivery of a greater volume of new homes at lower rent than is currently the case.

5.9. The second of this products is “Discounted” rent. Broadly this is the new term for what is currently known as affordable rent in the current funding round, as described above. The draft strategy proposes that the rent for this product should be set at the lower of Local Housing Allowance or 80 per cent of market rates. The strategy also proposes specific new requirements for this product that develop it beyond the previous affordable rent product, namely the expectation that it should be targeted at working households, and that a greater proportion of the homes built at this rent level will be family-sized.

- 5.10. The strategy makes clear that the purpose of having both “discounted” and “capped” products, with varying rent levels, is to maximise the overall number of new affordable homes that can be delivered by the total amount of funding available. Put simply, if all homes were built at a low rent level the average subsidy rate would be higher than would be the case in a mixed-rent programme, and therefore the total number of homes that could be funded would be smaller.
- 5.11. Allocations to social housing is a statutory Local Authority function, and the proposed requirement that the discounted rent product should be made available only to working families would require a change to the Council’s allocation policy. Given this, the draft response to the consultation suggests that the London Housing Strategy need not go into this level of detail, and that decisions such as this are best reserved to a local level.
- 5.12. The third affordable product, in addition to the “discounted” and “capped” rental products, is low-cost home ownership, which also counts towards the affordable total. The strategy suggests that the split between the two rented products (combined) and the low cost home ownership product should be 60 per cent rented and 40 per cent home ownership. This differs slightly from the Council’s split of 70 per cent rented and 30 per cent low cost home ownership, and would require a change to a change to the Council’s planning policies. The draft response reflects this.
- 5.13. Of the 9,000 rented homes to be built each year, half or 4,500 will be at “capped” rent, which equates to 136 new homes per borough per year. As set out in the preceding section, Lewisham currently faces high levels of demand with increases in homelessness approaches and falling voids leading to increased demand for temporary accommodation, and a growing waiting list for social housing. The response makes the case for a greater proportion of the new homes being provided at the lower “capped” rent level.
- 5.14. Finally, the draft strategy sets out that a proportion of the new homes to be built will be specifically for private rent. This is the first time that private rent has been considered as a different tenure type, and the draft response states that this is to be welcomed, especially given Lewisham’s experience of a rapidly growing private rented sector, and on-going activity to drive up quality within that sector.

## Rents

- 5.15. The Lewisham position on rents and affordability, agreed at Mayor and Cabinet in response to the Localism Act on 20 April 2011, and included in the Council’s Tenancy Strategy is that:
- housing costs should fall within 30-40 per cent of net disposable income, especially for claimants in receipt of the new universal credit;
  - Lewisham will work with providers on a scheme by scheme basis to minimise 80% rents, ideally setting a range of rents up to 60 per cent but no higher unless agreed as an exception;
  - the Council will not support schemes where all rents are at 80 per cent of market rents.

- 5.16. The Council has achieved success in meeting these aims. To date no development has been agreed with rents entirely at 80 per cent of market rents. On some schemes some rents are at this higher level, but the average across the scheme is brought down by other, lower rents. Furthermore the current policy position for the Council's own new build programme is that rents for the new homes will be set at target rent levels, and that a proportion of the homes that are built will be sold in order to cross-subsidise the programme.
- 5.17. In order to illustrate the different rented products that are being proposed in the draft strategy, the table below sets out indicative weekly rents, using the current Mercator Road development as a practical case study. These indicative rents levels are based on a high-level analysis carried out at the feasibility stage of the development, and is therefore included here for illustrative purposes only.

Property type	Market Rent	Target Rent	Capped Rent (at 50% of market)	Discounted Rent (at 80% of market)
3 bed house	£291	£140	£145	£233

- 5.18. To summarise, the capped rent product generates rents that are very similar to target rents, and on that basis they could be considered to provide a good fit with the Council's current policy position. The discounted rent product, with rents at up to 80 per cent of market rates, are considerably higher. Given this the draft response supports the introduction of the capped rent product – and argues that a greater proportion of the programme should be at that level – and raises a concern that that rents at the 80 per cent level may be unaffordable locally.

### Tenancies

- 5.19. Lewisham's policy in relation to tenancies, agreed by Mayor & Cabinet in April 2011, is that the Council prefers to retain security of tenure until effects of welfare benefit changes and other housing changes are known. It was accepted that where no alternative option was available, flexible tenancies could be introduced, but these should be for a minimum of five years and on the basis that lifetime tenancies were retained for the over 65s and for people with serious permanent physical or mental vulnerabilities.
- 5.20. Assured tenancies, or lifetime tenancies that involve no less security than that associated with assured tenancies, should normally be offered to any household transferring from, or relinquishing, an existing assured or secure tenancy on the grounds of:
- Decant
  - Under-occupation
  - Fleeing violence, intimidation, harassment or hate crime.
- 5.21. The draft strategy supports lifetime tenancies for vulnerable groups, primarily older people and the long term disabled but otherwise encourages fixed term renewable tenancies (FTT) for new homes. It is important to note that whilst the draft strategy encourages FTTs, the associated funding prospectus states that they would be expected. The funding prospectus appears to further develop and strengthen the policy positions taken in the strategy, and this is reflected in the

draft response, which also builds on the general theme that decisions about issues such as tenancy terms are best decided at a local level on the basis of local need.

## **6. Comments of the Overview and Scrutiny Committee**

- 6.1. The Overview and Scrutiny Committee received and reviewed the draft response to the consultation, ahead of this Mayor and Cabinet meeting. The scheduling of meetings and dispatch dates – Overview and Scrutiny Committee met on 10 February, after this report was dispatched - means that it has not been possible to incorporate the comments of Overview and Scrutiny Committee into this report, and instead those comments will be provided as an addendum at the meeting.

## **7. Financial Implications**

- 7.1. The purpose of this report is to outline the content of the Mayor of London's draft London Housing Strategy and present a draft consultation to members. As such there are no financial implications arising from this report.

## **8. Legal Implications**

- 8.1. There are no specific legal implications arising at this stage, save for noting the following Equality Act obligations and Human Rights concerns.
- 8.2. The European Convention on Human Rights states in Article 8 that "Everyone has the right to respect for his private and family life, his home and correspondence". The Human Rights Act 1998 incorporates the Convention. Whilst it does not, however, necessarily mean that everyone has an immediate right to a home, because Article 8 is a "qualified" right and therefore is capable in certain circumstances, of being lawfully and legitimately interfered with,) the provision by an Authority of a relevant and considered Allocations Policy does assist to reinforce the Article 8 principles.
- 8.3. The principles of the 2010 Equality Act are relevant. The 2010 Act, brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.4. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other
  - conduct prohibited by the Act.

- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

8.5. As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

8.6. The Equality and Human Rights Commission issued guides during January 2011 providing an overview of the new equality duty, including the general equality duty, the specific duties and who they apply to. The guides cover what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guides were based on the then draft specific duties so are no longer fully up-to-date, although regard may still be had to them until the revised guides are produced. The guides do not have legal standing unlike the statutory Code of Practice on the public sector equality duty, However, that Code is not yet published . The guides can be found at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/newpublic-sector-equality-duty-guidance/>

## **9. Crime and disorder implications**

9.1. There are no specific crime and disorder implications.

## **10. Equalities implications**

10.1. If the draft London Housing Strategy is agreed, and the tenure split enforced, then an equalities analysis may be required to assess the impact on local residents however the GLA officers have assured us that an agreement can be reached on tenure split and rent levels.

## **11. Environmental implications**

11.1. The next prospectus, covering existing stock, will provide more guidance on the expectations around the environment and sustainability.

## **12. Background Documents and Report Author**

Draft London Housing Strategy:

[http://www.london.gov.uk/sites/default/files/London%20Housing%20Strategy%20consultation%20version\\_0.pdf](http://www.london.gov.uk/sites/default/files/London%20Housing%20Strategy%20consultation%20version_0.pdf)

Funding Prospectus:

<http://www.london.gov.uk/sites/default/files/The%20Mayor's%20Housing%20Covenant%202015-18%20Programme%20prospectus.pdf>



12.1 If you require any further information on this report please contact Genevieve Macklin Head of Strategic Housing on 020 8314 6057.

## **Appendix A**

### **Draft London Housing Strategy – Draft Lewisham Response**

#### **General comments**

There is much in the new London Housing Strategy that Lewisham welcomes. In particular Lewisham fully supports the increased target for new housing delivery which aims to see 420,000 new homes built between 2015 and 2025. We also support the developments in relation to the private rented sector, with the emphasis on attracting institutional investment on promoting better standards and on longer term tenancies. The Council welcomes good quality, well managed private rented accommodation and is proactively working to attract institutional investors. We are an active member of the GLA's London Rental Standard Steering Group and we are developing new and innovative approaches to tackling rogue landlords through our Private Sector Housing Agency supported by a recent receipt of Rogue Landlord Funding. Finally, we fully support the removal of the HRA borrowing cap which artificially constrains the ambitions of Local Authorities, like Lewisham, which are doing everything possible within their powers and available resources to increase the supply of new housing.

The publication of the Funding Prospectus, which is closely linked to the Strategy, gives some cause for concern. The Prospectus introduces a level of detail, complexity and prescription that may inhibit the delivery of new homes and the tailoring of the programme to meet local need. In particular we would point to the following, all of which we believe are policy issues best determined at a local level, on the basis of local information, and in order to meet the particular requirements of the local housing economy:

- the complex requirements for tenure mix;
- the proposal that capped rents are predominantly for 1 and 2 beds, with larger (3 beds plus) units at discounted rents;
- the implied requirement to apply fixed term tenancies to all grant funded new rented supply, and
- stipulations around allocating discounted rents to working households

The Council is aware of the housing needs in our local area and the manner in which our local markets operate. We therefore believe that we, and all boroughs, should be given the freedom and flexibility to deliver the best mix of housing according to our local markets and to meet the needs of our local communities.

In the following sections, we set out our response in more detail in relation to the key aspects of the new strategy.

#### **New Supply**

Lewisham generally supports the increased target for new housing delivery over the coming ten years from 35,000 a year to 42,000 a year. However based on the current unmet demand in Lewisham expressed through increased homelessness acceptances, with approximately one resident awaiting a new affordable rented home for every four affordable rented properties in the borough, and with future projected demographic growth, we believe that even this new increased level will not be sufficient.

Lewisham has a strong history of delivering new affordable homes. DCLG statistics show that in 2011/12 Lewisham delivered the third highest number of new affordable homes in the country with 900 new affordable homes. The following year Lewisham delivered more affordable homes than any other London borough, with 670 new affordable homes of all tenures.

This success has been achieved by working in close partnership with local Registered Providers (RPs) and we are now building upon this by using the Council's own resources and land to build new affordable homes directly. Lewisham Homes is managing a new-build programme for which the Council has set an initial target of 250 new homes. However, with the support of the capital investment detailed in the Strategy, the effective use of our available land, and our agreed and pragmatic approach to selling a proportion of new homes to cross-subsidise greater levels of affordable housing delivery, we envisage delivering up to 100 new homes per year within this funding round.

The number of new affordable homes that have been completed in Lewisham is testament to our ability to work within an already complex funding environment and maximise local delivery to meet local need. However we are concerned that the prospectus may make this funding regime even more complex, and believe that as long as bids for funding are generally in conformity with the draft London Housing Strategy, that should be sufficient.

### Tenure mix

Lewisham's policy position for the provision of new affordable housing, as set out in our planning policies, is to seek the maximum provision of affordable housing, with a strategic target for 50 per cent affordable housing from all sources.

In this context, we are concerned that the proportion of the 420,000 new homes that will be affordable (150,000 or 36 per cent) may be too low, that the rules regulating the types of affordable homes that will make up that 36 per cent may be restrictive, and that this may then lead to the insufficient provision of new homes for those in most need.

Lewisham would want to make clear that we very strongly welcome the introduction of the new "capped rent" product for this funding round. Lewisham's policy position for our own new-build housing is that it should be targeted most strongly at those in greatest need, and to that end we have committed to building new homes at target rent, with an element of private sale to cross subsidise and extend the programme. Our modelling shows that the new capped rent levels at 50 per cent of local market rent, including service charges, are very similar indeed to target rents. On that basis this product provides a very strong fit with Lewisham's policy position, but we would argue that too few of these homes will be delivered by this programme.

Over the ten years that the Strategy covers only 45,000 (11 per cent) of the new homes will be at capped rents, which equates to 4,500 per year across all of London and just 136 a year for each borough. At the same time we project that there will be at least 100 properties that we currently own sold to tenants under the Right to Buy regime. This low level of new affordable supply at low rents is likely only to add to the current significant pressures we face around homelessness – over the last year alone there has been a 20 per cent rise in homeless acceptances and at the same time we have experienced a 17 per cent fall in available lettings. It is within that context that we believe that the required split within the rented tenure types, as it is currently by the Strategy, will provide too few new "capped" rented properties to meet our pressing needs.

We also note that the new strategy requires a split between rent and low cost home ownership of 60:40. Lewisham's planning policies currently require a 70:30 split (i.e. more rental homes and fewer low cost home ownership homes). This therefore is a good example of how local decision making regarding housing policy would be both simpler and deliver more of the homes that are currently needed.

### Rents and affordability

The Lewisham position on rents and affordability, agreed at M&C in response to the Localism Act on 20 April 2011, and included in our Tenancy Strategy is that:

- housing costs should fall within 30-40% of net disposable income, especially for claimants in receipt of the new universal credit;
- Lewisham will work with providers on a scheme by scheme basis to minimise 80% rents, ideally setting a range of rents up to 60% but no higher unless agreed as an exception;
- the Council will not support schemes where all rents are at 80% of market rents.

As set out above, Lewisham welcomes the “capped rent” product. We also recognise that the intention of the new “discounted rent” product, for which rents will be set at the lower of up to 80% of market rent (including service charges) or the local housing allowance, is that the higher rented properties will cross subsidise the lower rented properties. However we are concerned that properties at 80 per cent of market rent will be unaffordable to qualifying households in Lewisham. We also note that the strategy proposes that these more expensive properties are targeted at those in work in the first instance and that 36% of this part of the programme should be family homes, 3 bedrooms or larger, and we believe that if that is the case then the rental levels will almost certainly be out of the reach of qualifying, working, households.

While the council does not believe that 80% of local market rent is affordable locally, we agree that these should not exceed the Local Housing Allowance.

As a general point, we would recommend that there may be value in commissioning a further study to test how affordable these products would genuinely be, and that it may be sensible at that time to review how affordability could be assessed by comparing rents to disposable incomes, rather than to market prices which are rapidly increasing and variable, especially at a local level.

To reiterate our earlier comments, we believe that Lewisham is best placed to determine which households the various rented properties should be targeted at based on a local assessment of need, affordability and promoting mixed and sustainable communities. Plus, and especially when considering our acute need for larger family homes, we do not support the restrictions around unit type as affordability issues are not that simple.

### Tenancies

Lewisham’s policy in relation to tenancies, agreed by Mayor & Cabinet in April 2011, is that the Council prefers to retain security of tenure until effects of welfare benefit changes and other housing changes are known. It was accepted that where no alternative option was available flexible tenancies could be introduced but should be for a minimum of five years and on the basis that lifetime tenancies were retained for the over 65s and for people with serious permanent physical or mental vulnerabilities.

Assured tenancies, or lifetime tenancies that involve no less security than that associated with assured tenancies, should normally be offered to any household transferring from, or relinquishing, an existing assured or secure tenancy on the grounds of:

- Decant
- Under-occupation
- Fleeing violence, intimidation, harassment or hate crime.

In addition to this category a lifetime tenancy should normally be offered to:

- any person aged over 60 years old for whom there is no prospect of under occupation in the future;
- any single person/couple who become tenant of a wheelchair accessible property for whom in the future there is no prospect of under occupation or no prospect of accessible accommodation not being needed.

The new Strategy states that providers are encouraged to consider the use of fixed term renewable tenancies, which would be in line with the current policies in Lewisham as set out above, as long as local freedom to determine actual tenure mixes was retained. However the Prospectus states an expectation that most tenancies will be fixed term for a maximum of 5 years, which develops the requirement further, and appears to remove that flexibility. As we set out elsewhere, we would caution against the removal of local freedoms to determine local policy in this way.

### Low Cost Home Ownership

Lewisham generally supports the provision of low cost home ownership but has concerns about the affordability, wide range of products on the market which causes confusion, the complexity of some of the products and whether households are able to staircase up.

We support the recommendations in the recent Joseph Rowntree Foundation report to:

- Have a simplified, standard product
- Develop a better resale market

We would also recommend that more research is undertaken on the affordability of shared ownership compared to outright home ownership and on whether shared ownership households do manage to staircase up over time.

We are also concerned that the policy in relation to flexible home ownership does not allow an organisation to successfully business plan as the timing of equity or rental payments will depend on the applicant and their financial circumstances at the time of selection. This may hinder scheme viability assessments during the development process and long term.

### Nominations/Allocations

The Strategy sets out the type of households LAs should be nominating to discounted rented homes by stating that discounted rents are targeted to those in work in the first instance. The prospectus states boroughs will have flexibility in nominations as long as all nominated households are unaffected by the benefit cap.

Lewisham reviewed its allocations policy two years ago and as part of this reduced the housing register by removing Band 4 applicants with no housing need – many of these would have been working households. At the same time we increased the local connection requirement to 2 years and afforded some priority to low income working households. More recently we have introduced increased priority for residents with recent military service

Due to the increasing demand from homeless households and those in other need categories there is less scope for prioritising and nominating working households as a specific group in and of itself. The focus has been more upon helping existing homeless households and those in need who are on benefits into work. In order to prioritise working households as a separate group for discounted rents boroughs would probably need to revise their Allocations Policies, undertake means testing or set up a new intermediate rent type register unless enough households already on the Register bid through the existing CBL systems.

Allocations is a LA statutory responsibility and we believe that the London Housing Strategy does not need to go into this level of detail. Lewisham and all LAs are best placed to know how to allocate their properties based on local needs and markets.

### Investment

Lewisham supports the relaxation of the borrowing cap to enable us to make the best use of opportunities available. However we do not support the proposal to make additional borrowing

conditional on the borrowing being used for new supply. Lewisham is best placed to decide how to invest in our area.

It would also be helpful if LAs were permitted to mix Right to Buy receipts with the GLA grant in order to maximise delivery. The RTB receipts are to be spent on replacement homes in a very tight timescale and if the council returns these receipts unspent, we have to do so with 6% interest therefore it actually costs us not to spend this money. As our programme is medium sized compared to some of our partners, the RTB receipts may be sufficient in the immediate years, for our need.

### Design and sustainability

The Council's planning policy documents aim to be in conformity with the London Plan and incorporate the principles of London Housing Design Guide. All new homes in Lewisham should be built to Lifetime Homes standards and the council seeks 10% of wheelchair homes on all major developments, to the South East London Wheelchair Design Guide.

However, we note that there is no discussion about the importance of delivering sustainable design and construction or energy efficiency in relation to new build properties in the strategy, and limited information in the Prospectus. There is recognition that this is an issue in relation to the existing housing stock, however this is not identified as a priority for new build homes. We believe that an infrastructure and investment programme of this scale should include a much stronger commitment to delivering sustainability and energy efficiency through good design.