

<b>Mayor and Cabinet</b>			
<b>Report title</b>	Comments of the Overview and Scrutiny Committee on the response to the Draft London Housing Strategy Consultation		
<b>Contributors</b>	Overview and Scrutiny Committee	<b>Item No.</b>	7
<b>Class</b>	Part 1	<b>Date</b>	12 February 2014

## **1. Summary**

- 1.1 This report informs Mayor and Cabinet of the comments and views of the Overview and Scrutiny Committee, arising from discussions held on the Draft London Housing Strategy Consultation, considered at its meeting on 10 February 2014.

## **2. Recommendation**

- 2.1 Mayor and Cabinet is recommended to note the views of the Overview and Scrutiny Committee as set out in section three of this referral and amend the Lewisham response accordingly.

## **3. Overview and Scrutiny Committee views**

- 3.1 On 10 February 2014, the full Overview and Scrutiny Committee considered the Draft London Housing Strategy and the proposed draft Lewisham response. The Committee agreed to advise Mayor and Cabinet of the following:

### General comments

- 3.2 The urgency of the housing shortage in London is not sufficiently recognised in the strategy. Purchase and rental prices are escalating at an alarming rate as is the level of homelessness which increased by 20% in Lewisham in the last 12 months alone. The challenge of providing sufficient genuinely affordable homes is not fully recognised or addressed. The real scale of housing need must be strongly emphasised in Lewisham's response. London housing is being used as an investment vehicle in foreign markets distorting the local economy.
- 3.3 Lewisham has a strong record of providing affordable housing in recent years, in spite of reduced grant and challenging market conditions. This should be highlighted in the response to:
- emphasise the pivotal role of Local authorities' in meeting local housing need,
  - stress the importance of appropriate funding availability coupled with local decision making responsibilities, in the successful delivery of affordable homes
- 3.4 The Funding Prospectus which was published alongside the draft housing strategy should be amended in light of the consultation responses to the draft strategy. It is very prescriptive in parts.

- 3.5 The sustained decrease in level of grant available substantially reduces the ability to provide genuinely affordable housing across London. The Mayor of London should lobby government on this matter on behalf of Londoners.

#### New Supply

- 3.6 42,000 new homes per year are not sufficient to meet demand. London Councils estimate that at least 60,000 new homes are needed each year. This point should be emphasised within the Lewisham response.

#### Tenure mix

- 3.7 Strong support for tenure mix should be outlined, along with support for the introduction of the capped rent model. However it should also be unequivocally stated that Lewisham feels that decisions about the appropriate mix of tenure, and utilisation of the affordable housing models should be led locally based on local need, rather than prescribed in the percentages outlined.

#### Rents and affordability

- 3.8 80% of market rent is not affordable housing for people in Lewisham. The Lewisham response should include detailed figures of the level of need in Lewisham in relation homelessness, tenure mix, the median rental prices in Lewisham, details of local income and projected population growth to emphasise this point. The Mayor of London's strategy should clearly distinguish between social rented and other products.

- 3.9 In line with the Lewisham policy; affordability of rents should be measured in relation to an appropriate percentage of net disposable income for a range of households, rather than in percentages of market rent prices. This would be in line with "affordability" calculations carried out for mortgage provision and private rented provision.

- 3.10 The legislation and models of assessment, of the financial viability of proposed planned developments, should be subject to further review in relation to planning and community "gain".

- 3.11 Rent Control should be further considered as a potential additional mechanism to support the delivery of affordable housing for Londoners.

- 3.12 Enforcement, in relation to housing standards in the private sector, needs to be strengthened – using compulsion if necessary - across London to be as effective as possible.

#### Tenancies

- 3.13 The Lewisham response should strongly state that Lewisham is opposed to the enforced use of fixed term tenancies: decisions about appropriate tenancies to meet need should continue to be taken locally.

#### Nominations and Allocations

- 3.14 Local authorities have a statutory responsibility to manage allocations. Agreement of an allocations policy should remain a local authority responsibility, and should not be dictated to by the Mayor of London. This should be given greater emphasis in the Lewisham response.

### Investment

- 3.15 The removal of the borrowing cap is welcomed, but the response should state in the strongest terms that Local Authorities should be free to manage their resources as necessary to meet local need and not be constrained by case by case intervention from the Mayor of London.
- 3.16 The allocation of Right to Buy receipts, towards existing programmes of delivery if appropriate, should be free to manage locally, to maximise the potential delivery of affordable homes.

### Design and sustainability

- 3.17 Whilst welcoming a focus on sustainability and carbon neutral homes, it must be recognised this increases the build price of homes, further impacting on the affordability of homes.

### Further recommendations

- 3.18 Raising the “local connection” requirement from 2 years to 5 years, within the Lewisham Housing Allocations Policy, should be further considered.
- 3.19 The following recommendations, made initially by the joint meeting of the Housing and Sustainable Development Select Committees on 2 December 2013, should be reiterated within the Lewisham response:

The Mayor of London should review the way in which affordable housing statistics for developments in London are presented, to clearly show the breakdown of the different “types” of affordable housing achieved including social rented, affordable rented and intermediate. The Mayor should also consider including figures for the actual rents that will be charged.

The GLA and the Council should explore the ground rent model (where public bodies lease land to developers in return for ground rent payments that are indexed to land values) in relation to future developments, where appropriate.

## **4. Financial Implications**

- 4.1 There are no financial implications arising out of this report per se, although the financial implications of accepting the Committees’ recommendations will need to be considered.

## **5. Legal Implications**

- 5.1 The Constitution provides for Select Committees to make recommendations to the Executive or appropriate committee and/or Council arising from the outcome of the scrutiny process.

## **6. Further Implications**

- 6.1 At this stage there are no specific environmental, equalities or crime and disorder implications to consider.

## **Background papers**

Draft London Housing Strategy Consultation, Meeting of the Overview and Scrutiny Committee, 10 February 2014.

If you have any queries on this report, please contact Salena Mulhere, Overview and Scrutiny Manager (ext. 43380)