

Consultation response

# **The Revised London Housing Strategy: Response from Shelter**

**March 2012**

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## 1. Introduction

Shelter welcomes the opportunity to comment on the draft Revised London Housing Strategy 2011. London's housing system is at a critical juncture, both in terms of the profound changes to housing policy and sub-national government brought in by the Localism Act 2011, and the wider economic and fiscal climate. In this context, it is critical that the Mayor demonstrates clear, strong leadership. The strategic policy choices taken at this moment will establish the overall direction for housing delivery and investment in London for years to come.

We recognise that political and economic context of this strategy is undergoing profound and rapid change, and that many of the details will be worked out and delivered through the new governance framework currently being established. Nonetheless we believe that the current draft of this strategy represents a missed opportunity in terms of the Mayor's new powers, and that there are significant gaps in its policy programme.

The Welfare Reform Bill will have a profound effect on millions of Londoners' ability to find and pay for a decent home that they can afford, and threatens to make large swathes of the capital off-limits to claimants. The Mayor's own Housing Taskforce report<sup>1</sup> in 2011 recognised the importance of this issue, yet the strategy is largely silent on it, and offers nothing by way of analysis of the impacts of housing benefit cuts, nor any indication of how the Mayor will co-ordinate London's response to the major upheavals that are expected to result<sup>2</sup>.

As a provider of specialist housing advice services, Shelter knows only too well how essential timely advice can be to prevent people falling into unsustainable spirals or debt or even losing their homes. The cuts to Legal Aid currently going through Parliament will have a major effect on the availability of advice - yet there is nothing in the strategy about how the Mayor will work with partners to co-ordinate advice provision across London to adapt to the new circumstances.

We have therefore restricted our detailed comments on this draft strategy to the major policy agendas that it does offer direction on, though we would welcome the opportunity to discuss the wider policy issues confronting London with the Mayor.

## 2. Governance and investment

**We are concerned that the governance and investment arrangements envisaged by the draft strategy will not give London's housing the clear, strong and accountable leadership that it requires.**

The Localism Act gives the Mayor considerable new powers and the boroughs important new freedoms. The funding and regulatory framework governing housing associations is also being transformed – and public funding significantly reduced. In this context the governance framework becomes ever more important, as all these actors will need to work together in a tough fiscal environment to deliver the homes and investment that London needs.

The framework outlined in the draft strategy does not make the most of the Mayor's new powers to streamline delivery and give housing the visible leadership it deserves. For example, folding both the LDA and the HCA into a new department of the GLA risks reducing, not promoting, the profile and reach of the Mayor's housing function and diminishing accountability. Londoners know who to demand transport or policing services from: it is time that they knew who was responsible for housing.

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<sup>1</sup> [Mayor of London's Housing Taskforce](#) 31 March 2011

<sup>2</sup> [Housing Benefit reform and the spatial segregation of low-income households in London](#), CCHPR January 2011

**The Mayor should seize the opportunity presented by the transfer of housing responsibilities to the GLA to create a strong, unified hub for housing policy and investment in London. This should harness the powers, the influence and most importantly the budget at the Mayor's disposal to spearhead housing investment and delivery under a clear banner that Londoners can recognise and hold to account.**

### **3. Overcrowding and under-occupation**

**We broadly welcome the draft strategy's approach to overcrowding and under-occupation.**

The statutory target to halve severe overcrowding in social housing by 2016 (Policy 1.3J) is a clear and very welcome commitment. The further aim of eradicating severe overcrowding in the social sector altogether is a strong policy signal that puts London right at the forefront of efforts to tackle overcrowding. The proposed London Overcrowding Board (Policy 1.3K) will have a difficult task – but one that it is well placed to achieve.

We also welcome the commitment to building more family-sized homes (Policy 1.3I), and to prevent disposal of family sized social homes (Policy 1.3N). The strategy rightly recognises the importance of enabling and encouraging under-occupying households to downsize, and proposes some useful incentives for social under occupiers to do so.

It is regrettable that the strategy refers only to overcrowding and under-occupation in the social sector. Under-occupation is far more prevalent in owner occupied housing, and overcrowding in the private rented sector is a serious problem that is likely to worsen as a result of the cuts in Local Housing Allowance and the discharge of homeless households into private rented homes.

**We welcome the Mayor's commitment to tackling overcrowding and under-occupation in the social sector. Similar attention should be given to reducing both overcrowding and under-occupation in the private sector.**

### **3. Affordable housing provision**

**We are extremely concerned that the affordable housing programme as envisaged in this draft strategy will not help those in most need of truly affordable housing.**

The revised strategy, and the related Early Minor Alterations to the London Plan, propose to count the new Affordable Rent product in the same category as Social Rent for monitoring and targeting purposes, despite the fact that, in London more than any other part of the country, the two tenures will serve very different groups. While it is in line with the government's changes to PPS3, we are disappointed that the Mayor has chosen to adopt this approach uncritically, and that the strategy does not give a clear statement of how Affordable Rent is to be treated in practice.

Given the level of disparity between social and market rents in London it is not credible to imply that the two products are interchangeable by including them in the same category for planning purposes. Most worryingly for Shelter's clients, the result of this elision could be that very few new homes could be built at truly affordable social rent levels.

We welcome the draft strategy's commitment to delivering Affordable Rented homes at a 'range of rents, with a programme average of 65 per cent of median market rent, and rents charged within the new welfare caps' (Policy 2.1B), although we have concerns that this commitment sits uneasily with the rejection of any rent target for Affordable Rent in planning policies below 80 per cent of market rent (Section 2.1.1).

The commitment to providing ten per cent of new Affordable Rent homes at target rents (Policy 2.1D) is welcome – but we note again that this is not a clear and transparent statement of policy. In fact the ten per cent figure is to be applied after excluding the 36 per cent of the programme will be family-sized homes (Policy 2.1C) – resulting in true figure of 6.4% of the programme being let at target rents.

We welcome the proposal to keep rents below the new welfare caps, especially on family homes, though we note that this will result in the anomalous situation of larger homes attracting lower rents than one or two bedroom homes, and have concerns about the impact on work incentives and tenant mobility.

**The Mayor should set clear and transparent targets for housing delivery in all tenures, including social homes, based on robust evidence of housing need. The targets should specify the mix of rent levels that the Affordable Rent programme will deliver, and count them as Intermediate provision where rent levels are above social rents.**

#### **4. Allocations and homelessness**

**We are concerned about the lack of clear guidance to boroughs on allocations and homelessness.**

Given the pressure on London's housing stock, in all tenures but particularly social housing, how boroughs respond to their new freedoms to set allocations policies will be of vital importance. In a large and complex city with multiple councils preparing their own tenancy strategies, it is essential that the Mayor provide clear leadership and guidance to boroughs. We are therefore disappointed that the draft strategy fails to provide this, with Policy 1.2A effectively allowing boroughs to prevent those in most need from gaining access to social housing in favour of 'incentivising work and volunteering'. We are seriously concerned that as a result some of London's most vulnerable people will be left without assistance.

Similarly, we are concerned that there is insufficient guidance to help hard pressed boroughs would to strike 'an appropriate balance ... in the use of the private rented and social rented sectors when discharging their homelessness duty' (Section 1.2.1). We do however welcome the presumption that boroughs should discharge their homelessness duty within their local area and consider the specific needs of the household (especially the educational needs of children).

**The Mayor should set out clear strategies for boroughs to follow on allocations and homelessness, including a requirement that boroughs ensure that those in most need continue to receive priority for social housing.**

**The Mayor should provide clear guidance on the appropriate use of the private rented sector to house homeless households, including detailed quality standards well above the minimum required for accreditation.**

#### **5. Private Rented Sector**

**We are pleased to note that the draft strategy recognises some of Shelter's concerns about the private rented sector in London, but very disappointed at the proposed response.**

We firmly believe that Londoners deserve strong leadership from the Mayor, to bear down hard on rogue landlords and send a clear message that there is no room in London for abusive landlords who make tenants' lives a misery. The draft strategy only states that the Mayor 'will encourage boroughs to take a consistent approach to using their powers under the Housing Act 2004, to improve the private rented sector and tackle 'rogue' landlords' (Policy 2.3M).

The draft strategy notes that the post Localism Act ability of boroughs to discharge their main homeless duty with a single offer of a private tenancy makes an 'emphasis on quality and length of tenancy more important than ever' (Section 2.3.3.) but offers no means by which longer tenancies might be secured. The Mayor will 'encourage the improvement in quality of privately rented homes and landlords' but only with mild incentives for landlords, and with quality seemingly defined according to weak legal minima and a low threshold for accreditation.

**Tackling rogue landlords and delivering a fair deal for London's renters needs real leadership and concerted action. The Mayor's proposals do not go nearly enough towards improving the PRS.**

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## **Until there's a home for everyone**

In our affluent nation, tens of thousands of people wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. The desperate lack of decent, affordable housing is robbing us of security, health, and a fair chance in life.

Shelter believes everyone should have a home.

More than one million people a year come to us for advice and support via our website, helplines and national network of services. We help people to find and keep a home in a place where they can thrive, and tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

We need your help to continue our work. Please support us.

Visit **[shelter.org.uk](http://shelter.org.uk)** to join our campaign, find housing advice, or make a donation.