

Right to build

What's stopping councils from building more housing?

October 2013



Housing Committee Members

Darren Johnson (Chair)	Green
Tom Copley (Deputy Chair)	Labour
Andrew Boff	Conservative
Nicky Gavron	Labour
Stephen Knight	Liberal Democrat
Steve O'Connell	Conservative
Fiona Twycross	Labour

Contact:

David Pealing
Email: david.pealing@london.gov.uk
Tel: 020 7983 5525

Lorraine Ford
Email: lorraine.ford@london.gov.uk
Tel: 020 7983 4394

Media enquiries:

Sheena Craig
Email: sheena.craig@london.gov.uk
Tel: 020 7983 4603

ISBN 978 1 84781 565 1

Contents

Foreword	4
1. Introduction	6
2. How can London boost its stock of council homes?	8
3. How can London make best use of its council housing resources?	14
4. Conclusions	21
Appendix 1 Methodology	22
Endnotes	23
Orders and translations	25

Foreword



In the three decades following the Second World War, councils built around half of the new homes in England. In the last ten years they have built less than one half of one per cent of new homes, but they still own a considerable stock.

We shouldn't let the role of councils be written off.

London's severe and worsening housing shortage is one of the most pressing social and economic problems facing the capital. Londoners struggle to find an adequate home to live in, one kept in a decent condition, one that is sufficiently secure for them to put down roots in a local community. Employers, as a consequence, are increasingly struggling to attract a healthy, motivated workforce that will put up with this.

If councils were able to build more homes, they could provide Londoners with secure tenancies in permanently affordable homes. Every new home built would provide construction jobs, and once built it would help employers recruit a local workforce on competitive wages.

They can't solve our housing problems alone, but councils should be given a much larger role than they have today.

Councils in London are keen to build more homes, but they are held back by overly cautious borrowing rules. The Assembly and the Mayor support them in this ambition, so we have set out recommendations for the Government that would unchain councils and increase the supply of secure, affordable homes.

We also believe that the Mayor could do more to support councils. His land bank is a valuable resource that could be used to support our economy in ways other than providing revenue for City Hall. If a council is keen to build new family housing, the Mayor should consider the wider benefits to the economy and local community and ensure that price isn't a barrier.

Housing also has to be kept in good condition, and should only be demolished after careful consideration of the wider social and environmental implications. So the Mayor should lobby for adequate funds when the

current Decent Homes programme expires, and raise the standard of existing homes.

Given the right tools, we believe that councils can make a significant contribution to solving London's housing problems once more.

A handwritten signature in black ink on a light-colored background. The signature is stylized, starting with a large, looped 'D' and 'J' that are connected, followed by a long, horizontal, slightly wavy line that extends to the right.

Darren Johnson AM

1. Introduction

London is in the grip of a severe housing shortage and needs to make very best use of its housing resources to deal with it. The London boroughs have a vital role to play as strategic housing authorities for their communities. It is their job to sustain mixed communities and to ensure that all their residents have roofs over their heads, whilst keeping a balanced budget.

In common with many local government services, the way they do this has changed in recent years. Their role has evolved away from being a housing provider towards being an enabler, orchestrating a range of actors from private, public and third sectors, to build, own and manage appropriate and sufficient housing in their community.

But with London house prices and rents continuing to rise while real incomes fall, constrained financing opportunities for developers and Registered Providers facing deep cuts to capital grants for house-building, councils are once again finding that they need to step in. London's lower-income families are particularly affected, needing larger accommodation but unable to afford spiralling rents for family homes which are in short supply in the capital.

This report sets out the findings of an investigation by the London Assembly's Housing Committeeⁱ which considers both the current state of the council housing sector in London (including the number and quality of council homes) and the prospects for renewed council building programmes to address the problem of insufficient supply.

As part of this investigation the Committee commissioned a piece of primary research from the University of Westminster. The research project included a survey of the London boroughs, analysis of relevant borough policy and project documentation and additional desk research.

A description of the investigation methodology can be found at Appendix 1.

ⁱ Hearings considering council housing provision were held by the then Housing and Regeneration Committee during the last municipal year. In May 2013 the housing and regeneration remits were separated and the new Housing Committee has taken on responsibility for this investigation.

Defining council housing

In this report we use the term *council housing* to refer to housing stock which is owned by local authorities, whether or not they manage it. It is usually provided at a substantially sub-market level of rent (some 40 to 60 per cent), normally referred to as *social rent*. This compares with social housing provided at *Affordable Rent*, which in London is provided at an average 65 per cent of market rate.

2. How can London boost its stock of council homes?

- 2.1. Council housing is a more significant form of tenure in London than elsewhere in England. It is true that London's council stock, in common with that of other parts of the country, has declined over the last 20 years, as a result of Right to Buy, stock transfers to housing associations and stalled building programmes. But the boroughs still provide more than 400,000 homes across London, accommodating around one in eight of the capital's households, almost double the proportion elsewhere in England.¹ And demand is high: some 380,000 people are on London's local authority waiting lists.²
- 2.2. In 2010 the Government announced a new funding model for affordable housing (the Affordable Rent or AR model) based on significantly lower capital grant per home built than under the previous programme. Lower grant funding is to be offset by a greater proportion of the build costs being met by the provider themselves (mainly through increased borrowing) which will be funded by the flexibility to charge an increased level of rent of up to 80 per cent of market rate.
- 2.3. In London, the Mayor announced agreement with providers of his Affordable Housing Programme that AR would average 65 per cent of market rate across the capital, recognising that rents in London are significantly higher than across England as a whole. Social rent, which is charged on council homes, is typically set at some 40 to 60 per cent of market rent. Registered Providers (RPs) acknowledge that their ability to deliver volume has to be traded-off against the need to constrain rent levels – in its simplest form, the more homes they build and let at higher rents, the greater their capacity to borrow and fund more building. All this means that London's boroughs are themselves under ever-greater pressure to provide housing at lower levels of rent, to meet the needs of their lowest-income households.
- 2.4. Meanwhile, in the current low growth climate, many organisations have been urging both the Government and the Mayor to support the recovery by investing in house-building. Recent work by the London Assembly's Economy Committee has highlighted the excess capacity that exists in the construction sector and the benefits from stimulating this sector in terms of creating jobs and boosting tax and National Insurance revenues. In the course of the Housing Committee's investigation, Richard Parker of PwC

added his voice to those supporting housing investment, noting the strength of the economic case in favour, with multiplier benefits in excess of two to one, better than for many high-tech businesses.³ The point is not lost on government: in his first speech as Housing Minister, Mark Prisk MP specifically noted the important economic purpose of building affordable homes.⁴ And in a local context, the National Federation of ALMOs' report notes how councils can capitalise on new building to maximise the local economic benefits such as linking construction work to apprenticeships and worklessness prevention schemes and delivering energy-efficient homes.⁵

- 2.5. In this context, local authorities are looking once again at building new council houses. Of the 28 boroughs that responded either to our quantitative research survey or our call for written evidence, more than half are seeking to develop some new social housing at substantially sub-market rent, by leveraging their own and others' resources. The research paper published alongside this report reviews the options available to boroughs to develop and refurbish council homes in the new funding environment created by the introduction of the self-financing regime for Housing Revenue Accounts.
- 2.6. Nevertheless, while many boroughs are being creative in their use of land and financial resources, it appears that within the current funding framework London will, despite the demand, probably only see around 500 new council houses built over the next year.ⁱⁱ This compares with over 1,000 London council homes sold under Right to Buy during 2012-13⁶, a total of around 12,000 affordable homes profiled to be built in London during 2013-14ⁱⁱⁱ and the Mayor's assessment in February 2013 that at least 40,000 new homes are needed in London per year, of which the majority should be affordable.⁷

A role for London's public land

- 2.7. High land values in London act as a significant brake on the supply of council homes. Fortunately many boroughs do own land and can assemble small parcels for development, often on infill sites, to circumvent this problem.³ But although the boroughs may own some land, without access to the necessary financial resource themselves, they can only develop it in partnership with private or social sector developers. Written evidence clarifies the risks and opportunities associated with this: "There is a cost to

ⁱⁱ In 2012-13, the number of London local authority starts reported to the Department for Communities and Local Government was 360, whilst the number of completions was 480 (Source: DCLG Live Table 253: Permanent Dwellings Started and Completed, by Tenure and District)

ⁱⁱⁱ All affordable homes, primarily resourced from the Mayor's Affordable Housing funds, including both shared ownership and rented homes

local authority development partnerships that utilise third party funding or, indeed, develop homes for sale in order to fund new social rented homes, in that some of the land or property value provides housing that, whilst increasing supply, does not meet priority need. However, additional market housing can help limit the increase in the value of housing that arises from a shortage of supply.⁸ Our commissioned research report also discusses these issues.

- 2.8. One risk with development partnerships is that fewer affordable family-sized homes may be built: RPs acknowledge that reducing grant rates for AR make family-sized social housing in London a less attractive investment prospect, given achievable rent levels. In fact nearly 90 per cent of all AR homes at the end of 2012 were flats and maisonettes⁹ (though it is acknowledged that this data offers a partial view, since the current funding programme runs until March 2015 by which time the mix of AR homes built may have changed, especially as family housing has a longer lead-time). This situation is only likely to worsen, however, as grant levels are projected to decline.¹⁰
- 2.9. The GLA and other public bodies such as the NHS and the MPS have sizeable landholdings which remain under-utilised. It was suggested to the Housing Committee that this land might sometimes be linked to adjacent borough sites to fashion a viable development parcel.³ Increasingly opportunities are being explored to develop this land for new housing: Alan Benson of the GLA noted that the GLA landholdings had been published on the web for developers to see and that all the sites would have a clear exit strategy by the end of this mayoral term.³ But some of this land should be made available such that the boroughs and RPs are able actively to use it to develop family homes at rents affordable to lower-income families. Community and other co-housing groups might also have a role to play.

Summary

The Affordable Rent (AR) model may deliver more homes than would be built under a programme offering greater subsidy and charging lower rents. However, many boroughs are also keen to explore new opportunities for building council homes on which they have greater flexibility over the rent levels they will charge. Housing delivers an excellent financial and social return so investing in London's council housing is a smart way to provide an economic stimulus. The Mayor should consider additional ways to use his land and influence to help the boroughs build some of the new homes their communities really need.

Recommendations

The Mayor should:

- undertake an assessment of the impacts of Affordable Rent in London to inform decisions about the planned successor programme post 2015 including the rent levels which should be charged;
- support the boroughs' efforts to build new family housing by ensuring that price is not a barrier to their developing London's surplus public land;
- continue to lobby government for more house-building funds for London (for example through the retention of stamp duty raised in London) some of which should be spent on new council homes; and
- consider what further incentives or flexibilities he can offer to encourage boroughs to invest in housing which is affordable for their communities.

Keeping new council homes out of the private rented sector

- 2.10. Some 270,000 council homes have been sold in London overall through the Right to Buy legislation.⁶ Current government policy is that homes should be replaced one-for-one, but with an AR (not a social rented) home and not necessarily on a like-for-like basis.
- 2.11. Conservative members of the Committee strongly support the Right to Buy, which has extended the benefits of home ownership to millions of council tenants, thus giving aspirational and hardworking people a stake in their society. They do not agree with the points made below and would firmly

oppose the recommendations, which would deny the benefits of home ownership to many more Londoners. As a consequence, they dissent from the following paragraphs (2.12 to 2.14) and associated recommendations.

- 2.12. The majority of the Committee, however, is concerned that the recent reinvigoration of this policy with increased discounts available in London can only serve to diminish further the stock of council homes available to serve housing waiting lists or accommodate London's homeless people. The reinvigoration of Right to Buy will add a further level of uncertainty to local authority business plans, as the more generous regime now in place may mean substantially greater numbers of homes will be bought than was forecast when the Housing Revenue Account debt allocations (which form the basis of the business plans) were made.^{iv} Furthermore, evidence submitted to the House of Commons Communities and Local Government Committee in 2012 suggests that in London 1.6 Right to Buy sales are required to fund each new council home.¹¹
- 2.13. Perhaps the most egregious consequence of Right to Buy and an abuse of the system has been the recycling of former council homes into the private rented sector. Hard evidence is difficult to come by but Mayor Sir Steve Bullock, for London Councils, suggested that conclusions drawn from research undertaken in Scotland, demonstrating that this had happened to a large proportion of ex-council stock,¹² were also likely to apply in London. This can result in the absurd situation of councils having to rent back their old stock from new private landlords at much higher rents in order to fulfil their statutory duties. The increased rental costs are then usually met by the benefits system.
- 2.14. With housing investment funding in such very short supply, the London Borough of Camden was keen to point out the risk that the boroughs might build new council homes, especially desperately-needed family homes, only to see them sold off at a discount a few years later under Right to Buy.³ The regulations require that the council be offered first refusal to buy back the property should the homeowner then wish to sell within ten years, but to do so councils would need to find the full current market price (despite having passed on to the Treasury the majority of the capital receipt arising from the original sale). With demand for social housing so greatly outstripping supply in London, the majority of the committee believes a more robust response is needed to prevent new council build benefiting investor landlords in the private rented sector.

^{iv} The commissioned research report provides more detail on this.

Summary

Many council tenants continue to benefit from buying their home but the majority of the committee thinks that government needs to act to prevent abuse of the system by private landlords. This is particularly important when councils are considering stepping in and beginning their own building programmes again to meet evidenced need for larger affordable homes

Recommendations

The Mayor should lobby government to:

- impose a moratorium on the sale of all new council family homes in London;
- provide local authorities with a Right Not to Sell, where a compelling case for this exists; and
- enable a covenant to be placed on council homes to prevent their onward sale to investor landlords.

3. How can London make best use of its council housing resources?

The obstacle of the Housing Revenue Account borrowing caps

- 3.1. The Housing Revenue Account (HRA) is the ring-fenced element of a local authority's budget dedicated to its housing business. The financing of local authority housing was reformed in April 2012. This reform changed the basis for HRA funding from a system of national subsidy (based on the pooling of rental income and central reallocation) to one of *self-financing* (in which authorities would keep their income and be free to invest in housing as agreed locally, but also be responsible for their own housing debt, either associated with housing maintenance or with new build). In principle therefore it offers opportunities for local authorities to leverage existing and future housing assets to increase housing stock, as well as to improve and maintain it, by borrowing against their housing assets. However, the amount authorities are able to borrow is capped by the Treasury as housing investment borrowing still contributes to the Public Sector Net Cash Requirement (what used to be the PSBR) in the UK and for many local authorities in London the priority for borrowing must be to ensure that their existing stock meets, at a minimum, the Decent Homes standards.
- 3.2. The arguments advancing the case for lifting the HRA borrowing caps have been widely rehearsed by a plethora of organisations including the House of Commons Communities and Local Government Committee.¹³ The Mayor also favours such a change, having endorsed the London Finance Commission's report which recommends the removal or revision of the caps.¹⁴
- 3.3. The case is indeed compelling:
 - the international norm is a narrower definition of public debt than that adopted by the UK;
 - local authorities have been borrowing prudentially under CIPFA's code (which functions on grounds of affordability) since 1993 without significant failure; and
 - it is perverse that prudential borrowing is permitted against local authorities' General Funds but not against the asset-rich HRA. Richard Parker of PwC summed this up by observing that *"we need to be rather more sophisticated in the way that we consider borrowing against an asset that has value in itself and is tradable but also generates an income"*

*stream that contributes, in large part, to the repayment of any debt associated with it.*¹⁵

- 3.4. Nonetheless, the Treasury appears implacably opposed because its catch-all measure of debt offers a “*fuller and more transparent picture of the government's total liabilities.*”¹⁶ But the London Finance Commission estimates that the associated increased borrowing would be “*modest compared with government borrowing overall.*”¹⁴ Moreover in 1995, the Chartered Institute of Housing published a commissioned report which concluded that the UK was an outlier in Europe in its choice of budget deficit measure (then called the PSBR) and that there was no evidence that this was in any way superior, as an indicator of relative fiscal performance, to that of its major international rivals (which is based around General Government Gross Debt).¹⁷ The UK Housing Review continues to make this argument today.¹⁸
- 3.5. Concerns over the efficient use of scarce resources, rather than theoretical debt positions, are the primary focus of those at the sharp end of council housing provision. Boroughs from across the political spectrum point to the difficulty of developing a 30-year business plan for the HRA without the capacity to leverage efficiently the assets held within it.
- 3.6. Westminster City Council, for example, told us it was around 27 per cent geared, while housing associations might typically be 60 per cent geared, suggesting substantial latent capacity waiting to be unlocked.³ Similarly, the London Boroughs of Tower Hamlets and Harrow noted that the caps, as fixed cash amounts, take no account of the stage reached in the investment cycle – significant investment is needed now to develop the housing required but the caps prohibit this.¹⁹
- 3.7. We also heard how some local authorities might want to adopt a ‘whole area’ approach to strategic regeneration programmes rather than ‘sticking plaster’ refurbishments. This would allow authorities to develop a proactive rather than reactive asset management strategy, investing to save rather than maintaining expensive and outdated properties. They could undertake larger scale investments, reaping economies of scale, so using funding more efficiently and offering opportunities to deliver larger properties, often too costly to provide on smaller sites. Under the present rules, however, a major regeneration project would absorb too much of a borough's limited borrowing capacity for such opportunities to be grasped.¹⁹
- 3.8. In view of the financial constraints imposed by the borrowing caps, a number of boroughs are considering, or have already established, wholly-owned or

joint venture companies which will allow them to develop outside the confines of the HRA. The commissioned research report provides more detail on these arrangements.

- 3.9. Only two boroughs (out of sixteen written responses to our call for evidence) indicated that for them there was currently no need to lift the caps.²⁰ It may be significant that these two boroughs are among those with little or no backlog of Decent Homes repairs.
- 3.10. Given the general clamour for councils to be allowed to engage in prudential borrowing, the Committee was keen to hear projections of the number of new homes which might result. Such a projection is naturally fraught with unknowns, not least because of the volume-rent level trade-offs mentioned earlier. Nonetheless, recent modelling work indicates that London's council housing asset stock could double its current borrowing headroom capacity overnight (to £2.8bn) assuming only a continued income stream at social rent levels, were the borrowing caps lifted.³ On this basis up to 10,000 new council homes could be built in London for let at social rents, according to Nigel Minto of London Councils.³

Summary

London's boroughs are asset-rich but the Housing Revenue Account borrowing caps prevent them from leveraging their housing assets now, when new homes are urgently needed. The Government must heed the calls from all sides and address this reality by removing the caps. Doing so will allow the boroughs to take a more strategic approach to their housing businesses and drive greater efficiencies through their operations. It does not make good economic sense to continue to include housing investment funding within our international measure of government debt.

Recommendations

The Mayor should join with London Councils and others in a coordinated lobbying campaign to ensure that the borrowing caps are lifted and in pressing for housing investment to be removed from our measure of government debt. The Assembly would fully support this campaign.

- 3.11. If the Government persists with the borrowing caps, a number of issues exist which, were they resolved, would at least mitigate the cap impacts:
- Because the cap is a fixed cash amount its value erodes over time leaving boroughs increasingly less able to borrow; and

- Borrowing headroom is unevenly distributed around London and not matched with the need for borrowing capacity.

Recommendations

In circumstances where the Government refuses to remove the caps, the Mayor should seek to mitigate the worst effects in London by:

- lobbying government for the power to permit and regulate borrowing above the level of caps, on a case-by-case basis, where this is justified by sound investment proposals;
- coordinating a lobbying campaign to index-link the caps at least to maintain current borrowing capacity;
- considering the merits of setting up a headroom trading system to redistribute borrowing capacity to maximise housing delivery;
- developing proposals to take an equity share in council housing development to be recouped as rental receipts are generated.

The inadequacy and inefficiency of the Decent Homes Programme

- 3.12. The current Decent Homes Programme will now be extended for a year to March 2016 but is unlikely to clear the backlog of 45,000 council homes in London estimated to remain below the standard in 2015.²¹ The outstanding backlog is concerning enough, but Decent Homes is not a once-for-all achievement, it is an on-going commitment. As Paul Hackett of the Smith Institute pointed out: “The problem...is that so many homes keep tripping into being non-decent...so you are constantly throwing money at them.”²²
- 3.13. This commitment will need to be funded in future from the HRA, so it will be competing for funds with opportunities for new build. However, not only were the 2012 HRA reform settlements premised on there being no outstanding backlog at that point, but the Decent Homes programme was only ever intended to cover 90 per cent of the funding required and the boroughs have not actually received all of that. This means that they have nearly all had to find funds already from their own resources to bring homes up to standard as well as having no in-built HRA capacity to deal with any future requirement post-2015.
- 3.14. During 2010 and 2011 the Mayor drew up and costed an Enhanced Decent Homes Standard with more stringent specifications for water use, heating and insulation. This reflected commendable and important ambitions

outlined in his climate change strategies²³ to address fuel poverty, and climate change mitigation and adaptation. But the implementation of such a standard will add further to the boroughs' investment needs and so far little progress has been made. Unsurprisingly, then, both the written responses we received and the academic research we commissioned indicated that for most boroughs, during the first few years of HRA self-financing at least, their Decent Homes programmes will take priority over any plans for new build.

- 3.15. Improving the quality of individual homes makes an important contribution to the lives of many of London's council tenants and the Decent Homes programme has had a substantial impact in this way. But homing in on discrete problems in individual properties does not always resolve quality of life issues – a decent home at the top of a tower block may remain a prison if the lift doesn't function.
- 3.16. The boroughs also have a duty to consider carefully the broader strategic infrastructure, social, environmental and investment landscape. Alan Benson of the GLA agreed with many of our respondents that substantial remodelling may sometimes be the most efficient and effective way to handle outdated and dilapidated estates. Indeed, Paul Hackett of the Smith Institute pointed to the irony that sometimes the land without the properties would be more valuable than the land and existing homes together.²⁴ However, environmental concerns such as the wasted embodied carbon emissions in the demolished buildings and the environmental impacts of new construction should also feature in the reckoning. So considering and tackling these issues more broadly should form an important part of the boroughs' strategic housing role. But the dilemma they currently face was clearly stated by Rachel Sharpe from the London Borough of Lambeth: "the money we have available, let us be clear, is probably not going to be enough to make all the properties decent, so it would be concerning if the GLA should then go back to boroughs and say, "Actually, we want you to spend that money on something else". We absolutely need to get our properties up to a Decent Homes standard as a minimum, not as the maximum investment that we require."²⁵
- 3.17. Given the present constrained level of capital funding for estate regeneration and refurbishment of council homes, the only way substantial redevelopments can take place is for boroughs to partner with RPs or other private providers. This means that many of the new homes, funded privately or through the Mayor's Affordable Housing Programme, will be delivered to the open market or at Affordable Rent, leading to a net loss of housing at social rent, as the London Tenants' Federation was keen to emphasise.¹⁹

The commissioned research report identifies a range of current partnership projects across London.

Summary

The Decent Homes Programme has been a valuable resource but its job is not yet done despite there being no known successor programme beyond 2016. The standards are also too low to address the problems of fuel poverty and high water and energy consumption. In some cases it acts as little more than a sticking plaster, when what is really needed, both in terms of improving council tenants' quality of life and sound strategic asset management, is a substantial estate refurbishment or rebuild programme, taking into account the wider environmental and social impacts. The need for the boroughs to fund Decent Homes detracts from their ability to deliver desperately-needed new council homes.

Recommendations

The Mayor must lobby government for an adequate renewal of the Decent Homes funding stream after 2016, taking into account the need for higher environmental standards as part of a more comprehensive refurbishment programme, the desirability of demolishing and rebuilding where appropriate and the need for new council homes.

The boroughs should identify schemes where substantial remodelling would be preferable to refurbishment to support the Mayor's lobbying activity.

Making best use of existing council homes

- 3.18. With London's council homes in short supply we need to focus on putting what we have to best use. Under-occupancy is inefficient but encouraging downsizing is difficult where there is a mismatch between demand and supply for different stock types.
- 3.19. Our call for evidence revealed some ways in which boroughs are trying to make very best use of their stock, particularly by encouraging mobility. The London Borough of Camden, for example, is developing some new homes for shared ownership offering the option for higher income tenants to move out of its social rented accommodation. The London Borough of Islington discussed with the Committee the way it allocates more waiting list points to tenants offering to downsize to increase the likelihood of larger social rented properties becoming available.²⁴ The London Borough of Richmond, despite

no longer owning any council housing stock, has nonetheless seen advantage in funding extensions to existing RP family homes to alleviate overcrowding and sponsoring housing moves to incentivise downsizing.¹⁹ The Committee welcomes these initiatives but notes that they are currently undertaken within the constraints of the fixed HRA borrowing caps so are unlikely to be sustainable over time.

3.20. Other suggestions to optimise stock use included:

- introducing flexibilities over social rented stock use (for example by renting out under-utilised properties at market rents) providing the resultant income is reinvested back into council homes;
- allowing community-led short-life groups to utilise vacant properties during the decanting which arises from redevelopment projects; and
- promoting more actively the use of grants to tackle social housing fraud.

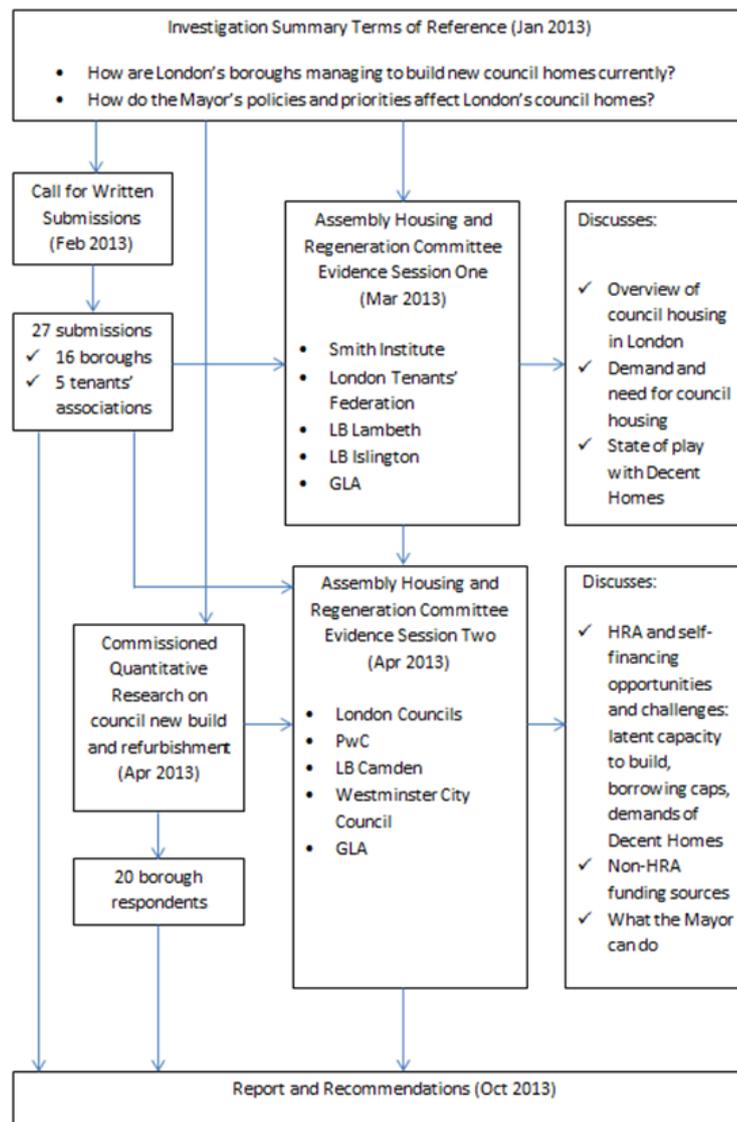
4. Conclusions

With an expanding population London desperately needs more homes, but also needs a wide range of homes to support the diverse population on which London thrives. London's boroughs stand ready to step in, if only they are allowed to leverage their assets through prudential borrowing and supported to make more efficient use of existing land and stock. Lifting the HRA borrowing caps to give local authorities the opportunity now to invest their own borrowed money in the new council homes their communities need could be a significant step towards giving the nascent economic recovery the support it needs to become sustainable. This would enable London's boroughs to build new homes as well as to maintain and replenish their stock where this represents sound asset management strategy. Even with a new-build programme, the boroughs do not have the resources to house London's lower-income families alone, but, given the right tools, they could make a substantial contribution to increasing affordable housing supply in London.

Appendix 1 Methodology

The Committee issued a call for responses in February 2013 and received written evidence from 27 organisations, including 16 boroughs and five tenants' associations. It also commissioned a piece of primary research undertaken during April 2013 looking at methods adopted and funding resources deployed by the boroughs to build new council homes. This research is published separately at www.london.gov.uk/right-to-build

These two sources of information supplemented and fed into two committee meetings held during March and April 2013 during which the Committee took evidence from nine expert guests.



Endnotes

-
- ¹ Department for Communities and Local Government Live Table 100: Number of Dwellings by Tenure and District, England, 2012
- ² Department for Communities and Local Government Live Table 600: Number of Households on Local Authorities' Housing Waiting Lists, by District: England 1997-2012
- ³ Evidence to London Assembly Housing and Regeneration Committee meeting, 25 April 2013
- ⁴ *Mark Prisk delivers first speech as housing minister*, 24dash, 19 September 2012
- ⁵ *Let's Get Building*, National Federation of ALMOs, November 2012
- ⁶ Department for Communities and Local Government Live Table 685: Annual Right to Buy Sales by Local Authority
- ⁷ London Strategic Housing Market Assessment, Homes for London Board, 15 May 2013
- ⁸ Written evidence to London Assembly Housing and Regeneration Committee from London Borough of Camden
- ⁹ CORE data cited in *The Affordable Rent Model in London*, Future of London, June 2013
- ¹⁰ Affordable Homes Plan 'Undeliverable', *Financial Times*, 27 June 2013
- ¹¹ Hometrack evidence to House of Commons Communities and Local Government Committee, Eleventh Report on the Financing of New Housing Supply, Vol II, April 2012
- ¹² Research undertaken in Renfrewshire by Nigel Sprigings, University of Glasgow, reported in 2012 in People, Place & Policy Online
- ¹³ House of Commons Communities and Local Government Committee, Eleventh Report on the Financing of New Housing Supply, Vol I, April 2012
- ¹⁴ *Raising the Capital, The Report of the London Finance Commission*, May 2013
- ¹⁵ Transcript of Evidence to London Assembly Housing and Regeneration Committee meeting, 25 April 2013, p8
- ¹⁶ Lords Hansard, 12 March 2013: Column 167
- ¹⁷ *Challenging the Conventions: Public Borrowing Rules and Housing Investment*, Chartered Institute of Housing, June 1995
- ¹⁸ UK Housing Review 2013 (Commentary Chapter 1), Eds Pawson, H & Wilcox, S
- ¹⁹ Written evidence to London Assembly Housing and Regeneration Committee
- ²⁰ Written evidence to London Assembly Housing and Regeneration Committee from London Borough of Croydon and Royal Borough of Kensington & Chelsea
- ²¹ 2010 Business Plan Statistical Appendix, Department of Communities & Local Government
- ²² Transcript of Evidence to London Assembly Housing and Regeneration Committee meeting, 13 March 2013, p33
- ²³ *Delivering London's Energy Future and Managing Risks and Increasing Resilience*, GLA, October 2011

²⁴ Evidence to London Assembly Housing and Regeneration Committee meeting, 13 March 2013

²⁵ Transcript of Evidence to London Assembly Housing and Regeneration Committee meeting, 13 March 2013, p39

Orders and translations

How to order

For further information on this report or to order a copy, please contact Camelia Thomas, Committee Officer, on 020 7983 4795 or email: camelia.thomas@london.gov.uk

See it for free on our website

You can also view a copy of the report on the GLA website:
<http://www.london.gov.uk/assembly/reports>

Large print, braille or translations

If you, or someone you know, needs a copy of this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email: assembly.translations@london.gov.uk.

Chinese

如您需要这份文件的简介的翻译本，
请电话联系或按上面所提供的邮寄地址或
Email 与我们联系。

Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਅਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज़ का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দপিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الحصول على ملخص لهذا المستند بلغة،
فارجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي أو عنوان البريد
الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

Greater London Authority

City Hall
The Queen's Walk
More London
London SE1 2AA

Enquiries 020 7983 4100
Minicom 020 7983 4458
ISBN 978 1 84781 163 9

www.london.gov.uk

This publication is printed on recycled paper