

# Homes for London

**FABIAN** MEMBER POLICY GROUP REPORT  
**LOCAL GOVERNMENT AND HOUSING**  
MEMBER POLICY GROUP

*Edited and compiled by Christopher Worrall and Adam Allnutt, with contributions from Cllr Anthony Okereke, Cllr Darren Rodwell, Jonn Elledge, Eve McQuillan, Cllr Helen Dennis, Sarina Kiayani, Issy Waite, Russell Curtis, Anthony Breach, Siddo Dwyer and many more...*

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Homes for London

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### **About the Local Government and Housing Member Policy Group**

We are a Fabian Society Members Policy Group on the future of Local Government, Housing, and Land Use Regulation. We have come together to produce this member led report into the problems that have caused the housing crisis and some of the solutions we believe can bring it to an end.

### **About Concilio Communications**

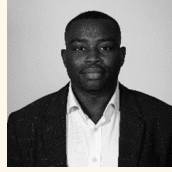
Concilio Communications are a public affairs, pre-planning political and community engagement service. They provide expert advice to navigate the planning process and get results, and have kindly sponsored the production and printing cost for our member led work.

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# Foreword



Cllr Anthony Okereke is the Leader of the Royal Borough of Greenwich

**L**IKE YOU, I know that only politics can transform the lives of people in this great country. Integral to this, is challenging ourselves to develop fresh political ideas and policies. We must seek more, want more, and yearn to be radical in policymaking.

That is why we are members of the Fabian Society; it is our history and the essence of our society. Homes for London has been written not merely as a pamphlet or words on a page but as a call to action for fundamental change in how we address the housing crisis. It requires our ingenuity and our courage.

Presently, there are over 109,000 households living in temporary accommodation and thousands more sleeping on the streets, we need new housing on a scale unlike ever before. The last time we needed homes as much as we do now was after the last war, and councils like Greenwich built nearly half of them.

I am proud of the work we're doing to tackle the housing crisis through our Greenwich Builds programme to deliver over 1,700 new council homes for people on our waiting list. We have the highest number of new affordable homes started of any London borough last year. Whilst this is fantastic progress, I am the first to say that this number is just a drop in the ocean of what we, and London, and the country needs.

Many of my colleagues across councils in London and City Hall are united by our ambitions. We are all doing our best to get more bricks in walls, more keys in locks and more residents in homes.

I do this knowing that my council has over 26,000 people on Greenwich's housing waiting list alone, there are real stories behind the figures you see in black and white.

**For every single council home built, a new chapter begins for a family.**

For example, we've just opened 33 new council homes in Woolwich, having bought them off the open market. One tenant I spoke to was moving into a new property having spent nine years in a one-bedroom flat with his three children.

Hearing the stories of people who were previously facing homelessness and are now moving into this development is deeply rewarding.

This is an example of how we are using every tool at our disposal to create as many homes for people on our housing register as we can, working tirelessly to establish this new era of Council-led housing delivery. Through a coordinated effort by the Council and Greater London Authority, we were able to find the funds to build.

However, with labour costs spiralling and the market slowing down, no one is going to build these houses unless it is us. We owe it to our residents languishing on housing waiting to get shovels into the ground.

That's why it's fantastic that Sadiq Khan, the Mayor of London has outlined his ambitions for 40,000 new homes by the end of the decade. Over the last few years, we've seen much-needed transformation that has happened on his watch in London, with new homes popping up in every corner of the borough ready to offer sanctuary for years to come.

With his support for a new council-house building agenda, I am confident that we and colleagues across the country will match his words and deliver from local, to regional, to national developments, delivering for the UK. Ambitious partnerships will deliver.

Of course, there are reforms that we need from the Government - whoever that may be - to properly get moving.

**The Homes for London pamphlet sets out robust and radical initiatives that will make a real difference to people's lives.**

Ideas for debate, emerging policies that can change lives, and Interventions that will allow people suffering from the housing crisis to start their new chapter, their new story, centred around their new home.

We can't sit around and wait for change to happen. That is why we are doing what we can with what we have. We established the "Housing Our Greenwich" programme to confront the crisis through a mix of building, retrofitting, and regenerating. We commissioned research to develop an approach delivering intermediate affordable housing.

While we wait for the Government to catch up, we - along with many other councils - are kickstarting a new era of council-house building and developing an intermediate sector that responds to those caught in the middle. This is about more than housing. Fifty-one per cent of residents in Greenwich live in poverty, and this will get worse. And that's just Greenwich. These problems aren't unique to us.

**We have to build more homes and increase economic growth that genuinely benefits local people, because good housing is key to tackling poverty.**

Greenwich is just one piece of the jigsaw. The Homes for London pamphlet will speak to the great work, from policy interventions to examples of delivery and best practice that should be scaled up across the country.

You will hear from experts, academics, industry, and politicians all speaking with one voice: “Build, Build, Build”, all of whom are ready to “back the builders, not the blockers”. Set out below is a wide-ranging set of proposals that can help alleviate London’s housing crisis and beyond.

### **The Proposals**

1. A commitment to the right to rent, invest, and build
2. Mayoral-led London-wide housing targets for retirement integrated retirement communities
3. A more inclusive, less restrictive, planning approach to student accommodation
4. Reform minimum space standards to increase more affordable options for Londoners
5. Allocate golf courses for housing and biodiverse parklands
6. Increase funding for housing and support for people with learning difficulties
7. Citizens Panels placed as the cornerstone of a fairer planning system
8. Introduce a presumption in favour for small sites
9. Apply requirements for Suburban Design Guides to increase suburban intensification
10. Implement local design codes and by-right extensions for airspace developers
11. Introduce a London affordable housing density bonuses for policy compliant schemes
12. Adopt New Homes Zones with proactive land assembly to complement flexible zoning
13. Support plans for concentrating homes around new station sites with accommodating infrastructure
14. Utilise transport modelling for more homes on less land to save green space
15. Remove insufficient parking from material design considerations
16. Introduce London-wide innovation companies with a delivery approach
17. Include economic and cultural value considerations to licensing objectives to revitalise London’s nighttime economy
18. Give more powers to enable local authority fiscal devolution to allow the creation of local taxes and local charges
19. Use London’s land better within 10-minute walking distance from transport nodes
20. Prioritise high density estate regeneration
21. Maximise the impact of the Council Housing Acquisition Programme to improve health
22. Utilise estate renewal as a fiscally neutral solution
23. Switch from a developer affordable housing contribution model to one distribute through build-and tax.

# Note from Sponsor



Nick Dines, Managing Director,  
Concilio Communications

**T**HE HOUSING CHALLENGE faced by London is clear, with many of us living daily with the challenge of high rents, prices and the overcrowding that a lack of delivery of all types of housing tenures has caused.

This document and the broader work of the Local Government and Housing Member Policy Group is a welcome addition to the conversation: it is outcome orientated, looking at the solutions that can be implemented to provide a better future for our City.

As Cllr Okereke says, good housing is key to tackling poverty and a stable home environment enables families to begin a chapter in their life. For many living in temporary accommodation, they cannot venture forward with certainty, not knowing where they will be living in future months, let alone years. Imagine not being able to plan where your child will be at school, whether the job you are doing will still be in commutable distance, all because you are at the whim of a landlord and rents rises outstripping inflation: we are all agreed that in one of the wealthiest cities in the World this is not acceptable.

Cllr Rodwell suggests in his contribution that everyone should have a right to rent a high quality home with security of tenure and at an affordable rent, accompanied by a right to build whereby the Government funds a London House Building Programme.

Where can these homes be built? Jonn Elledge, Jeremy Driver and Ben Hopkinson suggest that we begin to look at the many golf courses ringing London, with a single hole providing space for 100 homes. Marc Vlessing believes that a presumption in favour of small site developments could unlock 1,200 sites, with the capacity to deliver 43,000 new homes.

For Christopher Worrall, Joseph Rattue and Concilio's Siddo Dwyer looking abroad shows the success of different forms of zoning: Inclusionary Zoning in America delivers more affordable housing through allowing increased density whilst in Japan, 12 different types of zoning has led to far larger housing delivery numbers than in the UK. New Zealand's Lower Hutt City has more than trebled housing starts since its upzoning reforms, embracing Citizens Panels to shape, rather than prevent, the development of the city's evolving landscape.

Alongside the housing, we also need to ensure that we are creating places people want to live. Therefore it is great to read Eve McQuillan's contribution highlighting the importance of the nighttime economy. The cultural and economic value of venues must be placed higher on the list of requirements from Councils when considering future development locations.

There are many great contributions in this document, but I was drawn in particular to Sarina Kiayani's highlighting of the need for accommodation targeted at the elderly. Whilst a large focus of our housing debate is based – understandably – on the needs of younger people and families, 1 million people aged 65 and over live in London. 72% of them live in a home which meets the technical definition of under occupation, but it is understandable many will not want to leave their home full of memories when there is no product available which caters for their needs. This is definitely, given our ageing population, a demographic need that should not be ignored.

Thank you once again to the Local Government and Housing Member Policy Group and also all of those who have contributed to this document. It is a valuable addition to the policy debate as we all look to work together and deliver the homes that London needs.

A dark, high-angle photograph of a city street. The scene is dominated by modern, multi-story buildings with large windows and balconies. In the background, a construction crane is visible against a cloudy sky. The overall atmosphere is somber and urban.

# LONDON HOUSING FOR ALL

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# Rights and Rollercoasters



Labour must enable the right to rent, invest and build writes Cllr Darren Rodwell

**L**ONDON FACES A pivotal moment. The upcoming general election offers a chance to break the cycle of national decline spanning 14 years. It is also an unprecedented opportunity to tackle housing issues head-on, ensuring the right to rent, invest and build the homes London needs.

Public services, moulded by a decade-old financial straight jacket imposed by George Osborne and David Cameron, has left local councils teetering on the edge.

With local authorities on the brink, with austerity a recurring theme in every budget since 2010, many remain barely standing with fingers poised over Section 114 notices.

**London has the highest social housing waiting list among all the English regions, reflecting 323,827 based on 2023 mid-year figures.**

This equates to 3,681 households on the waiting list per 100,000 residents. We also have record numbers languishing in temporary accommodation. London councils footed a £364m bill for such accommodation last year alone.

Tragically, we now find one child in every London classroom is homeless. A chilling statistic that sums up the cost of decades of Tory austerity.

In 2024, sky-high rents and impoverished living conditions experienced by Londoners would make Charles Dickens flinch. Baby boomers, be warned. Accountability extends to all.

The housing crisis mirrors the themes of “Cathy Come Home”, where having shelter feels more like a privilege than a right. However, housing ought to be a basic entitlement for us all. Even Margaret Thatcher’s Right to Buy is now contested.

Heralded as the centerpiece of Thatcher’s property-owning democracy, it has left homes once part of our estates displaced by “sold” signs. The revenue from which was lost to HM Treasury, instead of going back in the coffers of town hall.

Even the greengrocer’s daughter recognized the need to save in good times, and spend in bad.

**Renters and leaseholders, struggling with rollercoaster interest rates, should be forgiven for thinking they were abandoned a long time ago.**

London needs significant reform from central government, beyond treasury revenue and tax hikes. Hence why we must prioritise a right to rent, invest, and build.

## Right to Rent

A right to rent is one where everyone should be able to rent a high-quality home, with security of tenure and at an affordable rent within their respective means. Despite four in ten homes being now rented, many lack basic protections.

Ever since King John, Charters have been popular. But not since the signing of the Magna Carta has there been a need to capture renters’ rights or those who lease. This can come alongside a national and London housing register, which shares information on property conditions.

It can be funded with contributions from both the public and private sector. If Grenfell has taught us anything, we must do this.

But rights must go hand in hand with responsibilities. Part of the deal is that renters would be expected to pay on time as part of a social contract, which places affordability at its heart.

Rents based on average working incomes is not something we have heard said since Lloyd George uttered those famous words, *Homes for Heroes* over 100 years ago.

A community rent model starting from social rent levels through the various strata of submarket rents – is just that.

**Under a community rent model of development, the ability of renters to pay must reflect the percentage of their income that demonstrates a rent that is truly affordable.**

It would also go some way to resuscitating our emaciated Housing Revenue Accounts lingering in the darkest recesses of local authority balance sheets, and it could be used as an investment mechanism for more sustainable technologies.

## Right to Invest

To address London’s housing affordability crisis, we need to focus on the right to invest. A central element of this right would be a housing bond to facilitate entry-level homeownership.

This should be complemented by flexible tenure options like shared ownership or sliding-scale home equity schemes. Homeownership tenures all designed to accommodate Londoners’ changing circumstances.

Additionally, providing diverse housing options at different tenures and rents can help people adapt as their lives evolve. Only through good quality housing options can we make it easier for people to move house for work, or to downsize and free up family homes.





Investing in green initiatives, supported by state-led programmes, is crucial to achieve decarbonisation of London's housing stock. In turn, ensuring economic and environmental sustainability. By prioritizing affordable and sustainable housing, we give both Londoners and builders an opportunity to thrive.

And it's not simply an economic choice. The upfront costs would be offset by savings on bills, and greater energy security for hard-pressed families.

### **Right to Build**

To ensure Londoners have access to sustainable and affordable housing, we need to prioritise the right to build. This entails complementing a London house building programme from central government funding, which would form part of London's contribution to a national builder's charter.

Such a programme would focus on delivering new housing, particularly social and affordable homes, alongside first-time buyer options at discounted prices in perpetuity. Achieving this requires collaboration between the public and private sectors.

In turn, increasing public sector delivery capacity, utilizing Compulsory Purchase Orders (CPOs) and land assembly where necessary.

Public-private partnerships, including investment from local government and public sector pension funds, are essential for success. Investing in MMC (modern methods of construction) and sustainable development will create the communities we need for the future.

While this will require higher capital spending, and more than just an activist role for Homes England to unblock sites and finance infrastructure, it requires a collaborative masterplan-led approach to strategic sites.

By implementing the right to rent, invest, and build – we can unleash the economic potential and foster collaboration among all London's stakeholders, with local government leading the way. **F**

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# London is Ageing



We need an Integrated Retirement Community in every borough writes Sarina Kiayani

**A** LONGSIDE THE INFLUX of younger people that have moved to the capital for work in the last few decades, there is a growing ageing population. The capital now has almost half a million people aged 75+, as well as a further half a million aged 65-74. In the period 2011-2021 alone, there was an 8% increase in the number of over 75s living in London.

## What does this mean for the housing market?

As much as 70% of the over-75s who live in London own their home. However, as they age, older Londoners may experience health conditions or disabilities that change their lifestyle. 18% of older Londoners report having a disability that limits them a lot. And, across London, 7% of those aged 65+ (around 70,000 people) are in receipt of care and support, compared to 5% across England.

Home adaptations can help older people remain where they are, and as part of the Mayor of London's commitment to make London an age-friendly city, it is vital that more older Londoners have support for them.

However, for many older people, particularly in their 80s, moving into specialist housing can be a positive choice. Indeed, at its best, specialist Housing-with-Care can transform older people's lives for the better. It can improve health and wellbeing, delay the onset of care needs, and help people to live independently for longer.

## The provision of Housing-with-Care in the capital is extremely scarce.

Consider this: despite the prevalence of home-ownership among the 75+ in London, 19 of the 32 London Boroughs – over half - have no Housing-with-Care schemes at all for older homeowners to move into.

As a result, older Londoners who want to access this model of housing are forced to move from the area they call home, away from their friends, families, and networks. Alternatively, they may remain in homes that do not allow them to flourish, and in some cases, may be too big for them or do not meet their needs.

Evidence shows that Housing-with-Care can transform the health and care outcomes of older people for the better.

Ultimately, a shortage of Housing-with-Care in the capital is resulting in thousands of Londoners in late old age experiencing unnecessary ill-health, loneliness and loss of independence, as well as expensive long-term care fees – with knock-on consequences for London Boroughs and the NHS, which are already facing cost pressures.

## Modern Housing-with-Care: The IRC Model

Around the world, modern Housing-with-Care schemes – known as 'Integrated Retirement Communities' (IRCs) - have emerged as a model of housing for older people that transforms lives, based on 24-hour onsite support and extensive shared facilities, as well as optional care if it is needed.

Modern IRCs emerged in recent decades from the 'extra care' movement of the early 2000s and the experience of other countries, with the model subsequently spreading and evolving as operators adopted and adapted it for different segments of the older population. IRCs are distinct and separate to both residential care homes, as well as traditional models of retirement housing such as 'sheltered housing' with a visiting warden or manager.

It is estimated that 72% of older people aged 75+ in London live in a house which meets the technical definition of under-occupation.

Clearly, no older person should be required or pressured to move from their home. However, by providing attractive alternatives to downsize into, IRCs can relieve pressure on housing supply, which is particularly acute in London.

## IRCs and Health

Multiple studies have highlighted the benefits of IRCs to older people. For example, a 2015 study with 162 new residents of the Extra Care Charitable Trust noted "significant continuous improvements across the period in depression, perceived health, memory and autobiographical memory". More recently, a 2022 study of 741 respondents from 94 schemes found that people living in Housing-with-Care had lower levels of loneliness than would be expected if they lived in the general community.

With the World Health Organization declaring loneliness a "global public health concern" at the end of last year, being associated with a 50% increased risk of developing dementia and a 30% increased risk of incident coronary artery disease or stroke, addressing this issue would not only improve the lives of older people, but also wider health systems being impacted.

A key benefit of IRCs for the NHS is the fact that if an IRC resident spends time in hospital, they can typically be discharged as soon as they are ready to return home – thanks to the availability of on-site care in IRCs. Delayed hospital discharges, which are a particular problem in London; in the year to February 2020, there were over 170,000 delayed discharge days for patients in London.

IRCs can also help with NHS cost savings; a 2019 study found that accumulated over 5 years, on average, living in Housing-

with-Care saves the NHS £1991.94 in total per person – or an average of £398.39 per year.

The benefits of IRCs are particularly relevant to older Londoners. While Life Expectancy at age 65 is longer for both males and females in London compared to rest of England, Healthy Life Expectancy is around the national average, meaning that older Londoners spend a larger share of their retirement in poor-health. Providing older people in every London borough with the option of moving to an IRC could be one way of addressing this.

### IRCs and Social Care

As well as their benefits on individual health and the healthcare system, a wider provision of IRCs can also help to reduce social care costs – which have been rising significantly in both London and the rest of the UK.

A 2015 study of Associated Retirement Community Operators (ARCO) members providing social rented and affordable IRCs found that social care costs were estimated to be significantly lower – in the range of £1,200 - £4,500 lower per person per year, depending upon level of need – for residents compared with domiciliary care in the community.

The UK Homecare Association also estimates that 15% of the cost of employing domiciliary carers is allocated to travel time and mileage costs. However, this travel cost is effectively eliminated in IRCs when residents in receipt of care are co-located.

These efficiencies mean that expanding IRC provision helps with pressures on the social care workforce – a major challenge for London.

### Looking to New Zealand

At a national level, the UK lags far behind other countries like New Zealand, Australia, and the US when it comes to national provision of IRCs. Comparing New Zealand's capital - Auckland – to London, provides a particularly good example of what can be achieved.

Auckland has around 12,500 IRC units, 13 providing a home for 16,250 over-65s. This equates to 7% of the over-65 population in Auckland, which stands at 232,160. By contrast, there are just 1,968 IRC units in London, providing a home for around 2,558 over-65s .

This means only 0.25% of London's over-65 population – of more than a million – has any kind of opportunity to live in an IRC.

If London were to reach Auckland's levels of provision and give 7% of over-65s the chance to live in an IRC, the number of homes in IRCs in the capital would need to grow to around 73,000.

### How do we get there?

The reasons for so few IRCs in London compared to other Western countries are complex but ultimately come down to three overarching issues:

1. Vision: There has been a lack of ambition in London to tackle the specific challenges associated with expanding provision of IRCs.
2. Planning: IRCs are not given enough importance in planning policy and decision-making in London.
3. Affordability: There is insufficient local government support for provision of social and affordable IRCs, and not enough sites are allocated to older people's housing. It is also extremely challenging in London to develop.

Challenging these issues will require action from both City Hall and London Boroughs.

The Mayor of London previously published his action plan for an age-friendly London based on the eight age-friendly domains identified by the WHO. Support from the Mayor's Community-Led Housing London, which formed part of this, led to the creation of Tonic Housing, the UK's first LGBT+ affirming retirement community in Vauxhall. Tonic actively values and celebrates LGBT+ people, with staff trained to provide support and care to older LGBT+ older people.

This is just one example of how support from City Hall has opened options for Londoners as they age. To make London a truly age-friendly city, the Mayor must commit to providing genuine choice for older Londoners, through a greater provision of IRCs like that seen in Auckland.

Similar to the UK Government's Older People's Housing Taskforce, City Hall could create an Older People's Housing Forum for London Boroughs so that cabinet members responsible for adult social care, public health and housing can share ideas, insight and learnings on developments in their boroughs.

To maximise the benefits to health and care systems from IRCs, the Mayor must also play a leading role in bringing together and creating a joint vision for older people's housing among health, social care and housing stakeholders at a regional level in London (e.g. South East London), including Integrated Care Boards, local NHS officials, and London Boroughs. This should include a framework for neighbouring boroughs to share the benefits and costs for new IRC provision.

To ease the financial impact, existing funding pots could be adapted to account for this. For example, City Hall could ensure the Mayor's Care and Support Specialised Housing (CASSH) Programme funds a range of different types of specialist housing for older people, including Housing-with-Care.

City Hall could also create a London-wide older people's housing target for large sites, building on the way that affordable housing targets are set, so that IRCs receive priority consideration whenever large sites become available. This would enable lower costs derived from the economies of scale associated with larger schemes to be passed on to older Londoners.

### Conclusion: Towards an age-friendly London

To make London a truly age-friendly city, older people must have the same access to housing options in every London borough.

Whilst it is vital for individual London boroughs to work on their own provision of housing for older people, to ensure that provision is equally accessible to all Londoners, direction must come from the Mayor's office.

Only with a clear vision from the top can London achieve equal provision of Housing-with-Care, through a push for initiatives like an IRC in every borough. **F**

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# Unlocking Student Housing



Why do students have to suffer as a result of barriers to development, writes Issy Waite

**W**ITH A GENERAL election around the corner, now is the opportunity to put policies which will tackle the spiralling housing crisis at the front of Labour's agenda. However, the debates surrounding housing policy development too often fail to include students, and we must do better to put students in the narrative.

Students already suffer through a broken maintenance loan system, which has not been adjusted for inflation and leaves students with barely enough to cover their rent. A study by Unipol and Hepi found that rent wipes out the majority of maintenance loans, leaving University students in England with the equivalent of 50p a week to live off. Students are as a result pushed into taking part time work alongside their studies, widening the gap in inequality between those who have financial support from their families.

Housing has become a dividing wedge between young and old, with my generation often feeling bitter as they believe older generations have benefitted from a much kinder housing market and have pulled the ladder up behind them. In return, we have been told to cancel our netflix subscriptions and buy less avocado toast - advice that would be laughable if it was not such a stark reminder of the problems we face. Property ownership feels like a distant dream, for many of us the reality is that no matter how hard we work and save, getting on the property ladder is out of reach. We need serious change, and only a Labour government will achieve this.

Planning reform is firmly on Labour's agenda, a positive sign that we can finally tackle the housing crisis. We need a planning system that involves students and to achieve this we must aim to educate students about the planning process.

Community engagement in strategic level planning is concerningly low - just 7% for local plans in London according to the GLA. This is largely in part due to the lack of transparency in the process with students and communities not being aware that they have a right to make their voice heard.

**There is an appetite amongst young adults to engage with this process, 89% of young adults surveyed by Grosvenor stated that they have never been asked their opinion on the future of their neighbourhood with 82% commenting that they would like to be involved.**

To successfully encourage students to engage with planning consultations, we need better education about the planning system and the areas that it covers (such as provisions for affordable accommodation and open space) whilst conveying to

participants that their ideas and comments are being listened to and taken on board.

Students and the wider housing and rental crisis affect each other, the lack of PBSA in key cities leads to rent increases and more pressure on rental accommodation. By building more PBSA we contribute to meeting London's housing need, and we relieve a large strain on already scarce resources in the rental market.

The benefits of students residing in PBSA must not be overlooked - with the majority of students forming friendships and settling into student life in halls of residence.

Students are also able to pay a combined rent and bills package, with a fixed monthly total that can provide reassurance during this cost-of-living crisis. Surveys have largely pointed towards this being the preference of students, who prefer to know in advance the total that they will have to pay each month.

Prioritising the development of new PBSA must be a priority, and to do this we need to remove the barriers to these developments. The requirement for PBSAs to have nomination agreements is one such barrier.

This requirement is to demonstrate that there is a need for a new PBSA development, but examining the student market and the deficit between students and student housing itself provides ample evidence.

By removing the need for nomination agreement, we would encourage PBSA developments, as the current process requires a commitment 3 or 4 years before the development is ready for occupation.

Instead, the requirement for a nomination agreement could be brought in at the grant of a planning permission via the Section 106 Agreement.

An understandable concern of councils and communities regarding PBSA is how they contribute to a mixed and inclusive neighbourhood. PBSAs should be seen beyond just student accommodation, but as bringing the potential for economic growth and value to the local community.

We should ensure that PBSA blocks are delivered alongside amenities which can be used by the wider community. Schemes such as joint funding of mutually beneficial services such as bike hires are another way of ensuring that student accommodation blocks add value to the area.

When considering the suitability of PBSA developments, the goal should be to encourage students to remain in the area after graduating and therefore contributing to the economy. By integrating PBSA blocks into communities, rather than creating isolated student communities, we make this much more likely. This is also key to retaining international students' post-graduation.



By reforming the planning system in regard to student housing and making youth engagement in the process a priority, we can simultaneously alleviate pressure on the rental market whilst providing students with greater security and housing that meets

their needs. Tackling the housing crisis means putting students in the narrative, this is how we will make significant progress. **F**

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# A Flat of One's Own



Why London needs new space standards  
writes Anthony Breach

**S**UCCESSFUL PLANNING IS realistic. It is easy to write plans and policies that have good intentions and lofty goals. But unless planning recognises the real limits on what can be achieved – land; space; incomes; prices – then nothing will be achieved. At worst, poor planning can create new unintended consequences that make matters worse than they were before.

One example of these problems in London is in the minimum space standard for one-bed properties. At 37m<sup>2</sup>, it is simply too high.

This may seem controversial. But this well-intended policy makes housing less affordable for everyone, particularly singles.

It also makes it harder to build homes and to reach housing targets; and does not actually achieve its intended goal of reducing house sharing and allowing people to live in spacious one-beds.

To understand why, let's first take a simple look at how minimum space standards work.

There is a set of optional national standards for new dwellings, containing a number of different minimum floor areas that vary according to the number of bedrooms and expected number of occupiers. Of these, the most important are the one-bed standards.

The standard for a one-bed for two people is 50m<sup>2</sup>, and for a single person, 37m<sup>2</sup>. These are incorporated into the London Plan. The issue here can be seen in the GLA's own research.

Housing Note 06 from 2021 is an analysis of floorspace per person in London and England. It looks at how many m<sup>2</sup> people of different circumstances have and how that has changed over time. Unlike homeowners (who may get more space by default, as adult children leave home for instance), renters only rent the space that they can afford.

**As housing has become less affordable in London, the amount of space the average renter has in London fell from 31 m<sup>2</sup> in 1996 to 25 m<sup>2</sup> in 2018, as house sharing has increased and more living space has been converted into bedrooms.**

What this means is that the smallest one-bed flat that can now gain lawful planning permission in London due to the minimum space standards is, at 37 m<sup>2</sup>, almost 50% larger than what the average renter in London can currently afford. In fact, the practical situation is even worse than that. It is no coincidence that most one-bed flats built in London today instead conform to the space standard at 50m<sup>2</sup> for two people, who can each afford

an average of 25 m<sup>2</sup> – effectively twice the purchasing power of the average solo tenant.

This is a huge part of why so much new housing in London seems so unaffordable, particularly for people without a partner. If one of the most frustrating aspects of the housing crisis is how it turns housing into a barrier to people being able to move onto the next stage of their life, young Londoners being forced to live like students well into their late twenties and early thirties by sharing because they cannot afford to get a place of their own is a massive underdiscussed problem.

Other evidence shows that flats below the space standards are in high demand. For example, 'co-living' as a type of new housing in London only really exists as a loophole to get around these too-high space standards. Despite the name, co-living flats are functionally small one-bed apartments for singles with some shared amenities in common areas – so how do they get around the space standards?

Technically, the space standards described above only apply to properties that are in the residential 'use-class', in planning terms. But as co-living is its own 'sui generis' use class, the 37 m<sup>2</sup> space standards does not apply to it (Purpose Built Student Accommodation is similar and has smaller flats too). The GLA has in fact already recognised this by drawing up a separate set of space standards that apply only to co-living, of 18 m<sup>2</sup>, but many that are being built are larger than this threshold. Some critics say that as these co-living flats are expensive compared to house shares, especially on a per m<sup>2</sup> basis and they should be banned. But this is precisely the point. Small flats where people can escape house shares are in very high demand in London, yet very rare, and as a result, they are very expensive.

If normal flats could be built at smaller sizes, the additional supply at scale that this would bring would make all smaller flats affordable for many people currently in house shares.

Furthermore, smaller flats would make it easier for developments to deliver more homes than before on the same plots of land, and for London Boroughs to reach their now much-higher housing targets.

One response might be to worry about quality. But it's not as if the mouldy old Edwardian homes that hundreds of thousands of renting Londoners are sharing are particularly high quality. And the evidence arguing that a 37m<sup>2</sup> space standard provides the minimum space required to live privately is thin. Dating back to 2010, it specifically sets aside 12m<sup>2</sup> of space for a separate living area to watch TV – a nice perk for sure, but not one in the age of streaming on laptops that all people would prefer to live in a house share were it smaller or absent.



Another concern might be to worry about families. But changing the space standard for new flats wouldn't change the statutory definition of overcrowding. Indeed, a flat that met even the 50m<sup>2</sup> space standard could be overcrowded if a large family was unable to afford anything bigger.

Similarly, flats below the space standards that was built long before they were created are not condemned, and hundreds of thousands of Londoners live in them quite happily. If anything, relaxing the rules is likely to alleviate overcrowding for families.

Allowing residents of house shares to move out and into new flats, would release the family homes currently split between earning adults back into the housing market, making them available for families again. So, in terms of reforming the space standard, there are lots of options.

Some urban economists, like Alain Bertaud, argue that space standards on new buildings should be abolished entirely. But more moderate alternatives clearly exist.

The very least that must be done is to reduce the minimum standard of 37m<sup>2</sup> of space to the average consumed space of 25m<sup>2</sup> in the London Plan. This would remove the anomaly where it makes more sense for a developer to build a 50m<sup>2</sup> one bed and rent to a couple, than a 37m<sup>2</sup> that is unaffordable to nearly all single people.

If the Mayor is satisfied with how the co-living space standards have worked in practice, 18m<sup>2</sup> may be a more ambitious but reasonable bound for a new minimum space standard in the London Plan. Of course, plenty of flats larger than the new minimum space standard would still be built after reform, as is currently the case today.

Comparable reforms in the US that have reduced minimum plot sizes have made new housing much more affordable in Houston, Texas, than what was being built previously and without controversial changes to the urban form.

But sadly, policy has recently moved in the wrong direction. The Housing Design Standards last year created a new optional "best practice" space standard of 41m<sup>2</sup> for one-beds for single occupiers in London. If actually enforced by planners, it would make London's housing crisis even worse than ever for all the reasons shown above.

**We all want the average renter to have 41m<sup>2</sup> of space rather than 25m<sup>2</sup>. But simply passing a policy preventing small homes and flats from being built does not deliver this, especially when so many other barriers to new housebuilding remain.**

**The harm from the 37m<sup>2</sup> space standard is essentially the same as setting the minimum wage 50% above the average wage – people would obviously lose their jobs or be forced into terrible working arrangements to keep them.**

The 37m<sup>2</sup> space standard is just set at the wrong number. It is planning without recognising the limits that planning can achieve. Renters cannot live in the good intentions of planners – but they can live in new flats, even those that are a little smaller than what we're building today. **F**

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# The Case Against Golf



The protection of golf courses from development needs to change writes Jonn Elledge

**G**OLF, RUNS THE quote popularly but incorrectly attributed to Mark Twain, is a “good walk spoiled”. In today’s London, where housing demand is higher than ever but land in short supply, it’s spoiling an awful lot more than that.

There are many ways to highlight quite what an absurd chunk of the capital is given over to a single minority sport. There are 95 golf courses inside the city limits, which between them take up 2.8% of all land in Greater London: an area larger than the borough of Brent, or those of Hackney and Tower Hamlets combined.

Of these courses, 43 - an area of land larger than Hammersmith & Fulham - are owned by public authorities. There are nine golf courses in Havering; seven in Enfield; eleven in Bromley alone. All three boroughs, suburban areas with no shortage of open land, are among the worst performers in London when it comes to hitting their housebuilding targets.

There are many ways to sum up quite how little social value golf offers, too. It serves no agricultural purpose, obviously; but the need to maintain manicured greens means it offers little biodiversity, either. The risks of being hit by a passing golf ball also mean that, even where courses are open to non-players, they’re not much use as public parks, either.

Many courses have been protected from development by their classification as “metropolitan open land”.

A status which erroneously suggests they offer some benefit to the capital as a whole - yet the only people who can truly enjoy a golf course are golfers.

And depressingly few of them. The Golf Belt, architect Russell Curtis’ 2021 report on this shocking misallocation of land, noted that - given standard club rules which mean a maximum of four players should be on any hole at any one time - fewer than 7,000 people can play golf in London at any one time, and perhaps three times that in any single day. For the benefit of this tiny number of people, we have set aside nearly 3% of all land in the capital.

None of this means that every one of those courses will be suitable sites for redevelopment. Nor is it to suggest that the city should be doing anything as radical as banning golf. (I, personally, would be tempted, but I need never meet the voters.) But it does surely make the argument for including a review as part of the next London Plan, to find out which of those 95 golf courses would be better repurposed in some way. There are, after all, another 75 courses within just 5km - walking distance! - of the city boundary. Surely at least some of the courses inside it could find another use.

One option would be to create genuine parkland. At Beckenham Place, the London Borough of Lewisham has remade an 18-hole

public golf course, surrounding a Georgian Mansion, into a public park - South East London’s answer to Hampstead Heath, complete with wild swimming lake.

But given the crippling impact the housing shortage has on everything from London’s economy to its nightlife to the quality of life of its residents, surely the best use of at least some of that empty land would be housing. Almost exactly a third of the land occupied by courses, the Golf Belt suggests, is classified as “H2”: areas within transport or commercial hotspots, ideal for intensification.

In its follow up report Holes to Homes, Curtis’ architecture practice RCKA put forward a masterplan to show what such redevelopment might look like, proposing the reconfiguration of the publicly owned 18-hole Enfield Golf Course to a 9-hole one (the more popular of the sport’s variants in any case). The land freed up would provide space for modern mansion blocks, providing 650 homes in a setting of biodiverse parklands and wetlands, at a site “in the heart of the borough, a few minutes’ walk from the town centre (and conveniently close to two other courses)”.

A development such as this would not just provide homes in its own right: it would showcase the benefits of sympathetic greenfield development of the sort for which a growing city needs to build public support. The mayor wouldn’t need to intervene directly.

But by signalling his enthusiasm for reviewing courses’ current planning status, he could put pressure on boroughs to rethink their own land use.

Nor would such interventions need be restricted to publicly owned courses: many of those in private hands would surely, if granted potentially lucrative planning permission, find it in their hearts to sell.

The political costs of such interventions are surely low for a Labour mayor whose core vote live in the inner city: 84% of players are men, 64% are over 50. Changing lifestyles and the increasing cost of living means that the number of players is falling.

And as Open City’s Phineas Harper noted in the Guardian last year, there is precedent for this kind of work, too: two clubs in Berkshire recently merged, addressing their falling memberships and the resulting financial problems by selling one of the courses to developers.

Even at low densities, a single hole of a golf course could provide land for 100 homes: repurposing even a fraction of London’s golf belt could provide space to house tens of thousands in green and walkable settings. London has too many golf courses. London does not have enough homes. There’s an obvious solution. **F**



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# Learning to Be Inclusive



We must remove barriers to housing for those with learning disabilities writes Harry McKeown

**P**EOPLE WITH LEARNING disabilities face many barriers whilst navigating through life. One barrier is accessing quality, secure and affordable housing. Difficulties in accessing housing often reduces their quality of life by limiting their independence and therefore – their inclusion in society.

We've been in a housing crisis for as long as most of us can remember. This crisis has the greatest impact on people on low or fixed incomes and those with vulnerabilities – such as people who have a learning disability.

To solve this crisis, the inalienable fact is we must build more housing – particularly social housing. And yes – some of that housing will need to be in your back yard.

## Housing for people with learning disabilities

1.5 million people live with a learning disability in the UK. Housing LIN research indicates that 38% of adults with a learning disability live with family or friends. Only 16% live in supported accommodation, 22% in registered care homes, 12% are social housing tenants, and 3% live in private rented accommodation.

Up to 37,500 people with a learning disability or autism live in supported housing – with an estimated shortfall of 27-34,500 units of supported housing by 2037.

Mencap research shows 89% of parents whose child lives with them want them to have greater independence. Many people living with family will be owing to a lack of supported housing – most living in their family home until their parent's old age or ill health prevents them from continuing to provide care or support.

At which point, after a lifetime of living at home – the urgent necessity to access supported housing imposes extraordinary and rapid change on their lives.

These figures show a lack of choice and availability of housing options for people with learning disabilities, as well as a reliance on informal (family) or institutional care.

This not only perpetuates the housing crisis but also exacerbates inequalities for people living with a learning disability.

## Not in my back yard

The loudest obstacle to developing new housing is NIMBYism. NIMBY behaviour ranges from objecting to a neighbour's simple desire to add a bedroom to their existing home – to campaigning against an estate being built on land earmarked in a Local Plan.

**Despite the pressing need for housing of all tenures – NIMBY tactics often prevail.**

Whilst urgent planning reform is needed to overcome NIMBYism on general terms, reform is specifically needed to ensure people with learning disabilities have equal opportunities to access housing.

**Objecting to housing development for people with learning disabilities is egregious, particularly from within the Labour Party - NIMBYs pervasive influence obstructs housing of all kinds.**

One of the main methods of support provided to people with a learning disability is 'Supported Living', where care is provided to people living in their own rented or owned home (instead of in residential or institutional care setting). Therefore, when a planning application for an ordinary house on an ordinary street is refused, it means fewer housing options for people with a learning disability – people who might otherwise live independently using Supported Living.

The consequence of NIMBYism is detrimental to flourishing communities – for people with learning disabilities – it limits their access to housing that might enable them to live independently, exercise their rights and fully participate in their community.

The Canadian Government's 'Canada Mortgage and Housing Corporation' produced the research report 'Understanding Social Inclusion and NIMBYism in Providing Affordable Housing'.

A report that a future Labour Housing Minister should consider commissioning for the UK.

## Houses in Multiple Occupation

The vines of NIMBYs and HMO developers are deeply entwined. When new housing is blocked (with no positive effect on housing supply) it leads to HMO developers meeting demand by creating additional capacity within existing housing. HMO proliferation has had a considerable masking effect of the true impact of the housing crisis.

This means that housing supply that should have been provided through new developments – but blocked by NIMBYs – are instead provided via HMOs. HMOs are invariably rented via the Private Rented Sector. HMOs and the (mostly) unregulated PRS are plagued by poor quality, often badly managed, and provide insecure tenure. HMOs are therefore unlikely to be suitable for people with a learning disability.

At the micro scale – NIMBYs feel vindicated in their actions when planning is refused. HMO developers feel they are meeting market demand and providing themselves an income. However,

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both either fail to recognise or choose to ignore the cumulative macro effect of their actions.

These include concentrations of HMOs delivering poor-quality and inaccessible housing, decades of unsustainable house price inflation owing to scarcity, and the resulting housing unaffordability for people on low or fixed incomes.

**ONS figures show that only 4.1% of people with a learning disability own their own home – which is the lowest proportion of homeownership for people with any kind of disability.**

This has created a society of ‘have and have nots’ – with existing homeowners and landlords benefiting enormously.

Whilst everyone else is subjected to the instability, poor quality and unaffordability of renting.

This suffering is acutely felt by people with learning disabilities – unable to ever own a home of their own.

**Supported Housing Funding**

While planning reform is essential, it’s not sufficient to guarantee housing access for people with learning disabilities. We must overcome the challenge of the unavailability of public capital funding for specialist housing. In the context of austerity and budget cuts, public funding for social and supported housing has been reduced – whilst private financing has increased.

The tension between financial interests and ethical housing provision becomes even more pronounced when considering the challenges faced by people with learning disabilities.

While private financing has been instrumental in funding Specialised Supported Housing (SSH – a classification for Housing Benefit entitlement purposes) – ethical considerations loom large. Striking a balance between pragmatism and idealism is crucial in navigating these ethical considerations.

Sadly, leaders of a rogue minority of Registered Providers have financially benefited from regulatory loopholes.

The introduction of the Supported Housing (Regulatory Oversight) Act has enabled the first phase of this regulatory reform.

But this only addresses part of the broader challenge. Investigations into the management of the ‘Home REIT’ may highlight predatory behaviour, which no amount of due diligence by charity leaders could have prevented. Proportionate regulation and oversight are essential to upholding standards and ensure secure housing access for people with learning disabilities.

**The Future**

As we advocate for planning reform, the impact of NIMBYism on housing accessibility for marginalised members of our community must be addressed.

To quote a recent Fabian essayist ‘above all else Labour must be unashamedly pro-housing’ – but furthermore – we must be relentless in our efforts to end the pervasive inequality in accessing good quality, secure and affordable housing.

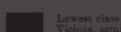
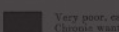
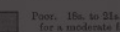

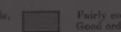
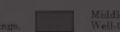
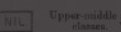
We mustn’t let the concept of ‘good’ slip too far when we apply the adage of ‘not letting perfect be the enemy of good’. Any future Labour government must enable long-term public capital and revenue funding to provide housing and support for people with a learning disability.

By amplifying the voices of people with a learning disability and promoting inclusive development – we can challenge NIMBY sentiments, enable sustainable funding, and foster more equitable society – one where we all have a home to call our own.

**F**

# PLANNING FOR LONDON'S GROWTH

THE STREETS ARE COLOURED ACCORDING TO THE GENERAL CONDITION OF THE INHABITANTS, AS UNDER—

- |  |   |  |   |  |   |  |
|--|---|--|---|--|---|--|
|  Least class. |  Very poor, casual. Choose want. |  Poor. 15s. to 21s. a week for a moderate family. |  Mixed. Some comfortable, others poor. |  Fairly comfortable. Good ordinary earnings. |  Middle class. Well-to-do. |  Upper-middle and Upper class. Wealthy. |
|--|---|--|---|--|---|--|

A combination of colours—of dark blue and black, or pink and red—indicates that the street contains a fair proportion of each of the classes represented by the respective colours.

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# Learning from Lower Hutt City



Citizens Panels can be the cornerstone of a fairer planning system writes Siddo Dwyer

**I**T HAS BECOME a truism that our planning system is in desperate need of reform. The 1947 Town and Country Planning Act has created a complex, discretionary system that stifles supply and perpetuates a form of electoral gerrymandering, confining Labour voters into metropolises via the Green Belt while compounding these issues by making housing unaffordable for millions of Londoners.

For those eager to build more homes, it answers by empowering a vocal minority to frustrate the system with objections to housing in their own backyards.

The contrast with Lower Hutt, a small municipality of Wellington, New Zealand, could not be more striking. Since 2016, Lower Hutt embarked on introducing new zones for taller, mixed-use developments, while allowing for greater density within residential areas. The town was an early adopter of the New Zealand Labour Party's urban growth policy drive, which included medium density rules and up-zoning requirements near public transport. The principal outcome has been a tripling in housing starts over six years.

## **An incoming Labour government in Britain might do well to replicate Lower Hutt's ambition.**

Yet it could also fall victim to its own success, since it is expected to win in suburban and rural areas whose MPs would feel pressure from constituents eager to avoid new developments in their patches. Labour's task would have to include potentially controversial but absolutely necessary innovations, such as planning passports, methods to jolt stalled Local Plans, as well as plans to build a new generation of towns. This is not to mention opening a review of the Green Belt.

## **To have any chance of success, moreover, Sir Keir's government would have to implement all of these reforms quickly, while keeping local communities in lock-step, in order. And this is where Lower Hutt's Citizens Panels can play a pivotal role.**

Hutt City Council engaged with its representative "Citizens Panel" on major policy decisions, avoiding the self-selection bias inherent in voluntary submissions. These panels were designed to complement, not replace, voluntary submissions, ensuring a wider and more inclusive range of opinions in the decision-making process.

The approach led to a substantial increase in housing consents, contributing to an estimated 12-17 per cent rise in housing starts across the whole of Wellington. Impressively, it managed to do this while boosting land availability for a township surrounded by hilly terrain, aided by a suite of incentives for land owners. By learning from Lower Hutt's example, Labour would circumvent the tyrannous delays caused by a few vocal opponents – often those with a vested interest in blocking development.

Of course, this will not be an easy feat – and London council leaders have the scars to show for their attempts to rapidly increase building. Yet the Lower Hutt example could prove to be one key, missing piece of a dislocated jigsaw. It gives a tool, through panels, to empower local communities as a whole, as opposed to providing a singular platform for opposition. It would correct a major deficiency in the Town and Country Planning Acts, namely to behave as a block to good progress rather than a vehicle for it.

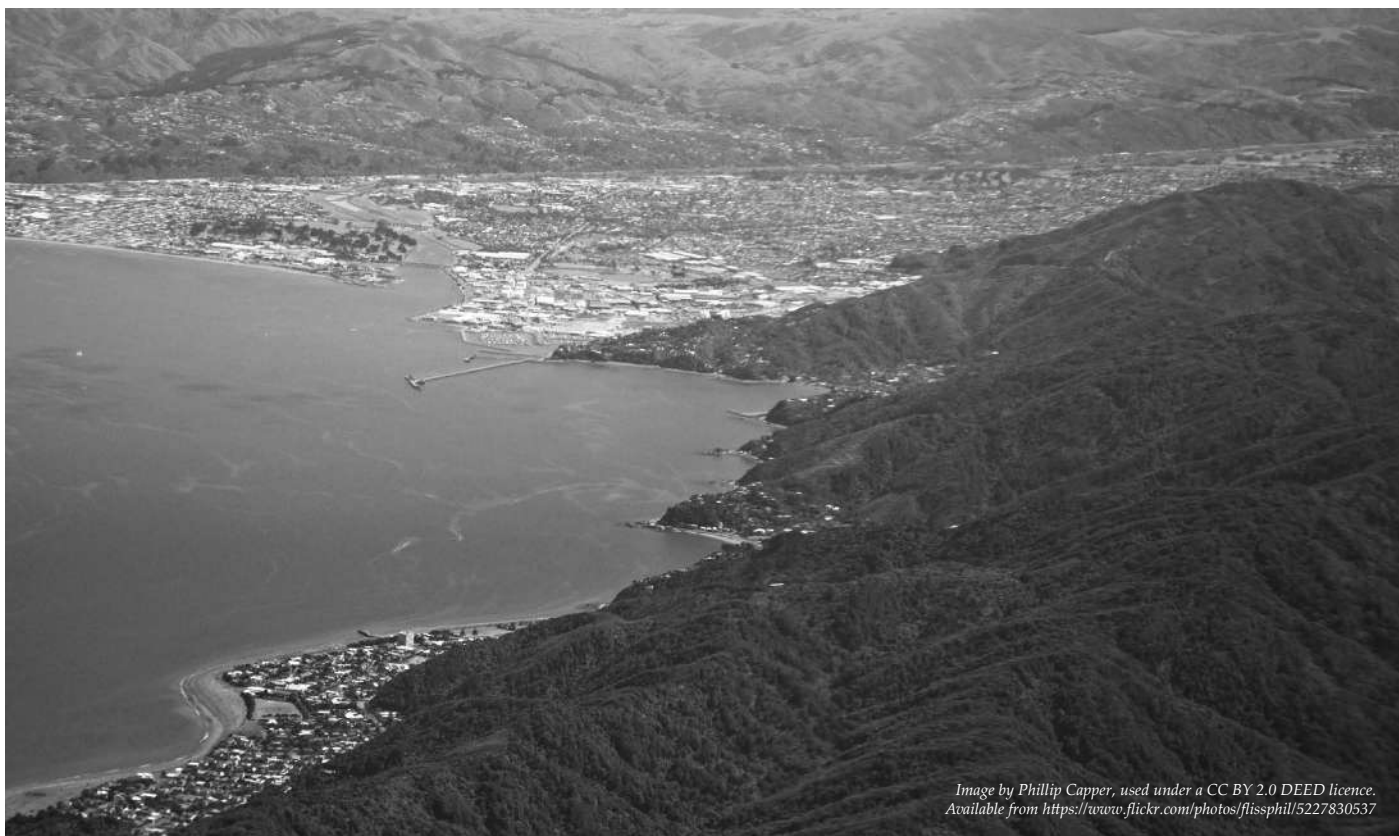
In London alone, housing completions have slowed, with only 20,960 units built in the year to April 2022 – a reduction from the peak of 24,190 homes in 2016.

## **Labour's national housing recovery plan would have to deliver a blitz of planning reform to meet its target of building 1.5 million homes over the next parliament.**

The good news, however, is that we can look to our neighbours on the Continent, as well as other progressive governments around the world, for innovations to help in this vast exercise. The Centre for Cities has calculated that had we kept pace with comparative European neighbours, we would have built 4.3 million extra homes since 1947. It would be a sign of strength and confidence to duplicate their ideas – for they have produced green shoots while our development environment remains stagnant.

It's also important to remember, in our anodyne debates over planning reform, that this is ultimately about local relations. Many will have individual anecdotes about how frustrating the process can be, which counts for more than other forms of discussion.

Take my own landlord, Mr Millard, who lives in Nottingham. Having learnt that I work at Concilio, a consulting firm which engages with the public and political leaders on the benefits of major planning applications, he told me about a conversation he'd had with a neighbour who, after finding out Mr Millard planned a major renovation to his family home, made clear he would do everything in his power to ensure it didn't happen.



*Image by Phillip Capper, used under a CC BY 2.0 DEED licence.  
Available from <https://www.flickr.com/photos/flissphill/5227830537>*

Or, to put it in the neighbour's simple words: "We are going to oppose the plans, of course." Mr Millard, stunned, asked why. "That's just what we do," came the response.

The neighbour's confidence was not unfounded, for he was backed up by legislation that systemises opposition and prioritises it over the goodwill of builders. It sums up everything that is wrong with British planning.

Should it win the next election, Labour has an almost unparalleled opportunity to implement and enhance local community power over housing projects in a way that can address this imbalance, drawing inspiration from models like Lower Hutt's Citizens Panels. The hunger is there, especially among a younger generation left distressed by fading dreams of owning their own home.

**Britain's version of Citizens Panels could become a cornerstone of a new, fairer, and more efficient planning system, cutting through bureaucratic red tape and enabling communities to shape their own areas rather than meaninglessly prevent development.**

Such panels, whilst necessitating the need to consult, would positively complement the liberalisation of planning laws required to end the housing crisis.

Drawing on the lessons from Lower Hutt's success story, Labour could offer a compelling vision for the future: a Britain where housing is plentiful, communities are involved, and the British aspiration for homeownership returns as a reality for the aspirational. **F**

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# The Plight of the Forgotten SME



How a presumption in favour of small sites can benefit  
London writes Marc Vlesing

**A**S POCKET LIVING nears its 20th year, it prompts a moment of reflection on the evolving landscape since we first started. Launched a few years before the 2008 financial crisis, it might come as a surprise to many that conditions back then seemed somewhat more favourable than they are today. Despite the economic gloom post 2008, there was a notable eagerness among politicians and policymakers to inject innovation into the sector. Acknowledging the tough landscape, these forward-thinkers showed a readiness to accommodate those endeavouring to breathe new life into the industry, demonstrating flexibility and open-mindedness to the rules that bound them.

Fast forward to the present and we now have an environment layered with trip wires. From the challenges of acquiring funding to the unpredictability of supply chains and the labyrinth of the planning system, the odds are significantly skewed against the 'little guy'. Small wonder then that the number of Small and Medium Enterprise housebuilders (SMEs) is down by 66% in London since our inception.

## Public Enemy Number One

Ask any SME what their biggest challenge is and they will respond with 'the planning system'.

The system is disproportionately complex and cumbersome for small sites, inadvertently causing delays in the determination of applications. For context, it now takes planning applications for small sites over 60 weeks to gain a planning determination (this is almost 5 times the statutory target).

Beyond these delays, SMEs are disproportionately exposed to the committee chopping board. Let's take London as an example. Given the constrained nature of small sites, it is almost impossible to meet the 113 London Plan requirements, let alone local and national policies and that's before you consider the disproportionate impact of well-oiled NIMBY lobbies on local political representatives.

**As a result, developers of these sites leave their fate in the hands of an increasingly precarious and often highly politicised planning committee process keen far too often to wield their axe unpredictably.**

Consequentially, the SME fate is more often than not a negative one, with almost a quarter of small sites requiring two or three successive applications to secure permission and resultant dwindling returns. Unlike their larger counterparts who can absorb such risks, smaller developers are left dangerously exposed. This situation has turned the planning system into a

high-stakes game of chance, where one unlucky spin could spell disaster for the business.

This not only stifles innovation within the industry, but also concentrates housing development into the hands of the few, with the top 11 builders now accounting for the majority of the country's housing output.

## A brief history lesson

A simple history lesson highlights just how peculiar our current setup is. From 1800 to 1900, the UK's population grew from about 11 million to 32 million. In order to provide suitable housing provisions for the men and women of the Industrial Revolution, the nation required small enterprises to step forward and pick up the slack. In the nation's hour of need, the SME sector answered.

This enticing environment for SMEs, supported later by council house-building programmes, saw a boom in housebuilding, delivering much of the pre-war stock. Annual completions even hit a high of some 250,000 homes a year by the 1920s. How any government would dream of these numbers today.

In the 1960s and 70s, arguably a golden period for smaller developers, SMEs delivered almost 50% of the country's housing stock, in an environment that allowed the germination and expansion of the likes of Persimmon, Berkley, and Redrow.

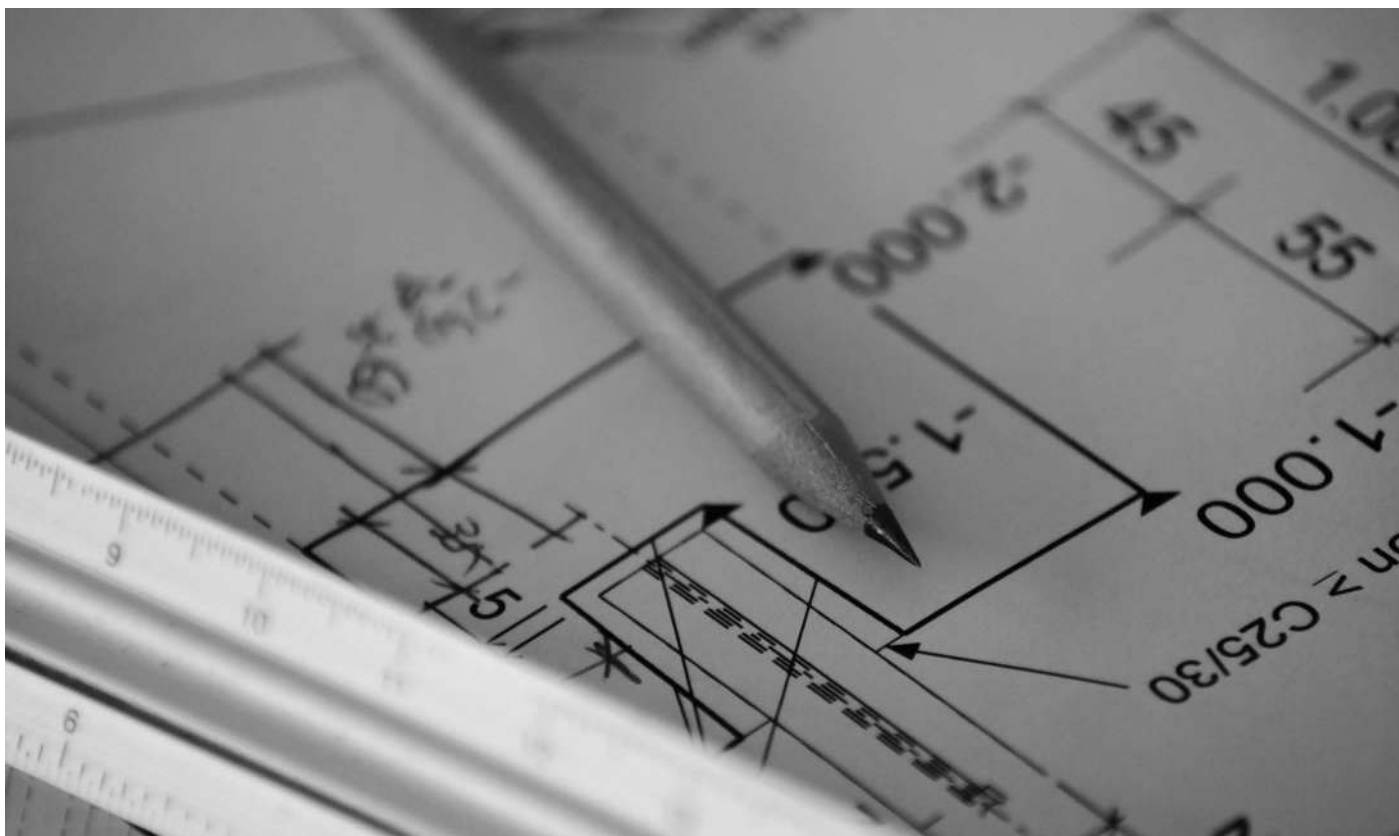
**Today I could count on one hand the number of businesses that have jumped from a small business to a medium one in the last 20 years, while SMEs now contribute no more than 10% of the housing stock in the UK.**

In recent years, policymakers have tried, and failed, to address this alarming situation. The introduction of both Paragraph 69 (now para 70) within the NPPF and later Policy H2 on small sites in the London Plan gave little teeth to stop the rot.

But both seemingly failed to distinguish the difference between policies that promote identification and policies that facilitate delivery.

## The solution

In an effort to try and find some workable solutions Pocket Living has over the last two years led a Small Sites Planning Policy campaign, on behalf of the SME sector, calling for a presumption in favour of development for small brownfield sites in London and across the UK. Put in simple terms, this would ultimately tilt the balance in favour of development so



long as it is a brownfield parcel of land under 0.25 hectares and meets the affordable housing threshold target set by the relevant local authority. In other words, on such sites planning would be granted swiftly and without the need for cumbersome viability assessments or other heavy-weight policy mechanisms which are simply not capable of being met on small sites.

Our campaign has received widescale industry support from almost 70 organisations including Barratt Homes, G15, the National Housing Federation and a range of SMEs, as well as cross-party political support during the Levelling Up and Regeneration Bill debate. It also received much media attention.

The benefits are clear. Pocket Living's research last year highlighted that a presumption in favour of small sites could unlock up to 110,000 new homes in walking distance from public transport links in the 10 largest urban settlements in England. In London alone, we identified 1,200 small sites, equivalent to 300 full football pitches with the capacity to deliver 43,000 homes.

This could increase to over 1.6 million new homes across the UK for sites under the size of 1 hectare.

But that's not all this policy would deliver. Our Small Sites policy would stimulate the resurgence of the SME sector, and this alone would support successive governments with a much more localist delivery agenda, putting the power in the hands of regionally and locally anchored family-run SME firms and, critically, their clients.

### **The opportunity for Labour**

The analogy of small worms cultivating fertile soil aptly encapsulates the pivotal role that SMEs play in nurturing a much more robust and vibrant housing sector.

This is the reason the CEO of Barratt decided to back the campaign because the volume housebuilders are understandably starting to worry about where the next generation of locally trained property professionals is going to come from at this rate.

For any government poised to take the reins, recognising and harnessing this SME potential becomes not just an opportunity, but frankly a strategic imperative.

In short, a more permissive and automatic approach to development with much of local politics taken out of the process is key to the growth of the sector and the country more generally.

Our policy is about crafting an environment in which SMEs are not just surviving but thriving. By implementing straightforward yet impactful policy reforms, which don't even require primary legislation, a future government can stimulate a renaissance in the housing sector, matching the past when SMEs were the cornerstone of this country's housing output. **F**

# Small Sites, Big Ambitions

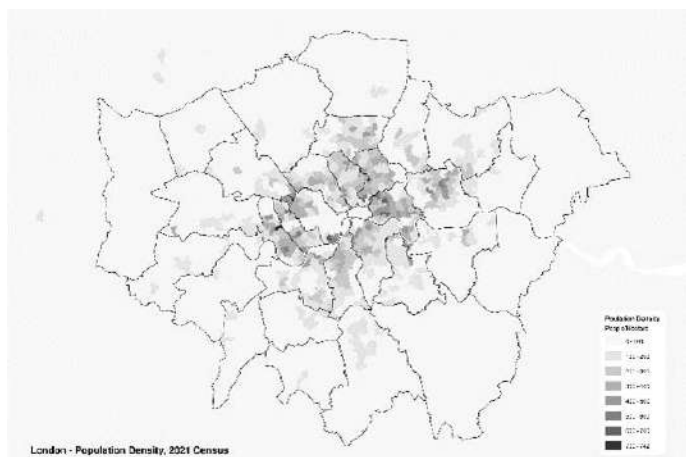


How suburban intensification can quickly deliver new homes writes Russell Curtis

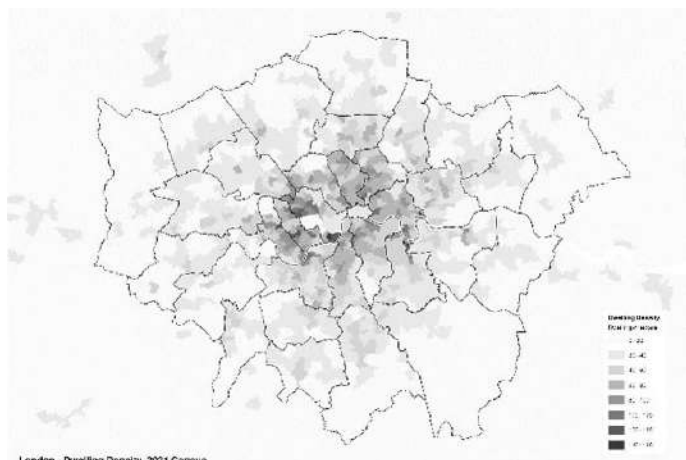
**I**N COMPARISON TO other similarly sized world cities, London is not very dense. With limited exceptions, such as Maida Vale, parts of Tower Hamlets and Kensington, much of the city has no more people per hectare than the satellite towns surrounding it. Arrive by train and this is only too apparent, with railways cutting through miles of two-storey.

Victorian terraces, only giving way to mansion blocks, high rise towers and high-density housing estates close to the heart of the city. Our housing is too thinly spread.

## London Population Density 2021 Census



## London Dwelling Density 2021 Census



All land in London is a precious resource, and to sustain our capital's economy and vitality we must use it more effectively—and more fairly.

Living in any major city—and benefiting from all the amenities

and conveniences that it has to offer—comes with a moral responsibility to allow others to do the same. London's suburbs could do much more to help provide the homes that the city so desperately needs—no more so than in those areas which benefit from good access to the public transport network, and where reliance on private car ownership diminishes. But in outer areas which have not been identified for large-scale regeneration, the process of intensification can be a tortuous one.

Obtaining permission to build even a small development of new homes is disproportionately complex, time-consuming and risky when compared to larger strategic developments.

**Yet, even within existing planning policies, all the tools exist to establish an environment where land seemingly lost to low-density housing can be reinvigorated through a process of gradual densification.**

Focusing on areas within a ten minutes' walk of the city's suburban train and Underground stations, there is the potential for up to a million new homes to be built, surprisingly quickly and effectively. When Mayor of London Sadiq Khan's London Plan was adopted in 2021, it set out, for the first time, housing targets that must be achieved on small sites in each London borough.

This included the City of London Corporation and two Mayoral Development Corporations. In this case, small sites were defined as anything with an area of less than 0.25 hectares—roughly a third of a standard football pitch. Accompanying these targets was guidance and policies on how such development should be encouraged through plan-making and decisions.

Although it didn't become formal policy until 2021, Khan's version of the Plan had first been published in draft form at the tail end of 2017. The boroughs either embraced or resisted the Plan's ambitions largely depending upon their political persuasion at the time. Labour-run Croydon Council, on the southern edge of the Greater London area, was one of the first out of the blocks, quickly establishing a set of planning principles to be followed by applicants wishing to bring forward small-scale development in suburban areas—generally towards the southern border with Surrey.

The award-winning Suburban Design Guide was adopted in April 2019, and provided clear parameters for the transformation of large, land-hungry houses into efficient, mid-rise developments.

Essentially, if developers followed the rules established by the guidance, there would be no reason for their applications to be rejected. Some examples provided within the document



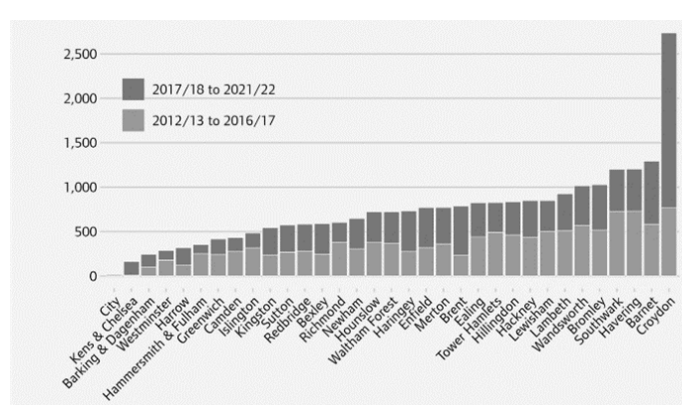
demonstrated how, for example, a pair of adjoining large houses could be turned into as many as 20 to 30 new homes.

Five years on from the adoption of the guidance, which was scrapped in 2022 by the incoming Conservative mayor, there is sufficient data to demonstrate the effect.

The impact this policy had on housing delivery—and the figures are remarkable. In the four-year period between 2018 and 2021, Croydon managed to complete nearly 2,000 new homes on small sites within developments consisting of fewer than ten dwellings (noting that even this is below the London Plan’s small site threshold, which determines plot size but not the number of homes within it).

The next highest delivering borough was Barnet, which in the same period delivered around a quarter of this figure.

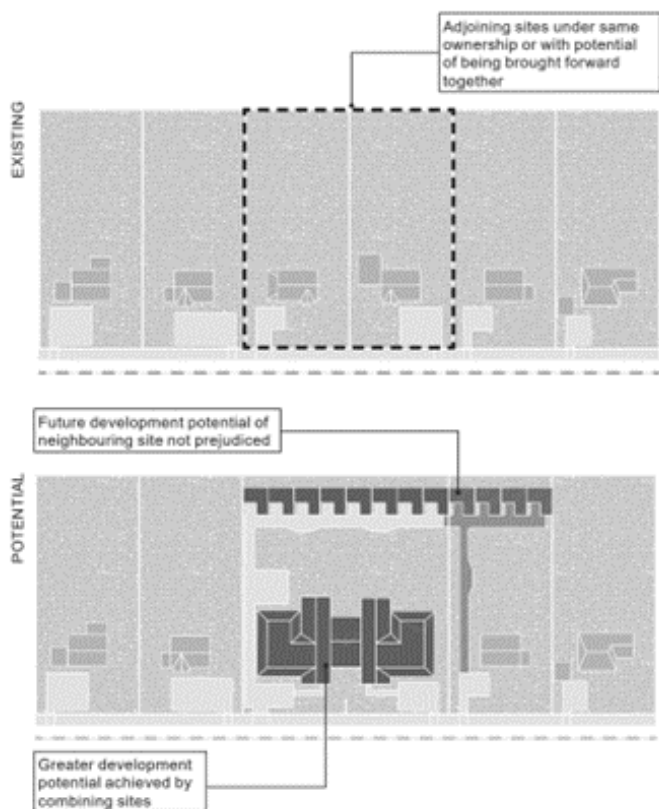
sites at the same rate, we could have had another 25,000 homes built by now.



Net Number of New Homes Completed on Small Developments 2012/13 to 2021/22

**Suburban intensification is tricky, and alone will never be able to deliver all the homes that London needs.**

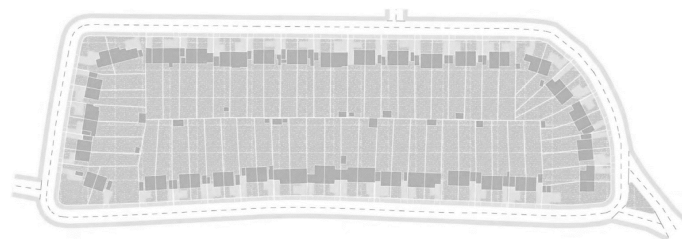
But experience from Croydon has demonstrated that when the right conditions are in place, it can be implemented quickly, and at scale. As the country recovers from a long period of stagnation, this is one way that we can not only build the homes we need—quickly, where they’re most needed—but also promote economic growth.



**Croydon Suburban Design Guide Extract 1**

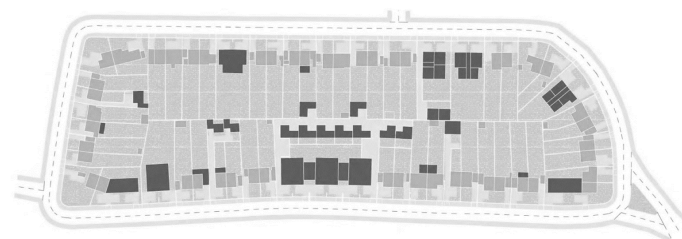
The Suburban Design Guide neatly illustrated how larger areas of suburban housing could be intensified incrementally, resulting in a broader mix of smaller flats, townhouses, and large family homes. This is exemplified above showing how two large homes could be replaced with a block of flats and eight townhouses. This approach is borne out by the number of homes delivered in Croydon during a relatively short period of time: around 500 per year. There are 20 outer-London boroughs including Croydon.

If the remaining 19 had managed to deliver housing on small



**Croydon Suburban Design Guide Extract 2**

*Before*



**Croydon Suburban Design Guide Extract 3**

*After*

**F**

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# Raising the Roof



Roof tops can create social value out of thin air  
writes Ed Keeling

**P**ARTIES OF ALL colours are talking boldly about housing policy. Given the paramount importance of planning and housing policy, it is evident that governmental (Local, City and National) support is vital for housing delivery. Concurrently, think tanks and policy groups are also suggesting various propositions to further enhance and add ideas.

However, with national and local finances in the state they are in, it often falls to private sector participants to take risks, finance projects, and deliver meaningful change. Urban densification through gentle density provides a great example of a housing solution, which has engagement from several existing stakeholders.

In December 2023 NPPF included a specific reference to “Mansards”, to encourage densification of traditional streets. Local Government has also made strides. For example, RBKC are in ongoing consultation on a Local Development Order to allow a street to extend existing properties upwards. Camden have done so already through the ‘Fitzroofs’ project. Living Tradition, a policy paper by Samuel Hughes and Create Streets, sets out how to encourage increased building of mansard roof extension while supporting densification of urban areas.

However, it is vital to marry commercial reality with good policy intentions. This is where the private sector can step in.

Specifically, this is precisely why I set up Albion Airspace in January 2024. In partnering with existing freeholders, we develop new flats on existing buildings.

Where required, airspace developers such as Albion Airspace can purchase the top floor flat, which can then be resold at end of project.

Our focus is on traditional terraced buildings, particularly period properties. In doing so, such companies can unlock small brownfield sites, each with a handful of units.

This approach is entirely novel and different to any in the oligopolistic housing market. It is also a different approach to, incumbent airspace developers.

Another crucial differentiator is that airspace developers, which are often SMEs, can work collaboratively with all stakeholders.

As such, the development comes with greater benefit for existing freeholders and leaseholders; where a win-win-win for developers, freeholders and leaseholders exist.

**Through this novel approach, airspace developers can have a profound impact on housing delivery in London and beyond.**

No-one reading this needs to be told again, but building the best

homes in the right locations creates compounding benefits for the community, including reducing homelessness, improving supply and affordability, and boosting the economy and productivity.



## Typical Large-Scale Development Site

Large scale development can often be a ten-year process through slow and arduous planning, along with complex funding requirements for delivery.



## Airspace Development Site

Small scale development can have more certain planning outcomes with the right policy, combined with simpler funding outcomes that result in delivery.

But to successfully bring forward these projects require more certainty, such as by-right extensions. Not to mention alongside a substantial degree of skill and coordination, which is where the role airspace developers come in.

Existing residents are unlikely to have the time, money, or inclination to implement development.

Before even considering the coordination of freeholders, existing leaseholders, and other residents. A coordinating airspace developer can provide that experience, ranging from identifying opportunities, managing legal process, obtaining planning, and ensuring compliance, and surveying and mitigating heritage, fire, and structural issues.

Whether structural or access issues cross your mind, these will be considered and addressed.

Airspace developers can also finance the entire project, monitor, and manage the construction process, whilst overseeing all neighbour and stakeholder collaboration.

Crucially, it will maximise value before finally ensuring an “exit” through a sale or refinance to the benefit of all parties. This does not even begin to start on the wider benefits of new homes, and the productivity gains of creating value out of what was literally thin air. More importantly, what is the commercial reality? The numbers overleaf are indicative of a strong central location in London, and subject to substantial changes when geography changes. An example project, delivering a single flat, infilled into airspace produces the following economic outputs:

<i>Summary</i>	<i>Total (£)</i>
Gross Development Value	£476,000
Base Construction	£196,000
Total cost (including abnormals)	£305,000
Financing	£32,000
Misc Costs	£17,500
Profit to be shared in win-win-win	c. £113,000

To this end, airspace developers can have a role to play in tackling London’s housing crisis. Through implementing policies through the London plan that enable by-right extensions through locally devised design codes, airspace developers support gentle density in urban areas. **F**

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# *If the Height is Right*



London needs an affordable housing density bonus writes Christopher Worrall

**W**E ALL KNOW that housing affordability is a significant problem in the capital. City Hall polling has revealed 24 per cent of private renters struggled to make rent payments, with 6 per cent saying they have fallen behind in the past six months.

Average advertised rates have now hit record highs, reaching over an eye-watering £2,500 per month (City Hall, 2023). As a result, Mayor Sadiq Khan has called for two-year rent freezes, asking for powers to introduce a system of rent controls. I argue that the Mayor has more effective tools to make rents more affordable, while London's housing supply is strangled with poor planning policy.

## **The introduction of an affordable housing density bonus can help overcome London's main cause of high rents - a chronic lack of supply.**

The reality is a rent freeze for all of London's 2.7 million private renters would be a handout to some of the richest households in the country.

This would come at the expense of future Londoners who want to move to the capital for work and personal reasons.

Rent controls would be a detrimental pseudo-quick fix that does more harm than good on the whole, constraining an already highly restrictive market furthermore.

As recently as 2023, we know 30 per cent of London's private renters are struggling to make ends meet, equivalent to 810,000 people. Yes, many of these people struggling in London's private rented sector need help now.

Yet Rome was not built in a day – and nor is new housing supply. Meanwhile, the ever-burgeoning housing benefit system has been bloated by decades of failure to reform planning.

While struggling to serve its purpose, the current growth in housing benefit is not sustainable. Now over 954,000 people are in receipt of Housing Benefit or Universal Credit that included a housing cost component, which appears to be only going one way.

Well-intentioned local governments in London have adopted mandatory affordable housing requirements. These policies effectively require or incentivise developers to designate a component of new housing units as affordable for households on low or moderate incomes.

Yet in the United States these requirements have often come alongside density bonuses. The exchange means developers are allowed to build more market-rate housing than they otherwise would be allowed. At present, London's planning policies do not

have a optional density bonuses that would facilitate increased affordable housing provision.

In the United States density bonus programmes accompany what is termed Inclusionary Zoning, or "IZ". The term IZ would imply the policy alleviates the effects of "exclusionary zoning".

Exclusionary zoning in the US refers to policies that limit Build-to-Rent construction and mandate minimum space standards for single family homes. There are many empirical studies that indicate rules that restrict new housing being developed are a key driver of high house prices that squeeze household budgets across the income spectrum.

United States IZ policies are popular with policymakers because they appear "free". It produces affordable homes without an outlay of government expenditure.

Secondly, it allows policymakers to adopt a pro-affordability agenda, all the while without tackling the root cause of the exclusionary policies that make housing unaffordable in the first place.

There are direct comparisons we can make to London in this regard. As the current system of restrictive land-use regulation does not create an environment for housing stability for households of all incomes. Those who wish to create an environment of housing stability must pursue better regulations that facilitate abundant housing supply, alongside subsidies targeted at those that need them to afford market-rate housing.

At least 886 jurisdictions in the United States have adopted IZ programmes. It has been the most popular policy tool for improving housing affordability in this regard. These come in two forms:

1. Optional
2. Mandatory

The latter more akin to what is prevalent in London and the UK. In the sense of IZ programmes these two forms are often lumped together.

However, they can be expected to have markedly different impacts on housing markets.

Under Mandatory IZ programmes, if the cost is not outweighed by the benefit of density bonuses for developers, such policies simply act as a tax on new housing development. In turn, resulting in less construction. Optional programmes on the other hand, can only increase new housing supply relative to the status quo. As these only occur if density bonuses make it worthwhile for developers to provide affordable housing.

It must be noted that Optional IZ programmes are no panacea. Nor are they a path to broad housing affordability in isolation.

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If land use policy allows new housing to be built at various price points in response to demand, then developers will not participate in optional programmes. For the simple reason density bonuses won't offer them any additional value. As such, density bonuses are dependent on various factors. These include local house prices and how much the underlying planning system restricts development

**Currently England has one of the most restrictive planning systems in the world. And out capital is no different. High house prices and restrictions on obtaining planning permissions could make density bonuses highly valuable for both developers and local authorities.**

This is because planning systems like ours allow much fewer homes to be built than developers would provide in the absence of land use regulations. Developers are therefore willing to provide affordable units in exchange for providing higher priced market-rate homes, providing a rare win-win in most minds.

We can look to the failures in similar markets such as New York for examples of where IZ policies have produced few units relative to the number of households who would otherwise qualify.

In the book *Order Without Design: How Markets Shape Cities* by Alan Bertaud, studies have shown that in a city of 8.5 million people like New York, only 172 affordable units were produced per year over the programmes first 25 years.

Nationally, the United States has produced between 129,000 and 150,000 affordable homes throughout the entire time such policies have been enacted. The UK has similar poor outcomes on affordable housing delivery when comparing delivery to those who would be eligible. It is obvious to most that the difference between the price cap affordable housing determines, and the prices of market-rate homes, is a critical factor in determining the size of any IZ "tax".

In extremely expensive markets, such as London or New York, these differences can be huge. For example, Local Housing Allowance (LHA) rates for Inner East London for a three-bedroom property is £497.10 per week, or £25,849 per annum (GOV.UK, 2024). A typical three bedroom rent in Marners Point, E3 can fetch up to £3,000 per month, or £36,000 a year.

While three-bedroom apartments in Canary Wharf can touch up to £10,500 per month, which is in excess of £126,000 per year. In short, some tenants who benefit from living in one of these mandatory affordable housing schemes can be subsidized by nearly £100,000 a year.

**What Alan Bertaud argues is that such programmes are likely to have the same distributional impact as a lottery. As opposed to a social programme aimed at providing affordable housing to low and middle income households, which is what London should hope to achieve.**

IZ policies, such as those in the United States and the equivalent in London, provide huge benefits to a small percentage of those on low- and middle-income populations. There have been studies to determine the effects of inclusionary zoning on jurisdictions housing supply and house prices, many of which from California.

Means and Stringham found that IZ policies in California drastically reduced housing affordability in locations that adopted them. No, you did not read that wrong. Mandatory affordable housing policies make housing affordability worse.

They found that IZ reduced housing supply by 7 per cent and increased house prices by 20 per cent between 1990 and 2000. A shocking statistic. Bento et al found that IZ policies caused prices to rise 2 to 3 per cent faster in California for those jurisdictions that adopted it. This is in comparison to what they could have found without IZ policies. Such policies were found to decrease Single Family Home starts but had no effect on Build-to-Rent starts.

It also found that IZ policies reduced the size of housing accommodation relative to jurisdictions that did not adopt IZ policies. We can imply the same effects apply here.

Schuetz et al found that in the Bay Area of San Francisco, IZ policies caused increase prices during strong markets, while causing further declines in pricing during times of broadly falling rents, relative to what they could have expected without it.

They found no relationship between new housing supply increases and the introduction of IZ policies. The same paper explored IZ policies in Boston, where it found it reduced housing supply and raised house prices. But only during times of broadly rising house prices. More damning empirical evidence.

Dr Emily Hamilton also found that in Baltimore, Washington DC – IZ policies increased house prices by more than 1 per cent a year, relative to what jurisdictions could have expected without it.

Hamilton also found no effect on housing supply, although sadly did find increases in prices.

What this shows are policies that intend to address the problem of households struggling to make ends meet may actually be making things worse.

**No studies to date find policies that mandate affordable housing increase housing supply or contribute to reducing house prices. London should take note.**

Ultimately, when local authorities in London mandate affordable housing requirements it benefits a small portion of low- and middle-income households, rather than targeting assistance for those who need it most.

In accepting we won't be achieving a vastly liberalised planning system until we achieve a Labour government, density bonuses may be a small but necessary step that can improve housing supply. But we must accept this on the full understanding mandatory affordable housing policies overall are broadly contributing to poorer housing outcomes.

Taxing housing construction without policies that achieve the goal of abundant housing for those on modest incomes does not make sense.



Such policies mandating affordable housing can make a worse situation less bad if they facilitate the provision of density bonuses. Policymakers who are actually concerned about affordability need to accept that reform of London and the wider UK's planning system is necessary to achieve the overall goal of housing abundance.

In order to achieve this London must move away from a discretionary case-by-case system, to one that is more rules based. In the absence of these necessary changes, density bonuses can empirically prove marginal improvements towards broader housing affordability, while government policy restricts supply

by design. While Susan Hall's only offer is "no more tower blocks", we should avoid such milquetoast offerings, instead embrace the skies of the capital to meet London's housing need.

Until then, London must ask itself if it wants to deliver affordable housing, then can it stomach density bonuses. These may need to come in the form of removing the tilted balance to enable by-right approval, or a presumption in favour that shall ensure any appeal would automatically be lost.

Only then will NIMBY councils be held truly accountable to prevent the denial and politicisation of policy-compliant affordable housing schemes. **F**

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# New Home Zones



New home zones and Japanese style rules can solve London's crisis writes Joseph Rattue

**A**N INCOMING LABOUR government would inherit a housing market with problems in multiple areas. Britain is short of 4 million homes. Housing affordability is at its worst in a decade. The average house price in the UK last year was 8.8 times the average annual income; in London, the median price was 13.9 times the average household income.

Many homes also lack important infrastructure and amenities. At the start of this year, two thirds of the Government's Housing Infrastructure Fund, launched in 2017, remained unspent, and Northstowe, the UK's largest new town since the 1960s, has 1,200 occupied homes, but no shops or GP surgeries.

Much debate about housing undersupply has centred around Thatcher's Right to Buy scheme and the fall in social housebuilding since. This focus on the 1980s lends itself to an oppositional framing between the public and private sectors against a backdrop of privatisation.

Researcher Anthony Breach argues, however, that while reductions in council housebuilding are a contributory factor, the root cause is the UK's discretionary planning system.

**The housebuilding rate has dropped by a third since its introduction in 1947, and Britain's ratio of dwellings per person fell from 5.5% above the European average in 1955 to 1.8% below it in 1979.**

While the social housebuilding rate fell from 1.1% growth in 1968 to 0.8% in 1979, this predates Right to Buy by a decade, and took place as the UK's average private housebuilding rate fell to the lowest in Europe.

The planning system is a common denominator in reduced private and social housebuilding. Local Planning Authorities (LPAs), usually councils, formulate Local Plans, guidelines for land use in a particular area which inform decision-making for granting planning permission to property developers.

Since planning decisions work through a process of permission and appeals, even proposals which comply with Local Plans can be refused by planning officers, local councillors who sit on planning committees, central government planning inspectors, or the Secretary of State.

**The result is that while land use is in theory led by planning, in practice it is determined on a case-by-case basis, at the discretion of decision-makers.**

In Breach's words, '[instead] of all land being available for development unless it is prohibited, development is prohibited on all land unless a site is granted permission.'

He contrasts this discretionary system with rules-based zonal systems in other countries, which grant planning permission automatically, as long as a proposal complies with a land-use plan.

Among the examples given, the Japanese system stands out as a particularly successful case of flexible zoning codes. It sets out 12 types of zones, limited by the level of nuisance permitted. This allows for multiple uses within the same zone and flexibility with conversions, as long as they do not exceed the nuisance level of that zone.

In 'high street' zones, a hotel can be converted into housing and vice versa, but this cannot be done in exclusively residential zones. Any proposals which comply with this zoning code must be given planning permission. 942,000 houses began construction in Japan during 2018, as opposed to 194,000 in the UK. Rental costs in Tokyo were on average 65% of those in London, and Tokyo had a higher vacancy rate than any city in the UK.

**One of the underlying principles of a zonal system is to place the public interest at the centre of development decisions. This does not mean a simple increase in social housebuilding.**

As Breach points out, no other country in Europe has managed to sustain high housebuilding rates without greater private-sector contributions than the UK currently has. Rather, it means harnessing private-sector capacity for the benefit of the public.

One way to do this is to determine what can be built earlier in the process, when drawing up rules informed by the public. Breach suggests that LPAs increase the level of public involvement in consultation when creating Local Plans, rather than basing them on individual proposals.

A 2014 study by KPMG and Shelter complements this by advocating for Local Plans themselves to play a more pro-active role in land assembly.

Currently, when forming a Local Plan, an LPA puts out a call for sites, and plans on the basis of the sites put forward. Alternatively, if planning bodies consult the public and formulate plans first, then partner with private firms to purchase brownfield sites at their current use value, provide infrastructure, such as roads or schools, and prepare the masterplan for development, the sites can subsequently be sold to developers at an uplifted value



with planning permission. This uplift can fund infrastructure investment. An illustrative example of this would be the VINEX policy in the Netherlands, which increased the country's housing stock by 7% from 1996 to 2005, and established good access to public transport and urban centres for new developments.

KPMG and Shelter propose 'New Homes Zones,' which build on this by highlighting the opportunity to use the land value captured through proactive land assembly to provide market incentives for developers.

Overall, New Homes Zones with pro-active land assembly would be an effective complement to a flexible zoning system. With taxes already at record levels alongside struggling public services, planning reform presents a cost-effective way for Labour to deliver the homes Britain needs, making efficient use of both the public and private sectors. **F**

**Designating land as part of a New Homes Zone, integrated into a Local Plan, would give investors certainty that development would take place on the sites involved, and remove the need to pay tax on infrastructure already funded by the value uplift.**





**INFRASTRUCTURE,  
INNOVATION, AND  
COMMUNITY**

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# Investing in Infrastructure



The delivery of infrastructure is vital for housing supply and much more writes Cllr Helen Dennis

**D**ELIVERING NEW HOMES for Londoners hinges upon the delivery of all the associated infrastructure that should go with them – ranging from youth, community centres and libraries, to schools and dental surgeries, and of course the transport infrastructure that can get people from A to B and support a thriving City.

For all of the government's protestations about housing delivery in London, they have it within their power to unlock many more sites for homes, including much needed social rent homes, if they put in the up-front investment required to increase transport capacity. It has been encouraging to see the Docklands Light Railway extension to Thamesmead moving forward, but unfortunately our experience in Southwark, is that key projects in the pipeline for years, are not moving forward at the pace required to support our housing ambitions.

Peckham Rye station, as one example, is already the busiest interchange in the UK which is not fully accessible. Planning permission has already been granted for a station transformation to deliver a new concourse with lifts and toilets but to date funding bids to central government have been knocked back.

With significant plans coming forward for new housing delivery in Peckham town centre, a key question from residents is whether the station will be able to cope. In addition to whether the station project will be delivered in time to support the new homes.

I believe that it will be, but the government is currently stalling. As a Southwark resident for over 20 years, I've seen the difference that the London overground has made and how much additional capacity it has brought to the borough. But for Southwark and we believe London, the game-changer would be the Bakerloo Line Extension.

Taking the Bakerloo Line from Harrow to Hayes via the Old Kent Road would connect ten 'opportunity areas', directly unlocking 20,400 new homes with the potential to support 107,000 new homes in total across the line. The new report from Central London Forward highlights that it would create capacity for an additional 150,000 journeys daily, making the most of existing infrastructure – the current Bakerloo line tunnels and track out to Hayes, supporting both the city and the suburbs.

In the Old Kent Road Opportunity Area, our local plan has outlined potential for 20,000 new homes, of which 3,333 are currently built or on site. However, beyond the initial 9,500 planning consents which we can support through enhanced bus capacity, our hands are tied, and additional homes become dependent on the Bakerloo Line Extension being taken forward.

This is the same in Lewisham and Bromley where housing targets will only be met with the extension.

## **Any government serious about upping housing numbers will have to get serious about infrastructure investment.**

It is not just about upping overall supply, although that is crucial. It is also about delivering affordable family-sized homes in the context of our current housing crisis and falling school rolls across inner London authorities.

In Southwark we now have over 17,500 people on the housing waiting list, and over 3,600 households in temporary accommodation. According to the most recent census, Old Kent Road ward has the highest level of overcrowding in our borough, so our strategy along the Old Kent Road has been to maximise the delivery of genuinely affordable housing on what has been some of the cheaper land in the borough, including through our own land acquisition, and to start skewing our social rent delivery towards larger homes.

The current programme is exceeding targets, delivering over 50% affordable housing and the Bakerloo Line Extension, combined with a more generous and targeted grant programme, would enable us to deliver many more affordable homes, transforming outcomes for Southwark families.

On the Tustin estate, where we are in the middle of one of our most significant estate renewal programmes, we have just 'topped out' the highest block on the first phase.

The redevelopment which will be completed by 2030, will provide nearly 700 new homes, including 250 replacement council homes and an additional 440 homes, of which 50% will be council and keyworker homes.

The estate is located just the other side of the road from where the new 'Old Kent Road' tube station is proposed.

It is also located in one of our most deprived and under-served wards, providing connectivity, jobs, and improved air quality for those who have been left without for far too long.

And we're not just talking about bricks and mortar. Our draft Old Kent Road Area Action Plan put forward a much more comprehensive approach to housing delivery and place-making, with new parks planned for the area including a lido, improvements in active travel (aka walking and cycling) infrastructure, aspirations for a new Further Education facility, and through the extension of the South-East London Combined Heat and Power (SELCHP) network, homes that are connected to a low-carbon source of heating.



**By concentrating homes around the new station sites, we will also be able to support car-free development and our wider response to the climate emergency.**

Extending the Bakerloo Line is not a new idea and plans for an extension south, initially to Camberwell, have been with us for nearly a century. However it is now an idea whose time has come with wide support from councils across London but also beyond. The manufacturing jobs that would be created by this

investment, would support the wider UK economy – good for London but also good for Goole! This month, we have reached the important milestone of ‘bottoming’ out the new tube box at Elephant and Castle, which makes it ‘extension-ready’. This has been made possible by over £70m of investment from Southwark’s Community Infrastructure Levy, but it has been prioritised as we remain fully committed to this project. It is my hope that 2024 will be the year when we finally get the corresponding commitment we need from the government to put the investment in and make this happen, reinforced by continued support from the Mayor of London. **F**

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# From Roads to Places



Can transport modelling for more homes on less land save green spaces asks David Milner

**T**HE UK CAN build hundreds of thousands of new homes, without paving the countryside. The key is a different approach to transport planning. The problem: the UK government will have a target to build 1.5 million new homes - whoever wins power in 2024. But where will these new homes go?

Sir Keir Starmer vowed that “Labour is the party that protects our green spaces” whilst the Conservatives are prioritising brownfield land.

But despite this consensus on the value of our countryside many new housing developments are still built at low-density, sprawling across fields, while still not making a dent in the UK’s chronic undersupply of housing.

Many of these developments lack local services and are designed around heavily subsidised new roads, locking in car-dependency, taking up far more space, despoiling the landscape and increasing the environmental impact of new homes.

## **The solution: the new report from design experts Create Streets and Sustrans proposes a way to build more homes on less land with more consent.**

It calls for a shift from this sprawling, road-dependent model of ‘housebuilding’ to ‘townbuilding’: new extensions to existing towns, built at ‘gentle densities’ that use more terraced and mid-rise buildings to deliver more homes per acre of countryside released.

‘Stepping off the Road to Nowhere’ calls for shops and services to be mixed together with homes in fine-grained streets, supported by better buses, walking and cycling rather than barren bypasses and tarmacked cul-de-sacs. The report shows how adopting a new ‘vision-led’ form of transport planning can unlock this approach.

The detailed case study: Stepping off the Road to Nowhere takes a proposed 7,500 home town extension to Chippenham and uses only 40 per cent of the land. This was based around a government funded £75m new road supporting a sprawling low-density housing plan. Create Streets and Sustrans redesigned this as a new gentle density masterplan using only 40 per cent of the land to accommodate all 7,500 homes in the original plan. That’s saving 230 hectares of land, an area ten times as big as St James’s Park in Westminster.

### **Saving an area the size of the Isle of Wight**

Applying this ‘gentle density’ uplift across the 1.5 million new homes we need could save 42,000 hectares of countryside. This is an area the size of the Isle of Wight.

**Figure 1: Gentle Density Schematic**



### **From roads to places**

The report shows how, by removing the need for an expensive new road, the £75m of public investment could instead fund a range of local benefits such as improved bus and rail infrastructure for the whole town commercial and community services within the new development.#

In addition to, new walking and cycling routes, car clubs, and financial support for the local high street to encourage more people to shop there rather than drive to out of town services.

### **Cleaner and greener**

Expert transport modelling of the impact on travel journeys shows that this would mean 9,300 more people walking and cycling every day, with increased public transport use resulting in less congestion due to 12,000 fewer vehicle trips needing to be made.

As a result, carbon emissions from the development would be reduced by 2,000 tonnes per year, helping us on our way to creating not just net-zero homes but a net-zero neighbourhood.

### **Why road modelling really really matters**

Many developers want to adopt this ‘vision-led’ approach. However, they are prevented by flawed prediction-based transport planning still used by many local authorities. Known as ‘predict and provide’, this system uses historic transport data to attempt to predict the future and build the infrastructure for it.

The result has been ever more roads that quickly fill up. There is a simple reason many developers want to build places at gentle densities: people want them. Demand is such in many of these schemes that there are value premiums of 15 per cent.



Creating more of these vibrant, street-based places would mean they don't continue to be the preserve of the wealthy.

#### **Our recommendations for Department for Transport**

The report recommends that the Department for Transport issues guidance to local authorities mandating 'vision-led' transport modelling.

It also suggests that local authorities adopt 'vision-led' modelling as a policy within local transport plans, in the same way that Oxfordshire and Somerset County Councils have recently done.

#### **Our recommendations for Homes England**

The report also calls for Homes England, the government's housing agency, to only offer financial grants to housing schemes adopting this vision-led approach.

This shift alone should help change the current situation in which two thirds of one Homes England's largest infrastructure budgets has been left unspent, largely due to the prevalence of large road projects that were often opposed and have often gone over budget.

#### **In a nutshell**

We can build more homes per hectare of land on town extensions by building terraced homes, mansion blocks and providing more shops and services mixed within new developments alongside investment in public transport, walking and cycling routes.

Giving a broader and better choice of transport options to new residents will improve congestion. And cost the government less in subsidising large new road schemes. To make this a reality a change of approach in transport planning is needed. **F**

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# Parking, Parking, Parking

*Five areas for Labour to rethink affordable housing relationships with local government*



Failure to truly abolish minimum parking requirements hurts Londoners writes Connor Eскурдеро

**C**HILDREN EXPOSED TO air pollution showed significantly smaller lung volume'. While an obvious observation, this quote unveils a murky truth of the excess carification of Britain's inner cities. It comes from a study led by researchers from three leading UK universities looking at the relationship between diesel-dominated car pollution and lung development in children, with severe implications in adulthood like lung disease and early death. A travesty, and in particular an issue that has plagued young Londoners for years.

## **This is just one of many consequences of London's fixation on parking.**

An attempted curb on this fixation occurred in 2004, when all London Boroughs abolished minimum parking requirements for all-land uses, outlawing archaic law that required new developments to have an established quota of parking spaces to get approved, in what was seen as a progressive step away from prioritising motor vehicles, and parking, when planning our cities. Parking minimums or mandates, commonly seen in the US, are highly restrictive.

It slows down the rate at which one can build new housing, particularly affordable housing, by layering significant costs on housing while not providing clear appreciable value. It also skews opportunity away from SMEs towards big business.

Businesses able to take the financial blow of meeting these mandates. They do a significant amount of damage. You might be forgiven for thinking that parking, and parking mandates, no longer presents a problem, but while minimums aren't enshrined in law any longer, they remain in principle.

In 2020, Hillingdon council rejected plans for a 500-home scheme partly on the grounds that the proposed level of car parking provision was deemed 'insufficient'. This decision was taken even when the development plans had included room for 165 car parking spaces. In 2016 the very same council commissioned a review looking at why and how to implement contrarian parking standards.

In 2021, Harrow Council blocked plans for 277 homes on a car park next to Stanmore Tube station and plans for 118 homes on another car park by Canons Park tube station just 12 months earlier. Epsom and Ewell Council, located on the borderlands of London, still mandate parking minimums of up to 3 spaces per unit.

Parking-primacy remains deeply rooted in our absurd discretionary planning system, and still holds us back. It holds us

back because reports from Centre for Cities show that the UK is missing 4.3 million homes compared our European counterparts. We need to build urgently and have no time to spare for nuances in parking requirements. The reasons as to why outer London councils keep parking as such a key part of their decision-making processes boils down to a deeper-rooted issue with our broken planning system.

There are a growing number of local authorities in London, particularly inner London, that have been delaying or withdrawing local plans in the last year, often citing uncertainty in Government planning reforms. According to Turley, of all 61 local authorities in England delaying or withdrawing plans, 37% of them are in London and surrounding areas.

A snapshot into these delays can be found in Molior London's report, which looks at the average length of time it has taken a sample of inner London development plans to reach committee. In the first 2 months of 2014, it took an average of 17 weeks for plans to reach committee, sharply contrasting with the average of 72 weeks it has taken plans to reach committee in the first 2 months of 2024. This demonstrates a significant crisis in getting anything built in London. Housing delayed is housing denied.

A lack of decent, affordable housing in inner London is sending rents skyrocketing to simply unsustainable levels. This is particularly affecting our young people, the demographic that is hardest hit in our current housing crisis.

## **A recent City Hall investigation has shown that low-income Londoners in their late 20's are spending 77% of their income on housing.**

With stagnant wage growth, a cost-of-living crisis hitting deep into people's pockets, and an economy that doesn't look to be providing any sort of opportunity, it is not wonder that London is increasingly becoming an unappealing place to live.

Figures from the ONS show about 25,000 Londoners net aged 30-34 left departed to live elsewhere.

**These people are leaving to places like Hillingdon, Harrow, and Epsom. We are pushing out demand to more car reliant places where parking primacy still holds firm.**

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Analysis from TFL shows that 1.4 million journeys are made by car a day from out of London into London. We're adding extra traffic to London streets, when we don't need to. Granted, public transport infrastructure is clearly insufficient as you stray away from our capital, but parking mandates, informal or not, give legitimacy to the idea of travelling by car into central London. Isn't it a failure to our schoolkids then, that these extra car journeys are contributing to stunted health outcomes? The knock-on effects of parking are profound.

What a Labour government should do, and can do, with a huge mandate from the electorate to fix our housing crisis, is go about scrapping the need to add parking quotas for new developments nationally.

While difficult to do directly, reforming our planning system on a rules-based framework, embarking on an ambitious house building strategy and reforming our green belt to build around accessible public transport infrastructure are core pillars that will go a long way to address these issues.

Not only do we need to de-motorise London through LTNs and ULEZ, but we also need to address that people moving to our suburbs and green belt contribute to an inefficient allocation of demand with severe knock-on effects.

Parking delays and denies the opportunity to build affordable homes. With 1.2 million households in England waiting for a social home according to Shelter, we don't have time to wait around.

Without barriers to build decent, affordable housing, we can set up young adults on a path to opportunity that can boost prosperity and change our society for the better. To chase the Labour party's core value of social justice, it is no doubt that housing will lay the foundations on the ground for a truly meritocratic society, where opportunity is fairly distributed. So, perhaps surprisingly, a new Labour government will need to think about parking, for London, and for the country as a whole. **F**



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# Local Innovation Companies



We need delivery approaches to innovation  
writes Cllr Mariam Lolavar

**T**HE CHALLENGES OUR towns and cities face aren't going away. Nor is there any prospect of any significant new public sector funds from whoever wins the next election. The need for new investment to tackle ageing and often crumbling infrastructure; severely challenged public services; the chronic need for new and affordable housing; meeting our aspirations for net carbon zero targets and public health & well-being are of paramount importance.

So too is the need to facilitate inclusive and sustainable economic growth – my own area of responsibility as a Cabinet Member for the Royal Borough of Greenwich. Whichever lens we look through, and we might add social inclusion and community harmony to that list, we need without question our cities to work better – for the environment, for the economy, and for the people who live, work and study there.

## **Squaring that circle requires innovation in delivery approaches to increase productivity and break down siloed thinking.**

The need has never been greater, this is not about innovation within the town hall, but creating a culture of innovation across our towns and cities. The Prime Minister might be surprised by just how much innovation we are witnessing in the digitisation of council services through the rapid adoption of technology and user centred design. City innovation alongside service innovation.

I would argue that local authorities are well placed to lead and facilitate that process, and in many cases are already doing so. A future government might well use its limited cash to support councils to be bolder, not through costly competitions for funding, but through a true partnership with local government with the aim of driving innovation.

This will have the benefit of improving our towns and cities as well as being a driver for our economy. Such an approach can only reach its full potential if it involves business big and small, academia and, first and foremost, our communities. It is what we have sought to do in Greenwich over many years. In the austerity years we created a (self-funded) innovation company, DG Cities to support the Council develop and take forward its work on Boroughwide innovation. This is what enables us to more readily use technology, and new approaches such as behaviour science, to deliver our key strategic priorities and to create an environment that supports innovation. DG Cities scans, assesses, and channels new opportunities to Greenwich and increasingly, other Councils. While also working with Government and the private sector, on a range of issues including mobility, housing, EV infrastructure and housing decarbonisation. In the past two years this has also led to the formation of a subsidiary company,

Digital Greenwich Connect, a commercial joint venture between DG Cities and ITS Technology Group to build, manage and commercialise a new fibre network.

This partnership with the private sector has already leveraged an additional £2 million for the Borough with more to follow and is delivering enhanced connectivity for business and residents.

Formed in 2015, DG Cities has partnered with business and universities to secure over £50 million of new public and private sector investment, £25 million of which we estimate has benefitted Greenwich directly.

Working as part of a partnership with leading industry players, DG Cities was instrumental in securing a £20 million investment to establish a national research centre of future mobility including connected and autonomous mobility in the Borough, the Smart Mobility Living Lab.

It also ensured the voice of local authorities, and the public is central to the discussion on how new mobility solutions should be deployed to benefit cities. They have also secured investment for housing decarbonisation and innovative housing retrofit and Internet of Things (IoT) trials in the Borough.

Through the company's involvement in these and other initiatives, the council has gained insight of, and helped shape the development and application of new technologies that can benefit towns and cities.

This delivery approach has managed to transform the speed of innovation the Council has achieved in adapting new approaches in housing, energy and net zero and providing digital connectivity. This has for example enabled the piloting of IoT technologies to support new approaches, and the company is also able to apply the learning from these trials with other councils.

If innovation is a building block, so too is a truly joined up approach to understanding and responding to the challenges our city faces. It can best be achieved at a neighbourhood level that works with what people see as their 'neighbourhood' not some arbitrary administrative area.

Our innovation company has supported a new approach that allows teams working in neighbourhoods to design their activities in a 'neighbourhood-first' mindset. Such an approach seeks to capture all the investments and projects that are already happening big or small, public and private, and looks for the whole picture that can emerge from these individual parts, drawing out the potential synergies. In some cases, modest amounts of funding can achieve disproportionate impact by getting more from existing or planned investments that might otherwise be implemented in isolation. We have seen clear early wins in achieving better community engagement, and people appreciating a more holistic approach. All of this achieved, whilst also saving on costs of delivery. **F**



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# Save My Pub



We must revitalize the nighttime economy to create places worth living writes Eve McQuillan

**I**T IS NO SECRET that London's nightlife is becoming more and more drab. 30% of clubs have closed since the start of the pandemic. Across the country, more than 500 pubs closed last year. Wander around central London and you'll be hard-pressed to get a pint after 11, lucky if you find a table in a restaurant serving alcohol after 10.

The nighttime economy is under huge pressure - costs, in terms of rents and energy bills are increasing, and at the same time, the cost-of-living crisis means we have less disposable income to spend on nights out.

But we're also failing to support the nighttime economy through a heavy-handed approach to licensing.

Instead of having a vision of what we want nightlife to be, and working to ensure venues are safe and well-managed, we've engineered a system which treats it as an inconvenience. Planning and licensing are two separate regimes - with licensing, in practice, undermining the thriving nightlife we could have.

The 2003 Licensing Act requires councils to promote the four licensing objectives: the prevention of crime and disorder, public safety, the prevention of public nuisance and the protection of harm to children. Councils must consult local residents on their views.

The police and other agencies are also consulted. Where there are objections, decisions are taken by committees of councillors.

Committee based decision-making creates a tendency towards consensus and compromise amongst those in the room.

Whilst this might make sense if everyone affected by the decision is present, this is rarely the case in practice. Turn up complaining about a new bar opening near you - the likelihood is that the people on the committee will try to make you and the applicant happy.

They'll fudge it with conditions and compromise. For small, independent businesses this is particularly problematic and can lead them to accepting damaging conditions that make them unviable.

This is because whether or not conditions are conducive to successful business isn't part of decision making. All that matters is the four licensing objectives. It's great for objectors - if you're concerned about nuisance, it's the perfect way to block bars and restaurants in the area. But as with other decisions councils make by committee - if you're not in the room you're not heard.

It means that the future employees, customers, taxi drivers, artists, take away restaurants - all those who would be positively affected by a viable licence being granted - aren't considered.

In some areas, with lots of venues, councils put in place Cumulative Impact Zones.

This means that new licences will not be granted unless venues can demonstrate they will not add to existing problems in an area. This is why it's so difficult to get a new licence in Soho or Shoreditch.

These are the areas where nightlife should really be thriving, where it's of strategic cultural and economic importance to the city. And yet the failure to consider nightlife holistically is leading to their slow demise.

The government needs to reform the system to look at the value nightlife brings holistically. Councils should have to justify their decisions in terms of the licensing objectives, and in terms of economic and cultural considerations, because both are relevant to achieving a night life that is safe, thriving and fun.

Policies such as framework hours should be considered from this point of view too. Framework hours were first brought in during WW2, when the government wanted to limit pubs' opening times because they were concerned about people being drunk working in munitions factories the next day!

Considering their impact in economic and cultural terms can enable councils to make an assessment as to whether they're valuable overall.

## **Is it sensible from an economic point of view for pubs and restaurants in Soho to be closed by 11?**

Where objections by the police about crime and disorder concerns are raised, councils should be sure that these concerns are not motivated by lack of resources. Considering nightlife holistically means considering its costs and considering if it produces tax revenues that could pay for extra policing or street cleaning.

Venues that are genuinely unsafe and poorly managed should never be licenced - but the present system ignores the economics of creating venues that are safe, with decent services to support them.

Community consultation is important, but not in the form of late-stage vetoes. Instead of using the committee system, councils should talk to communities about what they want to see and work backwards from that point. Most people want to see nice bars and restaurants. They want affordable venues to see live music and want young people to be able to enjoy clubbing. Local people will have insights into the best places for new venues, and how town centres can be run to make nightlife safer and cleaner. Working with communities to genuinely understand the frustrations the nighttime economy can cause, and to deal with them effectively is crucial. Frequently frustrations are about waste collection, littering and early morning deliveries - all things local authorities can fix. Where noise is a concern,



communities can identify ideal sites - these could be areas such as railway arches, away from housing.

Councils can use this information to draft suggested licences that are safe, sensitive to the needs of the community and economically viable. Such licences would give operators and communities certainty and avoid the current ineffective system.

This would enable local communities to have genuine input into the design of our nightlife. It would also allow for political ambition in shaping the nighttime economy to make it more exciting. It would allow councils to go back to the drawing board and consider whether it's sensible to prevent us going out for pizza at 11pm.

Considering the cultural and economic value of venues could allow councils to do things like protect venues that are seen as particularly culturally important or consider how the economic value of a venue could be enhanced by improving the pay and conditions of its employees.

But we should also recognise that some parts of our global city are of strategic importance. They're for Londoners as a whole, and all those who visit. Councils prioritise the needs of residents, but these are areas that matter to the city.

In areas like Shoreditch and Soho, the Mayor of London should be responsible. This would amount to democratic recognition of areas' strategic nature.


Committee-based, hyper local decision making is failing to recognise the cultural and economic potential of our city.

Decision-making should be democratic, but this means hearing from as wide a section of those impacted as possible, not prioritising objectors in the way the current system does.

It is possible for London to have a thriving and exciting nightlife, but we'll need to get rid of a clunky and ineffective decision-making system instead have political ambition to shape it and to resource its upkeep.

A plan to use licensing to revitalise the nighttime economy should do the following:

1. Consider applications holistically in terms of their economic and cultural value and the licensing objectives
2. Consult communities early and commit to working with them to deal with problems
3. Use the economic value produced by the nighttime economy to pay for policing, street cleaning etc and ensure that police concerns are not motivated by lack of resources
4. Consider if policies are appropriate - is there really a benefit to preventing restaurants opening late that justifies the economic and cultural harm
5. Decisions regarding licences in nightlife hotspots should be taken at a mayoral level because these are of strategic concern to the city, not just residents. **F**



**ESTATE  
RENEWAL  
AND SOCIAL  
HOUSING**

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# The Rationale for Regeneration



Combined with local authority fiscal devolution, regeneration is the answer writes Jamie Ratcliff

**I** WORK IN social housing because I know how important a good home is for people's life chances and aspirations. I've seen the clear negative impacts of poor quality, overcrowded and unaffordable homes from the slums of Debre Berhan, in Ethiopia to criminal landlords exploiting their tenants in East London, where I live.

There are multiple crises relating to housing – supply, quality, building safety, climate and cost-of-living to name but a few. They touch upon every aspect of our lives. There are no simple solutions but the positive impact of addressing them will be felt widely.

Nowhere is that truer than in relation to one of the issues that should be near the top of the agenda for the next government, the solvency of local councils. Whilst local government financing is unlikely to dominate the headlines in the short campaign, it clearly needs urgent attention.

## **One in five council leaders think they are likely to declare bankruptcy in the next fifteen months.**

Without firm action, even the most financially secure councils are likely to struggle within the next two or three years. This is a disaster for the services people need at a local level. Worse, when councils run into financial difficulty the mandated answer is to bring in expensive consultants.

This diverts local resources away from where they are needed most. Some of the action needed to put councils back on a sustainable footing doesn't relate to housing.

There's likely to be a need for a mix of additional and longer-term funding and clarified expectations, as well as emergency action for those most at risk. In addition to that I think there's a need to think smarter about the funding which is already available.

Firstly, in relation to Temporary Accommodation for homeless families. Each person housed in poor quality, overcrowded and insecure circumstances is a tragedy. For the 142,000 children living in temporary accommodation – a number which is shamefully rapidly rising – it is stunting their life chances, their ability to learn and build social relationships in their community. Their families are often cut-off from their support networks and in places where they are unable to put down roots.

In the last four years 55 children have died with Temporary Accommodation being recorded as a contributing factor and tens of thousands more have suffered a wide range of other negative impacts.

Beyond the terrible human cost is a massive financial one. For some councils the cost of temporary accommodation is tipping them into bankruptcy and the cost to almost all is significant.

London Councils are currently spending £90m a month, over a billion pounds a year – on Temporary Accommodation.

## **Both could be addressed through a 'build to save' programme focused on social rent.**

Recent research has shown that public investment in social homes will fully pay back within eleven years, the payback from building to replace Temporary Accommodation is even shorter. Cutting wasted money and improving tens of thousands of lives. Social homes generate higher employment, lower benefit costs, improved health, reduced homelessness, reduced crime and better life chances for children.

At a time when public finances are tight the country simply can't afford the cost of ignoring this problem. Reorienting investment would improve outcomes and save money within the life of the next parliament.

Secondly, local councils need devolution of more powers and funding sources. Giving them the tools to share in increased prosperity of places not only strengthens democracy – by increasing the responsibility of local representatives – it creates longer-term incentives to improve outcomes. This would give greater stake to deliver positive visions for the future. I've seen this work in North America where greater freedom to create taxes and local charges means municipal government can act much more entrepreneurially - their hands are not bound by the centre.

The United States constitution takes the opposite approach to England on devolution. The federal government is prohibited from doing anything that it is not expressly permitted to do; everything else rests at a state or local level.

Whilst there are other factors this creates the space and ability for local government to drive meaningful regeneration and place-making, I've seen this having great positive effects in repurposing former industrial areas, a naval base, creating an artificial island and developing new sports stadiums.

Much of this investment into regeneration came through entrepreneurial local agencies leveraging expected increases in tax bases or other revenue streams. This must be part of the answer for local government funding and tackling the housing crises going forwards.

Regeneration is needed not only because of the massive housing need facing the country, it is also needed because the UK has the draughtiest homes in Western Europe. Combined with the highest energy costs this exposes us to authoritarian regimes. We must stop effectively running the bath with the plug out and address these challenges by rebuilding and retrofit.



At the current rate of demolition, a new home built today has the same implied lifetime as the great pyramid of Giza – 5,000 years. I have not yet met anyone who thinks this is possible, let alone desirable. Which means the rate of demolition will need to increase over time and to meet housing need we will need to build many more than 300,000 homes a year.

The standard to which new homes are built and to which existing homes need to be improved to be warmer, healthier, and easier to heat has long been an uncertain and moving target.

The last Labour government set a target for all new homes to be net zero carbon by 2016, which was scrapped by the coalition government in 2015. Nearly ten years later consultations are still ongoing in relation to a “future” homes standard. SNG

(Sovereign Network Group) have developed a Homes and Place standard.

It makes a clear commitment to building and maintaining good quality homes and better places to live. The standard also sets out a plan of how best to redevelop and improve existing homes over the next thirty years. This is a commitment that others could follow. It is not dependent on national government action, but to have widespread impact will need local councils to be able to look beyond their current hand-to-mouth existence and be enabled to plan for the long-term. **F**

# Get London Building



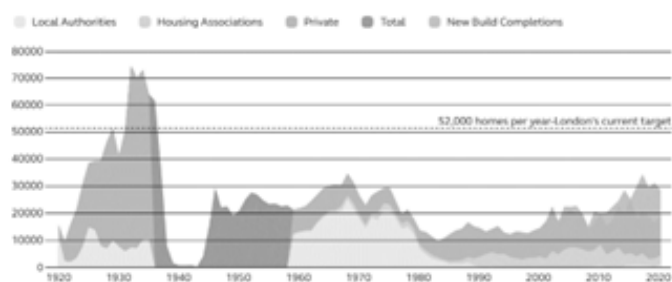
To get London building we must use London's land better  
write Jeremy Driver and Ben Hopkinson

**L**ONDON IS IN a housing crisis. Londoners are forced into choosing between a long commute, a crowded flatshare, or turning down an exciting job prospect because rents are too high.

Today it takes a couple in the capital, earning a normal income, 30 years to save for a deposit for the average property, up from just 4 years in the mid-1990s. Across the city house prices have risen to 12 ½ times the average income. In many boroughs, such as Hackney, Haringey, and Islington, prices are 15 times the average income.

Why has this happened? Well, in part, jobs have surged by 62% and the population of the city has grown by 2 million since the 1990s. Demand for housing has increased dramatically. But the fundamental issue is that housing supply has not kept up with that demand.

## A century of London's housebuilding



This chart measures new housing completions and does not include dwelling conversions (e.g. a house being turned into flats) or changes of use (e.g. an office being used as a house). Breakdown unavailable between 1938 and 1950. There has been some debate about whether DLUHC Table 217 has undercounted homes built in London within the past decade (see Homes in London 2020), therefore New Build Completions have been included from 2006 (DLUHC table 118).

Chart: Britain Remade | Source: GLA Housing in London 2018, DLUHC table 217, DLUHC table 118.

London's current housing target is 52,000 homes, but we've not built that many since the 1930's.

Britain Remade's Get London Building report is a practical plan for the winner of the next mayoral election to build the homes London badly needs. By renewing London's estates, building in the best-connected places and using land like golf courses and industrial sites better, almost 900,000 new energy-efficient homes could be built in the capital.

## Estate Renewal

Too many Londoners live in post-war social housing that is cold, crowded, and damp. Estate renewal tackles this, while delivering the extra housing London desperately needs.

The capital's post-war estates were built at densities far lower than many of London's best-loved historic neighbourhoods. Marylebone, for example, is built at more than five times the density of many post-war estates.

New homes sell for four times their construction costs. By rebuilding our crumbling post war estates to a gentle density of

around 135 homes per hectare and then selling these new homes, we can then use this additional revenue to build warmer and larger homes for existing tenants and bag a net increase in the social housing stock.

## Before estate renewal



Packington estate, Islington

## After estate renewal



Packington estate, Islington

Rebuilding London's estates at gentle densities could deliver over 530,000 extra new homes on top of 540,000 rebuilt and upgraded social homes - improving the lives of people who live there already while building the homes London needs. Not only will regenerating London's estates tackle the capital's extreme housing shortage and cut council housing waiting lists, but it will also cut bills and cut carbon emissions.

If all new estates are built to the highest energy efficiency standards, the average council tenant would save almost £800 a year in lower gas and electric bills. At the same time as reducing London's social housing stock CO2 emissions by nearly 1 million tonnes a year.

### Building in the best connected areas

We should be building more homes in London's best-connected areas, a move that could add 38,000 homes each year, increasing London's housing stock and cutting emissions.

A similar move in Auckland doubled housebuilding, resulting in rents being a third lower than they otherwise would have been. If the same happened in London it would result in a £6,000 saving for a young family renting the average two-bed.

To enable this, the winner of the election in May should rewrite the London Plan.

The review should explicitly allow up to six-storey developments on small sites near the capital's best-connected areas.

This isn't a new idea - a similar proposal was in the 2019 Draft London Plan and would have seen more than 25,000 homes a year built.

Unfortunately, the policy was dropped after Planning Inspectors intervened, yet London's continued inability to deliver the homes Londoners need should prompt a rethink.

### Using London's land better

Finally, a lot of London's land could be used so much better, unlocking almost a third of a million homes within walking distance of public transport, and bringing affordable housing to working people who are being priced out of the capital.

Around two-thirds of London's industrial land is protected by the London Plan, effectively banning all housebuilding and restricting a council's ability to release land adjacent to industrial sites. These are not nature reserves that we're protecting - these are car rental drop-offs, self-storage facilities, and Amazon warehouses.

### 10-Minute walk distance: Park Royal



The Park Royal Industrial Area in Acton contains more than 338 hectares of land within walking distance of the area's 11 underground stations.

These include the Acton Mainline Station on the Elizabeth line and the future HS2 station Old Oak Common. If just the part of the site within 10 minutes' walk of a tube or train station was developed to Parisian densities, it could deliver 135,000 new homes.

In addition to Park Royal, releasing all the remaining Strategic Industrial Land within 10 minutes walking distance of a station for development at terraced house density, would allow 157,000 new homes to be built for Londoners.

London has 95 golf courses, and a further 74 just outside Greater London's boundary. Many of these courses are publicly owned, but councils don't get a lot in return.

**For instance, one golf course pays just £13,500 in rent to Enfield council for 39 hectares, which is £3,000 less than it costs to rent a one bed flat in Enfield.**

More than 1,420 hectares of golf courses are within walking distance of stations, busy bus routes, and town centres. Building on just half this land at terraced house densities would deliver more than 30,000 homes, while allowing the rest to be turned into genuinely open spaces for all Londoners to enjoy nature, walk their dogs, and exercise.

Housing in London doesn't have to be unaffordable. If London's housing costs were brought down and more people could afford to live and work in the capital, it would make the whole UK economy stronger and help end years of stagnation in our living standards.

For too long we have chosen not to build enough to meet demand. If we get London building the homes we need, we can make it easier to save for a deposit, cut the cost of rents, cut emissions, and make everyone richer by growing our economy. **F**

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# Building on Success



We must prioritise high density estate regeneration writes Arthur Fyfe-Stoica

**E**STATE REGENERATION HAS been a major success story of the Labour Party in London, building more accommodation and helping social housing tenants by increasing the quality, density, and energy efficiency of their homes. The introduction of the ballot-led process in 2018, has led to the remarkable approval of nearly every single social regeneration project put to residents.

Since then, numerous organisations are calling to expand estate regeneration such as YIMBY Alliance and Britain Remade, particularly in London which is at the apex of our housing crisis.

With house prices equal to 12.5 times average incomes in the capital, the UK must build a vast quantity of homes of all tenures, and then keep on building. The Centre for Cities has estimated that the UK is short of more than 4.3 million homes, enough for another London. However, there are fundamental challenges to housebuilding and those are somewhat consistent with good social regeneration across the sector.

## **Despite the heightened scrutiny on the condition of social housing, landlords continue to have great intentions for estate regeneration.**

There remain practical and long-standing barriers to delivering successful social regeneration schemes for existing and new communities.

There is a lengthy process of balloting tenants, planning submission and approval, contracting developers, sourcing Section 106 funding, and buying out leaseholders.

This leaves many opportunities for social regeneration schemes to deteriorate in their affordability offering, in breaking the trust of communities, or becoming no longer viable. To meet Labour's target of 1.5 million homes over the Parliament and to deliver stability for the sector, we need a range of immediate and long-term measures that help us deliver homes with the means we have, and a better system of planning for future programmes to blossom.

Social landlords currently face major pressures to deliver for their residents in tandem with their developmental roles. The tragedies of Grenfell and Ishak Awaab's death, have rightfully increased the regulatory burden on housing providers.

However, this has come with dramatically increased costs, not just in removing cladding but in the premium of immediate repairs services and building safety.

## **This financial year we have already seen the starts of housebuilding among housing associations collapse by 76%.**

Additionally, the cash reserves of housing associations are the lowest in a decade. The rise in cost for essential materials, inflation, and 14 years of austerity measures have created a major challenge in the epicentre of the UK's housing crisis.

Providers have been inventive and adaptive to the cuts in grant funding, indeed from 2016-2021, housing associations delivered a fifth of all homes.

However, the settlement is coming apart in a context of stiff interest rates and uncertainty over short-term spending plans.

These salient crises either in Kensington or Rochdale have highlighted the long-standing inadequacy in the quality and quantity of homes in London. Though social housing makes up a large share of London's homes, it is generally older, more likely to be overcrowded, more expensive to rent and maintain, and many have building safety issues.

Whilst every social home must be maintained to a high standard, there is a major opportunity cost that London needs to consider; that the growing expense of maintaining this stock and making buildings safe will come at the cost of crucial homebuilding and home improvement that London desperately needs.

Estate regeneration has a major potential to deliver energy efficient and high-quality homes at stronger densities. Though the ballot-led process provides a mandate for ambitious regeneration and allowing existing social tenants to remain, it does not guarantee a certain product.

When the financial pressures hit the archaic and case-by-case nature of the planning system which engenders lengthy processes, uncertainty around funding becomes a critical problem for estate regeneration.

For instance, the Woodberry Down regeneration programme is a notable high-density estate regeneration scheme.

It has seen reductions in its affordable and social housing offer in 2023 due to prohibitive construction costs.

The impact of delays and revisions to developments is not to be understated.

More than deferring the completion of homes, the ballot-led process is placed under strain as the developers and housing providers are forced to break bad news to residents.



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The mandate provided by the process of community engagement and approval for the regeneration scheme forms close bonds of trust.

**Financial challenges don't just impact the design and quality of a programme, but the time spent in alternative or temporary accommodation as social housing tenants are moved out for construction.**

This is a significant consideration that prohibits potential regeneration schemes. Some residents of social homes are people facing unstable employment, deprivation, and may have chronic illnesses or additional needs. Their homes may be overcrowded and prone to damp – we can't afford to let them down once again.

Yet, more than challenging financial winds, the policy has also been unpredictable. The ditching of rental convergence in the Coalition years has put housing providers on difficult ground as the government moved to establish five-year rent settlements, limiting the ability to forecast revenues in the long-term.

Additionally, the cuts to grant funding for development since 2010 and the similarly short-term five-year Affordable Housing Programmes (AHP) fail to cover the business cycles of development schemes.

This is further burdened by the chop and change of policy, where in 2023 and two years into the current AHP, the government suddenly made funding available for regeneration schemes.

Estate regeneration's obstacles are in some ways a microcosm of the malaise of the UK's planning system. For instance, though balloting residents gives social landlords a mandate to deliver, an approved scheme will still go to a planning committee. This invites neighbouring residents and organisations to reject or amend a scheme that an overwhelming majority of tenants and leaseholders have already approved.

For instance, the first ballot-led initiative at Westthorpe Gardens saw some 500 objections during the planning stage. This is despite regeneration schemes appreciating neighbouring property values according to the CBRE.

Whilst Westthorpe Gardens was approved, others are less fortunate. The fantastic Aberfeldy regeneration scheme in Poplar was initially rejected unanimously by the Tower Hamlets planning committee on questionable grounds, despite an approval rate of 93% of its residents. In this case, Sadiq Khan used his Mayoral powers to approve it despite opposition.

Overall, these barriers to building are placing greater pressure on London's housing crisis where we need to deliver good quality and energy efficient homes in a timely manner. Ahead of Sadiq Khan's historic third election campaign for the Mayoralty, he should commit to supporting housing providers and help make estate regeneration more feasible and delivering social and affordable homes more viable.

We need to see estate regeneration with strong densities to deliver more homes, particularly in the outer boroughs. By building homes of all tenures at density, a larger share of London can harness the benefits of agglomeration and use public infrastructure and services more efficiently.

Excellent regeneration schemes like Poplar HARCA's turn estates of a few hundred homes and multiply them fivefold with high quality community spaces.

The Mayor should set clear targets and planning preferences for high build density for estate regeneration.

Though dense builds will have high capital costs, savings can be made by easing the planning process where the Mayor could automatically approve of any ballot-supported development.

Together the Mayor's office and GLA should work with housing providers and residents to identify which estates are in the most need for regeneration and prioritise resources accordingly. This will save time to allow residents to have their improved homes sooner, reduce uncertainty and see decaying homes replaced rather than demolished.

Furthermore, the Mayor and GLA must prepare to work with Westminster ahead of the election and craft a long-term vision for London's housing and the role of estate regeneration. Whilst Sadiq Khan and Angela Rayner share the vision for increasing social homes, providers and developers need positive conditions to deliver and meet the needs of all their residents. Favourable loans, long-term grant funding, and rental convergence will help significantly. Alternatively, funding streams for decarbonisation and building safety could have their purpose widened to include estate regeneration.

During the crafting of conditions for thriving places in the future, it is vital to have excellent resident and community engagement.

**Development must prevent the complete dislocation of deprived and working-class communities, particularly for those with diverse needs and disabilities.**

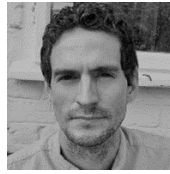
The Mayor and the GLA should set a clear standard for engagement to incorporate residents' views and local expertise as a catalyst for developments.

Positive experiences as well as creating prosperous spaces will help keep local people and skills in the area to harmonise with their new neighbours.

In conclusion, there is no solution to London's housing crisis that does not include building a vast quantity of homes of all tenures.

But by delaying regeneration, we risk losing social homes forever, and our city will become increasingly exclusive as it pushes families out. **F**

# Buying Back Better



Can social housing acquisition help London tackle homelessness asks Alex Diner

**I**N NO PART of the country is the housing crisis more visceral than in London. With already sky-high rents rising by 10% in the year to October 2023, and with ‘no fault’ evictions still on the books, London’s councils face record numbers of homeless families to whom they must provide homes.

The number of new homeless households in London has risen by 40% in the five years up to 2022/23, whereas across the whole of England it has risen by 30% over the same period. A quarter of England’s new homeless families are now in London.

## The more than 83,000 young Londoners in temporary accommodation (TA) could almost fill Wembley Stadium.

The costs of this are pushing many local authorities to the brink of bankruptcy, as – due to the chronic undersupply of social homes – they are forced to absorb the exorbitant costs of often woefully poor quality and dangerous TA.

Two-fifths of TA tenants in London report living with an infestation. No wonder, then, that Londoners list the housing crisis as one of their most pressing issues.

The GLA has established itself as a strategic actor in affordable housing supply, with council house building in the capital undergoing a mini renaissance.

But serious challenges – high construction costs, high interest rates, insufficient grants, poor and unaffordable land supply, planning backlogs, and lack of local authority development capacity – mean that building the genuinely affordable homes Londoners need is challenging. Housing associations in London are set to start 76% fewer homes in 2023/24 than they did last year.

Resolving these fundamental supply questions and building a new generation of new social homes offers the principal long-term solution to the housing crisis. But these adverse circumstances, as well as stagnating house prices in the capital, nevertheless present a vital opportunity for councils to act now, buying homes to let as general needs social housing (for those on council waiting lists) or TA to tackle the immediate homelessness crisis.

When councils buy homes from the private market, they can make a real difference in addressing homelessness in their communities. Homes can be bought relatively easily and can more closely match the type and size of homes that residents need. When the quality and energy efficiency of the acquired home is improved, the approach can also reduce net carbon emissions and improve tenants’ health. To offer value for money and not overheat local property markets, acquisitions must be done carefully in high demand, high-cost areas. But they do

play a vital, albeit supplementary, role as part of the package of solutions to the housing crisis.

This is well understood at the GLA. The Right to Buy Back (RTBB) scheme provided grant for councils to buy 1,300 homes between 2021 and 2023. Since then, the GLA has announced the new Council Housing Acquisitions Programme (CHAP), which outlines their ambition for councils to buy 10,000 homes over the coming decade.

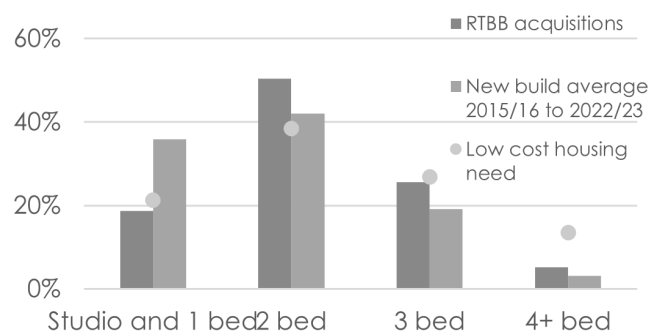
These schemes have made an important contribution to mitigating rising homelessness. Although recent oft-cited assumptions around an “exodus” of landlords are overstated, some landlords, particularly those with fewer properties and greater mortgage costs, are looking to sell their homes.

London’s PRS is the least profitable in the country, meaning it offers the greatest pool of prospective vendors. Council acquisitions of such properties therefore provide the ideal exit strategy for any landlords struggling to meet higher interest rates, capturing public good as they leave the sector.

The GLA’s commitment to a new programme of social housing acquisitions is therefore extremely timely. The RTBB scheme provided grant rates that compared favourably to those for new build homes in the capital.

Acquisitions under RTBB were also more aligned with housing need (by reference to the number of bedrooms) than the average for new build homes in London.

**Figure 1: RTBB and London affordable housing completions, 2015/16 to 2022/23**



Source: GLA data, GLA Affordable Housing statistics, and London Strategic Housing Market Assessment

By offering more generous grants than its predecessor, however, the CHAP should generate additional flexibility for councils to buy the type of homes they need. It should also encourage those councils for whom participating in the previous scheme may have been unviable due to high local property prices.

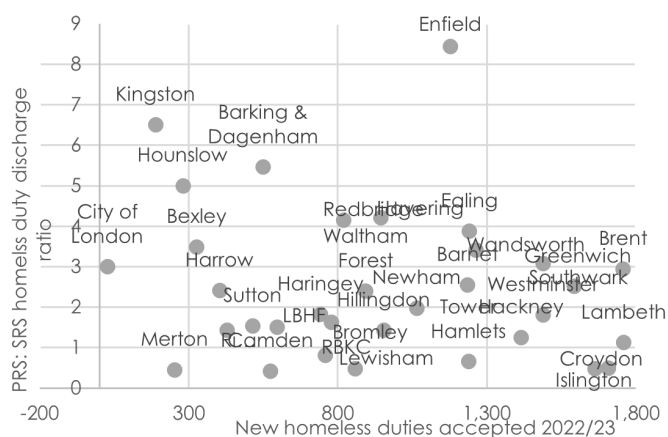
A barometer for the CHAP's success, therefore, should be the extent to which it is accessible to those councils with more homelessness and a greater propensity to place homeless families in the private rented sector (rather than their own stock).

These councils are most likely to be the ideal participants in the scheme. Councils with higher homelessness that are more likely to place homeless families in the PRS are the most likely ideal participants in the CHAP.

**Figure 2: New homeless relief duties accepted and ratio of PRS to social rented sector homelessness discharge, by London local authority, 2022/23**

Source: Department for Levelling Up, Housing and Communities, Homelessness tables, Detailed local authority level tables. Note: where 2022/23 data is unavailable, the latest available data is used instead.

The homelessness crisis is also a financial crisis for London's councils. The total cost of TA across England has risen from £1.4bn



in 2018/19 to £1.8bn by 2022/23. Of that, TA in London now costs £1bn (60% of the England-wide figure), with £332m of that falling on local authorities' own budgets. The cost of TA to councils has risen by 30% over the last five years.

There are two principal reasons for this. First, maximum housing benefit subsidy for TA has been frozen since 2011. As rents have risen, housing benefit and other central government support therefore now covers just 69% of the total costs of providing TA in London.

It is vital that the government updates the TA subsidy to current LHA rates and thereafter to create a sustainable settlement for councils going forward.

Second, rising homelessness and the diminishing supply of social housing means that councils have no choice but to place ever more households in TA.

Increasingly, they are forced to turn to less suitable, more expensive TA, such as B&Bs, hostels, and nightly paid privately let TA (which alone has cost over £265m over the last five years).

In short, TA in London is pushing many councils to the brink of bankruptcy. NEF's analysis shows that acquisitions can deliver vital savings for local authorities and taxpayers.

As outlined in Figure 3, if London's councils acquire 10,000 homes over the next 10 years, it will reduce their TA costs by £1.5bn, trim central government housing benefit subsidies by £340m, and generate indirect savings of £440m for government over the next two decades.

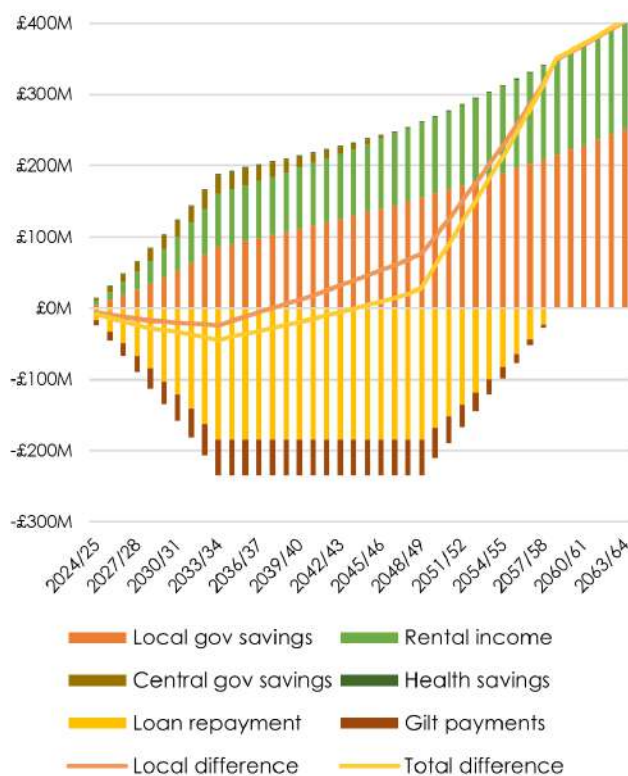
Annual government-wide savings will outweigh their annual costs after 16 years. And by year 25 the scheme will have paid for

itself, producing a dividend to be re-invested more productively in London's economy.

**Figure 3: Forecast costs and savings from the CHAP**

Source: NEF

There are steps the GLA should take to maximise the impact of the CHAP, including raising the minimum standards for homes let under the scheme to EPC 'C'. NEF analysis shows that doing so would save tenants £225 each year and reduce each home's



carbon emissions by 520kg CO2e.

Crucially, as this would improve health outcomes for Londoners, our modelling shows it could also save the NHS £29m over the next two decades. Additionally, the GLA should consider graduating grant levels by property size/bedroom numbers in order to allow councils to target acquisitions as closely as possible to local housing need, particularly 3- and 4-bedroom properties.

Significantly, there are also important steps central government should take to enable councils across the country, including in London, to benefit from acquisitions. As well as uprating the LHA subsidy for councils, ministers should also relax the acquisitions cap, the cap on councils' use of Right to Buy receipts for acquisitions and allow them to combine receipts with other sources of grant funding, like the CHAP.

To roll out programmes like the mayors across the country, ministers should introduce a national housing conversion fund. And they should introduce a community right to buy – pre-emptive rights of first refusal – to give councils competitive advantage when buying homes, as has proved transformative in other major cities around the world, including Barcelona.

Acquisitions are not a silver bullet to the housing crisis. But as the GLA's programmes are showing, by capturing public benefit as landlords sell, they are playing a vital supplementary role in addressing homelessness, delivering returns for taxpayers, and helping councils avert bankruptcy. Central government must now step up to roll these benefits out across the country. **F**

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# The Power of Proactive Estate Renewal



Estate renewal is a major opportunity to tackle the social housing crisis writes Kane Emerson

**T**HE LABOUR PARTY has a proud history of building council homes. A century ago, during Labour's first Government under Ramsay MacDonald, housing defined Labour's major achievements. The Wheatley Act spurred the construction of 508,000 council homes for working class families and it upgraded council homes with requirements for bathrooms rather than a simple bath in the scullery.

Through housing, MacDonald's short time in government changed the lives of millions for the better. Today, the demand for good quality council homes in the UK far outstrips supply.

Over 1.2 million people are stuck on ever-lengthening waiting lists for social housing, with many waiting over a decade for a safe and affordable place to live.

Many more are ineligible to be on the list, or do not bother because they think they have no chance of a council home. At the same time, hundreds of thousands of people are homeless, with thousands sleeping rough on the streets each night.

The chronic shortage of social housing can be traced back to the dramatic reduction in housebuilding after the 1980s. Between 1947 and 1980, an average of over 120,000 council homes were built every year across the UK. Yet by 2022, that figure had fallen to under 8,000.

With the sale of millions of council homes under right-to-buy schemes, the total number of social rented properties has halved over the past 40 years.

As a result, families in need of affordable housing face a bleak situation. Existing council homes are often outdated, poorly insulated and sometimes dangerous. Over 500,000 social homes don't meet basic health and safety standards.

At the same time, new social housing is barely being built to replace this ageing stock. Waiting lists continue to lengthen as those in need struggle to find an affordable home.

The social housing crisis is particularly acute for the most vulnerable in our society. An estimated 138,000 children in England are in temporary accommodation. People with disabilities also face long waits, unsuitable properties and discrimination from landlords when seeking an affordable home. For many, the only options are expensive private rented housing or even homelessness.

Clearly, the chronic under-supply of good quality, affordable council housing is harming millions of people across the UK.

**Innovative solutions are urgently needed to renew and expand social housing provision.**

Estate renewal ballots are a promising policy solution that seeks to unlock development of more and better council homes.

## Existing council estates

Much of the existing stock of council housing in the UK dates to the post-war building programs of the 1950s, 60s and 70s. Tower blocks and low-rise estates were built rapidly to replace slum housing and accommodate growing populations. At the time they were built, these modern blocks provided a lifeline to thousands who finally had a home of their own, but these ageing



estates are now poorly suited to modern needs.

## The Packington Estate, Islington

*Source: David Holt*

One issue is their inefficient use of land, with large, underused spaces separating tower blocks from the street – the so-called 'towers in the park' model.

Replacing these towers with buildings that make better use of the land can deliver more homes without going higher, all while better integrating council homes with the wider streetscape.

Many post-war estates also suffer from poor insulation and outdated layouts. Concrete blocks leak heat making them cold in the winter and very expensive to heat.

This can also lead to severe issues with damp and mould, endangering the health of residents.

The flats are often small by modern standards, with large, sometimes multigenerational, families stuck in small homes that lack outdoor space, not even a balcony.

Estate renewal projects seek to address these issues by increasing housing density on existing estates.

This allows construction of new, high-quality council homes alongside refurbishment or replacement of outdated existing flats.

For the many councils in unaffordable areas, particularly those who have no ability to expand into unused land, making better use of public land in this way is key to providing more and better social housing.

### How estate renewal can help

The point of estate renewal is to provide better council housing through a process of demolition and rebuilding, with existing residents at the heart of decision-making. The key is the use of ballots to ensure tenants are fully on board with the plan for their homes.

Typically, a council will propose renewing an estate to address issues like poor living conditions, overcrowding and to build additional council homes on underused land. It then consults closely with residents to develop initial proposals.

In London, the GLA will not provide funding unless a formal ballot allows every tenant to vote on whether to proceed. Crucially, this ensures that residents get the final say over the future of their homes.

Renewal only goes ahead if the proposals are approved by a majority of residents. Of the 30 ballots held in London, 29 passed on the first vote, often with overwhelming majorities. This control is crucial to creating trust in the process.

Councils must convince residents the disruption will be worthwhile through guarantees like new improved homes, financial assistance to move, and the right to remain living on their estate.

Of course, it is important to make sure that those promises are honoured in full. Where ballots succeed, the old estate is then replaced in phases, with tenants relocated. Good practice is to offer a 'one move promise', where tenants only move once, into their new home.

Resident leaseholders should also be given the opportunity to return to the estate at no additional cost, or to sell their flat to the council or housing association for a fair price.

New buildings mix restored social housing with new flats sold privately to cross-subsidise the scheme. Phase by phase, outdated homes are replaced with high-quality, affordable council flats. Accessibility, amenities and public spaces are also improved.

Once complete, estate renewal provides existing tenants with modern, efficient council homes. And by using vacant land and increasing housing density, there should be a net gain in social homes – helping people off waiting lists. New private flats help the scheme pay for itself whilst bringing wider renewal benefits too.

With strong tenant oversight through ballots and managed rehousing, estate renewal offers a route to better living standards for existing residents whilst expanding affordable housing.

It is hard, complex work, but many Labour councils have successfully shown how to win support for these schemes.

The model demonstrates that regenerating rundown estates can transform outcomes for social housing tenants and the wider community.

### Potential for better and more homes through estate renewal

A key benefit to existing residents is through reducing energy

bills with modern insulation and heating systems. The poor insulation in most post-war blocks imposes high heating costs on tenants. By replacing ageing flats, new homes can be built to the latest environmental standards. This provides homes that are both warmer and less expensive.

Rebuilding also gives the opportunity to update interior layouts to better suit modern lifestyles. Open-plan kitchen-living areas can replace small, separate rooms. Adding balconies or other private outdoor space brings health and wellbeing benefits.

New family homes can have enough bedrooms and bathrooms to prevent overcrowding.

Of course, it is critical that the increased housing density creates a net gain in social housing units. This helps expand affordable housing in unaffordable urban areas where demand is highest.

By making better use of public land and replacing low-rise blocks with well-designed higher density homes, councils can make new flats available for people on council waiting lists.



Without generous central funding, delivering new, high quality council homes depends on building some market homes for sale to generate funding. But done well, this cross-subsidy model can enable dozens or even hundreds of new social rented flats.

### The Packington Estate, Islington

Source: *Homeviews*

### Estate renewal as a fiscally neutral solution

There are major fiscal barriers to the large-scale expansion of council housing, especially in the current economic climate and in places with little scope for value capture on greenfield sites. The costs of refurbishing poor-quality homes, building new flats and compensating tenants are prohibitive for local authorities facing tight budgets.

However, the cross-subsidy model used by most estate renewal programs can give a fiscally neutral solution where local prices support it. Refurbishment and replacement of existing flats with construction of additional market sale homes can cover the costs of better social housing.

The idea is that the profits from selling a proportion of newbuild homes at market rates are used to fund the re-provision and upgrade of council flats, at no overall cost to the public purse.

Schemes are designed to pay for themselves over the long term. In areas of high housing demand, new private flats on renewed estates can sell at substantial prices. This generates sizable capital to reinvest into council housing.



Compared to the status quo of ageing social housing stock and poorly maintained existing council flats, estate renewal can provide a fiscally sustainable path to positive change in at least some high demand areas like Inner London.

The cross-subsidy element of estate renewal means it works best in the least affordable places. These are often also the places where council house waiting lists are under the biggest strain. This funding model does not necessarily rely on enormous central government grants. Instead, it harnesses the potential of underused land to build more homes.

### **Improving estate regen**

While estate renewal programs have significant potential, there are ways to further improve outcomes for residents and increase delivery of high-quality, affordable homes. First, a petition process should be opened up to allow residents to proactively request regeneration of their estate. This would shift dynamics towards resident-led change, giving ambitious councils the confidence to embark on projects with resident support.

Second, central government has a key role to play in encouraging greater council ambition on estate renewal. Strong leadership from the Secretary of State for Housing is needed to promote the benefits of estate renewal and building more council homes.

Many local authorities lack confidence and experience in proactively initiating complex renewal projects.

Clear messaging on the government's strategic housing priorities, alongside financial support for planning and resident engagement, can incentivise more estate regeneration schemes coming forward.

Central government can also help in encouraging utility companies, Network Rail and other bodies to promptly do what is needed to help deliver estate renewal without delay.

Third, we need rigorous evaluation of completed renewal projects to identify best practice. When executed well, cross-subsidy models can transform run-down estates into vibrant mixed communities with high-quality affordable housing. However, there have also been controversial schemes. Assessing outcomes and highlighting best practice can help replicate success and avoid past mistakes.

Estate renewal provides a major opportunity to tackle the social housing crisis through upgrading existing stock and delivering new council homes. With determined action, the next Labour Government can empower councils in unaffordable areas to use estate renewal to provide a new generation of council homes. **F**

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# London's Failed Thatcherite Policy



So-called “affordable housing” is a dog whistle,  
and we can do better writes Matthew Bornholt

**A**CCORDING TO THE UK's National Planning Policy Framework (NPPF), affordable housing for rent is set in accordance with the Government's rent policy for social rent or affordable rent or is at least 20% below local market rents.

In the UK, this is applied to units of housing extracted by Local Planning Authorities (LPAs) as a planning obligation when granting development permission. It also has another wider rhetorical meaning, that there is a special species of “affordable” housing distinct from housing in general.

So-called “affordable” housing” is, to put it crudely, a dog whistle. It always has been. Affordable for whom and how? is always the question left unanswered. It is never “cheap” or inexpensive housing, something we expect from our cars, computers, and food.

The current London plan argues that significant new developments should include 50 per cent “genuinely affordable” homes. This is ostensibly the highest rate of “affordable” housing demanded by any major city in the developed world.

It's well above the 20 to 30 per cent convention applied in the rest of the UK since the 1990's. None of London's peer-cities use this policy - not Paris, Tokyo, Madrid, Seoul, nor the Dutch Randstadt.

Neither do the smaller, richer and more equitable cities of European social democracies such as Vienna.

Yet, in studies of this policy in a global context, such as those commissioned by the Lincoln Institute of Land Policy, they point to the UK as an exemplar.

If this is true, why does the UK, and London in particular, have a housing crisis?

## Bad in practic

If we examine the current UK approach in an international context, “affordable” housing is distinct from conventional social housing, where governments backed by taxpayers build, buy and operate housing while charging non-market rents.

This was the traditional UK council housing model, and it is roughly how the leading social housing nations of France, the Netherlands, Austria, and Denmark still operate with success.

It is different from the German model, where the government supplies low-interest loans to rental housing developers in

exchange for 25 to 35 years of sub-market rental prices. It is also different from the state-as-ultimate-landowner model of China, Hong Kong, and Singapore.

So as a policy tool, “affordable” housing is very much concentrated in the Anglosphere, where it has been invented at least twice. The first was in suburban Maryland and Massachusetts in the late 1970's.

It was initially recognised in UK national policy in 1981 with Planning Policy Guidance 3, followed by consolidation in the 1990 Town and Country Planning Act's Section 106.

Such provenance alone should raise some suspicions. This policy is not a legacy of the post-war social democratic golden age. Rather, it was a part of the Thatcher-Reagan conservative revolution's inegalitarian, big-government by stealth, wrapped in Libertarian rhetoric.

The 1990 Act was the last major piece of domestic legislation of Margaret Thatcher's premiership.

Section 106 and “affordable” housing emerged during the collapse of the council housing era. It happened in the early 1980's, following the removal of housing grants, the introduction of Right-to-Buy, and the destruction of local government fiscal powers.

To counter this, councils and planners leveraged their remaining planning powers to extract social housing units along with other contributions from developers. This rearguard action prevented the social housing stock from shrinking further.

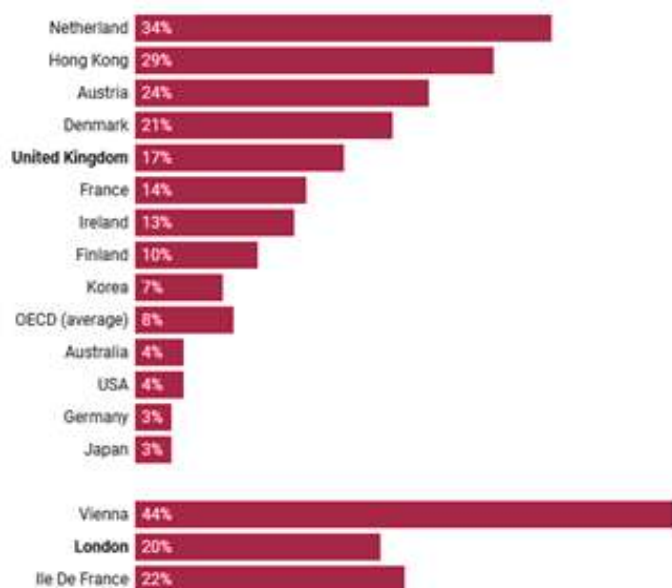
**The UK remains within the top 5 social housing nations globally, according to the OECD, and total stock has increased from its 1990's lows.**

Around 17% of the housing stock is still at social rent levels, while the various “affordable” housing tenures may raise it to near 20%.

But to what effect?

The UK is certainly not even in the top 20 in terms of housing outcomes, unless one counts average housing wealth per capita.

## Social housing as % of Total Dwellings



Source: OECD Affordable Housing Database, Hong Kong 2021 Census

Whether it's vacancy rates, homeownership rates, space per person, thermal performance, age of housing stock, income-to-rent or price ratios, the UK and London are clear underperformers.

## Moreover, we lag behind other first world countries such as Japan, Switzerland and Belgium, which have little or no social housing, let alone "affordable" housing.

Advocates of "affordable" housing treat the inexorable rise in house prices since 1947 as a law of nature or "the market", rather than because of government policy. Policy that well predates Thatcherism but was made worse by it. Since the 1980's, the UK has seen lower interest rates, rising population growth, and improved construction technology.

Yet it has struggled each year to build private housing above 200,000 homes nationally and 40,000 in London, well below the pre-1947 highs.

The poor performance of "affordable" housing is not just limited to the UK. The United States is the 2nd largest user of "affordable" housing, or as they implement it, through Inclusionary Zoning (IZ). Because of its variations across states and localities, it offers the best evidence of failure. The verdict is not pleasant for "affordable" housing advocates.

The most extensive users, such as California and New York, are seeing population outflows to Arizona and Texas where extensive legislation bans IZ.

This is not just a tax-and-white-race flight to the south. It includes a reversal of the great northern migration of African Americans back to the Deep South.

In turn, this voting with their feet suggests that the policies of the progressive states in welfare, education, transport and civil rights have been utterly outweighed by their refusal to expand the housing supply in line with social needs.

Some argue that "affordable" housing creates mixed communities, but comparative studies consistently show that the best performers in urban social desegregation are the most market-oriented systems. As is the case in Japan, Taiwan, and

Belgium. Furthermore, the best study of who actually gets the so-called "affordable" housing in the UK.

Monk et al (2010) found a disturbing tendency for what we might call the gentrification of "affordable" housing.

In other words, the initial focus on replenishing the social housing stock has been progressively eroded to provide discounted housing to those far higher up the income ladder, with tenures like shared ownership.

## Urban Socio-Economic Dissimilarity Index

Cape Town	61.0
Hong Kong	54.0
Paris	48.3
New York	36.5
London	35.0
Tokyo	28.0
Brussels	22.0

Source: Data from European Research Council's Global Segregation Thesis 2020

To put this in perspective, the Labour-controlled Westminster Council has been boasting about "affordable" units in the Westmark Tower development, where the market unit-price is between £600,000 and £1 million. So, just with the minimum 20 per cent "affordable" housing discount, this is a transfer of hundreds of thousands of pounds to wealthy Londoners.

And in Westminster's ongoing Church Street estate regeneration project, 30 to 40 per cent of the new "affordable" units promised are not social, but again, discounted prices to people who can afford Westminster prices.

One can find absurdities elsewhere. For instance, in many of the new and infamous developments in rural Oxfordshire or Northamptonshire, LPA's extract not only discounted homes, but "self-build" plots.

Leading self-build countries, such as Austria, do not play regulatory arbitrage games, they simply permit self-build.

To make matters worse, much of the UK's so-called "affordable" housing relies on grants from government bodies plus housing benefit, which is the largest of its kind at 1.4% of GDP.

## Bad in theory too

The reasons for the failure of "affordable" housing are not hard to find. They stem from a fundamental misunderstanding of what causes housing inequity. Affordable tenures are not inputs into a housing system.

They are outputs. Scarcity relative to need is the primary input. And the truer that is, the more that "affordable" housing is being paid for not by evil developers, but by every one of us who is either buying or renting housing.

We are the basis of the housing development food chain, where we must recognise developers are not the apex predator. Developers first have to convince investors, banks, and landowners to sell them their resources. Then they need to gain council approval



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through developer contributions to the council. This is all paid for out of what they expect future renters and buyers can pay. It is those users who have the least power.

The greater the overall scarcity, then the weaker that power is. Renters and buyers need housing and must pay accordingly. Development costs, including “affordable” housing, are passed on to them. Investors can invest elsewhere, banks can lend elsewhere, landowners can wait and pocket ever-rising land values.

Developers are in a more difficult position, but they can cut output to maintain their profits more easily than renters can give up renting. And remember that only a minority of the housing sold in any given year is new build.

Developers are neither saints nor heroes. It is unfair to single them out among the rogue’s gallery in a housing crisis. At least they add housing stock and are taxed more than landowners.

“Affordable” housing is like a parody of a charity raffle. Instead of donors chipping in to a charitable cause with a fun gamble, here you have the charities paying into a raffle in the hope one of them gets a payout.

This is no-way to provide a basic necessity like housing in sufficient quantities and quality.

The higher the demands for “affordable” housing, the higher prices have to be in order to squeeze developers for it.

“Affordable” housing is a self-contradicting policy that more successful housing systems do not use.

#### Recommendations

Now, this may sound like a screed against value capture or taxing in general, but it is not. The 1947 Act is now almost 75 years old. Yet there is a huge and growing regulatory arbitrage between existing use value and value with permission.

In a country with the UK’s fiscal needs and inequality, the state must find ways to get a proper slice of any value uplift. Furthermore, to improve the micro-politics of development, councils, and their voters need to see direct financial benefits from it. It is time we recognised “affordable” housing has proven to be an utterly unsuccessful policy tool.

**First, it’s a negotiated, in-kind form of taxation, which modern states generally do not do. We do not ask Nissan for means-tested discount-cars, or BAE for tributary mechanised brigades.**

Modern states collect taxes and use them to pay for services. A big reason for the growing market concentration in the housing development sector is because we have outsourced huge elements of state infrastructure provision to them.

“Affordable” housing requirements get in the way of other development needs such as transport, education, open spaces and local government finances.

These demands are easier to extract from developers because they are product-enhancing and/or can be received in cash.

The infamous “poor doors” of luxury flats are not a sign of LPAs failing to do “affordable” housing hard enough.

They are a case of trying to squeeze juice out of fruit pastels. If you read the horror stories of new exurban estates which lack services, it’s often because the local LPA prioritised “affordable” housing over other matters.

More ruthlessly, the chief beneficiaries of “affordable” housing units, especially non-social housing ones, are usually not locals. In a society where a majority of households are still owner-occupier, the benefits of the “affordable” housing lottery is concentrated in very few recipients’ hands. The Westminster case saw millions of pounds of forgone revenue to a council with an annual £880 million budget. Given the ongoing fiscal crisis of local government, this is an unjustifiable form of spending de-facto tax revenue.

The London Mayor most certainly lacks the power to replace “affordable” housing overnight. However, the recently passed Levelling Up Act contained a watered-down attempt to compress all the current value-capture mechanisms into a single levy, with deductions for developer provision of infrastructure.

It’s based on final sale value. The London Mayor after May should leverage powers to create a London version of this levy, which instead of pretending you can coerce a housing welfare system out of the private sector, should instead hypothecate a share of that revenue towards existing providers of low-income housing.

Reducing the backlog of social housing maintenance alone will be a challenge. But social housing providers with healthier balance sheets will be in a much better position to develop new homes with say estate-regeneration.

**Once you abandon the current “take the most from developers that you can while building as little as possible” approach and move towards a build-and-tax model, then maximising revenue by maximising housing output becomes a lot more logical.**

This is how, since 1980, China has successfully built well serviced, London-sized cities from fishing villages based on a value-capture machine. This will be hard for Labour. Having the on-paper, 30 to 50 per cent “affordable” housing targets has allowed all factions of the Labour party to pretend that they did not lose the argument over making the UK into another Netherlands, or London into another Red Vienna.

Unless you have a spare 2-3% of GDP worth of tax revenue, that door is closed. It also avoids the reality that the 1947 Planning Act was a catastrophic mistake which, rather than making homes fit for heroes, has simply generated higher returns for landowners.

This does not mean abandoning social housing like Eastern Europe. There is the French model, where social housing supplements an expansionist and competitive private market aimed at the desires of the middle classes.

It does after all mean admitting the failure of previous Labour approaches, but also the failure of the Thatcherite one too. **F**





