



Z2K Submission to the consultation on the Draft London Housing Strategy 2013

February 2014

Marc Francis
Policy & Campaigns Director
Zacchaeus 2000 Trust (Z2K)
Registered Charity Number 1110841
34 Grosvenor Gardens London SW1W 0DH
Tel: 020 8962 9475 Email: marcfrancis@z2k.org
www.z2k.org/

Introduction

The Zacchaeus 2000 Trust (Z2K) is a London-wide anti-poverty charity that promotes the improvement of living conditions on the basis of economic and social justice through the provision of evidence-based policy alternatives to government at all levels, and by direct engagement with the lives of the poorest and most vulnerable.

In the latter respect, Z2K provides an advice service offering in-depth and long term support for people struggling on low incomes. This service primarily focuses on those facing debt as a result of over and under-payments of benefits; benefit sanctions; unmanageable debt repayment arrangements; bailiffs; utility bills; Council Tax liabilities; rent arrears; and most other debt-related matters. Z2K also offers support at Tribunals, County Courts and Magistrates, and supports and trains other organisations to do the same.

In 2011, Z2K established the *NextDoor* service to try to help those threatened with homelessness as a result of the Government's decision to cap Local Housing Allowance (LHA) below the median of local market rents. Many of these clients are now affected by the £500 Household Benefit Cap as well. More recently, we have set up *NextDoor Plus* to provide support for people being forced to move to outer London.

Part 1 – Identifying the challenge

The many facets of London's housing crisis are well understood and Part 1 of the strategy provides a fair, if brief, summary of them. Z2K's focus is on the policy solutions in Parts 2-4.

Part 2 - Setting the Ambition

Increasing the Supply of New Homes

It is clear that London's population growth demands an increase in the overall supply of new housing, and Z2K supports measures to deliver that outcome. In particular, we welcome the increased target of 42,000 new homes a year over the course over the next decade – and the desire to sustain this level of house-building for 25 years if possible. As the strategy notes, that will clearly be a very challenging target, but it is right that it is set. However, as a charity established to help the poorest within the Capital's communities, Z2K is principally concerned with the number of new affordable homes being built, particularly social rented homes for those who are homeless or overcrowded.

With that objective in mind, we are not persuaded of the merit of the mix of homes proposed in this draft strategy and adopted in the Affordable Housing Programme 2015-18. Specifically, we feel that the reduction in the target for "affordable" housing from 50 per cent to 35 per cent that was put forward in the Mayor's last Housing Strategy and repeated in this one lacks the ambition needed to help those suffering at the sharp end of the Capital's housing crisis. This translates into a numerical target of 15,000 "affordable" homes a year - a figure which is actually lower than the number built in 2011/12.¹

¹ <http://www.london.gov.uk/priorities/housing-land/increasing-housing-supply/dclg-affordable-housing-map>

Our biggest concern is the devastating reduction in the Homes & Communities Agency (HCA) budget which was cut by two-thirds in the 2010 Comprehensive Spending Review (CSR). The 2007 CSR increased funding for the National Affordable Housing Programme to £8 billion over that three-year period. In 2009, this sum was increased by a further £1 billion. The 2010 CSR made provision for just £4 billion for the HCA nationally over that four-year period. And a similar sum is planned for 2015-18. As a consequence, the total HCA investment in new affordable housing in London had been or is scheduled to be:

2008-11 - £4 billion

2011-15 - £1.1 billion

2015-18 - £1.25 billion

The dramatic reduction in funding from the 2010 CSR is clearly evident. And yet, the Mayor of London has failed to use his position of authority and influence to secure any meaningful increase from the 2015-18 settlement. Instead of publicly making the case for a specific level of additional capital funding to be made available to the Homes & Communities Agency, the Mayor has argued for the devolution of property taxes to London. While superficially attractive to Londoners, there is little or no prospect a UK Government, having regard to the interests of the nation as a whole, would consent to such an approach.

Delivering a better mix of homes

Statistics published by the GLA seem to show an encouraging rise in new affordable housing over the past few years despite the difficult economic background. However, they mask a number of problems, particularly the shift of public subsidy towards Low Cost Home Ownership (LCHO), and the more recent replacement of social rented homes (which are let at 30-50 per cent of market rents) with "Affordable Rent" homes (which are let at up to 80 per cent of market rents). Z2K is disappointed that the Mayor is proposing to retain the target of 40 per cent of new "affordable" homes being "First Steps" LCHO ones for households earning up to £80,000 a year. In our view, this is an inappropriate use of overstretched public funding.

Z2K is equally concerned about continuation of the "Affordable Rent" model in London. While we acknowledge this enables the Government and the Mayor to stretch the HCA funding further, we question just how affordable some of these new homes really are to those in low paid or insecure. For example, some housing associations are now letting properties at rents of around £300 a week. We are also extremely concerned by the requirement that a housing association's existing social rent housing should be re-let at the higher Affordable Rent level in order to access grant funding.

The strategy clearly identifies these high rent levels as being a problem for those on low incomes. However, its solution simply doesn't go far enough to address it. The proposal "*half of this (60 per cent) will be 'capped' at low affordable rents*", is accompanied by an entirely unnecessary condition that investment partners should use fixed-term tenancies, and that this part of the 2015-18 programme will promote smaller homes to enable under-occupying households affected by the Bedroom Tax to downsize more easily. Given that the Bedroom Tax may be abolished before any of these homes are completed, this focus might be seen as somewhat eccentric.

The decision to designate *“the remaining half as ‘discounted’ rents, set at the lower of up to 80 per cent of market rents or the Local Housing Allowance (LHA)”* is even more bizarre. The LHA was previously set at the median of market rents, but in April 2011 it was moved to the 30th percentile. More importantly, it was supposed to be up-rated annually by CPI, but in many parts of London, it will rise only by 1 per cent next year) and so this policy seems to add greatly to the complexity around rent levels housing associations are able to charge. In Z2K’s view, the Mayor would be much better off returning to the “target rent” model used so successfully in the National Affordable Housing Programme 2008-11.

Improving Design – The Mayor’s Housing Standards

Z2K has become increasingly concerned about the size of many of the new flats offered to the homeless and overcrowded families we work with. As a result, we welcome the Mayor’s emphasis on adequate room sizes and storage space within new developments and support the London Housing Design Guide standards set out in the London Plan Housing Supplementary Planning Guidance. We also support the requirement that new homes should be built to “Lifetime Homes” standards, with at least 10 per cent wheelchair accessible.

Improving existing homes and estates

Z2K welcomes the Mayor’s focus on tackling long-term empty homes and retrofitting and other action to improve energy efficiency. However, we are less impressed by the action to address the backlog of council homes which fail to meet the Decent Homes Standard. The £821 million the strategy claims to have been secured by the Mayor in the 2011-15 spending round was actually considerably less than that promised to the individual boroughs before 2010 if their Arms-Length Management Organisations achieved and sustained a Two-Star rating from the Audit Commission.

Of course, this reduction was driven by the incoming Government’s reduction in Decent Homes funding, but it left many authorities struggling to make up a significant shortfall in capital funding from other sources, which may lead to lesser quality products and materials being utilised in those works. Other councils have decided against upgrading particular estates and have focussed instead on demolition and private-sector led redevelopment with reduced numbers of genuinely affordable homes. The additional £145 million for 9,500 further homes to be brought up to standard is not enough to meet this shortfall.

Part 3 – Fulfilling the Covenant

Z2K appreciates that London’s housing crisis has now reached such proportions that it is affecting people far up the income scale as well as those on low incomes or who are out of work. As such, we support measures to help people on modest salaries access home ownership and secure affordable rented accommodation. However, the statement in the Mayor’s Housing Covenant seems to imply that those who are not in work are not also entitled to a reasonable housing offer. If the Mayor believes that to be the case, this strategy should say so. Z2K opposes any attempt to downgrade the relative priority accorded to homeless and overcrowded applicants in the allocation of social housing.

Recognising the importance of the private rented sector

Accompanying the rapid growth of the Private Rented Sector (PRS) over the past twenty years has been a change in the profile of private renters. The PRS is increasingly the only option for low income or vulnerable households who would have traditionally been housed in the social rented sector but for whom there is no longer sufficient stock to provide accommodation. This is demonstrated by the fact that the private rented sector now has largest share of people in poverty of all tenures in London at 39 per cent.²

As such it is essential that this strategy addresses the manifold problems that exist in the sector and ensures it is 'fit for purpose', particularly for those low income households that now call it home. Unfortunately, the draft housing strategy resolutely fails in this regard.

Quality of the PRS in London

While the PRS in London includes high quality expensive accommodation, it also has some of the most unsafe and unhealthy conditions. Rates of non-decent housing are highest in London's PRS, where around one third of homes still fall below the standard.³ The Housing, Health & Safety Ratings System (HHSRS) was introduced as part of the Housing Act 2004 to improve physical conditions in residential accommodation. However, the rapid expansion of the PRS over the past decade and recent cuts to local authority funding have left most councils struggling to keep up with assessments.

In 2011 some 332,000 market homes had Category 1 hazards under the HHSRS. There are many more Category 2 hazards in the higher bands which still pose significant risks to health and safety. PRS homes are more likely to have damp and mould problems even though relatively few would be assessed as a Category 1 hazard. These figures demonstrate that the substandard practices that exist are not simply the result of a "tiny criminal minority" of Landlords (as asserted in the *Mayor's Housing Covenant*) but systemic across the sector. Urgent action is thus required to drive up its physical and management standards.

Z2K therefore welcomes the decision of Newham to introduce a mandatory Borough-wide licensing scheme for the PRS and increase the number of Environmental Health Officers available to undertake HHSRS assessments and enforcement activity. Although we recognise that such schemes might not be appropriate in every area we believe the Mayor should encourage local authorities to implement similar schemes where appropriate.

London boroughs estimate that there are nearly 150,000 Houses in Multiple Occupation (HMOs) in London, more than a third of the national total. However only around a fifth of HMOs are covered by the mandatory licensing regime introduced under the Housing Act 2004. The composite nature of the threshold – three or more storeys and five or more occupants - meant that many of those HMOs posing a serious risk to their occupants were not automatically included, and few local authorities have chosen to apply to extend their schemes to smaller HMOs. Z2K believes that the Mayor should lobby Minister to look again at this high threshold for mandatory HMO licensing.

² London's Poverty Profile 2013

³ 'Housing in London' the Evidence Base for the London Housing Strategy, December 2012

Regulating Landlords

The PRS in London is typified by inexperienced amateur landlords and who own a small number of properties. Nationally only 8 per cent considered themselves to be full-time landlords and only one-third of had heard of the HHSRS.⁴ There are fewer regulations for letting a property to humans than to run boarding kennels.

We therefore welcome the Mayor's ambitious target of accrediting 100,000 Landlords under the London Rental Standard. However the Mayor must ensure that accreditation schemes under the London Rental Standard involve compulsory training. This reflects the recommendations of the Law Commission.⁵

Although we think accreditation is a step forward we question the extent to which this will address the problem outlined thus far. While accreditation remains voluntary, and without any clear financial incentive, it is likely only the best landlords (who probably already meet the standard) will come forward for accreditation.

At the bottom end of the market, where unscrupulous practices are rife, the imbalance between the demand and supply of affordable PRS accommodation mean prospective tenants lack the power to choose between accredited and non-accredited landlords. This is a particular problem for the increasing numbers of low income and vulnerable households seeking accommodation in the PRS, who are less likely to be aware of their rights as tenants or fearful of enforcing them lest they lose the accommodation.

Z2K believes the Mayor should work with local authorities to make accreditation a pre-requisite for use of the PRS to meet the homelessness duty. We also believe that all landlords should be required to meet the "fit and proper" test introduced by the Housing Act 2004 and used in the Homelessness (Suitability of Accommodation) regulations. The current situation requiring landlords housing families to whom a legal duty has been formally accepted to meet this test, while landlords who house families whose homelessness has been "prevented" do not, makes no sense.

Rent Levels in the Private Rented Sector

Rent levels reflect the housing market and overvalued housing stock. As a result of the imbalance in supply and demand, the cost of private renting has increased consistently since 2009. The cost of renting even the cheapest quarter of accommodation in London is twice that of the cheapest quarter in the rest of England.⁶

For the past 25 years, governments of all political complexions have set their face against rent controls. It is clear, however, that in a situation where the supply of housing has not kept pace with demand for a generation or more, excessive and unaffordable rent increases can only be prevented by government intervention. The draft Housing Strategy states, "*Where it has been tried, rent control has limited the supply of rented homes by reducing the incentives for landlords to let*". However no evidence is provided to back up this assertion.

⁴ *Private Landlords Survey 2010*, Department for Communities & Local Government (2011)

⁵ Cm 7456 *Encouraging Responsible Renting*

⁶ <http://www.londonpovertyprofile.org.uk/key-facts/>

Z2K believes that rent increases should be limited to the average increases in annual earnings, except in those cases where significant improvements have been made to the physical condition of the property. As such, we support the London Assembly Housing Committee's recent recommendation that, "... the Mayor must bring forward a mechanism through which private sector rents can be stabilised. To this end, the committee believes the Mayor should take forward proposals to Government seeking legislation to allow for the introduction of a rent stabilisation pilot."⁷

Impact of Welfare Reform

Responding to concerns about the caps on Housing Benefit when they were first announced, Mayor Boris Johnson promised that, "On my watch, you are not going to see thousands of families evicted from the place where they have been living and have put down roots."⁸ Z2K finds it strange, therefore, that the Mayor's Housing Strategy does not mention the impact of Welfare Reform on London's PRS.

Since they began in 2011, the Local Housing Allowance reforms, including moving the basis for setting rates down to the 30th percentile, the property size rate caps, extending of Shared Accommodation Rate (SAR) to 25 – 34 year olds, and the move to uprating by CPI and then 1 per cent, have severely limited the ability of LHA claimants to access affordable accommodation, particularly in inner London.

Because LHA rates were frozen in March 2012 and uprated only by CPI in 2013/14 they are already below the 30th percentile, and falling with each month, making an ever decreasing pool of properties affordable for claimants. This was demonstrated by Hackney CAB, who conducted a mystery shopping exercise of 1,585 PRS properties available on 15 June 2012.⁹ It found that only 142 (9 per cent) of these properties fell within the new LHA rates.

This is even worse for the SAR. A report by Homeless Link found 5.5 per cent of properties in their London-wide sample were affordable (even accounting for living rooms being adapted to bedrooms, only 0.9 per cent of properties were affordable if living rooms were not adapted).¹⁰ A higher percentage of properties in outer London were more affordable, but at 9.8 per cent this was still far short of the 30 per cent that are supposed to be.

This situation is made worse by the fact that landlords are increasingly unwilling to let to their properties to LHA tenants. A recent survey by SpareRoom.com of more than 1,500 landlords found that just 18 per cent currently had tenants on housing benefit in one or more of their properties, down from a third when a similar survey was done two years ago. 57 per cent of landlords also said they refused to accept anyone on benefits now, specifically stating "no DSS" in their adverts.¹¹

⁷ *Rent Reform: Making London's private rented sector fit for purpose*, London Assembly – Housing & Regeneration Committee (June 2013)

⁸ <http://www.bbc.co.uk/news/mobile/uk-politics-11640219>

⁹ [No DSS: Locked out of the private rented sector in Hackney](#)

¹⁰ [Nowhere to Move: Is Renting on the SAR in London Affordable](#)

¹¹ <http://www.theguardian.com/money/2014/jan/21/landlords-turn-away-housing-benefit-claimants>

In our experience, many of the landlords that continue to rent to low income households do so because they can still receive more from LHA than they would on the open market, largely because the property is of such a poor standard that someone not reliant on LHA would look elsewhere.

This raises serious concerns over the ability of housing benefit to ensure that there is sufficient affordable PRS accommodation in London. If rents continue to rise at higher than inflation rates while LHA fails to keep up, less and less of London will be affordable to those on low incomes. Instead, they will be forced into the cheapest properties within the cheapest wards of the cheapest boroughs.

In our experience supporting households affected by the reforms, many are voluntarily overcrowding themselves in order to find accommodation affordable on LHA rates. The overcrowding figures in the draft strategy show an increasing proportion of overcrowded households in the PRS over the past three years, yet the strategy makes no proposals to address this situation.

In order to address this affordability crisis and the growing problem of PRS overcrowding we believe the Mayor should lobby government to reverse the LHA reforms.

Tenancy Agreements and length and security of tenure

Z2K believes that the lack of any meaningful security of tenure within Assured Shorthold Tenancies (ASTs) lies at the root of many of the problems within the PRS. It is too easy for landlords to gain possession with no cause at two months' notice or impose unaffordable rent increases. More vulnerable tenants, including low income families with children, struggle to compete in such a market and often end up losing out to young professionals and students. This makes it very difficult to make the dwelling a home.

The ease with which a landlord can evict tenants under a Section 21 notice is also a major driver of homelessness. This is particularly the case with the impact of welfare reform making landlords increasingly unwilling to keep existing LHA tenants. National DCLG homelessness statistics show that the ending of an AST has been the most frequently occurring reason for the loss of a settled home for the last six consecutive quarters with the number increasing each quarter.

We therefore welcome the acknowledgement in the strategy that one of the main problems with the PRS is the lack of security for occupiers and the call for landlords to offer longer tenancies. However, we believe that without reform of the AST any impact will be limited.

The recent Homelessness (Suitability of Accommodation) regulations require local authorities to ensure that a minimum 12 month AST is in place before discharging their duty with the offer of a private rented home. This indicates that CLG is aware of the problems experienced by vulnerable families at the bottom end of the market and is willing to take steps to try to protect them. However, this insecurity affects a much wider number of families than those accepted as legally homeless and in priority need.

The dangers inherent in complaining about disrepair and maintenance issues are widely understood. Not only is this likely to receive little attention from the local authority, it is also likely to see an unscrupulous landlord claiming possession of the property - the so-called “retaliatory eviction”. This means that tenants are often putting up with unhealthy and poor conditions. If tenants had increased security of tenure, they could enforce their rights without the fear of being evicted. As the worst offending landlords realised that they could no longer shirk their responsibilities, they may even become more proactive about maintenance and emergency repairs, thus reducing the need for enforcement at all.

It is our view that where the local authority takes action under Part 1 of the Housing Act 2004 because of the existence of a Category 1 hazard, then it should be the case that no order for possession should be granted (which would contribute to reducing retaliatory eviction) and no rent should be payable until that hazard is remedied. As a comparison, in France an unfurnished property contract has a minimum duration of three years (if the proprietor is an individual), or six years (if the proprietor is a company or society). The general rule that the tenant cannot withhold the rent does not apply in the exceptional circumstances where the *mairie*, in collaboration with the *préfecture*, determine that the dwelling is “insalubrious” and a danger to the health of its occupants.

Z2K therefore believes that it is necessary to reform the current AST and increasing security of tenure beyond the present 6 month minimum, towards one where most private tenants who pay their rent on time and play by the rules are rewarded with long term sustainable tenancies. Ideally, this would be between 3 to 5 years, with rents increased annually in-line with average earnings. If the Mayor is not minded to press for this legislation, we hope he will at least lobby HM Treasury for meaningful financial incentives for those landlords who voluntarily increase the length of tenancy they offer.

Alleviating Overcrowding

Overcrowding has increased dramatically in London over the last decade or so. 224,000 households live in overcrowded accommodation in the Capital, an increase of 65,000 in the past decade. There are 106,000 overcrowded households in social housing in London, 12,000 of whom are severely overcrowded. The English Housing Survey figures shows that this means 391,000 children in London are overcrowded – up 18 per cent since 2008. In total, almost a quarter of London’s children are now growing up in overcrowded homes.

As the strategy itself acknowledges, growing up in overcrowded conditions can have a serious impact on a child’s health, well-being and educational prospects. It can make it difficult to find a quiet space to study at home and disrupted sleep caused by siblings coming to bed later can make it harder to concentrate the next day. Infectious diseases spread more readily in overcrowded conditions and lead to more missed days at school. Overcrowding is especially difficult for teenage girls sharing bedrooms with their brothers.

All this was acknowledged in the Mayor’s action plan to tackle overcrowding, which was published four years ago.¹² While the strategy noted the increases in the supply of new social housing following the 2007 Spending Review and committed the Mayor to his predecessor’s target for 42 per cent of new social housing to be of three or more bedrooms,

¹² Overcrowding in Social Housing : A London Action Plan (GLA, 2010)

it focussed on tackling under-occupation as the key means of reducing overcrowding. Its central target was that there should be,

“No more than 5,500 severely overcrowded households in social housing in London by 31 December 2016.”

Despite this promise, the number of severely overcrowded households actually appears to have risen in the four years since the target was set. In the draft version of his Revised London Housing Strategy published in August 2011, the Mayor’s proposes that the “level of severe overcrowding in social housing is halved to 7,000. In the final version of the Revised London Housing Strategy published in March 2012, no figure is mentioned. This absence is repeated in this latest draft strategy.

In any case, this target has been criticised as lacking ambition by some of those working with and representing overcrowded families. There is no official estimate of the numbers of children who would benefit, but a target of 5,500 households probably represents fewer than 10 per cent of the 391,000 overcrowded children in London. Worse still, it does not promise that they will no longer be overcrowded, only that they will no longer be severely overcrowded. This simply isn’t good enough.

We recognise that responsibility for addressing this challenge doesn’t rest with the Mayor alone – central Government, local authorities, housing associations and families themselves all have a role to play. However, the Mayor of London must take a lead to tackle this problem. The fact that just three paragraphs are devoted to what will be done to alleviate overcrowding in a strategy that is sixty pages long is indicative of the lack of political focus on this problem in City Hall. Z2K believes a more ambitious strategy is needed, including a target to halve the number of overcrowded children by 2020.

Tackling rough sleeping

While Z2K does not offer direct services to those sleeping rough, a number of our client in the Private Rented Sector Access scheme have been in this position, and so we have some experience of the effectiveness of the Mayor’s policies in this area. While we welcome the “No second night out initiative”, we are extremely disappointed to note that, despite the Mayor’s promise to end rough sleeping by the end of 2012, the number of people found on the Capital’s streets was actually 43 per cent higher in 2011/12 than in 2010/11. It rose by another 13 per cent in 2012/13 to 6,437.¹³ We are not persuaded that the actions summarised in section 3.10 will be sufficient for rough sleeping to be eradicated.

Addressing statutory homelessness

Many of the families Z2K advises are homeless and so we are acutely conscious of the problems they face as a result of central Government policies and local government practices. As the strategy acknowledges, and contrary to what some ministers seem to imagine, homelessness is on the rise in London. In fact, the numbers have increased again since the strategy’s publication and the number of homelessness “acceptances” by London

¹³ http://www.broadwaylondon.org/CHAIN/Reports/S2h2013/Street-to-Home-bulletin-2012_13.pdf

Boroughs increased to 15,220 in 2012 and the number of statutory homeless households in temporary accommodation has risen to 42,260 in 2013.¹⁴ However, Z2K is especially concerned by the growing use of Bed & Breakfast accommodation for long periods.

As a result of the previous Government emphasis on homelessness prevention and the increased investment in new social housing that became available after the 2007 Spending Review, the numbers of homeless households in temporary accommodation (TA) fell consistently in the years between 2005 and 2010. Even more impressively, the more generous Housing Benefit subsidy arrangements for TA long-term use of Bed and Breakfast accommodation for homeless families with children had been all but eradicated.

As the figures above demonstrate, all the indicators show a reverse in that positive downward trend and a significant and sustained increase in homelessness since May 2010. The long-lasting economic downturn has obviously had an impact, but in Z2K's experience, this increased incidence of homelessness is being driven by the desperate shortage of genuinely affordable social housing and the Government's cuts to Housing Benefit.

While the quality of temporary accommodation is often poor and often located outside a homeless family's home borough, at least it has the advantage of being self-contained. We are much more concerned about the rapidly growing number of homeless families being placed in B&B beyond the six week limit. Many local authorities are clearly struggling to find landlords willing to lease their properties as temporary accommodation, but nevertheless, it is deeply shocking that they are willing to breach the law so flagrantly.

This regulation was specifically introduced in recognition that a B&B is a totally unsuitable place for vulnerable homeless children. Z2K is disappointed that the Government's only response so far has been to set aside £1.9 million "Gold Standard" funding for seven of those local authorities who are in breach of the law - Barking and Dagenham, Birmingham, Crawley, Croydon, Hounslow, Redbridge and Westminster. A number of other authorities with high numbers received nothing at all from this pot.

As a result of the Government's inertia, families are increasingly resorting to legal challenges and in one case, the Independent Housing Ombudsman found against Westminster City Council and ordered it to compensate the forty families who had made a joint complaint £500 for each of the weeks they had been left in B&B beyond the six week limit. After a period when it failed to report its numbers in B&Bs, Westminster is now reporting "Nil" as the families have been moved to B&B "annexes". However, ministers have recently confirmed that B&B annexes fall within the legal definition and so this practice is unlawful.

For a strategy of this importance to mention the growing reliance on B&B just once, state that "*it remains low in historical terms*" and offer up no solutions is troubling. It may be lower than in the 1980s or a decade ago, but it wasn't illegal in those days. While we appreciate that the Mayor doesn't have any direct authority over the Boroughs' use of B&B, he is in a position to influence both those councils using it excessively and ministers whose policies are making it increasingly difficult to secure TA from private landlords. We hope the final version of this strategy will include a promise the Mayor will be pro-active in this area.

¹⁴ <https://www.gov.uk/government/publications/statutory-homelessness-in-england-july-to-september-2013>

Part 4 – Delivering the Vision

As noted in our response to Part 2 of the strategy, Z2K is extremely disappointed in the level of funding for new affordable housing the Mayor has secured in the past two spending reviews. The strategy is right to identify that there needs to be a long-term financial settlement for housing in the Capital, but the Mayor's focus on lobbying for the devolution of property taxes is very unlikely to prove successful. In fact, it merely acts as a distraction from the real effort to secure a meaningful increase in funding for affordable housing London back towards the levels established by the 2008-11 settlement.

The strategy is more helpful in joining the call for the "debt caps" on the boroughs' Housing Revenue Accounts to be lifted. Since the decision in 2009 to allow councils to apply for Social Housing Grant, many have demonstrated their capacity to deliver high quality homes at genuinely affordable rents and yet these caps leave most of those authorities that retain council housing with only enough "headroom" to either investment in the maintenance of their existing stock or finance the construction of new homes. Lifting the cap would enable them to do both, and so we strongly support this policy and welcome the Mayor's endorsement of it. We urge him to take the case directly to his colleagues in Government.

Conclusion

While we recognise that the Mayor is to some degree constrained by the policies and funding decisions of central Government, this strategy lacks the vision and ambition needed to address London's chronic housing crisis, and we hope the Mayor will take the opportunity afforded by this consultation process to strengthen it in the areas identified above.