

Housing Association Residents Action (HARA)

Response to Mayor's London Housing Strategy 2017

1. Introduction

HARA is a housing association residents' organisation that supports tenants' and leaseholders' rights. We support state regulation of housing associations and the repeal of the 2016 Housing Act that has deregulated and corporatised housing associations. The Act allows them, without public scrutiny, to sell off socially rented homes and change their constitutions in order to downgrade their social purpose. As London-based tenants and leaseholders who over the last year have been on the sharp end of huge rent and service charge increases¹, and bullying from landlords over whom we have no democratic control, we qualify as experts on those aspects of the London Housing Strategy concerning the role of housing associations and social housing tenants.

The context of the London Housing Strategy is a dearth of affordable housing for Londoners that is high quality and secure. We share the Mayor's concern that successive governments have failed to address London's housing affordability crisis. Barely any council homes are being built. Instead authorities are looking to private developers, including private housing associations, to provide a solution.

HARA recognises that the Mayor is working in a difficult policy environment shaped by a Conservative Government ideologically opposed to council housing and wedded to an austerity programme, the privatisation of public assets and the primacy of the market. However, any effective strategy to deal with this crisis requires a radical move from a status quo that has fuelled it, which incorporates the voices of those whose daily lives are affected by it.

2. HARA's response - alternative ideas

Our response focuses on the parts of the strategy concerning the role and practice of housing associations, now classified as private bodies, and the rights of housing association tenants and leaseholders. We shall comment on and critique relevant proposals in the Mayor's document and provide alternative ideas that reflect the longterm needs of current tenants and leaseholders and all the other Londoners who require social rent homes.

¹ Over the past year Genesis Housing Association has imposed rent increases of commonly over 50% on thousands of secure tenants, most of whom are pensioners. One Housing attempted to impose 40% rent increases on key workers, including teachers, but put their plans on hold after being threatened with a rent strike. This year Genesis Housing Association has increased cyclical maintenance costs for 30 leasehold flats they own and manage by 800%.

2.A. Building homes for Londoners (Policy 3) - increasing and supply for housing and incentives to build on it.

Policy 3.1

'Identifying and bringing forward more land for housing...work with public sector landowners [to sell] land...higher density schemes and development on brownfield sites...ambitious housing targets will be set for every council in London'

Land determines the value of property. Selling off public land – a finite resource – to private developers, including commercial housing associations, will not – cannot – solve London's housing crisis. It maintains a profit-driven market policy that has produced a glut of high price property for investment, and a dearth of homes for ordinary people. The government recognises that the sale of public land, at an accelerated rate, to the private sector does not automatically lead to increased home building and that it could be up to 20 years before all homes are drip-fed onto the market in a way that maximises private developers' asset values (National Audit Office, DCLG, Disposal of Public land for new homes, 24th June 2015). Once that public asset is sold it will be costly to ever claw it back. The New Economics Foundation has said: "As more [public] land is sold, there is less opportunity to reverse the mistakes that have been made, and for the government – [i.e. a Labour government] – to genuinely get back into the business of building houses.

Evidence from the USA (<https://www.buildzoom.com/blog/cities-expansion-slowng>) found that 'densifying', aka building more urban homes (which in London often means buy to let and/or invest) does not drive the cost of housing down. And of course there exists unused private land. Wimpey, Barratt and the Berkeley Group, three of the four biggest property developers in the country and four of the GLA's 13 property development partners, are hoarding land to increase its value, including land where planning permission for housing has been obtained (quoted in London Housing Strategy). Of unused properties, in London there are 21,000 homes known to have sat empty for over six months (DCLG and Land Registry figures); of housing association homes, in Kensington and Chelsea 177 are empty, in Lambeth 372, and in Tower Hamlets 313 (<https://www.theguardian.com/society/2017/sep/20/kensington-housing-association-flats-empty-grenfell-survivors>).

We will only be able to afford to build homes for social rent, in a city where land has such high and growing value, if we retain public land. Let's promote a housing strategy that brings hoarded private land and property, including housing association properties, into use and stop stripping public assets for private gain.

Our Recommendations:

- Mayor to impose a moratorium on sales of public land owned by GLA bodies to the private sector (including deregulated housing associations), including sales to plug deficits in authorities' revenue accounts.
- Mayor's Housing Strategy to support non-GLA public bodies to maintain all public land freeholds. GLA to encourage councils to retain control through wholly-owned companies rather than joint ventures with developers.
- Mayor to actively support all campaigns for public housing to be built on public land, such as the campaign for council homes on the vacant Holloway prison site.
- All housing developments on public land should be required to deliver 100% housing accessible to households on low and middle incomes (around £39,000 and below), in line with GLA needs assessments.
- Mayor to support the launch of a public scrutiny of land sales in London
- Mayor to support a tax on land-banking.
- Mayor to support a land value tax, to replace council tax/business rates, in order to capture rises in value for public investment in local communities.
- Mayor to support a tax on housing association properties (as well as other private properties) kept empty for more than six months.

Policies 3.2 and 3.3

'Public investment...to speed up [house building]...through [the Mayor's] Affordable Homes Programme...supporting access to finance for home builders...The Mayor will support housing associations to deliver the affordable housing targets through investment and new 'strategic partnerships'...with ambitious housing associations, including more flexible investment and supporting the goal of securing a long term rent settlement to underpin more investment'

Using public money to subsidise private housing developers, including deregulated commercial housing associations, gifts public money to a private sector that is incapable of providing mass housing at stable, social rent levels. This approach has failed thus far, but the Mayor's London Housing Strategy continues to pursue this strategy as the solution.

The Mayor is particularly keen to provide '*freedom*' and '*flexible*' terms to large and '*ambitious*' housing associations, including more flexible terms around public funding and public land acquisition than the mainstream provides (para 3.92). The preferential terms he proposes would focus on the G15 organisation of the largest 12 housing associations in and around London, which collectively manage around 410,000 homes. We argue that

these large corporatised housing associations are the bodies that have moved furthest towards property speculation from their ethical roots of providing good quality social housing (See Boxes 1, 2, 3, 4 & 6 for examples of bad practice from G15 associations). As such they are unsuitable recipients for public land, grants or preferential treatment.

Box 1

Substandard housing association developments - Clarion Housing Group

There are numerous examples of poor housing association developments but probably one of the worst is Orchard Village in Havering, the responsibility of Clarion, built with £31m of public money. This was a so-called 'flagship' estate in the London borough of Havering whose residents describe it as a 'living hell'. They have had to endure mould and damp, broken heating systems, inadequate fire-proofing and missing insulation for the past three years. They have also been put at risk from high levels of toxic gas including methane and hydrogen sulphide. In March after Clarion agreed to buy back some of the affected properties, the association's chairman resigned. Clarion, which owns and runs more than 125,000 homes and intends to build tens of thousands more over the next decade, is the largest housing association in the country. It reported a surplus this year of £271 million.

The GLA should focus support on housing associations that have maintained their founding ethos as 'social' landlords and withdraw support from those that increasingly resemble private developers in their culture and practice (See Box 5 - Phoenix Community Housing).

We think that the GLA should be more stringent in the conditions laid down in its strategic partnerships with housing association developers, whether these involve schemes funded by GLA grant or not. Housing associations are able to breach the Mayor's income eligibility ceilings in schemes not funded by the GLA. Many of the G15 group of large associations are taking full advantage of this. They are building shared ownership units in Central London that have included 2-bed flats with a full market price of over £800,000 and service charges of more than £500pcm, leading to total monthly housing costs of around £3,000 including mortgage payments on a 25% initial share plus rent. This is not housing affordable to most Londoners. It is subsidised home ownership for the wealthiest 20% of the population, and a lucrative income source for housing associations looking to build their balance sheets.

The Mayor opposes the recent 1% rent reduction for assured housing association tenants, aligning himself with housing association landlords' policy of securing above-inflation rent settlements that '*underpin more [private] investment*' (para 3.91). As such, he supports the notion that

increased rent levels from the poorest in society should pay for successive failures in government housing policy over the past 40 years to deliver affordable housing. I.e. those who have gained no benefit from the asset bubble in housing, should pay to perpetuate that very market system that has failed to deliver affordable homes thus far.

Our Recommendations:

- The GLA should focus its support on those housing associations that have maintained their founding ethos as 'social' landlords. It should withdraw support from those that increasingly resemble private developers in their culture, values and practice.
- GLA to cease building partnerships with commercial housing associations that: lobby for or impose above-inflation rent rises; have no tenant/leaseholder representatives on their boards; prioritise the building of out-of-reach housing; sell off social rent units or convert them to unaffordable rents; and/or undergo or intend mega mergers with other housing associations to further their building-for-profit goals.
- In all Strategic Partnership Agreements with larger housing associations, whether for grant-funded schemes or not, the Mayor's Housing Strategy should explicitly ban breaches of income eligibility ceilings and conversions of social rent to much higher 65%-80% of market rent. It should make the existence of democratically elected tenant/leaseholder representatives on housing association boards a non-negotiable condition of all such agreements.
- The GLA should encourage all boroughs to impose the above three conditions in their housing strategies and local covenants with housing associations, as a condition of receiving preferred development partner status. Preferred partners should adhere to specified accessible rent levels in all of their stock, not just developments funded by GLA grant or on council land.
- Social housing targets must be non-negotiable throughout the planning process. GLA should expand its legal department in order to effectively challenge the scam of specious financial viability assessments that private developers, including housing associations, use to renege on their commitment to providing social housing.
- GLA to support public landowners, on the proviso that they retain land freehold, to work in partnership with small, local, democratically accountable housing associations in order that they can provide housing at social rent levels, with public investment, including Affordable Homes Programme grants.
- GLA to withdraw support for above-inflation housing association rent settlements.
- GLA to lobby government for a legally-binding cap on all social housing rents (secure tenancies, assured tenancies and shorthold tenancies) and already

unaffordable 'affordable' rents, at no more than CPI or the rise in average earnings, whichever is lower.

Box 2

Tenants' association wins battle against One Housing Group 40% rent hikes

Earlier this year, One Housing Group Tenants' Association in West Ham successfully fought an attempt by their housing association landlords to impose a 40% rent rise on key workers. One Housing Group (OHG) announced the exorbitant rent rises on 1 April, despite its 2016 annual surplus of £33m. The tenants fought back, informing the housing association that they were in a formal dispute with them over the increase. They appointed a solicitor, changed their direct debits to standing orders and stopped paying the extra 40%. They pointed out that the proposed rent rises were imposed without proper consultation, would cause serious financial hardship and possibly push tenants out of the borough where they work as teachers, social workers and in the NHS. The tenants' association campaign garnered support from London-wide tenants' groups, Newham Labour Councillors and the NUT union general secretary. A month later OHG climbed down, stating their intention to 'put on hold' rent rises 'pending further discussions with residents'. Truus Jansen, the chair of the tenants' association felt their success was a 'testament to tenants sticking together and refusing to be pushed around'.

OHG has had a checkered history since it formed from a merger of two local housing associations without giving tenants a say. They abolished the tenants' forum and refuse to recognise the residents' association. They also refuse to allow tenants to hold estate meetings in the residents' halls. The Social Regulator has pulled OHG up in recent years for poor governance and oversight, and its risky finances. In 2015 Tower Hamlets council dumped it as its preferred provider of housing. It reportedly ran down the four estates it managed for the council on the Isle of Dogs, east London. As Councillor Candida Ronald, a tenant and chair of a local residents' association said, 'Residents never voted for One Housing to be their landlord and if they were given the opportunity I believe they would sack them.' Their CEO received a salary of just under £230k in 2016.

2.B. Delivering Genuinely Affordable Homes (Policy 4)

Policy 4.1

'Ensuring homes are genuinely affordable...clearer definitions of what homes are affordable to Londoners on low and middle incomes...social rent levels...London Living Rent...shared ownership...clear tests to ensure they are genuinely affordable.'

We support the Mayor's determination to make housing affordable to Londoners on low and middle incomes and note his recognition that two-thirds of this housing needs to be for social rent (GLA needs assessment

2013). The concept of affordable housing has become debased since it was introduced by the coalition government. Within that context, the Mayor aims to introduce a clearer definition of affordability (London Affordable Housing). Most unfortunately, he muddies its boundaries in his practice guidelines. His definition includes London Affordable Rent homes above a 2017/18 benchmark of £153 per week for a two-bed property, as long as the provider demonstrates that the homes are '*genuinely affordable*', a notoriously elastic term that he does not define further. Property eligible for public subsidy includes: shared ownership on properties for households earning up to £90,000 a year; and rent-to-buy housing (London Living Rent) which can be rented out at one-third of local gross mean incomes (equating to an annual rent of around £10,000 to £15,000 per annum for a two-bedroom property). The latter offers no security of tenure beyond a recommendation that landlords should allow tenants at least three years grace before they can '*require them to move*'.

We think that generic terms such as 'affordable' or 'genuinely affordable' are ambiguous, misleading and open to malign interpretation, so should not be used. The National Planning Policy Guidance is very clear that local planning policies must be arrived at through an independent assessment of local need. All housing that receives public subsidy via the London Affordable Homes Programme should be accessible to households on low and middle incomes (London median household income is around £39,000). At least two-thirds should be at social rent, in line with the GLA needs assessment. We realise that national government regulations and the arrangement that the Mayor has negotiated with the government includes a shared ownership ceiling of £90,000 household income. Properties around this ceiling clearly fall outside any meaningful definition of affordable.

All tenancies created via the London Affordable Homes Programme should be secure with no fixed term.

Our Recommendations:

- At least two-thirds of London Affordable Housing to be for social rent (in line with the 2013 GLA needs assessment).
- London Affordable Rent to be benchmarked to match existing social rent levels, with no exceptions.
- Definition of London Affordable Housing to be tightened to include only property accessible to low and middle income households.
- GLA (Housing and Planning Committees) to report regularly on housing associations' delivery of social housing, London Living Rent, shared ownership and other 'intermediate' housing. The London Housing Strategy and London Plan should require detailed monitoring of proportions, tenures

and costs, including full information on rent levels and shared ownership costs for new homes that are not grant-funded.

- All London Affordable Housing available for rent should have security of tenure.
- There should be no evictions for London Living Renters unable to buy after 5 years (only one in ten have bought, so far). They should have the right to continue to rent the same home indefinitely.

Policy 4.2

‘Working towards half of new homes being affordable...fast tracking developments that meet a minimum threshold...90,000 affordable home starts by 2021...publicly-owned land to support the delivery of more genuinely affordable homes...cross-subsidy from private homes they build alongside affordable homes’

The Mayor’s target is 90,000 ‘affordable homes’ on site by 2021 (50% of the total number of new homes), of which merely 17,500, another target, will be socially rented. Setting aside that the majority of these homes will be shared ownership homes out of reach for low or middle income families, the Mayor’s target of 90,000 ‘affordable homes’ is just that - a target not a promise.

What makes his vision unattainable is that it’s to be achieved by an overheated market. Less than 5% of the Mayor’s £3.15bn London Affordable Housing deal will remain in the public sector as council housing; most of this public money will go to private housing associations or remain unspent. As George Turner of OurCity.London states, low cost housing is essentially a profit cap for the developer. Higher profit margins deliver a lower proportion of social housing. We have been promised many targets for low cost house building by successive governments - none have materialised as a market geared to profit² cannot deliver low cost housing in asset-bubble London.

Cross-subsidy of social homes by building at market rates is an ideal that does not happen in practice. On the contrary, the large commercial housing associations are capturing the value to be made from converting their legacy of social homes and social rents to unaffordable ones. Complex and deliberately opaque overlap between their commercial arms and their social arms has led to a flow of wealth from the latter to the former. Risky financial behaviour has saddled the merged organisations with debt. Tenants of once-solvent organisations, which had a social purpose, are paying the price in increased rents, service charges and insecurity, and fear for their future.

² Developers such as Lendlease, expect 25% profit margins, as do the G15 housing associations when working with them on joint projects.

Fast tracking the planning process and facilitating access to public land and grant funding to private housing associations and other private developers merely speeds up the loss of the precious resources required to build the low cost social homes that Londoners urgently need. These will not be available in sufficient numbers until councils can borrow to invest in building housing and those homes stay as public assets. We endorse the Mayor's vigorous lobbying for central government to raise councils' Housing Revenue Account borrowing cap. Council housing not only pays for itself but makes a surplus over time. This provides an opportunity, as long as rent revenues are ring-fenced, to maintain existing stock in good condition and keep council rents low.

The Mayor's proposal to support housing associations to attain above-inflation rent increases for social housing tenants (para 4.43) is a clear attack on tenants' financial wellbeing, which is compounded over time. As such, it is in direct opposition to any goal to make housing affordable over the long term.

Our Recommendations:

- All targets for social rented homes cited in the London Housing Strategy must be separated from other house building targets and genuinely reflect evidence of need.
- GLA in its partnership and funding agreements with housing associations, should oppose cross-subsidy. Large commercial housing associations should be spilt into their social and commercial arms, with no financial overlap between them and should have transparently separate structures. This will protect the public legacy they obtained, from government funding and large-scale transfers of local authority stock, from predation.
- The entire strategic direction of the London Housing Strategy should promote long-term accessibility to cheap housing, not short-term fixes, e.g. public land sales to plug revenue accounts; rent increases that make social housing unaffordable over the long-term.

Policy 4.3

'Protecting London's existing affordable homes...homes demolished for redevelopment are replaced on a like for like basis [as a] key planning requirement...homes are sold under the Right to Buy scheme are replaced locally and on a like for like basis.'

The London Housing Strategy must prioritise support through funding and strategic policy for retaining existing social rented homes in London. We welcome the Mayor's policy of outlawing conversions of social to much higher 'affordable' rents in GLA funded schemes. Discouraging sell-offs and

conversions of social rent units is particularly important in the current political climate where the government's deregulation strategy has granted housing associations even more freedom to do this. Also, because government grant is no longer available to build new socially rented homes, local authorities cannot invest to build them and the government promotes the Right to Buy (RTB) for social housing tenants.

The Mayor's election promise to estate residents was that he would *'require that estate regeneration only takes place where there is resident support, based on full and transparent consultation, and that demolition is only permitted where it does not result in a loss of social housing, or where all other options have been exhausted, with full rights to return for displaced tenants and a fair deal for leaseholders.'* We support The London Tenants Federation statement that the Mayor's strategic policy should require (i) a full analysis of economic, social and environmental issues and costs of refurbishment v demolition of social housing (ii) the inclusion of a refurbishment option in all proposed demolition schemes and (iii) a ballot of existing tenants and resident leaseholders, which must show majority support, before any demolition occurs. Residents must be given full financial information on all options before any ballot. We endorse Demolition Watch's proposals that the principles of the Mayor's election promise are not weakened in practice and that rights and protections of tenants and leaseholders are enshrined robustly in the Mayor's final policy document.

All Right to Buy schemes to date have led to a loss of social rented homes. Forty per cent of ex-council flats sold through RTB are being rented out at up to seven times the cost of social rents by private landlords (Commons Communities and Local Government select committee report, 2015). The GLA should go further than its support for homes sold through RTB to be replaced on a like for like basis, a promise that has never been realised in practice. It should follow Scotland's and (soon) Wales' lead by lobbying vigorously to abolish RTB.

Our Recommendations:

- Do not demolish good homes - let all residents have a balloted vote to approve or reject any (demolition) plan.
- No (net) loss of social housing units (including council and housing association for rent or lease) should be accepted.
- Rents need to stay at council 'social' rent levels - up to 80 percent market rents and shared ownership are not a substitute.
- All residents of whatever tenure should have a say at every stage of any redevelopment. They should have access to independent advice, be enabled to propose their own schemes, and appoint architects, etc.

- Right of return must be contractually enforceable. Phasing of demolition and re-building must be published at consultation stage.
- Advisors should be independent of the landlord. The GLA should fund independent advice and reports where residents want them; and residents should have the right to de/select advisors.
- Leaseholders must have a right of return or receive full market value of their property.
- All technical and financial information about each estate must be made public.
- GLA to support (lobby vigorously for) the abolition of right to buy for all social tenants.
- GLA to support the abolition of the Housing and Planning Act, which allows housing associations to sell off social homes and downgrade their social purpose, without regulation or public scrutiny.

Box 3

Failure around social housing - Notting Hill Housing and Genesis Housing Association

The large corporate housing associations that the Mayor's draft strategy favours use tenants' homes - and inflated rents - as collateral to raise loans on the private market to build out-of-reach housing. For example, Notting Hill Housing, one of TFL's 'property partners', now has hold of the lease and management of the massive Aylesbury estate 'regeneration', where there will be a net loss of between 778 - 1,166 social rented units. Genesis Housing Association is redeveloping the Grahame Park site in north London, where it plans to reduce social rented housing by 92%, a move which the Mayor has rightly condemned as '*wholly unacceptable*'.

In the last five years, these two housing associations appear to have already either sold or 'converted' 2,272 desperately needed social homes into homes for the rich. Genesis had sold off 224 social rent homes in Westminster alone by 2015, when the CEO, Neil Hadden, famously declared that social housing 'won't be my problem.' Since then Genesis admits it has built only three social homes.

Meanwhile the chair of NHH explains that, "we are increasing rents on around half of the smaller properties that we relet to secure additional income to meet part of the costs of new homes.' In other words, force people with low income into the benefit trap in order to build out-of-reach homes for sale or for unaffordable rents. A NHH financial report continues, 'The new rents, called 'affordable' rents are considerably more expensive than the older target rent levels. In Notting Hill's case, the average differential to date is about £87 per week.'

The CEO's of the two organisations both receive a salary of around £220k. NHH and Genesis made a surplus last year of £125 million and £27.8 million respectively.

2.C. High Quality Homes and Inclusive Neighbourhoods (Policy 5)

Policy 5.1

'New homes must be...well-designed, safe, good quality and environmentally sustainable.' The Mayor will work ...to improve the quality and standards of London's existing homes...fire safety...energy efficiency.'

Between 2010 when housing associations lost much of their government funding and 2017 when they were classified as private registered providers, their commercial ethos has intensified. Over this period the G15 housing associations have become large property developers. Often profit-seeking comes before building and maintaining good quality, safe, secure and low cost homes for tenants and leaseholders.

It appears that many of the G15 housing association are taking advantage of the privatisation of Building Control functions, which has led to a lack of impartial overseeing of building work as it progresses. Many are guilty of very poor quality new builds in the last seven years or so. There have been a series of exposés in the media (<https://www.theguardian.com/society/2017/apr/11/housing-associations-face-storm-of-complaints-over-new-build-homes;L&Q unfit housing for paying tenants>"London Live: [Lisa Askew Calling for L&Q to be investigated](#)". *youtube*. Retrieved 4 July 2017) These have uncovered evidence of damp, mould, nonexistent security, outages in heating and hot water, inadequate repairs, and infestation by rats and mice in homes built by G15 housing associations. Poor and dangerous standards exist alongside unresponsive and often misleading customer service, making redress slow or impossible for residents.

The Mayor's policy of supporting the larger housing associations to build new property in London, whether for social rent, near-market rent or shared ownership, is misguided. Many of them cannot be trusted, on current evidence, to build or maintain good quality housing.

The Mayor proposes maintaining existing minimum space standards (para 5.14). Current space standards are very low (37 m² for any new home) and not enforced. There is no 'good' standard such as Parker Morris anymore. We have evidence of G15 housing associations charging high rents for properties that do not meet minimum standards. Genesis Housing, for example, has recently been sub-letting studio 'flats' 10 foot by 12 foot plus a tiny kitchen and shower room, presumably charging residents more than the sum of around £285 per week they were paying the developer. We are back to slum

housing at the poorer end, with the benefits cap being the determining factor on rent charged on these substandard properties.

As quoted in the London Housing Strategy, 10% of London households are in fuel poverty. Insulation allows our leaky London homes to retain heat and keep out the cold, and so use less energy. Insulation is significantly cheaper than other green energy projects. Loft insulation for the 348,000 homes (LHS) in fuel poverty at an estimated £300 per house would pay for itself in two years in terms of social benefits, cutting bills and greenhouse gas emissions. Other private landlords will, from 2018, be legally obliged to improve homes to an EPC (Energy Performance Certificate) of at least an 'E' standard (which is pitifully low). These, admittedly inadequate, regulations will not apply to private registered providers (housing associations), leaving their residents unprotected in properties where insulation is poor.

Box 4

L&Q - not taking responsibility for maintaining homes

L&Q, one of the largest of the G15 housing associations and another of TFLs property partners, is a prime example of big not being better.

Deputy CEO of L&Q wrote that tenants do not take enough 'personal responsibility in respecting their homes and making an effort to help themselves'. Yet tenants, through the involvement of London Live News, have exposed L&Q's management and maintenance services as failing disabled people, those with serious health issues and families with young children. These include: an unresponsive complaints service; unexplained/high service charge increases; poor maintenance; failure to address mould and damp issues; mice infestation in estates; and inconsistent rules applied to different tenants. Tenant Lisa Askew relates how, *'L&Q told us we had to wash off the damp and mould... We can keep washing the damp and mould away from the walls and windows but you can't wash damp and mould away from under carpets, with the baby breathing that in all the time. Her health has deteriorated...'*

The CEO of L&Q received a salary this year of over £410k.

Our Recommendations:

- The GLA should stop supporting (e.g. by offering grant funding and planning concessions) housing associations that build or maintain poor quality homes, including those with evidence of unresolved issues concerning damp, mould, poor insulation, nonexistent security, outages in heating and hot water, inadequate repairs, and infestation by rats and mice.

- The GLA should stop supporting (e.g. by offering grant funding and planning concessions) housing associations that do not enforce decent space standards, i.e. to the European average, in housing they build or manage.
- The GLA should stop supporting (e.g. by offering grant funding and planning concessions) housing associations that fail to ensure that properties they build or maintain are at a standard that eradicates fuel poverty.
- GLA should research the cost benefits of rolling out of other forms of insulation for leaky homes, such as external insulation of solid walls used in Germany.

Policy 5.3

‘Mayor will support Londoners to be involved in planning and delivering new homes...community-led housing schemes through a new Community-Led Housing Hub for London...investing in schemes and lobbying Government for a share of the national Community Housing Fund.’

High land prices impede the realisation of community-led housing schemes. Private developers can always outbid community groups, such as community land trusts and co-operatives. GLA strategy to promote community housing schemes must circumvent the market. Community groups could gain land if public landowners retained it in public ownership and leased it out to community groups and individuals who want to build their own homes. Councils could apply to the Secretary of State to gift land, or use their freedom to sell off at £2million below market value without ministerial permission, provided that land remained a community asset and was not privatised. The GLA could utilise small sites owned by TFL and the Metropolitan Police. Land offers could also be linked to substantial training courses, equivalent to City and Guilds accredited 6 month schemes, such as those provided by the old GLC and European Social fund.

Our Recommendations:

- GLA to lease their unused land to community groups.
- GLA to fund training courses in building skills.
- GLA to offer more substantial funding (cf. their grant to Naked House) to enable more community groups to plan and build homes

'Promoting transparency...publish viability assessments...strongly encourage councils to do the same. This will allow Londoners to scrutinise the performance of developers and councils.'

Developers' viability assessments are used to negotiate the numbers of social housing units and intermediate housing units (65-80% market rents, shared ownership) that will be built in each commercial development. There is extensive evidence that these assessments are a tool of corruption, obfuscation and deceit (Slipping through the loophole: how viability assessments are reducing affordable housing supply in England, Shelter 2017; <https://www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright>; 35percent campaign).

Our Recommendations:

- We propose that refusing to divulge a full and accurate, and - crucially - adequately scrutinised viability should be made illegal, an act liable for criminal prosecution.
- We also propose that a scrutiny committee is set up within the Mayor's jurisdiction which must, by law, advise on all commercial developments in London over the size of 12 dwellings. The 'social' elements of each development should make up no less than 30% and more normally at least 50%, the amount to be negotiated between the Mayor and the scrutiny committee – not the developer - according to local need. Developers would only be awarded contracts after this agreement is reached, and should be prosecuted if the agreement is not honoured.
- This oversight committee should be led by someone independent with extensive experience in the field and a clear and honest commitment to social housing. The committee should have access to independent financial scrutiny advice, and be given the complete power to overturn/throw out viability assessments. This scrutiny committee should have the power to follow up all 'regeneration' projects in two phases; firstly immediately after completion and then again, five to seven years after completion. They should have the power to prosecute if the 'social;' homes quota has not been fulfilled or has been subverted in any way. Measures should be taken to prevent medium-term gerrymandering of the figures - for example, by creating short-term lets that can be quickly 'converted' to high rents once scrutiny has been removed.

'Listening to the views of social housing tenants and leaseholders... residents' voices must be at the heart of decision-making by councils and housing associations...effective recourse for [unresolved] complaints and concerns...a much stronger voice in national policy-making...Mayor will urge Government to streamline the process for

individual complaints...[lower] the bar...for Social Housing Regulator [to] take regulatory action ...[and] introduce a Commissioner for Social Housing.'

The London Housing Strategy should replace the title '*Listening to the views of social housing tenants and leaseholders*' with '*Empowering and respecting social housing tenants and leaseholders*'. Social landlords and developers must be made accountable to their residents and communities. Social housing and respect for tenants and their communities have been under attack by government, growth-hungry housing associations, and some local authorities for some years. The exclusion of all but the better-off from much of London and/or their immersion into benefit dependency is an inevitable result.

Grenfell Tower horrifically demonstrates the consequence of landlords not following the lead of residents in service-delivery, maintenance and repair of homes and buildings.

The only way to secure a future for low rent social housing and the real and diverse communities it supports is to empower the tenants themselves to determine the uses of their rent and space together with the future of their homes and housing associations.

HARA believes that housing association residents require better redress than the current Ombudsman and Homes and Communities Agency (HCA) systems, which are cumbersome and/or ineffective. The HCA failed residents before deregulation and has even less clout now. We welcome the Mayor's proposal to lobby Government for a Social Housing Commissioner. However, we recognise that this role could take a long time to materialise and, if national, may not work for local issues. The GLA could set up a unit now to investigate bad practice.

Our Recommendations:

The Mayor will undertake the following to support tenant and leaseholder empowerment:

- All social landlords must be brought back under the democratic control of their tenants and communities. In future, the Mayor will only favour those housing associations that are accountable to their tenants as voting members and shareholders in everything that they do; including the use of surpluses and development decisions.
- Where housing associations are too geographically spread-out for accountability to function, the Mayor will support them in restructuring to restore accountability to identifiable communities.
- Where Local Authorities seek to redevelop estates or areas, this should only be agreed where a considerable majority of affected residents demand

it, and with full right of return on a like-for-like or better basis, as described elsewhere in this response.

- The Mayor will establish a league-table of housing associations operating in London in which they will be scored for: (i) accountability to residents; (ii) support for or destruction of social (30% of market) rent homes; (iii) genuine community and diversity work.
- The GLA/London Assembly will report on housing associations' commitment to residents' rights and social housing/housing accessible to households on low or average earnings.
- Wherever possible, the Mayor will support duly constituted resident groups and ensure their recognition and participation between the GLA and landlords or developers.
- The Mayor will publicly support and lobby Government for housing association residents to get the same rights as council tenants: to transfer landlords; the right to manage, including to manage their estates, with management and maintenance allowances determined and provided by the government.
- The GLA will fund and set up an investigation unit, with the support of local authorities, to take up resident issues concerning bad practice by housing association landlords. Residents would have the right to serve improvement notices and trigger investigations, where a threshold of residents want action/sign petitions, e.g. for disrepair, safety risks.
- The Mayor to campaign for full funding of all fire safety measures in social housing blocks, as ministers' promised after the Grenfell tragedy.
- The GLA will fund London-wide social tenant and leaseholder groups that work to further residents' conditions and rights, e.g. HARA, the London Tenants' Federation.

Box 5

Phoenix Community Housing - Best landlord for tenant involvement at the 2017 UK housing awards

Phoenix Community Housing:

- is resident-led, with more than 2,500 shareholding residents from its 6,500 homes. Their 12-person board has six resident members elected by resident shareholders, and two council reps. The chair and vice chair are both tenants. The resident-led board manages and scrutinises Phoenix, sets its direction - how it's run, how it spends its money and future plans. Resident reps get full training.
- is local. All of their stock is located together in part of south Lewisham. Staff and residents can pool local knowledge and expertise. Local management teams know their patches and residents well, so can make a positive difference on the ground.
- engages residents. Local areas hold informal gatherings, where residents can discuss issues, learn more about what's happening in their area, and agree priorities for community development. Residents' groups share out up to £100,000 for community projects.

2.D. A Fairer Deal for Leaseholders - Reforming and Improving Leasehold (Policy 6)

Policy 6.3

'The Mayor will support improvements to the leasehold sector...calling for wholesale reform of leasehold...Work with councils, housing associations...to improve the quality of advice and support available to London's leaseholders...publish a London Charter for service charges'

HARA endorses the Mayor's view that leasehold 'is not fit for purpose' (LHS, para 6.46). We believe urgent and drastic reform is required to change a system that provides such a lucrative income stream to developers, including housing associations, via their management companies. The current abuses that leaseholders are subject to must be outlawed. These include practices where freeholders milk a system whereby leaseholders have to pay the costs to the freeholder as well as their own legal costs when extending the lease. Freeholders inflate maintenance costs, which if unpaid and disputed via a tribunal can lead to leaseholders forfeiting their homes. They contact mortgage lenders threatening forfeiture. The outstanding amount is then added to a mortgage without the leaseholder's permission.

Improving the quality of advice and support, though essential, is insufficient while that advice is toothless or, worse, can subject leaseholders to further abuse. HARA's membership includes a highly informed leaseholder who raised serious concerns with the Mayor's office only to receive a response that demonstrated a lack of knowledge and engagement. It merely recited back the facts as told to them by the housing association freeholder, which the leaseholder was already party to. Advice by the national Leaseholder Advisory Service or recourse to the Leasehold Valuation Tribunal frequently leads to leaseholders being fleeced by predatory legal advisors, to the tune of tens of thousands of pounds.

Statutory regulation to protect leaseholders and shared owners concerning service charges is long overdue. Currently housing associations demand service charges for works not being carried out, conduct no quality control of contractors and pay unchecked invoices. They refuse to give leaseholders copies of financial receipts or details of income and expenditure. Despite this poor oversight, they charge lucrative management fees of 15% on all works, including the contractor's project management fees.

Box 6

De-regulated Genesis Housing Association - fleecing leaseholders

A block of 30 leasehold flats owned and managed by Genesis Housing Association recently sent leaseholders a bill for overdue cyclical works of £238,000 with a shortfall of £8600 to be paid by each flat. This is an almost tenfold increase on the previous cyclical works undertaken in 2009 by their predecessor Paddington Churches Housing Association, which Genesis subsequently bought out. In the past 25 years works have been paid for from the sinking fund without any shortfall.

Genesis have awarded the job to their in-house partner Kier, who were fined a then-record £17.9 million by the Office of Fair Trading in 2009 for contract rigging/price fixing. A qualifying long term agreement between Genesis and Kier means Kier has a monopoly on the job and can set its fees accordingly. Genesis, treating the leaseholders with contempt and obfuscation, have not provided them with any comparative quotes or a breakdown as to how they reach this sum of £238,000, an increase of £213,000 on the previous cyclical works. Nor have they provided any statements of the sinking fund or its shortfall.

Genesis has added a 15% management fee of over £26k to the cyclical works total quoted by Kier plc. So it's a win-win situation for them both.

Protection is especially urgent for leaseholders in housing association and council properties where a Qualifying Long-Term Agreement is in place. This means that individual works are not put out to tender and all works are awarded to the contracted supplier. Without competition, contractors charge what they like. One still favoured contractor, Kier, was fined a then-record £17.9 million by the Office of Fair Trading in 2009 for contract rigging/price fixing. Leaseholders have no right to put forward their own contractor or put in competitive quotes where housing associations rake in large management fees on the inflated and/or illegal costs (See Box 6, describing how Genesis Housing Association has charged leaseholders an 800% increase in cyclical maintenance costs, without any evidence in support of their claim which they call 'value for money').

Our Recommendations:

- Mayor to lobby Government for urgent leasehold reform, to be informed by leaseholder rights groups such as the National Leasehold Campaign, and housing association residents' groups.
- Mayor to lobby Government for statutory regulation to protect leaseholders against service charge abuses and other exploitation by freeholders, including housing associations and their agents.

- Mayor to call for a cap on service charges charged by councils and housing associations, with increase of no more than inflation.
- The GLA should withdraw support (e.g. by offering grant funding, planning concessions, Preferred Partner status) to housing associations that are not transparent about service charge and cyclical maintenance costs; operate uncompetitive Qualifying Long-Term Agreements; don't allow leaseholders to put in competitive quotes for works; unreasonably inflate service charges over time; and displace or fail to fully compensate leaseholders caught up in estate regeneration schemes.
- Mayor to provide free, high quality and independent advice for London's leaseholders and shared owners.

3. Conclusion

The entire strategic direction of the London Housing Strategy must be to promote long-term accessibility to cheap, secure and good-quality housing. It must avoid short-term measures that cause long-term harm, such as public land sales to plug revenue accounts; or rent increases that make social housing unaffordable over time. Planning policy should be arrived at via needs assessment. It must prioritise support through funding and strategic policy to retain existing social rented homes in London and build new ones.

Deregulation of housing associations since the Housing Act 2016 means that they are no longer held to account. The Act has torn up rules that protected residents. Housing associations increasingly resemble profit-hungry private developers. The LHS can channel the GLA's power and influence in several ways to shape housing association culture and practice for the better and help address London's housing affordability crisis. We propose a strategy whereby:

- The GLA sets conditions on housing associations before it offers funding, planning concessions or sets up strategic partnerships with them. It should favour those housing associations that have maintained their founding ethos as 'social' landlords. i.e. associations that: are under the democratic control of their residents and communities; act transparently; cap rents and service charges; stay relatively local and small; prioritise the building and maintaining of social rent homes; and maintain homes to a good standard.
- The Mayor lobbies alongside housing association residents, and other housing campaigners, for changes in Government housing policy towards housing associations, including campaigning for the repeal of the Housing Act 2016, rent and service charge caps at no more than inflation, and against the Right to Buy.
- The GLA monitors and reports on London housing association development programmes and management practices, to gain a better

picture of what's going on, and ultimately hold these unregulated bodies to account.

- The GLA provides funding for advice and support to housing association residents, including groups fighting improve residents' conditions and rights.