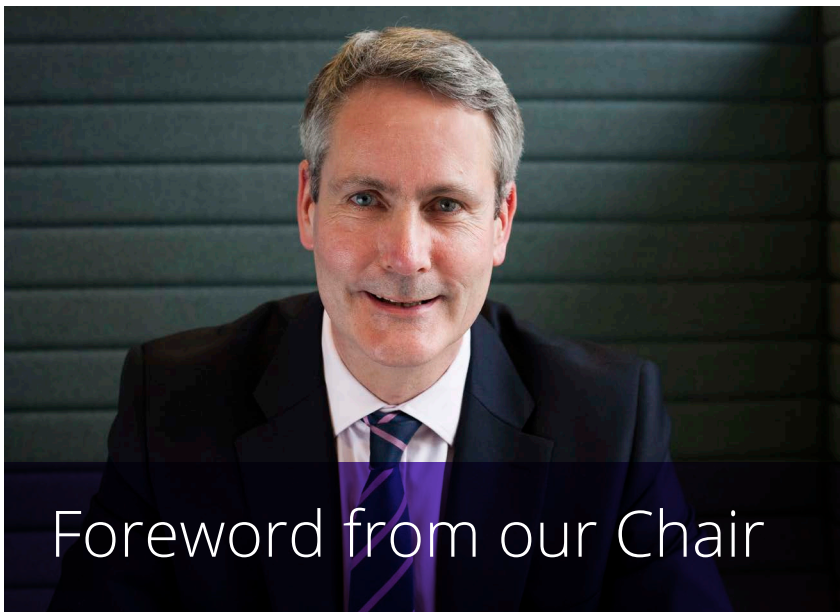


Tackling the Housing Crisis Together

Our Offer to London







Foreword from our Chair

Too many Londoners remain in the grip of a housing crisis that thwarts ambition, creates homelessness, forces overcrowding and prices out many who've called London home.

We believe that housing associations and local authorities have a powerful shared mission to tackle this crisis head-on.

And we've been given greater freedom and more funding to do just that – renewed support for social rent, the borrowing cap lifted, a Mayoral funding boost for councils and associations, and a raft of new strategic partnerships.

We need to make the most of these new tools at our disposal to build as many affordable homes as we can and invest in building inclusive communities.

To achieve this, we believe this is a time for closer and deeper partnership between councils and housing associations. By co-ordinating our efforts, collaborating on larger sites, and sharing development expertise, we're sure that we can build more and better homes for Londoners than if we all go it alone.

As housing associations, we're delighted that the borrowing cap has been lifted, enabling councils to be able to build at scale again. We want to support councils to take on their expanded role by working more closely in partnership to build more homes. These can be powerful, values-driven partnerships because we share the same priorities:

- a desire to maximise affordable housing,
- a commitment to invest for the long-term,
- a social purpose focused on the needs of people and communities

But we also need to join forces to tackle some shared challenges:

- the need for higher grant for social housing, with longer term certainty on rents
- a need to invest in improving the life chances of Londoners
- ensuring government action to protect the flow of EU construction workers and building materials post-Brexit
- reform of the land market to create a level playing field for affordable homes

This document sets out why we want to work with local authorities, what we feel we can offer and our commitments to improve our approach.

We believe that Londoners in housing need are best served by housing associations and councils working together to build homes and strengthen communities.

Paul Hackett
Chair of the G15
Chief Executive of Optivo

About the G15



The G15 is the group of London's largest housing associations.

We're the collective voice of some of the leading organisations in the housing sector.

Our members house one in ten Londoners and are the largest providers of affordable homes in the capital. We build a quarter of all London's new homes and own or manage more than 600,000 homes.

Housing associations were set up to support people in housing need and this remains at the heart of everything we do today.

We're independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents.

Each G15 member is different, but we're all striving towards the same goal – to help solve the capital's housing crisis and improve the lives of Londoners.

a2dominion


catalyst


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HOUSING GROUP

 **Hyde**

L&Q

 Metropolitan
Thames Valley

 **Network
Homes**

 **Notting Hill
Genesis**

 **ONE
HOUSING**

 **OPTIVO**

 **Peabody**

Southern
Housing
Group 
shgroup.org.uk

G15 – investing in affordable homes

G15 housing
associations house

1 in 10
Londoners



We're on track to deliver

55,000

affordable homes in
London by 2021



In the last 2 years, G15 members

**built more than a
quarter of all new
homes in London**

We manage nearly

360,000

homes in London and

600,000

nationwide



G15 members help

7,000

people into work
every year



We support

5,600

people into
training
every year



We invest

£4bn

in new and existing
homes every year



We invest around

£1.1bn

every year
maintaining
our properties





The case for partnership:

Shared opportunities and common challenges



New opportunities for affordable homes

Housing policy is no stranger to change, but in the last year we've seen some very welcome policy announcements that put genuinely affordable homes firmly back on the agenda.

The shift from the previous policy landscape is significant. 2015 was the first year since the Second World War that a Budget contained no funding for affordable homes for rent. In 2016, the ten-year funding settlement was scrapped, along with certainty on the future of rents. These changes made it increasingly difficult for housing associations and councils to build and manage homes.

In the last year, we've seen Government recognise the importance of social rented homes once more. Social rent has returned to both policy and funding priorities, through the National Planning Policy Framework and the National Affordable Homes Programme. And after years of campaigning, the Housing Revenue Account Borrowing Cap was finally lifted, removing some of the red tape that has stopped councils building new homes at scale.

In the capital, the Mayor's Affordable Homes Programme and Building Council Homes for Londoners schemes have awarded £3bn to councils and housing associations since July 2017, while London Affordable Rent sees the Mayor funding new homes at social rent levels.

The Mayor has also pioneered Strategic Partnerships for housing associations – a policy now implemented nationally by Homes England. These partnerships give us greater freedom to focus on our shared objective of building more affordable homes.

Shared challenges

Housing associations and councils have more freedom, a more supportive policy environment and a better funding deal. But we also face very important shared challenges. To build the homes Londoners need, the G15 wants to work more closely with councils, City Hall and other partners to tackle these issues.

Affordable homes need land to build on, materials to build with, skilled workers to do the building and public grant to support the whole process. Current market conditions are putting pressure on all four of these crucial elements.

Land is the most basic need but also one of the most complex. **Affordable housing requires affordable land**, but in London this remains a challenge despite the slowing market. Used imaginatively, the combination of the buying power of housing associations and planning powers of councils could help to bring more sites forward for genuinely affordable homes.

Brexit means there is real **uncertainty about whether the people and materials needed to build homes will continue to be available**. Around 50% of the workers on London's construction sites are EU nationals, rising to 80% on some sites. Compared to rates of only 10%-20% in most parts of the UK, this makes house building in London particularly vulnerable to a post-Brexit skills shortage.

In addition, supplies of basic building materials used in London – particularly steel, timber, stone and cement – rely heavily on imports. Without a Brexit deal that facilitates uninterrupted flows of building materials, home building will stall.

As well as making the case for transition arrangements that recognise the importance of construction, the G15 wants to work with councils to build the skilled London labour force of the future.

Underpinning all of this, **we need the right level of funding to build genuinely affordable homes**. Despite recent funding boosts, we receive less grant per home than we did ten years ago. With grant usually only covering around a fifth of the cost of building a home, housing associations and councils have to provide their own significant subsidy. This constrains the numbers of affordable homes we can build and relies on income from homes for sale and high levels of borrowing to plug the gap. With an unsteady housing market, this income can't be guaranteed at the same levels and borrowing capacity is increasingly eroded.

A well-evidenced case for a more sustainable funding model needs to be developed. The G15 has started a joint project with City Hall to examine London's future funding needs. We want to work closely with London Councils and City Hall to make a shared case for long-term investment.

Housing associations and local authorities:

Strong foundations for partnership



Successful partnerships rely on a shared purpose and priorities. In London, the G15 is committed to tackling the housing crisis in a way that makes us the perfect partners for local authorities.

We're driven by our social purpose

- Our mission is to help people in housing need. We are not-for-profit charitable organisations.
- We don't pay dividends - all of our surpluses are recycled into building new homes and providing services to residents.
- We are regulated by the Government, through the Regulator of Social Housing.

We share a goal of delivering more affordable homes

- We can offer a variety of tenures, including a range of affordable and specialist housing options, as well as homes for private sale. This includes homes that local authorities can allocate to homeless households in priority need.
- We have worked hard to increase our home building programmes and are now committed to building 55,000 affordable homes in London by 2021
- We welcome Mayoral efforts to fund more genuinely affordable homes through London Affordable Rent and London Living Rent. G15 members have secured £1.7bn through GLA Strategic Partnerships to fund these and other affordable homes in London.

We're focused on the long-term needs of communities

- We invest in people as well as homes. G15 members have an excellent track record working with local authorities to tackle some of the biggest issues facing communities, such as unemployment, tenant debt, poverty and access to welfare advice.
- We invest for the long-term. Unlike many developers, we're not looking for a quick exit. We continue to own and manage homes and work with tenants over many decades.
- We have a proven ability to keep building homes and investing in communities during difficult economic times.
- We can work with local authorities to engage with communities and build support for sensitive regeneration of existing buildings and neighbourhoods. Metropolitan Thames Valley secured nearly 75% resident support for their regeneration plans in a ballot held in November 2018, the first ballot in London since the Mayor's new guidance was issued.

We have the experience and capacity to help councils deliver more

- We deliver directly and in partnership with a wide range of local authorities. G15 members have skilled development delivery teams that can support councils who do not have their own teams in place.
- We can work with councils to secure long term grant and investment opportunities.
- We work successfully with councils to recycle Right to Buy receipts to replace lost social housing.

We're a good partner – and we can do more together

- We work in every London borough. G15 members offer multiple partnership models that can be tailored to the unique requirements of each community.
- We can offer creative arrangements on joint ventures that share both risk and reward between partners.
- We are committed to transparency and will work on an 'open book' basis with our partners.
- We are not trying to compete with councils and we believe we can do more together – increase the supply of homes, deliver more benefits for communities, and maximise the number of affordable homes.

Our partnership commitments



G15 members are making a series of commitments to work in closer partnership with local authorities in London to tackle the capital's housing crisis.

1. Supporting councils to start building

We strongly welcome new funding aimed at supporting a resurgence of home building by councils. We want to work collaboratively to share our knowledge and experience with boroughs to help get their construction programmes delivering for Londoners.

Our commitments:

- To help councils get building, G15 chief executives are keen to meet every London Leader and elected Mayor and discuss how we can support their development aspirations.
- Where boroughs want G15 members to build homes for them, for use as council homes, we will. We will also enter into transparent, not-for-profit partnerships with boroughs to build together.
- We will exchange development skills and expertise with boroughs. We'll do this by providing personal development opportunities, delivering training events for Future of London's Council-led Housing Forum and expanding our collaboration with Public Practice.

- We will work in closer partnership with London's boroughs, and each other, on land acquisition so we don't inadvertently push up land values for affordable housing sites.
- We will work with London Councils to push for reform of Right to Buy rules, so that the income can be reinvested locally to build replacement affordable homes.

2. Working together to build more genuinely affordable homes

Londoners in housing need are best served by all providers of affordable homes building as much as they can at the most affordable rents. To make this a reality, we want to work with the boroughs and City Hall to speed up development through innovative and efficient construction methods and reshape funding to better support affordable homes.

Our commitments:

- Building on the Prime Minister's announcement of ten-year funding, we will work with London Councils and City Hall to make the case for affordable housing to be considered as national infrastructure, supported by longer term funding and higher grant per home.
- We will use new funding to maximise the number of homes we can build at social rent levels to help more Londoners.
- We will work with London Councils and City Hall to examine how we tackle the growing affordability challenge facing shared ownership homes.

- We will expand our use of modern methods of construction to speed up the development of affordable homes.
- With support from boroughs and City Hall, we will intervene in the land market to bring forward more large sites for affordable homes.

3. Supporting councils tackle homelessness

The housing crisis, coupled with changes to the welfare system, has left some Londoners facing a severe housing crisis. We want to work with boroughs to boost support for those in most need.

Our commitments:

- We will work with councils to maximise the number of permanent, high-quality social homes we build.
- We will work with councils to increase the number of homes we make available for Housing First, boosting support for some of London's most vulnerable homeless residents.
- To help councils implement the Homelessness Reduction Act, all our organisations will sign-up to the 'Commitment to Refer' and continue to collaborate to support those most in need of housing.
- We will invest in tenancy sustainment programmes to provide more intensive support to existing tenants at risk of homelessness.

4. Supporting strong communities in sustainable places

Driven by our social purpose, G15 members invest for the long-term to build communities, not just homes. We want to do more to invest in sustainable communities and high-quality places.

Our commitments:

- We will incorporate the Mayor's Good Growth Principles into our development approaches, to drive more inclusive, sustainable housing schemes.
- To improve life chances, we will invest more than £20m every year in jobs, apprenticeships and training.
- We will make major investments to maintain and repair our homes, spending around £1.1bn each year to improve the condition of our housing.
- We will implement the recommendations of the Homes for Londoners Construction Quality Sub-Group to help drive up the quality of our new homes.
- We will implement the recommendations of the Money and Mental Health Policy Institute, who G15 members commissioned to research how best we can improve support for tenants with mental health challenges.

5. Improving the way we work with councillors and officers

We value our work with the London boroughs and every day there are hundreds of conversations between staff from G15 members and councils. However, we don't always get it right. We want to make it easier for councillors and officers to contact us to suggest ideas and resolve problems.

- We will work with boroughs to review the way we communicate with councillors and officers to make sure that we are open, responsive and accessible. This will include looking carefully at how we can best support councillors with residents' enquiries.
- Where our day-to-day services need to be improved, we will be open with boroughs about this and share our improvement plans.
- We will organise a programme of visits to major developments being built or managed by G15 members, so that councillors can see for themselves the work that we do.
- Every G15 member will provide the boroughs they work in with a director-level contact to build stronger relationships.

Who we are



Paul Hackett (Chair)
Chief Executive
Optivo



Helen Evans
(Vice Chair)
Chief Executive
Network Homes



Darrell Mercer
Chief Executive
A2Dominion



Rod Cahill
Chief Executive
Catalyst



Clare Miller
Chief Executive
Clarion Housing



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Richard Hill
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