

Affordable housing: Overcoming crisis through collaboration

How the sector can work together
to deliver the homes we need

April 2023

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Above: London. Credit [william87](#)

Cover image: Feature 17, LB Waltham Forest. Credit: Countryside

Project team

Anna Odedun, Sophie Nellis, Karen Liu, Visakha Sri Chandrasekera and Nicola Mathers.

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Executive summary



Dover Court Estate, LB Islington. Credit: Pollard Thomas Edwards.

London has been in the midst of an [affordable housing crisis](#) for decades.

As we entered into our *Affordable Housing: Overcoming crisis through collaboration* project in April 2022, the landscape was increasingly complex: high construction costs, a shortage of skilled workers, an urgent need to retrofit homes and new building safety regulations.

All of this remains true today, but over the 12-month lifespan of this project

we've seen additional challenges added to this picture. This includes the cost-of-living crisis that is affecting many across the UK, and the fact that on top of a shortage of affordable housing many existing homes are unsafe and unhealthy.

Our work over the last year has focused on how we can better work together to tackle these challenges and this report makes the case for more, and better, cross-sector collaboration.

At our [launch event in April 2022](#), we polled our audience and 95% of attendees thought that collaboration was critical to unlocking the affordable housing challenge.

We have identified three areas where better collaboration both within organisations and across the sector can have a big impact.

Key opportunity areas for cross-sector collaboration

1. Financing housing delivery

Our work has highlighted the need for innovative, and collaborative, finance models. We recommend that practitioners:

- use frameworks like the [Equity Impact Project](#) that will ensure investment into affordable housing has real impact
- consider alternative models like community land trusts
- learn from other markets facing analogous challenges, eg the [Family Homes Funds](#) in Nigeria.

2. Making the most of homes we've already got

[80% of the homes that will exist in 2050 have already been built](#) making it vital for the sector to pool resources and think about how to leverage what we already have. There are several ways the sector can achieve this:

- use innovative, collaborative thinking to make existing stock a strategic priority – with resources to match
- use demonstrator projects, like the [Eco Show Home](#) in LB Waltham Forest, to drive retrofit
- use new technology and a more holistic approach to housing allocations in order to maximise the number of people offered a new home

3. Collaborating with communities

As a sector we need to continually develop our approaches and ways of working with communities, so that the lived experience of residents is central to the housing that is designed and delivered today and tomorrow. To achieve this our report recommends that the sector:

- collaborates with local communities in the definition, design and delivery of affordable housing
- takes a 'systems approach' to housing to drive change

Barriers to collaboration

Collaboration alone will not solve the affordable housing crisis, but it is a key tool for practitioners working to deliver against this ambition. However, collaboration is not straightforward and there are several barriers that are currently limiting successful cross-sector collaborations:

- the lack of a truly shared vision
- an imbalance of resources and power
- a reluctance to admit when things haven't gone well, in order for the whole sector to learn from these mistakes.

Whilst these barriers are currently limiting the potential for collaboration within the sector, these are not insurmountable challenges. Our report makes it clear that, as a sector, we need to work together to overcome these obstacles.

The affordable housing crisis today

This chapter presents the scale of the affordable housing crisis today and outlines how we tackled this complex issue in a research and events programme in 2022.

The sector has long been under pressure to deliver, and is currently failing to meet its targets.

Delivering new homes remains challenging due to supply shortages, cost inflation, labour shortages, diminishing planning authority capacity, utility provision delays, and building safety considerations.

The sector must also address climate change via retrofit because homes still contribute over 27% of the UK's total carbon emissions per year.

This backdrop has been made more complex thanks to the cost-of-living crisis which is impacting individuals and communities across the UK, and has seen private rental rates increase by 4.4% between January 2022 and January 2023.

Young people aged 16–24 years are particularly vulnerable. Unable to access social housing, many are housed in the private rental sector and spend 47% of their gross income each month on rent (compared to the national average of

33%), with rents predicted to increase throughout 2023.

Within the social rented sector, rental price caps have gone some way to mitigating effects on tenants; however, all the largest housing associations in the UK had increased rents from April 2022 by the maximum amount and 25% of social renters currently find it “fairly or very difficult” to afford their rent.

Almost 30% are struggling to pay bills and debt payments and almost 50% are unable to afford necessary repairs to major electrical goods, or put their heating on when needed.

The quality of affordable homes across the UK has also been brought into sharp focus over the death of two-year-old Awaab Ishak in December 2020.

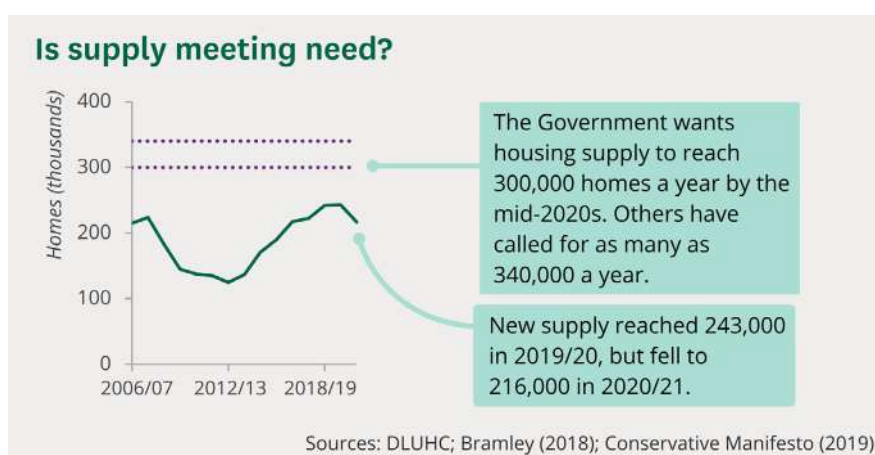


Fig 1: Is supply meeting demand?

The Government aims to deliver 300,000 new homes per year. Under the 2021 Affordable Homes programme, DLUHC forecasts a 23,000 shortfall compared with its target.

A subsequent investigation revealed 217,000 social homes across the UK have been identified as having serious hazards, ranging from unsafe stairs to overcrowding and excessive cold.

A lack of quality, secure and affordable housing exacerbates social and health inequalities and creates a pressing need for the sector to take action.

The benefits of affordable housing are clear, and modelling shows that the economic benefits outweigh the costs. But we're not building enough new homes.

The 2021 Affordable Homes programme aimed to deliver 180,000 new homes across the UK by 2029. However, compared with this aspiration, the Department for Levelling Up, Housing & Communities (DLUHC) forecasts a 23,000 shortfall (Fig 1).

The challenges the affordable housing sector face are urgent. If we fail to address them, then life will get worse for many households across the UK: homelessness is already rising year on year, predicted energy price increases will disproportionately impact those on lower incomes, and failure to

address climate change through retrofit will have the greatest impact on marginalised communities.

Through cross-sector dialogue, our *Affordable housing: Overcoming crisis through collaboration* programme has highlighted that to deliver the homes London – and other cities – need, the sector must work differently. We must develop approaches that better address these interrelated issues in the round.

This report has been informed by the insight and knowledge shared at the below events.



Collaboration is key

This chapter considers the barriers to collaboration, offers recommendations for improving partnership working across the sector and presents a case study showcasing a great example of a public-private partnership.

At the [launch of our affordable housing programme in April 2022](#), our speakers all stressed the importance of collaboration. And a poll with the built environment professionals in the audience revealed that 95% agreed it was critical to unlocking the affordable housing challenge.

So why doesn't collaboration happen more? Through this programme we identified the following key barriers:

- a lack of shared vision
- imbalanced resources
- difficulty admitting failure.

A shared vision

An unwillingness to understand each other's challenges and priorities is a longstanding challenge in partnerships. Without a shared vision from the outset, there are likely to be misunderstandings about a partnership's purpose and implications.

A common example cited by several practitioners was profit. While the public sector is fundamentally not about profit, the private sector is, which means public- and private-sector partners are often looking

at finance in different ways.

As a result of the scale of joint ventures (JV) and public-private partnerships (PPPs), the consequences of a strategic misalignment can be especially detrimental.

"A genuinely shared ambition, especially on a 10- to 20-year development programme, is critical," says Kate Ives, Countryside Partnerships. "The project will likely undergo many macroeconomic and political changes throughout its lifetime, and it is impossible to recognise the unknown at the beginning of a partnership."

Embedding flexibility into partnerships from the outset – especially within the contracts – makes it easier to respond to the macro-economic changes. "Partners must be honest about their differing ambitions from the outset, whilst actively listening to understand each other's mentality and ethos as the partnership moves forward," says Tonia Secker, Trowers & Hamblins.

This misalignment doesn't just occur between different organisations and sectors, but also within organisations. The separation between those working on the ground at devel-

opment sites and senior management remains a key challenge in large-scale partnerships, with strategic objectives and higher-level goals not always translated into objectives for delivery teams that are measured and rewarded.

This lack of buy in amongst teams on the ground can, in turn, generate mistrust and complaints from residents, particularly if they were consulted on the shared vision but then don't feel that this is what's been delivered.

Breaking down silos is also key to avoiding the duplication of work. The Greater Cambridge Shared Planning Service, which brings together the planning services of two Cambridgeshire councils, had discovered that a total of five different teams were spending time and money collecting the same housing data.

"We're harnessing digital technology and data sharing in the planning system to become more efficient, unlock relationships and better deliver urgently needed housing," explains Nissa Shahid, Greater Cambridge Shared Planning Service.



Lyn Garner, LLDC highlights the importance of collaboration at the FoL conference, 2022

Addressing the resources imbalance

A shared vision needs the right expertise on both sides of the partnership. “It’s especially important for the public sector to have a better commercial understanding and to better understand the private sector partner’s objectives – to facilitate effective negotiations,” said one attendee of our affordable housing roundtable.

“It is the time for public sector interventions when the market is challenging, whether it be government, regional government or local government, because we’re in it for the long term.”

Lyn Garner, LLDC

Years of cutbacks and austerity have left the public sector under-resourced and overwhelmed – leading to an imbalance in the resources that public- and private-sector partners bring to the table. One attendee told us that they were involved in a joint venture that had 100 people representing the private sector and only four from the public sector.

A lack of resources on one side of a partnership will make collaboration difficult. It also creates a risk of a partnership collapsing because of “a single point of failure”; such as when the public-sector representative moves on.

Initiatives such as Public Practice are helping local authorities draw in the expertise they desperately need, but there’s clearly potential for organisations, such as the Greater London Authority, to initiate similar programmes.

But it’s clear that honest conversations about the im-

balance of resources within a partnership will strengthen collaboration.

“There should be a separate conversation on the need for the private sector to drive shared resources (financial and personnel) in a public-private partnership, particularly at the beginning and at key milestones,” suggests Anthony Were, Metropolitan Thames Valley. This will help create a more flexible and agile partnership.

Re-framing failure

Key to building the expertise needed within the sector is knowledge sharing, especially across and within the public sector. Whilst identifying examples of successful partnerships is helpful, what hasn’t worked is arguably more valuable.

It’s often difficult to admit failure from a commercial perspective. The sector needs to initiate a culture shift to reframe ‘failure’ as an opportunity for us all to learn, develop and collaborate better.

“A case study database which provides a starting point for joint ventures would be a useful resource,” suggests Sarah Birt, Greater London Authority. “Rather than having to start every new joint venture from scratch, there would be readily available knowledge of what works and what doesn’t.”

Recommendations for better collaboration



For everybody

Amy Shaw, Trowers & Hamlins

Collaboration is about 'additionality' – by working together you should achieve more than the sum of the parts. Traditional partnerships tend to be bilateral, but be open to tripartite or multi-party partnerships to create this additionality.

- Being honest about why a collaboration is needed is a great start. Why do you need a partner? Do you need a developer/construction partner? Or do you need an investor partner?
- Make sure you are aligned on relative values, such as Economic, Social and Governance criteria (ESG) or social value. How do you prioritise, define, measure and report on these compared with your partner?
- Accept that collaboration can mean compromise and be aware that taking a hard line on all negotiation points, and squeezing your collaboration partner from the offset, can mean the venture is tense from day one.



For housing associations

Fiona Fletcher-Smith, L&Q

With two-thirds of L&Q's homes delivered through joint ventures, here are Fiona's key tips for housing associations working in partnerships.

- Understand the grain of the place you're working in and at the centre of that place is the local authority – do not neglect it.
- Be very clear what the roles and responsibilities are from the beginning. Set out your own red lines as an organisation.
- Make sure teams understand what a joint venture is and that they are there to represent the venture, not your own organisation.



For local authorities

Cath Shaw, LB Barnet

LB Barnet work through a variety of partnerships from traditional development agreements to joint ventures. One of these joint ventures is Brent Cross Town, with developer Related Argent. The collaboration will deliver 6,800 homes with 3 million square foot of office space.

- Arrive into a partnership with confidence, knowing the value you bring to the table. The public sector not only brings access to competitively priced capital, but also a long-term perspective.
- Be clear on what you can offer and use the procurement process to ask for what you want. The biggest alarm bell in procurement processes is a potential project partner coming back and saying, "you've asked the wrong question."
- Set out upfront your risk appetites, what returns you're looking for, and the things that you will and won't do. This allows for more agility when a market challenge comes along because you've been much clearer on your space for manoeuvre.

Case study: Regenerating the Marlowe Road estate

LB Waltham Forest has been working in partnership with Countryside to redevelop the former Marlowe Road estate, now known as Feature 17.

The key features of the final scheme will include:

- 589 new homes, 44% of which will be affordable*
- 10% adaptable homes across the estate including a fully accessible four-bedroom home for social rent that the council has recently taken handover of, and many other properties adapted for disabled use across all tenures**
- tenure-blind homes, with no distinction in terms of design between the affordable homes and the homes for private sale
- a new public plaza and children's playground - and Wood Street Library has relocated to the ground floor of one of the buildings and now includes a café
- an on-site energy centre providing heating and hot water to all homes through a district heat network, which is being extended to other existing blocks to further improve its efficiency and reduce the scheme's carbon footprint.

The scheme is being completed in phases. With high construction costs and a shortage of skilled construction workers, delivering the final phase of this estate regeneration will face new challenges. But both LB Waltham Forest and Countryside are both committed to making sure that the full programme is delivered.

Working side-by-side

While the formal relationship between Countryside and LB Waltham Forest is laid out in the Development Agreement, both Rob Passmore, Senior Development Manager at LB Waltham Forest and Nick Clarke, Associate Development Director at Countryside, agree that one of the reasons the two parties have worked well together is because staff have worked side-by-side on site, as well as at the strategic level.

This has enabled them to anticipate and resolve challenges as they have happened. There are also regular directors' meetings to ensure goals remain aligned at a senior level.

This has made it easier to navigate specific issues which weren't anticipated in the initial Development Agreement. An example of this arose following the

handover of the energy centre, when the two parties realised there wasn't a formal process for handing over new sections of the network that specifically serve private homes as they were completed. Because they were used to working closely together, they were able to find a solution quickly, and future Development Agreements at other schemes will now include details on staged district heat network handovers.

When it's finished, Feature 17, in LB Waltham Forest, will include 589 new homes, 44% of which will be affordable.*

The collaborative relationship also enabled the council to buy two blocks from Countryside that were originally intended for private sale. This meant they could increase both the amount of affordable housing on site, and the number of homes that the council owns.

* Affordable housing here refers to homes for social rent and shared ownership.

** Adaptable homes are built to a larger space standard so that they can accommodate a wheelchair and so that other adaptations could be made in order to make them fully accessible. Fully accessible homes are provided with features such as railings, lowered units in the kitchen, an internal lift and so on, so that it is immediately able to be lived in by a disabled person.

Understanding each other's drivers

The design of the existing estate meant that it was challenging for the council to maintain to a high standard and suffered from extensive anti-social behaviour. So the key driver for the council was engaging with the existing residents and working out what was best for them when it came to regenerating the estate. It was a priority for the council that residents would only have to move once, which had an impact on Countryside's design for the site.

And, as outlined above, LB Waltham Forest made it clear from the outset that

another key driver for them was increasing the amount of affordable housing where they could. Knowing this allowed both parties to consider how this would be possible throughout the redevelopment and has resulted in more homes being delivered at affordable tenures.

Being flexible

"As a nationwide developer, Countryside has a large supply chain and good relationships with its suppliers so they will be able to deliver the same quality in phases 2B and 3," says Aadam Ahmed, Project Manager, Countryside.

However, with rising energy prices and construction costs, these are challenging times. Working collaboratively with the council will enable them to be more flexible and to make quick decisions about materials, to make sure they are compliant with planning and consistent with the earlier phase of the scheme.

Good practice

There are three key areas in which better collaboration both within organisations and across the sector can help tackle the affordable housing crisis: financing housing delivery, making the most of the homes we've already got and collaborating with communities.

In this chapter we share examples from practitioners across the sector which we believe will inspire the sector to think differently about the 'wicked problem' of affordable housing – and collaborate better in order to drive change.

1. Financing housing delivery

With limited access to social housing and home ownership increasingly beyond many people's reach, renting is the reality for [13 million people across the UK](#).

But as the UK's private rented sector has a shortage of high quality, secure and affordable homes, there's a growing need for innovative, and collaborative, finance models.

Recommendation	Who it's aimed at
<ul style="list-style-type: none"> • Use frameworks like the Equity Impact Project that will ensure investment into affordable housing has real impact. • Learn from other markets facing analogous challenges, eg the Family Homes Funds in Nigeria. 	<ul style="list-style-type: none"> ▶ Investors ▶ Private sector developers ▶ Local authorities ▶ Central government

Growing the social investment market

Big Society Capital's (BSC) recent [market sizing data](#) shows that social and affordable housing impact funds make up approximately 49% of the overall social investment market in the UK. At a value of £3.9bn they have grown significantly as investors increasingly see the positive contribution they can

make to the housing crisis.

The same also goes for government. In 2020, BSC collaborated with the Department for Levelling Up, Housing and Communities (DLUHC) on the '[Everyone In' street homelessness initiative](#).

This saw the government make its first social impact investment in homelessness accommodation and attracted co-investment

from BSC, Greater Manchester Combined Authority and Greater London Authority.

Via the pilot, capital was channelled through investment fund managers that had existing and established models to deliver accommodation (and support) alongside charities and housing association partners.

“We do believe that there can be more collaboration - but collaboration with chequebooks. This means reassessing the role of equity, investors sharing risk, and working with central government to redirect government incentives.”

Waqar Ahmed, L&Q

For the first time, local authorities could also bid for central government Rough Sleeping Accommodation Programme funding to make social investments and provide housing stock to tackle the acute end of the housing crisis.

The pilot provided an impetus to bring people together beyond the provision of capital. “This is working because stakeholders have been brought together and plugged into an existing infrastructure,” said Drew Ritchie, Big Society Capital.

For investors looking to invest in social and affordable housing impact funds, whether that is homelessness accommodation or general needs affordable housing, it’s essential to use

frameworks that allow them to make decisions on an impact basis, according to Kitson Keen, Home Group. An example is the [Equity Impact Project](#) that brings consistency and transparency to impact reporting and measurement.

Providing demand and supply interventions

Africa is urbanising faster than any other region. It will house 7 out of 20 of the world’s largest cities in the next 50 years. In Lagos, Nigeria, the population is expected to grow from [14 million in 2022 to 24.4 million by 2035](#).

Currently, [66% of the city live in informal settlements](#) and housing supply



Lagos, Nigeria. Credit: [peetery](#).

remains sub-scale and inadequate. And most importantly, formal housing remains out of reach for most of the population.

To address these issues, Altair International has helped the Nigerian government set up a new housing fund: the [Family Homes Funds](#). Compared to traditional models, the fund is an innovative approach to providing financial and policy tools in response to demand and supply interventions.

It offers financial support across four main areas in facilitating access to homes to build, rent or buy.

1. Affordable housing fund aims to support the development of up to 500,000 homes targeted at people on low incomes. This is delivered in partnership with public and private sector developers by providing competitively priced direct financing – both debt and equity to finance projects that meet strategic objectives.

2. Help-to-own fund contributes 40% of the total cost of new homes for low-middle income individuals as a loan which requires no repayment in the first five years after which monthly payments are made starting from an interest rate of 3% rising gradually to a maximum of 15% in the 20th year.

3. Rental housing fund helps individuals on a low income move into a new home with just a month's rent and a month's deposit and with an option to buy the house at a later date after instalment payment conditions have been met.

“As a sector, we should look to our colleagues abroad for inspiration on delivering desperately needed homes – particularly those working in challenging circumstances. But we must pay close attention to the local context and circumstances – to make sure we are delivering against the particular priorities of both a place, and its people.”

Olu Olanrewaju, Altair International

4. Land development fund is a short-term construction finance facility for real estate developers with a 10% interest rate aimed at funding the development of a minimum of 250 affordable housing units for low-income families.

In addition to delivering new homes, the fund also aims to create 1.5 million jobs. Supported through a combination of funding streams from shareholder equity to loans, the partnership between the African Development Bank, national banks, the Nigerian government and others, is working to deliver homes in a very challenging context.

2. Making the most of the housing we've already got

As well as delivering more new affordable housing, our programme has also highlighted the importance of improving existing stock and using it more efficiently to house more people.

Recommendation	Who it's aimed at
<ul style="list-style-type: none"> • Make existing stock a strategic priority – with resources to match. • Use demonstrator projects, like the Eco Show Home in LB Waltham Forest, to drive retrofit. • Use new technology and a more holistic approach to housing allocations in order to maximise the number of people offered a new home. 	<ul style="list-style-type: none"> ▶ Housing associations ▶ Local authorities ▶ Greater London Authority ▶ Private sector developers

Making improving existing stock a strategic priority

[Over 8 million people in Britain are inadequately housed](#). This doesn't just mean they're homeless. This could mean they're in a home they can't afford, in a home that's not the right size or suitable for their mobility requirements, or is in a state of significant disrepair.

In November 2022 this issue hit the headlines when a coroner ruled that the death of two-year-old Awaab Ishak was from prolonged exposure to mould in a flat run by a social landlord.

“Over 8 million people in Britain are inadequately housed.”

The Guardian, 23 September 2019

It was a “defining moment” for the housing sector, and the [Housing Ombudsman has urged social landlords to make addressing damp and mould a top priority](#).

At our 2022 Conference, Fiona Fletcher-Smith, L&Q, explained that she has changed the housing association's direction in the last 18 months to focus on the homes they already have. She is putting forward an investment programme of £2.9 billion to make sure existing homes reach [Future Home Standards](#) and [Energy Performance Certificate C](#) targets. The very top priority is that they are safe.

Using demonstrator projects to drive retrofit

According to the UK Green Building Council (UKGBC), [80% of the UK homes that will exist in 2050 have already been built](#). As our homes currently account for around 15% of its [green-house gas emissions](#),



Eco show home in Waltham Forest

retrofitting these properties – and addressing the inadequate energy efficiency of our housing stock – is essential in order to create warmer, healthier, more affordable homes. And key to the UK having any chance of hitting its net-zero targets.

In May 2022, [FoL ran a field trip to the Eco Show Home](#) in LB Waltham Forest, a Victorian house that has been

adapted and fitted with new technologies to reduce its emissions.

This flagship project, undertaken with Aston Group, was a way for the council to demonstrate the benefits of a whole-house retrofit on the energy efficiency of older homes, and encourage local residents and landlords to retrofit their own properties.

From September 2021 to June 2022 the Eco Show Home was open to the public, who could book a tour and learn about the retrofit measures. After that, a family on the council's waiting list moved in.

Championing a fabric-first approach, the various retrofit measures that the house underwent included:

- loft insulation, external wall insulation at the back of the house and internal wall insulation

at the front (which enabled the preservation of the red-brick Victorian façade, in line with the planning regulations)

- underfloor insulation installed with a robotic device
- installing an air source heat pump, solar panels, LED lighting and smart power sockets.

The total cost for the renovation was £115,245.43, with £67,000 of this dedicated specifically to retrofit. This has brought the house up from an EPC rating E to an A rating. (An EPC rating is a review of a property's energy efficiency, with A being the best rating.)

The next challenge for the council is to make sure that current and future residents are fully briefed and supported to use all the technology, and also to measure the impact that

the retrofit is having on the home's energy usage, emissions and bills.

Rethinking social housing allocation

Social house building is increasing but social housing lets are falling. Creating more homes at social rents is widely recognised as essential to tackling acute housing needs.

But little attention has been given to how we can maximise the impact of building new social homes, as well as from letting of existing stock, in order to rehouse more people and cut housing waiting lists.

Although almost every London council is now directly engaged in social house building, and starts and completions for social rent homes in London have risen sharply since the Mayor of London's Affordable Homes



Learning about the heat pump during Fol's May 2022 field trip to the Eco Show Home, LB Waltham Forest.

Programme increased grant funding in 2016, overall social housing lets in London has been steadily falling over the past decade.

Leo Pollak has [reviewed the allocation of social housing](#) by local authorities across London. When a new home is built or an existing home is re-let, housing teams often offer that home to the household at the top of the list. Their top priority is tackling overcrowding and moving people out of temporary accommodation.

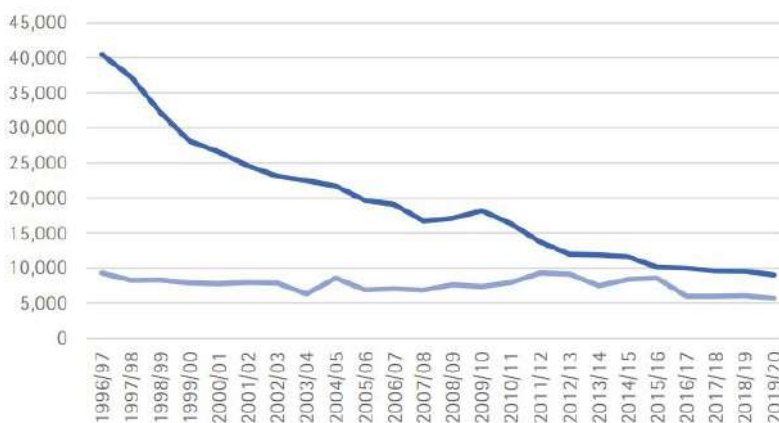
But if councils created a 'vacancy chain' of all the households in an area that need to move (including the household's particular needs, for example overcrowding or downsizing, and the type of home they would free up by moving) they could potentially rehouse more people by matching households on the housing register with a home that meets their specific needs.

This approach was trialled at a new development of ten new council homes on Welsford Street in LB Southwark. There were 39 households on the waiting list in neighbouring streets and blocks. The council used data on occupancy, need and the type of home a household was currently in to allocate the new homes.

Instead of simply rehousing ten households who were in temporary accommodation or at risk of homelessness in the ten new homes, they created a 'vacancy chain' and rehoused 20 households.

How could vacancy chains be used more widely?

- Allocations teams should



Lettings to new social tenants in London

Source: Pollak 2022 (p.10). Housing allocations and the vacancy chain: compiled by GLA from UK Housing Review, various years. Data is for tenants new to social housing

incentivise under-occupiers to downsize and free up larger properties.

- Planning policies need to meet the housing type needed in a particular area – such as large family homes or sheltered accommodation. Without tailoring supply to demand, new social housing may not meet specific local need.
- To do both of the above well, local authorities need better data on existing housing stock and, crucially, the wants and needs of existing tenants. Housing and planning teams need to work much more collaboratively.
- The way homes are valued needs to broaden. Finance officers, for example, often look at the 'cost per unit'. On paper, this means that a development of 100 one and two-bed flats might seem like better value for money than 50 three-bed flats. But the savings from

building larger flats could be greater if they enable people to move out of expensive temporary accommodation.

Although allocations policy is a matter for local authorities, there are lessons to be learnt for the whole sector here. Rising construction costs are making it harder to deliver new housing across the board.

Now is the time for planning, finance, development and allocations teams to work together to make sure that both new and existing homes are being used as efficiently as possible, to house as many people as possible.

3. Collaborating with communities

Meaningful engagement with local residents and communities must be at the heart of tackling the affordable housing crisis.

This means involving communities in how we assess what sort of housing Londoners want and need, as well as in the design and delivery of new homes.

Recommendation	Who it's aimed at
<ul style="list-style-type: none">• Work with local communities in the definition, design and delivery of affordable housing.• Take a 'systems approach' to housing to drive change across sustainability, employment, health and wellbeing, and community cohesion	<ul style="list-style-type: none">▶ Housing associations▶ Local authorities▶ Private sector developers



Discussing the importance of collaborating with communities at FoL's 2022 conference. From left to right: Hanna Afolabi, Mood and Space; Simon Donovan, London Development Trust; Jaqueline Fearon, Housing Solutions; Olaide Oboh, Socius; Kyle Buchanan, Archio and Anita Whittaker, OPDC.

Giving community members a seat at the table

The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation, established by the Mayor of London and spanning land in three London boroughs – LB Ealing, LB Brent and LB Hammersmith & Fulham.

It's the UK's largest regeneration project and, consequently, significantly impacts the lives of those in the surrounding communities.

“We should be working in a way which recognises that residents' lived experiences are critical to developing the housing that people want and need in the capital.”

Kyle Buchanan, Archio

To highlight their genuine commitment to community engagement, and to build relationships with people that are less likely to join in with more traditional community engagement activities, in 2020 OPDC hired local resident Anita Whittaker as Local Community Coordinator.

Anita established a community steering board for regeneration happening along the Grand Union Canal and as a result is able to speak directly to developers, the design team, and local councillors to help ensure development best meets the needs of local people. Part of her role is to hold them to account, so that the interests of local communities remain at the heart of the regeneration.

“When OPDC first did their consultations, in a more traditional way, I was one of the residents who challenged them and asked them to think about the impact on local residents,” says Anita. “Now I am being paid to work for them, to ensure that local people's voices are really being heard. My community con-

tacts and experiences as a local resident are valued – and I'm listened to.”

Since working with OPDC Anita has:

- engaged over 2,000 local people
- established the Harlesden Canalside Steering Group, made up of residents, boaters and local businesses
- held co-design workshops with guest speakers including the local MP; headteacher of the local school and a representative from a local homeless charity
- organised an online quiz to celebrate the heritage of the canal with members of the public
- helped secure planning permission for regeneration along the canal through building local support, including a community garden; better towpath access; landscaping; workshop and event outdoor space and permanent boat moorings for community activities.



Anita Whittaker in her role as Local Community coordinator. Credit: OPDC

Asking residents what they need

By Pollard Thomas Edwards

Infill housing on council estates is controversial. If you live in a garden-less flat in a dense, polluted corner of town, you could reasonably argue that it's wrong to shrink communal green space for the sake of a few homes.

On the other hand, with private developers failing to provide enough social housing even on large, previously council-owned sites, 'infill' housing is one way local authorities can cut waiting lists.

At Dover Court in LB Islington, however, local residents backed Pollard Thomas Edwards (PTE) plans – because we developed them together with the community.

Working closely with the estate residents, many

wary of both disruption and possible displacement, and with Alistair Gayle, LB Islington's Head of Programming, Design and Customer Care, PTE found out what kind of homes were needed and established trust by ensuring residents would be rehoused on the estate through the borough's Local Letting Policy.

It became clear that many older people were badly served: some in cramped, bedsit-style homes with others across the estate in oversized, less accessible, homes more suitable for families. Conversely many larger families were living in overcrowded accommodation.

PTE found common ground when we re-cast the project as an opportunity to improve Dover Court's relationship with its surroundings. Residents wanted a safe, enjoyable route home and to see their estate stitched

back into the neighbouring streets.

In the end, 70 new homes were delivered, along with a community centre at the base of an existing tower. The community also benefited from a revitalised public realm - improving the open spaces, pedestrian routes and lighting to fashion a safe and welcoming journey home for all residents. And a brand new ball court was added too.

The range of new homes genuinely enhances Dover Court's townscape, helping it to blend more coherently with its surroundings: a brick tenement with a metal-clad penthouse stitches into Balls Pond Road, alongside two semi-detached dwellings (with facades that also mix brick with metal).

There is a 'mews' terrace between Dove Road and Balls Pond Road that animates the ground floor



Dover Court Estate. Credit: Pollard Thomas Edwards.

surroundings of 10-storey Threadgold House. Existing Ongar House has been bookended with new homes and there is a new deck access scheme on Mitchison Road, alongside '60s-built Warley House - behind which we've also tucked one- and two-storey terraces.

There was some demolition - one cramped low-rise block was removed and we also redeveloped garage plots - but mostly we built on carefully identified sites, as we sought to weave this once island-like estate into the fabric of the wider Georgian-terraced neighbourhood.

Taking a systems-based approach to housing management

The 2017 Grenfell Tower tragedy, on the Lancaster West Estate in North Kensington, highlighted the legacy of systematic inequality and neglect.

As part of the response:

- housing was brought back into council management
- the Lancaster West Neighbourhood Team (LWNT) was established in partnership with residents as a semi-autonomous team to work specifically with those survivors living on and around Lancaster West Estate.

Residents face complex and diverse barriers:

- 40.1% of residents were not born in UK
- 18 community languages are spoken – with 5%

of households with at least one person who cannot speak English

- 80% of residents are from ethnic minorities
- 50% of residents are in receipt of benefits
- 25% of homes were overcrowded (though now 9%)
- 10% of households have an issue with accessibility.

LWNT manages 824 homes. It has been working with residents to improve their homes but they have used housing as an entry point into residents' lives in order to drive change across sustainability, employment, health and wellbeing, and community cohesion in the neighbourhood.

To do this, they've put residents at the heart of decision-making, setting a 50% target for resident participation in all engagement activities. They've also hired locally: 20% of the team are local residents. And recognising that residents don't operate in silos – rather they're living complex lives that interact with public-, private- and voluntary-sector services in a personal and unique way – they've brought together these different sectors to jointly address service gaps and complex problems.

Taking a community-led systems approach has not only resulted in improved housing services but a number of other achievements. Between 2018 and March 2023, the LWNT has:

- improved repairs satisfaction from 66% to 90% and average repairs turnaround from 20 days

on average to 4.2

- co-designed a local lettings plan that understood housing need as it is experienced, which reduced overcrowding from 25% to 9%, and moved households in long-term temporary accommodation into secure lifetime tenancies
- co-designed refurbishment programmes for four buildings
- established LancWest-Works programme to support residents into meaningful employment – so far it has supported 20 residents into work and a further 8 into training programmes
- invested over £2.5m of financial value in the local community through jobs, grants and donations beyond investment in housing
- created over 1km² of bio-diverse green spaces in partnership with residents
- co-designed a vision for the future of building, projects and services on and around the Lancaster West Estate – the Lancaster West Future Neighbourhood Vision.

Following the completion of the vision, the LWNT will start delivering the 23 projects proposed during the consultation process, working with different service providers and residents to co-design and deliver these initiatives.

Housing 2030

Levelling up continues to dominate the UK national conversation four years after the Conservative Party coined the phrase in 2019. Given that the government hopes to achieve its levelling up ambitions by 2030, this chapter presents three thought pieces from sector experts on why affordable housing should be at the heart of this agenda, the changes we need to see in order to boost delivery over the next seven years – and what's at stake for young people if we don't address this now.

Levelling up housing

by **Lucy Webb, Managing Consultant, Inner Circle Consulting**

Those looking for a clear and deliverable definition of 'levelling up' today could consider that the convergence of the cost-of-living crisis and the housing crisis gives us just that: the basic human right of shelter.

This is no longer just an issue for the most marginalised in our communities. Years of underinvestment in affordable homes and housing retrofit, combined with dire economic headwinds, means that for a great many people, their homes have become precarious in a way that they might never have imagined.

[The Joseph Rowntree Foundation's December 2022 report](#) found that over 3 million households (28%) had not been able to afford to keep their home warm since June; and [Citizens Advice's data dashboard](#) shows that by end-2022 they had helped more people with a homelessness issue than in the previous

five years. Many people must now choose between eating or heating and many more are in danger of losing their homes completely.

Securing everyone's home is the first step to re-establishing everyone's equal chance to flourish

Here's how to do it:

Government must get over its short-term thinking on housing and support housing ministers with muscle to tackle the issue in a sustained, co-ordinated manner, across both the levelling up and housing briefs. That starts by expanding investment in social and truly affordable housing and ensuring more local authorities can access sufficient Homes England and Greater London Authority grants to counter the viability gap that's being stoked by inflation and supply challenges.

It must also fund an accelerated programme of retrofit now for those living in cold, damp and mouldy homes. We could have one million homes fixed by next winter.

And it must also move on the long-promised Renters

Reform Bill. Research shows that those in the private rented market are the most exposed to cold, leaky homes, expensive energy bills and a lack of landlord support.

All of us must develop the skills, jobs and opportunities to build the houses we need

The [Net Zero Hub](#) in Portsmouth, a partnership between Portsmouth Council and City of Portsmouth College is building local skills and knowledge to install new housing technology and meet net zero commitments.

The [Optimised Retrofit](#) programme in Wales brings together a consortium of 68 partners and is working with Cardiff University, Trinity Saint David's, Swansea University and NPTC Group of Colleges to identify the key skills needed and where the most significant gaps will be.

We must support and equip local authorities to directly deliver local employment skills training programmes, retrofit existing homes and build the right homes in the right places. Relying on developers doesn't work.

At [Inner Circle Consulting](#), we supported LB Camden to tie their extensive retrofit scheme of 33,000 council properties into an employment and skills programme for local residents for the next 30 years.

Working with communities to identify those most vulnerable is key

All of this is only effective if we work with representative groups across communities to identify those most vulnerable to the impact of the current crises and ensure they quickly receive short-term support *and* are involved in devising preventative solutions that go to the root of the issue.

Data shows us that vulnerabilities are exacerbated by sex and race.

According to the Women's Budget Group, 67% of adults in homeless households are women and 60% of households claiming housing benefit are women. According to the Joseph Rowntree Foundation, two in ten BAME households across the UK live in unaffordable housing – double the national average for white households.

There are innovators whose work we can follow here. [LB Barking and Dagenham's work with Xantura](#) helped target council intervention at those most vulnerable to hardship; a partnership that paid huge dividends during the Covid-19 pandemic when the council had to work at speed to identify, target and support those most at risk.

At Inner Circle, we are applying a similar, data-led approach within our [Crisis to Prevention mission](#), supporting councils from Southwark to Salford to target resource at finding, supporting and preventing the most vulnerable from hitting crisis point.

Levelling up requires a whole-system approach

Yes, the government needs to get serious about funding and support to deliver more affordable homes and better building stock.

We also need to work together as an industry to ensure that we target the resources we have in the most effective way.

We must use data to understand our residents. We must work with community groups so residents' voices are heard.

We must ensure retrofit schemes include education, skills and training to create the workforce we need to deliver good homes and also good jobs.

We need to look across our real or administrative boundaries and find ways to collaborate to identify and provide the land, assets, education and financial resilience we need to give everyone a warm, safe and affordable home.

The government's own definition says: "Levelling up means giving everyone the opportunity to flourish." If we start with the basics of providing warm and safe shelter and, in so doing, tackle the specific vulnerabilities of sex and race, we can create better futures for everyone.



Credit: [Centre for Homelessness Impact/Liam McBurney/PA](#)

Young people are experiencing the worst of the housing crisis

by Dr Tom Kerridge, Senior Policy & Research Officer, Centrepont

Centrepont Databank statistics show that in 2022, more than 112,000 young people in England approached their local authority for homelessness prevention and/or relief, an 8% rise on 2021.

In London, the rate of youth homelessness has also risen: going from just over 15,000 to 18,000 – a 20% increase. These rate increases, however, are not reflected in the level of housing support allocated to members of this cohort. Assuming that the majority of young people experiencing/at risk of homelessness require temporary and/or permanent subsidised housing, allocation rates for 16–25s have failed to meet demand.

In 2020–2021, for example, just 2% of total local authority and 3.1% of housing association social tenancies were allocated to young people. Only 18% of new general needs social housing was provided to this group.

These data sets show that young people regularly experience the worst of the country's housing crisis. Unless afforded priority status by local authorities, young people are frequently locked out of England's already limited social housing sector. This can mean that they have to turn to the unaffordable private



Credit: [Centre for Homelessness Impact](#)

rental sector, live in temporary accommodation or risk homelessness.

To address these issues, government, housing providers and charities must work together to develop strategies aimed at providing genuinely affordable housing options for young people and enabling those living in housing to make the most of tenancies.

However, no one organisation can achieve these goals. Rather, we must build a lasting coalition that aims to reinvigorate the social rented sector and deliver

new, youth-specific housing products. These are products that clear blockages in housing pathways and empower young people to lead meaningful lives such as Centrepont's Independent Living Programme or St Basils Live and Work scheme.

To achieve affordability, we need clarity and flexibility

by Will Seamer, Partner,
Montagu Evans

2030 sounds a long way away but, actually, it's only seven years away. So we haven't got time to totally tear up the rulebook; instead what we need are some incremental changes.

Starting from the ground up, where do I see the position today in terms of affordable housing, development and delivery? And where do I think there's potential to make some incremental positive changes between now and 2030?

Today's housing crisis

What does it mean when we say there's a housing crisis? In short, it means there's a significant imbalance between supply and demand. In London we're delivering about 40,000 homes a year, but we need to be delivering about 100,000. For affordable housing, the crisis is deeper: we're delivering about 10,000 new affordable homes in London per

year, but we need to be delivering over 40,000. So the housing crisis is really an *affordable* housing crisis.

On top of this, we're now facing a series of additional challenges:

- construction cost inflation
- nervousness about property prices
- interest rate rises
- planning delays.

To navigate these market headwinds, the two things we need from both regional and national government are clarity and flexibility.

We need clarity from national government level on planning policy, which we do not have at the moment. For example, is there going to be a new Infrastructure Levy that will completely change how affordable housing is going to be delivered? At the moment we just don't know.

And we need flexibility in policy. A good example of this is the Mayor's introduction of the FastTrack Route for affordable housing in London back in 2018. The Mayor conceded at the time that strategic targets of 50% affordable housing were unlikely to be met,

and instead introduced a lower threshold of 35% for most sites which, if met, gave developers certainty of their current and future liability. This flexible approach to policy has been the main driver of improved affordable delivery in the capital – from about 15% of units to over 30% today.

We also need flexibility around tenure types. It's a real alphabet soup at the moment: from London Living Rent (LLR) to London Affordable Rent (LAR) to Discounted Market Rent (DMR). But if we get the right product, we can attract the right institutional investment, which we are going to be hugely reliant on to support the affordable housing sector up to 2030.

Finally, we need flexibility on delivery structures. Public-private partnerships are going to be key, particularly with regards to levelling the playing field for local authorities and housing associations.

If the built environment sector starts focusing more on clarity and flexibility, then I believe we can make some really positive change to affordable housing delivery by 2030.

Conclusion

Housing is a human right. A safe and secure home is the centre of emotional and social life. Where we live has a direct impact on how well we live, and how long we will live. And, since the pandemic, home has become the centre of work-life for many people, too.

Despite this, access to affordable housing remains increasingly difficult for many individuals and families, with certain groups being disproportionately impacted.

Through cross-sector dialogue, this programme has highlighted that – against a backdrop of urgent and competing priorities – re-evaluating our current approach to housing is critical.

“The affordable housing crisis is systemic in London. It’s not capable of being solved by any one organisation working on its own... we need our collective imaginations and firepower brought together through collaborative system-level leadership.”

Joanne Drew, co-chair of the London Housing Directors Group'

Our programme has shown that collaboration is a key tool for addressing the complex challenges we face in a holistic, viable and sustainable way.

Better cross-sector collaboration is now needed to think more innovatively about how we finance the delivery of new homes and

improve and retrofit existing homes. And meaningful community engagement must be at the heart of both.

This way the sector has a much better chance of realising the real impact it has upon the happiness, success and lives of individuals and communities.

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Future of London

70 Cowcross Street
London EC1M 6EJ

futureoflondon.org.uk 
@futureofldn 
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