

A CITY FOR ALL LONDONERS

Housing Workshop
21st November 2016, 9.30 – 13.00

Affordable housing delivery and viability Table 1 Session 1

Facilitator in bold facilitator – comments in bold
Respondents in regular text

These notes are a summary of the conversation

Session 1, Table 1

Facilitator, Andrew Russell

Mary Manuel, Borough of Bromley
Mike Walker, Fairview New Homes Ltd
Luke Burrows, London Councils
Keith Fraser, Sutton
Matthew Bennett, London Borough of Lambeth
Anna Davies, Persimmon Homes Essex
Peter Everden, London Forum of Amenity and Civic Societies
Kim Hopkins, City of Westminster
Duncan Bowie, University of Westminster
Glyn Robbins, Quaker Court TMO

So here the main question is: how should the London Mayor deliver his plan on affordable housing? In terms of net delivery, we are down from targets. The previous target was already not enough for what London needs. The next assessment is expected to show greater need.

Assumedly a high proportion is shared ownership, we find it difficult when developers come in and say it is unaffordable. There is a movement towards shared ownership, making it difficult for authorities.

This is causing more crowding and homelessness as there isn't the required accommodation. People get fed up with overcrowding so they want to find affordable homes. There are 35 year olds who can't leave home and people living two families to a room, these people cause hidden requirement

We do try to assess current living conditions to assess housing numbers.

The critical issue is the targets in the plan are set on the basis of revised assessment need, which will be much higher. So those targets should not be constrained on assumptions about funding or deliverability which is what happened previously. Another issue is the definitional

one, on genuinely affordable homes. It is implied categories should have their own definitions - the issue is the London living rent proposition is 30% of earnings. What is critical is having a tighter definition going back to the original definition which is 30% of net income for the lowest quartile of housing, and a tighter definition of shared ownership. Reintroducing the target we had before, which was for a range for different groups. This is problematic for Sadiq who has to deal with central government definitions which go much higher in market value. Definitions based on income must be used.

Being more specific about the definition of affordable - what is worrying is the virtual absence of council housing as part of the solution. In terms of delivery we can see from history that council housing has had problems, local councils have been the agency to deliver housing in the way we need. The definition of affordability, according to many involved, is council housing. There isn't enough specific talk about council housing.

If the housing and planning act goes through, local authorities will be forced to sell social housing to fund the starter home discount. London must not be forced by government to have the wrong policies. I was concerned about the map of local wages and providing homes according to that, as it is distorted, people do not necessarily live in those areas as many are forced to commute. Areas are distorted by economic factors not local issues. It's hard to determine where to build based on wages.

The breadth of the term affordable at the moment makes pushing development difficult at local level. People have lost confidence in the term affordable, and people assume it will be out of reach. In Lambeth, we have developers coming forward on the Albert Embankment, offering unaffordable studio flats. There must be debate about defining affordable even if people

How would you do that - would you accept fewer units because the threshold for units is brought down and developers would have fewer?

We would have to build genuine affordable homes elsewhere. In the longer term the Mayor could drive down the price of land under the planning system as prices are inflated.

What do people think the best way for the policy to address when developers have bought land so that the land values reflect what is required in the policy?

It comes down to viability; I'm in favour of overage clauses in approvals. Right now, assessments are a mystique art. There are two and a half boroughs that have capability when assessing viabilities, and it isn't always pulling wool over the eyes from the developers. In time when they are bringing insufficient profit, it must be recovered. Where is this 'elsewhere land' where we are going to spend the money on?

So, the problem is all land is expensive commodity?

Planning policies can stop that when they are developed, instead of stopping when developers moan. Investors have been buying sites at massive value when they know the Mayor and authorities will concede every time when they cannot afford it. The ability of the authority and Mayor to acquire a site and use CPO powers could be used. When this is possible the Mayor and borough have a strengthened case. Waiving requirements are inflating land costs and investors and landowners know they can get more money. For developers, this isn't a problem; it is the landowners who suffer. This government is now beginning to recognise this as an issue, which is why they're bringing compulsory purchase provision.

How do you find the current system?

Values in London are distorted for different reasons. For Fairview - 98% of business is London boroughs, cost associated with previously developed costs are significant due to demolition and so on, which is factored into land value. Whoever bids the most on land gets it. Bids should be policy driven, taking into account the density, value of product, but must be balanced against the risks. Be wary of overage as it can kill schemes when market falls. Going into negative margins means there is no incentives, banks won't lend money and supply will stop immediately. Going through a growth period means uncertainty from banks post-Brexit.

Would you prefer having a fixed requirement which every bidder would follow?

The thresholds by GLA would be a positive step in the short to medium term. The whole debate around viability needs to be more transparent. We employ viability experts and help councils fund employment of viability. It is a dark science which should be more transparent. I have a lot of empathy for the Mayor's goal but it takes the first term to get in place policies, the second term will see the upside - but by then we have another government. Hopefully the Mayor will have a second term for continuity in policy. Policy doesn't stand still. The current London plan will not last another year; I wish we could keep policy still and work on implementation. Starter homes don't work well in London but might work better in rural areas. It definitely doesn't work in Camden. We need certainty, clarity, and honest developers.

We have 250,000 unimplemented permissions and a lot of building, but when it comes to affordable homes are they bought later or released after the market homes that have given the basis of income you need. The problem that some of the market homes are going well above what is set by the London plan. Is this affecting the release of what is affordable within a scheme and the rate of delivery?

When we negotiate planning permission, there is always a timing issue for delivery. You can't put it all at the front, as it doesn't make the level of profit and is a cost upfront which can kill viability of the scheme. Often we agree that we must complete affordable housing before 75% of private.

Yes, that's what we would do.

That's exactly what's in the 106.

I would like to see property developers having less influence in policy development; I think a large part of the reason for the mess is developers have had a disproportionate influence. When it is public land, we know there is a lot of public land the Mayor has direct control over, I'm not saying developers shouldn't have a part in it but they shouldn't lead the discussion over policy which is something which should be decided by locally elected councils and communities. We have a problem of the tail wagging the dog.

I agree about the certainty issue, we need to give more weight to viability. Years ago we had to refuse things that didn't comply with policy. In terms of viability it has to be.

Yes it's a main issue. For the next policy in the plan, we are constrained by national policy.

In terms of viability, and if you start to go for density is the infrastructure. There is tension between social infrastructure and affordable housing.

The priority for affordable housing is interesting, but there are often trade-offs between different policy objectives and standards. What should the balance be in priorities? Should we prioritise affordable housing, giving less priority to for example zero carbon? They do all impact viability, but what should the hierarchy be?

I asked-, London has maintained the offset tax while the government dropped it for the rest of the country. London is still setting its own rate within boroughs. How does that in the short-term assist viability and delivery of homes when you add a significant cost, millions per year to carbon offset tax. We cannot avoid the subject of smog but you can't have multiple number 1 priorities.

Do you agree?

Yes. We have a big retrofit program anyway, the old Mayor found this to be an important programme. This question of involving community building, small buildings, and medium builders - how much affordable can we get out of that? It took the assembly to challenge TfL on the issue of partners, as all of them were partners of TfL land. Why not consider small and medium, even community builders?

One question written down is how should affordable housing requirements and policy be applied to small sites. The government suggests not applied to 10 or less, based on viability and boosting the sector. Other government initiatives e.g. vacant building credit which incentivise land development with lesser effect on affordability schemes. Should we take a London focussed approach or think about delivery as well?

Those changes in policy impacted London housing policy. We need to be careful about what we can get out of planning game. Looking at planning game outputs in 2008, 80% was going to public transport and that was Mayoral policy from the end of Livingston. The changes in the housing and planning act means starter homes will be exempt; relying on planning game alone is an error. This reveals a need for direct public investment, and the Mayor has an investment plan for rent. There is a conversation in how far the Mayor can go with funds from central for plans that the central government doesn't priorities.

For the next plan we are delivering more transport such as Crossrail 2. These could mean an increase in the Mayoral levy. More money needs to be taken to fund these things which could impact what we receive on site. How should we balance that need for transport with affordable housing?

That depends on the settlement. It is a big problem. The London plan should defy government policy but it wouldn't get through the examination public if it did. The Mayor must negotiate with the government about policies which harm London, like starter homes and selling off social housing, having third parties assess planning applications, permission in principle - these are all dangers. The London plan should be allowed to implement its own policy. Last year time was wasted on parking standard adjustments.

So, the London plan needs to be more London specific and taking a different role from initially described.

It's also about demonstrating that it isn't just about London but that targets from the government are trying to be reached. Hopefully the new minister will understand some of these issues, being a London MP in an area with housing stress. We must demonstrate that many

government initiatives haven't worked. Many Conservative councils in London have noticed this isn't in anyone's interest.

London is not supplying the number of homes because it doesn't have the land, making it a regional issue. Surrounding districts in home counties struggle with migration from people who move out of London to commute in as they can't afford it. I sympathise with letting the Mayor carry on, but it is a regional challenge. Blue districts such as Surrey are anti-development and the stream from London.

The last inspector said a future plan must be considered in a wider context than the GLA. Discussions were started with local authorities, we hope that will continue. They don't want to create dormitories, they want to share prosperity.

Did you have a point?

Looking at those graphs, showing the extent for permissions out there which aren't being implemented. That's controlling supply and demand. We should be looking at a system outside GLA as after two or three years you lose permissions. My concern is if you release the green belt, builders will buy the land and hold onto them, there needs to be public control as not to perpetuate the existing situation.

You end up with more market, not affordable housing.

Public control is the key point.

The city of London is quite weak on this, it's disappointing. The document is very much based on self-containment; it reaffirms absolute protection of the Green belt. It doesn't open up debate about edge of London development. This debate is critical, could lead to cheaper land, social infrastructure, a range of housing outputs including family housing to shared ownership. These products can't be delivered in London currently. Sadiq unfortunately hasn't raised the issue of containment and affordability. Home Counties must contribute to the regions of the metropolitan area - he must raise the issue of central government instead even if it is awkward.

If you release those sites-

You don't just release them.

You do the same as TfL land, keep it under control. You can use CPO powers to acquire sites - once you've got them in public ownership you can control them how you like. Sadiq mistakenly fears that green belt release will only yield top-market homes. We have done this in the past.

What do others think?

The danger of the green belt - there are areas which are quite accessible, others are not so accessible. There's an expectation in terms of all the affordable housing coming into a planning system. You could top up what housing associations get through grants; the expectations on planning are unrealistic. We don't need more permission with no affordable housing created.

What do people think of the mixed and balanced aspect of the housing plan - what is more important out of these priorities?

Numbers. X 2

We need affordable ending up with large amounts of private doesn't do anything for anyone.

What we don't want is only some parts having affordable housing.

The question has been whether you get better housing from offsite provision. Service charges can kill affordability in tower flats with no amenity. We shouldn't dump housing on the estates, but put it in locations that have a good mix. More ownership in central London gave more ownership in outer boroughs. Everyone has forgotten what the mixed and balanced communities plan is about.

There is a false polarity in this, in Islington the mixed community is being undermined by policies.

What policies?

The housing plan is a massive threat - Sadiq hasn't addressed this. The estate where I work is surrounded by private property development. This pushes out people on lower and medium incomes.

Is that somewhere where you would want onsite delivery? Talking about the question proposed, would you have issue with taking section 106 and getting the most bang for your buck?

There is a proposal, and from what we can tell so far, we might get only 10 council homes from it and the rest will be private. I don't see why there should be any non-council homes on a council estate where the land and investment is public.

How do you fund the regeneration then?

You have the land.

The build cost?

Sadiq Khan has money, the council has money. I'm not opposed to cross-subsidy. It's about proportionality, and right now this is wrong, particularly on public land.

Onto the issue of off-site, we wouldn't accept putting shared ownership offsite and having pure market onsite. We have started seeing accepting off site social housing when it is within reasonable distance from the main planning site. We don't want to crowd more social housing onto land where it exists, but it's the easiest thing to do, unless the Mayor starts identifying land. Having to buy more land in the borough decreases the amount of affordable housing you will get. We don't want councils to sit on the money to build but not have means to deliver.

I believe strongly in the intensification of land use in outer London. From an affordable housing point of view, there are tremendous opportunities. These are already mixed communities with low density. Those who are elected are unwilling to upset voters. We could get more affordability in those areas, due to land values. We could get cooperation from residents to put two or three story houses into a block of mansion flats. This hasn't been pushed due to the political resistance which the Mayor needs to overcome.

About viability - what are we saying?

Doesn't SIL have a big impact?

Yes. X 3

It's only a small percentage.

Well, it's millions of pounds.

So, it comes back to uncertainty.

What part of viability makes development happen or not happen?

Clarity over calculations. Viability assessments.

Viability for me is about balancing risk. Private developers need to know they will make a certain return - recently about 20% for private and 6% for affordable. These are within the norm for the last 20 years. Now we see a move towards profit margins of 17-15% for private and 0% for affordable. As a developer, carrying a risk while making no profit, funding through a bank-, what's the incentive for me to produce affordable housing?

There has to be an incentive for the landowners to release their sites, if we want to deliver housing.

When bill costs undertake values.

You can build a review provision which could allow for a reversion to shared ownership. The basic mechanism for affordable housing needs updating, it hasn't got current cost assumptions in it. The proposition coming forwards about delivering and not needing a viability assessment is crude; you can only do a viability assessment on a specific scheme. What is defined within the 35% norm - what type of affordable housing? Local authorities have said they'd love a fixed rate of 35% plus social rate, and developers want 10% sub-market.

So, it is about being prescriptive.

Yes, but you need to be specific and allow for differences within boroughs. I can see the argument for simplicity but the detail means that fixed rates fall apart. Devaluing land is more important.

This requires authorities to do their own work on assessing land sites.

I don't know why authorities don't do more.

We are under-resourced.

Of course, it isn't their fault, but it is more important than setting high level targets.

Local authorities aren't set up at the moment to maximise affordable housing, there is a reliance on planning game right now. Boroughs are understaffed and there's often only one planning policy staff working, but we receive 20% plus of the planning permissions. There is only so much policy you can do, we are already meeting planning permission targets - all boroughs can do is permissions; developers are not building fast enough.

Birmingham is introducing 'use it or lose it', and the Mayor is considering that here.

A point that goes beyond Sadiq's remit is if local councils were freed from arbitrary restrictions such as right-to-buy, we wouldn't have to rely on private developers solely.

The inner boroughs are sitting on millions of pounds but they can't spend it on the outer boroughs where there is land to do this.

That's not true.

I'm concerned that suburbs are seen as a solution; generally speaking most suburban areas are good quality family housing. You can't get big sites coming forward and it would be extremely unpopular. It's not a simple question of building towers in suburban areas.

Yes, there are select areas you can do that, but a lot of it you can't.

If we want to summarise three or four key points, what are they?

Firmness of approach so everyone knows where they are - some certainty, and a common viability definition.

Public control must be restored.

Mayoral control of land.

So, that would be on planning and land?

Everything. These are public resources, we need public control.

Developer must be clear on margins and the definition of affordable.

Yes, the definition of affordable needs to be clearer.

So, a tighter definition?

Yes, even if you get less, it needs to be clear.

From a developer's perspective, densification is an issue as it can produce ghettos. Housing needs to be quality and affordable.

So, this idea of fixed affordable housing?

Densification and quality go hand in hand, that will underline affordable housing delivery. Developers shouldn't be able to run off with profits and landowners shouldn't grab and run.

What would the mechanism be, a stronger policy?

That is one way of doing it, but also robust viability appraisals.

Viability assessments would be publicly controlled?

More land assembly considerations have got to happen, to create the communities we want. We must make houses which people want to live in.

From Westminster we get a lot of payment but we don't have the land, so spending out of borough in cooperation would be beneficial.

Specifically outer London.

Even in outer London boroughs it can be hard to find the sites, but it could be receptive.

Housing targets must be based on need, and planning provisions must be held to instead of surrendered at every opportunity.

For me it is priority, some authorities only want affordable housing. This country hasn't been dealing with infrastructure demands. You can't not have schools or health centres where houses are built. There needs to be a balancing act.

So being clear and more flexible in both aspects.

Affordable housing delivery and viability

Table 1 Session 2

Facilitator in bold facilitator – comments in bold
Respondents in regular text

Session 2, Table 1

Facilitator, James Gleeson

Lisa Russell, City of London

Lynne Everett, LB Berkley

Ian Butcher, London Borough of Redbridge

David Boardman, Kennington Oval & Vauxhall Forum Planning Group

Faraz Baber, Terence O'Rourke

Thomas Hoepfner, New Garden Cities Alliance - CIC

Sean Tickle, Rolfe Judd Planning Ltd

Camille Smith, Lambert Smith Hampton

Mark Breen, Savills UK Ltd

We all know this issue is important for the Mayor, and a cornerstone for his manifesto, but we also all know we are a long way from his targets and it will be a big challenge. Viability is at the heart of the issue, in a strategic sense, as housing needs to be economical to supply and affordable housing needs to be a part of that. There is an issue of assessing viability.

What is affordable housing, as it can end up at 80% of salary rent. So what is it?

Is it worth saying what the Mayor thinks?

Also, what does the government think? There is conflict with central government policies.

I'm thinking starter homes.

Generally, the government isn't supporting affordable housing at all.

It's probably worth saying that we are just about to announce a funding settlement, it's not going to be huge, and you're right that the government has a different view from the Mayor on affordable housing as it is pro-shared ownership, while the Mayor prefers rented. There will be funding from the GLA, but it won't be enough.

So, will that be a grant system.

Yes.

And the Mayor is focused on that funding.

It's heavily influenced by policy. There will be more funding for social housing, and more than the rest of the country.

Even if he presses it down to 35% affordable on sites he can. However, where he might be able to press more is where he looks at density around stations and opportunity areas where he is dealing with the local authorities, where he can ask for a return and response to that. If he thinks he is going to do it in the market, that is a different kettle of fish. I'm not saying that can't happen but if he's targeting the 35% on his SPG as a starting point, a lot of those sites will be going through viability assessments. That won't necessarily give him the numbers he wants quickly enough. It's worth looking at the quantity before he goes to viability assessments. Money adds up, so we have to be real. If 50,000 homes a year is the target, that is a big number. Last year it was 30,000. We need some pragmatism.

If you're trying to achieve 50% is it from developers or delivery in a year from different sources the Mayor has? If you're looking to deliver 50% of developer-led contributions I agree that is going to be extremely difficult to do and the viability will always be a defining part of the discussion. It needs to be thought about more carefully, how to present that figure to the wider public. 35% is closer to being delivered, but 50% is pie in the sky.

When you consider use of land there is a point at which residential land that is affordable is less valuable, so you restrict land supply. Grant funding has been rapidly reduced so it is difficult to hit policies put in place 10 years ago, the way viability is blame for delay is unfair. Where developers want to see things happen there is good engagement. I'd be interested to know if the Mayor's new team will work together with local authorities. While trying to increase supply of housing.

So you're concerned adding another layer in the GLA will slow things down?

The volume reports have said, I can't remember, what the team could do is scrutinise the larger teams and take a view that if nothing is happening by the applicant, how realistic are those ideas? It's uncomfortable.

Building on the data you have, it's the ratio between getting consent but the build out might be 10 to 20 years. Want to understand the relationship with last schemes; you can only deliver so many units in a year.

What evidence does the GLA have?

Is that a notional figure or-

We've recently done some viability assessments in Redbridge and we don't think.

If the Mayor decides to push for 50% we will be considering that. An important question: can you apply a strategic target across London or does it need to be sensitive to different market conditions in boroughs?

Land value differs, so you can't factor 50% where the values aren't there for the percentage of affordable housing.

We do struggle in the private sector.

I wonder if the Mayor would consider taking his public land and working with RPs? Who have a long-term approach, and secure payments in lieu rather than affordable on-site. You could take that money pan-London to invest in public sector land and deliver more affordable housing. There is debate on reinvestment, on pure economics that would make sense to me.

There is logic there. We hear about concerns about mixed and balanced communities. Is mixed tenure on every development a priority or would it be better to extract payments in lieu from very high value developments and spend them elsewhere?

Yes x2

No.

Where you have a relatively small scheme in a tight urban location where it is hard to put all tenures on site, it makes sense to take value out of the land where you can use it where the land value is lower. At the moment 'offsite' is a dirty word for local authorities, if there is a greater acknowledgement that offsite contributions are a way of delivering more homes it would help-, certainly on smaller sites it is a way of achieving maximums and more affordable homes.

I think that sounds good, but it isn't spent when the land isn't available at an affordability level to make the scheme work. In reality, the council builds up a sum but can't spend it.

That's where the GLA comes in; it can work with local authorities to spend the money.

How is the appetite for other schemes which are used in Europe?

Is that what we would call custom build here?

Yes. That way the land is not sold off. This could help especially where the GLA has availability. In Hamburg there is 30% ratio for public land which is given to planning permission, and given to the custom built sector. 14,000 architecture offices in 3km around me at home in Germany; every architect was a facilitator for the customer as they helped get the work. You could end up with a community land structure to lease to these groups.

That is very interesting, and different to how we do it at the moment.

We need to think out of the box and think dynamically as the status quo has us stuck here.

From the view of a community representative and activist, we are concerned with viability studies and the secrecy of them. Every time we extract a viability study from a public enquiry or otherwise, we find things like EUV+ where it is already in the hands of a developer, and arguable levels of profit to be conceded. We had one try to uplift the cost of inflation. We find the viability assessors tendency to game the system objectionable. We are glad to see Lambeth issuing a draft on transparency like Islington and others have. We want for complete openness, given the state of public distrust, we don't think there is any justification for confidentiality.

There is a public concern over viability.

And councils as well.

We are seeing places like Kingston, where members see open book viability, and the members are being informed on that-, and there are confidentiality issues inevitably. There is evolution but there is tension over methodology. They are businesses, trying to make a profit, but they would hopefully give back to the community in the process. There is progress but we need more of it.

The perception that developers are gaming the system is quite harsh actually-,

It's what people think.

I know. The other perception that is unfair that local authorities don't know what they're doing. I've never seen them not fight for the best plan. None of the plans I saw last year were easy engagements. Given such perceptions I support opening transparency because the well-informed, when they look at interactions, will see it isn't a gaming of the system. Local authorities do work hard to get the best deal. There is a movement for more transparency, and that's a great thing. The challenge is it isn't 50% and hasn't been for a long time. We have SIL on top of 106, hugely reduced funding, and changing economic dynamics. It's more risky and tougher, less is being delivered. Land will only come forward for residential development if it is more valuable than other use classes. In the city, you'll know there's a fine balance between mixed use, residential or office. Further out from the city that problem is still real, in zones two and three, but not so much 4 or 5.

The best way to deal with the lack of trust is for local authorities to write a report detailing viability. That is part of how greater education can occur around these issues. In the same way that councils deal with their own economic situations, they have closed discussions, to some extent the viability should maybe happen in that form. Personally, I think transparency is fine as these agreements are well considered. When I work with local authorities, we get on well.

I'd like to bring in the local authorities on the transparency - do you think that could work?

Because we get the studies assessed and they are paid for by the developer, transparency for us on a wider level isn't that important.

How about to the public?

It's so hard to understand the viability studies, we even get professionals to assess them.

Is it worth looking at more standardised information available?

Yes x 4

How about Redbridge?

Yes, we are for full transparency but certain expertise is needed, obviously.

It's how members then communicate with their communities that they are responsible towards. It's about the step where members have confidence with what is produced.

Redbridge don't think they can get 50%, so we are already starting from the fact that under 50% is a failure, which the community doesn't like. We are starting from a position of settling on half.

So, it comes back to clarity?

For the 50% target, would there be any scope to consider habitable rooms? It's provided as an absolute, not considering the number of bedrooms. If you're looking at the number of rooms that might work towards delivering larger homes in certain areas.

That is right and something we want to do, maybe even doing it in terms of floor space.

So, it would be very attractive where you have a process without all these negotiations?

Yes.

You could maybe skip the viability side of things.

But then what if it's shown it's unaffordable?

I'm talking about like on the mainland, where citizens and architects are working towards publicly owned and co-owned housing ladder. There is security of tenure.

Is there a reason that can't happen here?

It sounds like community land trusts.

It's a little like that.

Like Coin Street and that similar model.

The viability there is caught anywhere because you're delivering a form of affordable housing, tied up in the 106. The viability doesn't come into that so much. Councils like Southwark, with full disclosure; they have to do viability assessments on all applications, even those meeting the 35% target.

Yes, it doesn't make sense.

In order to get up to 35%, the staging post, you would have to have a very light touch assessment at that point, or none at all, only having an assessment below that point.

So, what will change with the new guidance? What will change about viability? Developers will still say they can't afford it, and we will argue.

Maybe nothing will change.

(Laughter)

We're proposing a carrot and stick approach, where at a certain level there are no viability details published, but below that they would be published.

And that would be published in terms of an open book exercise?

Yes.

I do agree that open book is the way to go. But certain criteria that go into viability assessments are so confidential that if they go out into the public arena they affect the scheme, so some parts must stay confidential.

Elements must be standard and not representative of commercial concerns. What is crucial is price per square foot. There is scope. Lawyers are cautious about confidential documents, and the process of going to the information commissioner or tribunal to get more openness.

Is there any scope for looking at the proposition of affordable housing against delivery timescales? Timing develops cash flow, and so could that be factored into how affordable housing is given on a site? In terms of sales rate, release, holding off cash for development, that is all factored into the appraisal and ultimately affects the viability of the scheme. Looking at the mechanics of development appraisals may make developers deliver faster. It's all linked to timing. Borrowing costs, length of time for borrowing, looking at final mechanics of appraisals and linking it to affordable housing-

It's very complex.

Yes, very complex.

Do we need a different approach on that?

Development isn't wooed out, you have to consider where funding is coming from for developers. Some are reliant on funding while others can go solo, but there aren't many of those. When considering foreign buyers and policies to stop that, developers often can't build until they have confidence. The Mayor and GLA need to think about the opportunity areas, 40 of them, there is a huge volume that could suddenly land. There is a balance between delivery of numbers and delivery of the right type of home. Local authorities want to deliver, and have a relationship with their applicants, and if they feel they can take 25% because they have the cumulative of other things, why should that get jetted to city hall when the local authorities are content? It's the point again about additional layers which take more time. If the local authority is comfortable with a decision, will the Mayor automatically call it in?

The question is, do boroughs need to be able to communicate to the Mayor and how can they, even when the figure is below 35%?

Will the developers give us a viability study that says they can only afford 30%, and when it is verified by an assessor, what happens?

That is fine.

But that is what we do now, what is the difference?

Hence the carrot.

If your viability scheme is going to be made public is it about upping the offer?

We have to see. We are trying a new approach, trying to reduce opposition, and make it easier, considering the extra layers now.

If the local authority is happy, but city hall states the threshold isn't being made but they'll check, it seems too 'big brother'.

Our system is PI? anyway.

As for the availability, every council has a problem with dealing with developers. How can we increase these numbers? There is a problem where there aren't enough people. These nitty-gritty issues come from the status quo, so how can we release the potential that is there? How can we work with architects who are looking to secure their work?

So custom building, what sizes are we talking?

That model doesn't apply to the private sector.

But you can go into 20-30%.

The institutions struggle just to get viability.

We can achieve with only allowing on public land buildings with a certain affordability levels.

I just don't know if that is a model that works everywhere, as it requires fixing land prices in perpetuity. That isn't what the mass development is about.

For the majority of the citizens their job is to feed into the banks and developers, but their interest is to have stable and affordable rent.

To take us back to the overview, could we get a view on the scepticism on the 50% figure. Is it because it's unachievable, or unachievable with the carrot and stick approach? Is it something the Mayor shouldn't do or just should do properly?

The issue is there aren't any places in London delivering the required amount of affordable housing. A catch-all figure of 50% isn't working, particularly for the inner London boroughs, and a more academic approach is needed. Until recently it was smaller sites, but recently it has been larger sites. If we get back delivering the schemes, it needs to deliver a proportion of affordable housing.

Perhaps a sliding scale could work?

I think it still doesn't get over the problem of viability studies. They will still do them and still know the mechanism for increasing the percentage on the site, if the study says so.

The thing you could do there is put a call-back in, in the case where you suddenly see a spike where the market changes. As a safety net.

But then you have the inverse of that, when the market goes down, developers could go back to council.

Historically, that hasn't happened.

In the last few years that has happened.

Is the target an actual target or an aspiration target? Is it 50%, so we'll actually get 35%, or genuine?

Under Livingstone, there was also a target but it was to do with achieving the maximum on any given site. Would we expect this time to be different?

No. x 3

But it could be 35% brought up to 50% by the citizens.

What is an appropriate way of dealing with it then? Is going for a hard 50% viable?

Space.

The public won't take poorly designed areas well.

To summarise, which will be difficult: clarity over policy and the 50% figure, support for transparency on viability-

Standardisation, I think. So, there aren't too many different methods.

A big one is treatment of the land value.

The GLA seem to be picking a winner of EUV+. Those who wish to challenge it will.

By going for the lowest common denominator, you exclude land, and restrict.

You could keep it for employment instead. In the North, so much has gone to residential and employment has lost.

If you do push hard on affordable housing, something has to give.

Well, they can't be so big.

If you've 'affordable housing' that isn't affordable on the average wage, it isn't affordable. For example, for shared ownership in central London.

Of course.

It's misleading, I think.

Is that fair?

It needs to be recognised that it isn't always affordable.

In terms of floor space, also.

Yes.

Particularly in central London it has to be clear that the housing isn't affordable.

There are levels of affordability from social rent up to discounted market, with a grey area between.

But that isn't discussed enough; it's just 'affordable'.

Just referencing shared ownership isn't enough.

Lots of developers prefer it because it's easier, and it's hard to argue with them when it's defined as affordable. We can't make them do social housing.

Do we need a London plan policy that says a minimum percentage of social rent in every borough?

Don't we have that already?

That is across London as a whole, not per borough.

On a cumulative five-year supply?

You can end up getting less affordable housing when you're providing social rented.

It's what is needed, social rent.

I think all range of affordable housing is required. A lot of people want shared ownership, for example. There is a huge gap between.

Yes, variety.

The third point is if you do push hard on the 50% figure, you give up on something else.

I think a fourth point is that if local councils are accepting, it shouldn't be brought to the city. It's localism.

Do we all agree on that?

No. x 2

Then it becomes political.