



## **Z2K response to Westminster Housing Strategy Consultation**

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## Introduction

The Zacchaeus 2000 Trust (Z2K) is a London-wide anti-poverty charity that promotes the improvement of living conditions on the basis of economic and social justice, and by direct engagement with the lives of the poorest and most vulnerable. Z2K has two advice centres within the City of Westminster's boundaries – our main Grosvenor Gardens office and an office in the Beethoven Centre in Queen's Park. We also provide a drop-in advice and advocacy service at Church Street Library, and so many of the clients we serve call Westminster home. In total, we helped 647 Westminster residents last year.

It is undeniable that the housing pressures in Westminster are amongst the most acute in the country and it is true that the City cannot tackle these on its own. We would also acknowledge that both space and funding constrain what can reasonably be expected. In our view, however, this draft strategy falls far short of what is required to address housing need in Westminster. Disappointingly, it is in keeping with the approach taken by the administration over the past two decades or more, which favours home ownership above other tenures and has failed to take steps to expand or even maintain social housing.

The inevitable result is that traditional lower-income communities are being squeezed into ever-smaller enclaves within the City, and that many households are forced out completely. This process began before the Coalition Government's cap on Local Housing Allowance (LHA) rates of Housing Benefit payable for a tenancy in the private rented sector and the subsequent £500 a week household Benefit Cap, but it has quickened dramatically over the past five years and is now set to accelerate further once the latest round of cuts to Housing Benefit come into effect.

In 2011, we established the *NextDoor* service to help those threatened with homelessness as a result of the Housing Benefit cuts. In 2013, we set up *NextDoor Plus* to provide support for families forced to move home – usually outer-London boroughs far from children's schools and family support networks. The housing benefit cuts are clearly creating benefit shortfalls that cause the rapid and unsustainable build-up of rent arrears. Possession action and eviction are the inevitable consequence of this policy. Homelessness is frequently the end result. Despite this, Westminster's administration has done nothing to challenge these cuts.

The failure to take action to protect those in the private rented sector has been combined with what sometimes appears to be a perverse desire not to see new social housing built in Westminster. While other London boroughs have led the way, either in supporting applications by housing associations for Social Housing Grant from the Housing Corporation and Homes & Communities Agency or in insisting upon affordable housing within new developments through section 106 agreements, WCC has lagged behind. For example, official statistics show that just 50 new affordable homes were completed by housing associations in Westminster in 2014/15.<sup>[1]</sup> The proportion of those that are genuinely affordable to local people is unknown.

In his introductory Foreword to this draft strategy, the Cabinet Member for Housing, Regeneration, Business & Economic Development claims that *"by securing more affordable homes we will be able to support those who need help to get on the housing ladder while not diminishing our ability to help those most in need."* Z2K welcomes WCC's belated recognition of the housing crisis in its midst. However, the central proposal to further reduce the target for the proportion of 'affordable' housing built in the City, which is social rented from 60 per cent to 40 per cent will actually very

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<sup>[1]</sup> DCLG Statistics Live Table 253

dramatically diminish the City's ability to help those most in need. It is completely unjustified when the authority has over 2,000 statutorily homeless households in temporary accommodation.

Z2K hopes that this consultation will act as a wake-up moment to those in power in Westminster and that councillors will come back with a revised strategy that faces up to the scale of the housing crisis facing many of thousands of the City's residents.

Our answers to the consultation questions can be seen below.

**Do you think our target of 1,250 new affordable homes over 5 years is reasonable? Do you have any ideas about ways we could boost delivery even further?**

We do not believe the target of 1,250 new affordable homes over 5 years is reasonable. As the strategy acknowledges there is a backlog of 5,180 households in affordable housing need, over a third of whom are statutory homeless. Yet in the face of such need the council is proposing not only to set an insufficient target for the total number of new affordable homes built but also to actually reduce the number of genuinely affordable social homes built in favour of 'intermediate' homes.

Research quoted in the strategy suggests that 420 new homes are needed per year but the strategy only proposes a target of 1,250 over the next five years, just over half of what the strategy acknowledges is needed. Furthermore we do not believe that the figure of 420 additional homes a year adequately represents the real housing need. It appears that this figure was arrived at by council officers taking the current backlog of families in temporary accommodation and spreading them over 20 years. This massively underestimates the real need in a number of ways.

Firstly it spreads the current need over an absurdly long planning horizon and secondly it fails to acknowledge the impending increase in homelessness applications in Westminster as a result of the Government's continuing programme of welfare reform. As noted in the strategy an increasing cause of homelessness in Westminster is the termination of a private sector tenancy. In our extensive experience supporting homeless households in Westminster this is invariably a result of either the changes to the Local Housing Allowance or, from 2013 onwards, the overall Benefit Cap, meaning tenants housing benefit no longer met their rent.

With a proposed further four year freeze in LHA rates combined with the lowering of the benefit cap to £23,000pa in London it is inconceivable that Westminster will not experience further increases in homelessness applications. A proper housing strategy would acknowledge that fact and plan to provide the necessary support for these households.

We believe that Westminster can boost further delivery by adopting a more robust approach to section 106 agreements to leverage a greater proportion of affordable units. It is increasingly acknowledged that developers routinely misrepresent viability assessments in order to minimise the proportion of affordable units they are required to deliver. Given the huge potential profits for developers in the city Westminster can afford to take a far more robust approach to maximise the number of affordable units. Part of this should be proper scrutiny of viability assessments, for example introducing an inhouse Development Viability Team to scrutinise developer's claimed values, as has been done in Islington.

**Do you agree we should focus on growing the intermediate sector in Westminster and focus on developing more products for people with lower incomes?**

No. As the relative size of the waiting lists for affordable housing and intermediate housing demonstrates the need for affordable housing is far greater - affordable housing should therefore be

the focus for delivery. This is recognised by the London plan which sets a mix for new home delivery of 40% low cost home ownership and 60% intermediate rent. This draft strategy proposed the opposite and would therefore be in contradiction with the London plan.

As the strategy recognises Westminster *'do[es] not have the resources to help everyone'* and there is a *'particular need for more affordable housing – to help the most vulnerable'*. It would make sense therefore for the housing strategy to focus the resources available towards helping those most in need. In our opinion this would be homeless households who can spend inordinately long periods in temporary accommodation and are in dire need of affordable and secure accommodation. Instead the strategy proposes to focus resources to help those with incomes of up to £80,000pa.

While we welcome the idea of developing new intermediate products to support households earning up to £40k we cannot support a strategy that lacks concrete proposals on what these products would be. The strategy runs the risk of these as of yet un-designed new products proving to be unworkable and only delivering existing intermediate products, which mostly benefit only those on higher incomes.

We recognise the importance of intermediate housing and think it has its place in a sound housing strategy. However given the urgent need for more social and affordable properties to meet the existing and future needs of homeless households, and the relatively prosperous position of those who would qualify for intermediate housing, the focus must be on the delivery of affordable homes. We would urge that the strategy be amended to reflect the mix outlined in the London plan of 60% affordable and 40% intermediate, not the other way round.

**What are the characteristics of an 'intermediate' home or housing product that households in this sector most need?**

See above.

**Are there any groups of workers that particularly need to work in Westminster and should have higher priority? If so, why?**

In our opinion truly low income workers are those on the minimum wage, earning far less than the £20,000pa necessary to qualify for intermediate housing. Westminster should focus on delivery of affordable housing to support these workers.

**What is the best approach to ensuring that receipts from disposal of affordable properties in Westminster are re-invested in Westminster? Is it more important to ensure the London-wide supply of affordable homes is increased?**

We believe that it is a correct approach to be concerned about the disposal of affordable properties in Westminster. There is already a dearth of affordable housing in Westminster and the council should do all it can to ensure that this isn't reduced further, even if they are replaced out of borough. As such out of the options outlined the strategy we believe the best approach would be to procure the disposed properties where possible.

**Do you think Westminster should be using its resources to deliver homes outside the borough boundaries?**

It is impossible to properly answer this question without further information. What kind of homes? How far out of borough etc.? As a London wide organisation we welcome any increase in social homes across London. We would therefore support the principle of delivering social homes out of

borough, particularly if they were used as an alternative to the council discharging homeless families into insecure private sector accommodation. However delivery of social homes in the borough must take priority and council resources should be focused towards maximising this delivery.

**Do you agree that we should continue with our current housing management model, and retain CityWest Homes as our housing management provider?**

Z2K has no opinion on this issue.

**What do older people want and need in terms of housing in Westminster?**

Z2K has no opinion on this issue.

**How can housing services best help to reduce the burdens on Adult Social Care and health services?**

Z2K has no opinion on this issue.

**Are there better ways to address London's homelessness problem?**

London's (and Westminster's) homelessness problem is at root a question of the lack of affordable housing. The best way to tackle the problem therefore is to provide more affordable housing. We are deeply concerned therefore that the strategy simply proposes to prioritise discharge in the private rented sector as the main means of addressing Westminster's homelessness problem. PRS accommodation has poor security of tenure and rising rents mean that while it might technically be affordable at the time of discharge it is unlikely to remain that way for long.

Indeed the strategy recognises the lack of security in the PRS and bemoans the fact that households earning £20,000 - £80,000pa are forced to rely on it. This is part of the justification in the shift to prioritise intermediate housing for new delivery. This begs the question however that if the PRS is insecure and unsuitable for families earning up to £80,000pa how is it secure and suitable for an unemployed or disabled homeless household?

We are also concerned that Westminster is placing families in PRS accommodation that will become unaffordable if the benefit cap is lowered to £23,000pa, making them homeless once again.

**What is the best way of getting peoples' views about housing policies?**

Z2K has no opinion on this issue.

**Are there any estates that you would suggest for inclusion in the future estate renewal programme?**

Z2K has no opinion on this issue.

**How are residents best involved in plans for renewing an estate?**

Z2K has no opinion on this issue.

**What other approaches could we consider to help address long-term unemployment and help local people access the economic opportunities in the West End?**

Z2K has no opinion on this issue.

**Should we allocate some social housing to low income working households that wouldn't ordinarily have priority? If so, what should be taken into account when deciding when to do this?**

No. While we recognise the need for more housing options for low income workers the limited supply of social housing should be prioritised for those most in need. Given the lack of affordable and secure housing options for Westminster's statutory homeless families we believe that social housing should be prioritised for these households.