

| | |
|--|---------------------|
| Committee | Dated: |
| Policy and Resources | 28 May 2015 |
| Subject: Sponsorship of Centre for London Commission on Housing for Londoners on Low-to-Middle Incomes | Public |
| Report of: Director of Public Relations | For Decision |

Summary

The Centre for London is a politically independent, not-for-profit think tank. It was established in 2011 with the assistance of £25,000 of start-up funding from the City Corporation. The Centre for London focuses on the big policy challenges facing London. Its objective is to help London become a fairer, more prosperous and sustainable city – in so doing, the Centre has established a high media profile and is recognised as having made significant contributions to London policy debates.

The Centre for London has established a Commission on Housing for Londoners on Low-to-Middle Incomes that brings together housing experts, policymakers and housing associations. The purpose of the Commission is to develop a new evidence based consensus on the nature and scope of the challenge facing London’s low-to-middle income households, the costs and benefits of various housing policies that could be adopted for them, and what more London could do to provide homes for those on modest incomes. The Policy Chairman has joined the Commission.

The Centre for London is seeking £20,000 sponsorship to complete the funding package for the Commission. If the City of London Corporation were to sponsor the project, the City of London Corporation would be able to host and shape events relating to the Commission, including the launch, and it would be acknowledged on all publicity relating to it.

Recommendation

This report recommends sponsorship of the Centre for London Commission on Housing for Londoners on Low-to-Middle Incomes, at a cost of £20,000 to be

met from your Committee's *Policy Initiatives Fund 2015/16*, categorised under the Research section of the Fund and charged to *City's Cash*.

Main Report

Background

1. The Centre for London is a politically independent, not-for-profit think tank. It was established as an independent entity in 2011 with the assistance of £25,000 of start-up funding from the City Corporation. The Centre was originally incubated by Demos but funding from the City of London Corporation helped the Centre to expand its activities and become independent of Demos. The City Corporation has also provided additional core funding since then.
2. Through its research and events, the Centre is uniquely placed to act as a 'critical friend' to London's leaders and policymakers, by promoting a wider understanding of the challenges facing London and developing long term, rigorous policy solutions for the capital. In so doing, the Centre has established a high media profile and is recognised as having made significant contributions to London policy debates, especially through its well-attended annual conferences. It has also developed good relations with the capital's political, business and third sector leaders, as well as academia. Research highlights have included well-received reports on housing, Tech City and the future of London's transport infrastructure.
3. The Centre is made up of a core team led by Ben Rogers, its director, and Abigail Malortie, its managing director, with support from freelance researchers as required. The Centre for London's Trustees are chaired by Liz Meek (the former director of the Government Office for London) – other trustees include the Policy Chairman, Sir Derek Myers (former Chief Executive of Kensington & Chelsea) and Shaks Ghosh (Chief Executive of the Private Equity Foundation). In the past the Centre has partnered with and secured finance from a diverse range of financial institutions and businesses including BT, PwC, KPMG, Nomura, JP Morgan, Cisco, Thames Water, McKinsey, Serco, Capgemini and the BVCA.
4. For many years housing costs have been rising dramatically in London. Rents have gone up much faster than incomes and house prices have gone up even faster. These developments are clearly hitting hard those on moderate incomes. Young people brought up in the city are living with their parents long after they expect to be able to set up home themselves.

Others live squeezed into private rented accommodation – much of it sub-standard - well into their 30s. Families with young children are forced to move to the edge of the city or beyond, far away from family networks of support and often far away from their work or work opportunities. Unless young Londoners have family help, they stand little chance of being able to afford to buy a home.

5. The shortage of affordable homes for London’s modest earners is also hurting the capital more generally. Some boroughs are already becoming “dumb-bell communities” with rich residents and poor residents. London Chamber of Commerce research shows that 42% of businesses believe that long commutes damage staff punctuality and productivity. Professor Michael Ball has estimated that high housing costs will cost the London economy £85bn by 2025 by restricting the graduate talent pipeline. And prominent policymakers have warned that London’s emergency services will be slower to respond in the event of a major emergency. There is growing public and policy concern about housing in general and about London’s ‘squeezed middle’ in particular. But while both government and the market make various offers to modest earners – for example, shared ownership products, ‘pocket homes’, and ‘key worker’ housing -, the needs of this group have not figured largely or imaginatively in policy thinking up to now.

Proposal

6. Against this background, Centre for London has established a Commission which will bring together housing experts, policymakers and housing associations. The purpose of the Commission is to develop a new evidence based consensus on the nature and scope of the challenge facing London’s low-to-middle income households, the costs and benefits of various housing policies that could be adopted for them, and what more London could do to provide homes for those on modest incomes. The Commission will build on the analysis and ideas emerging from Centre for London’s report: Hollow Promise; How London is Failing its Modest Earners and What Ought to be Done About It.
7. The Commission will essentially address the following three questions:
 - 1) **What are the housing challenges facing London’s modest earners?** How has the affordability of housing changed for low to-middle income Londoners, as a result of shifting market, demographic and policy contexts? How should we best measure affordability? At what

incomes, for which groups, in which areas, does housing cease to be affordable in London?

2) **What should affordable housing aim to achieve for the city as a whole?**

Taking into account the evidence based around the value of mixed communities and key workers, what should be the objective of intermediate housing provision in London?

3) **What type of interventions and investments deliver the best return on these objectives?**

Where should investments be made? What types of housing should be invested in? What are the trade-offs across different options?

8. The project is structured as a Commission, including leading thinkers, decision-makers and practitioners from across London. The Commission will be jointly chaired by Cllr Claire Kober (Labour Leader of Haringey) and Cllr Rock Fielding-Mellen (Conservative Deputy Leader of Kensington & Chelsea). The Policy Chairman has joined the Commission. The Commissioners will guide the research to ensure we are asking the most important questions faced by the sector. By bringing together a range of key players in London housing in a shared problem solving exercise, they also hope to forge a new consensus around the aims and approaches to providing housing for Londoners on modest incomes. Centre for London recently ran a very successful and influential Commission on East Thames Crossings, chaired by Lord Adonis, and they are confident that a commission on housing London's low-to-middle income earners would be similarly successful.
9. The work of the Centre for London and this project in particular, accords well with the role of the City Corporation in promoting debate on key policy issues that affect the City and London. The relationship with this think-tank allows for high level interaction with a number of the City Corporation's key audiences and stakeholders, as outlined in the *Communications Strategy 2015-2018*. In addition, this project aligns with the City Corporation's strategy of using its resources to work in partnership with local communities and its wider economic development priorities.
10. The Centre for London is seeking £20,000 from the City Corporation to complete the overall funding package of £80,000. The other funders are Affinity Sutton, Haringay Council, Royal Borough of Kensington and Chelsea and Cathedral. If the City of London Corporation were to sponsor the project, the City of London Corporation would host and be

able to shape events relating to the Commission, including the launch, and it would be acknowledged on all publicity relating to it.

11. This report recommends sponsorship of the Centre for London Commission on Housing for Londoners on Low-to-Middle Incomes at a cost of £20,000 to be met from your Committee's Policy Initiatives Fund 2015/16, categorised under the Research section of the Fund and charged to *City's Cash*.

Corporate & Strategic Implications

12. Although sponsorship is also being acquired from other sources for this project, the contribution from the City Corporation will form an important part of the overall funding package. It is proposed that the required funding of £20,000 is drawn from your *Policy Initiatives Fund* 2015/16, categorised under the Research section of the Fund and charged to *City's Cash*. The current uncommitted balance available within your Committee's Policy Initiatives Fund 2015/16 amounts to £259,000 prior to any allowance being made for any other proposals on today's agenda.

Conclusion

13. The work of the Centre for London and this project in particular, accords well with the role of the City Corporation in promoting debate on key policy issues that affect the City and London. The City Corporation's relationship with this think tank enables a high level interaction to take place with a number of key audiences and stakeholders, as outlined in the *Communications Strategy 2015-2018*. In addition, this project aligns with the City Corporation's strategy of using its resources to work in partnerships with local communities, especially in neighbouring boroughs, and its wider economic development priorities.
14. If the City of London Corporation were to sponsor the project, the City of London Corporation would host and be able to shape events relating to the Commission, including the launch, and it would be acknowledged on all publicity relating to it.

Contact:

Adam Maddock

Assistant Director of Public Relations: Corporate Affairs

020 7332 1771

adam.maddock@cityoflondon.gov.uk