



London Assembly [Call for Evidence](#) on the Mayor's Affordable Housing Delivery

G15 Response

August 2025

About the G15

The G15 is made up of London's leading housing associations. The G15's members provide more than 880,000 homes across the country, including around one in ten homes for Londoners. The G15 represents the largest providers of new affordable homes in London and accounts for approximately 15% of all affordable homes built across England. Over the last few years, our members have funded and delivered more than 56,000 new homes in partnership with the Mayor of London. Delivering good quality safe homes for our residents is our number one priority. Last year our members invested almost £2bn in improvement works and repairs to people's homes, ensuring people can live well. Together, we are the largest providers of new affordable homes in London and a significant proportion of all affordable homes across England. It's what we were set up to do and what we're committed to achieving. We are independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents.

Over the last few years, our members have funded and delivered more than 56,000 new homes in partnership with the Mayor of London.

Find out more and see our latest updates on our website: www.g15.london

The G15 members are:

- A2Dominion
- Clarion Housing Group
- The Guinness Partnership
- Hyde
- L&Q
- MTVH
- Sovereign Network Group
- Notting Hill Genesis
- Peabody
- Riverside
- Southern Housing

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1. What are the key challenges you have faced delivering affordable housing over the course of the AHP 2021-26, and do you think you will be able to meet your delivery agreement?

Delivery has been constrained by a combination of financial pressures and regulatory requirements that have significantly impacted our ability to start new homes at the scale originally intended by the AHP.

A key challenge has been the limited capacity to fund new development on our balance sheets. As a group, our priority will always be to make sure residents' homes are safe, well-maintained, and fit for the future. This requires sustained investment and due to increasing costs was around £1.5bn in improvement works and repairs in 2023/24 – equivalent to over £2,000 per home. While essential, this higher investment puts pressure on borrowing capacity and requires careful management of interest exposure.

In parallel, we have had to plan for and deliver extensive building safety works across our portfolio, particularly on multi-home blocks. These works are resource-intensive and up until the announcement at the Spending Review last month, were not covered by the Building Safety Fund. This further limited the funding available for new development.

After grant, each new affordable home in London adds between £250–300k in additional borrowing, which further constrains delivery. Due to these financial pressures, several members have made limited progress on their allocations under the current programme. While we remain committed to delivering the remainder, the window for doing so is narrowing. The most significant risks to completing the programme include unlocking financial capacity and navigating the Building Safety Gateway 2 process for high-rise schemes, which can introduce delays and uncertainty.

Given these pressures, we anticipate the need to explore greater flexibility on delivery timescales with the GLA to ensure that the remaining homes can be brought forward without compromising quality or financial sustainability.

2. Where you have delivered affordable housing to target, what went well?

Despite the challenges of the current programme, we have continued to deliver a strong pipeline of affordable homes, building on momentum from the 2016-21 Affordable Homes Programme. Since 2021-22, our members have delivered 24,973 new starts, and this has supported a steady flow of completions in recent years. In 2024-25, we handed over 5,284 homes across all tenures, and we are on track to deliver over 6,336 completions again this year.

Where we have delivered affordable housing to target, successful delivery has been underpinned by:

- Effective joint venture partnerships that brought additional expertise and capacity to complex sites. A notable example is L&Q's Barking Riverside development, where we are grateful for the GLA's direct involvement and support.
- Internal delivery capability developed over the past decade, including in development, sales, and aftercare functions.

3. How could the GLA better support you to meet your delivery targets?

We recognise that the delivery challenges faced by housing associations are closely tied to the competing demands on financial resources. While grant funding plays a vital role, typically covering around 30-40% of the cost of an affordable home, the remainder must be financed through borrowing. This carries interest costs and can impact credit ratings, which in turn affects our ability to generate and reinvest surpluses from profit-making activities such as private sale homes. Development is also viewed as a higher-risk area of our operations, further constraining our ability to scale up delivery.

While the GLA has a critical role in providing grant, there is less scope to support broader capacity constraints. We believe there are three key areas where the GLA could provide more targeted support:

Support for schemes already on site

Where cost increases arise on live schemes, additional grant funding can help maintain viability. While this may seem counterintuitive, absorbing cost overruns, including those caused by contractor insolvencies, on current projects directly affects our ability to unlock future pipeline. Strategic use of grant to stabilise existing delivery would enable us to continue investing in new starts.

Greater flexibility in how we can use the Recycled Capital Grant Fund (RCGF) would also support this goal. Specifically, permitting RCGF to be used alongside other grant sources (such as AHP grant, the Building Safety Fund, or decarbonisation grants) would help maintain viability on stalled schemes. While the last two uses relate to existing homes, this flexibility would ease pressure on the balance sheet and unlock capacity for continued new build delivery. Where the GLA has discretion, we would welcome this flexibility being applied locally. Where it requires central government approval, the GLA could advocate for the change.

Focus funding on outcomes, not build and design specifications

We recommend that future programmes prioritise pure grant funding linked to unit numbers/habitable rooms and tenure, rather than layering additional design or quality requirements into funding guidance. These standards can be more effectively managed through the planning system, which the GLA already influences via the London Plan. This would streamline delivery and reduce duplication.

Continued support for estate regeneration

Estate regeneration remains a vital route for delivering new homes, addressing decarbonisation, and improving the resident experience. One of our members, Peabody, currently has six significant estate regeneration schemes underway, and this has been a major source of delivery in recent programmes. These schemes not only unlock new housing but also enhance existing communities. As we are unlikely to compete in the land market during the early stages of the next programme, estate regeneration offers a strategic pathway to bring forward development while investing in place.

Addressing long-term skills shortages

We also encourage the GLA to continue engaging with housing associations and developers on the issue of workforce capacity. Skills shortages, particularly in construction, retrofit, and compliance, pose a growing risk to delivery.

We recommend that the GLA take further direction from providers in real time on the specific skills gaps they are facing, and work with educational institutions and training providers to help people get into relevant training quickly. A recent roundtable convened by the GLA on this topic was a welcome step, and we would support ongoing collaboration to ensure the sector has access to the workforce it needs to meet delivery targets.

4. [To councils only] Does the design of the AHP allow you to build the kind of homes that meet local need [i.e. family-sized homes, accessible homes, etc]?

While this question is directed at councils, it raises important considerations for housing associations delivering affordable homes in partnership with local authorities.

Currently, grant rates under the AHP are relatively flat, regardless of unit size or type. While higher-cost schemes may attract proportionally higher grant as a percentage of total costs, the prevailing focus on nominal grant per unit does not fully reflect the variation in cost and income potential between different types of homes.

For example, delivering larger, family-sized homes often results in lower income per square metre compared to smaller units, despite higher build costs. This creates a disincentive to deliver the very homes that are often most needed, particularly in areas with high levels of overcrowding or long waiting lists for larger properties.

In practice, the types of homes we build are shaped by local plan requirements, but our housing management teams consistently report a strong and growing need for family-sized homes. Recent [analysis by Centre for London](#) found that households in London can wait over six years (2,304 days) for a four-bedroom social home, compared to over two years (844 days) for a one-bedroom property. This stark disparity highlights the urgent need for larger homes and the importance of aligning funding with local need. If the AHP were to recognise and reflect the higher cost and lower income profile of these homes through additional grant rate, it would significantly improve our ability to meet this need.

We would welcome further dialogue with the GLA on how future programmes could better incentivise the delivery of homes that align with both local housing need and long-term affordability for residents.

5. Which affordable housing tenures have you sought to deliver, what has been your experience with these, and how should this be reflected in future programmes?

Our members have delivered all available affordable housing tenures under the last two Affordable Homes Programme. Our core purpose remains the delivery of social rented homes, and this continues to be a central focus of our development activity.

In 2024/25, we delivered 5,284 homes across all tenures in London, including:

- Social Rent: 677 (12.8%)
- Affordable Rent: 428 (8.1%)
- London Affordable Rent: 1,419 (26.9%)

- London Living Rent: 350 (6.6%)
- Intermediate Rent: 25 (0.5%)
- Supported and Specialist Housing: 16 (0.3%)
- Shared Ownership: 1,539 (29.1%)
- Market rent: 214 (4%)
- Open Market Sale: 616 (11.7%)

While we have delivered London Living Rent and recognise the Mayor's ambition to expand rent-controlled options, the scalability of new tenures remains a challenge. Delivering at meaningful scale requires long-term certainty, clear guidance, and alignment with funding and planning frameworks. In this context, we reiterate our belief that the objectives of key worker living rent (KWLR) could be more effectively achieved by adapting the existing London Living Rent model, rather than introducing a new tenure type.

We are also seeing growing affordability pressures in relation to Shared Ownership, particularly where property values approach the £90,000 household income cap, or where service charges are high. We recognise the challenge, for example, of two key workers earning £50k each and being locked out of shared ownership and would welcome reform. These issues can limit accessibility and raise questions about long-term affordability for residents. We would welcome a future programme that addresses the affordability and viability challenges associated with intermediate products.

6. What worked well about the design and administration of the AHP 2021- 26, and what didn't?

We welcomed the move away from fixed tariff rates used in the 2016-21 programme toward a more flexible model under the AHP 2021-26. The use of indicative allocations with an average grant rate, and the ability to flex this across schemes, provided a more responsive framework that better reflected the diversity of delivery contexts across London.

However, the introduction of the Additional Viability Assessment (AVA) process has presented significant challenges. In particular, the requirement to justify grant funding for homes that may already be covered by Section 106 obligations (typically the first 20% of a site) has added complexity and administrative burden. This also makes it more difficult for housing associations (who are delivering private tenures for the purposes of generating cross subsidy) to compete with housebuilders (who are delivering private tenures for the purposes of generating profits). Furthermore, these challenges are compounded where sites were acquired under the assumptions of the previous programme, which allowed grant funding for all affordable homes. Applying new programme rules onto legacy sites has created uncertainty and, in some cases, undermined scheme viability.

Looking ahead, we would support a programme design that maintains flexibility in grant allocation, while streamlining viability processes and ensuring consistency between funding guidance and planning obligations. A more joined-up approach would reduce friction and support more efficient delivery across the sector.

7. Is the Mayor's AHP delivering homes for the Londoners who need them most?

We welcome the Mayor's continued focus on delivering social rent homes, which remain the most effective way to meet the needs of Londoners in the greatest housing need. Social rent provides long-term affordability, security, and stability, particularly for low-income households and those at risk of homelessness.

As not-for-profit housing associations, our core purpose is to deliver homes that address acute housing need, and we strongly support the prioritisation of social rent within the AHP. Ensuring that future programmes continue to focus on genuinely affordable homes will be critical to tackling London's housing crisis and supporting inclusive, sustainable communities.

While social rent remains our priority, we recognise that at a programme level, a mixed economy of affordable tenures can help maximise overall delivery. Intermediate tenures such as London Living Rent and Shared Ownership play an important role in broadening access to affordable housing and supporting delivery volumes.

8. What would you prioritise for the design of the upcoming AHP?

We welcome the opportunity to shape the next iteration of the AHP and recommend a strong focus on two key priorities to support delivery at scale and pace:

Estate regeneration support

Estate regeneration remains a vital route to delivering high-quality, affordable homes while improving existing communities and the lives of residents. We urge the Mayor to embed dedicated support for estate regeneration within the AHP, recognising the complexity, long lead-in times, and upfront investment required. A tailored funding stream with flexibility on tenure mix and delivery timelines would enable housing associations to unlock challenging sites, deliver net additional homes (of all types), and ensure that existing residents benefit from improved living conditions and community infrastructure. We note that for this approach to work, it must be underpinned by meaningful resident engagement and long-term partnership with boroughs.

Long-term indicative allocations with inflation triggers

To provide the certainty needed for strategic planning and investment, we advocate for long-term indicative allocations that extend beyond the current funding cycle. Multi-year allocations with built-in inflation triggers would help providers manage cost volatility, maintain scheme viability, and deliver homes more efficiently. This stability is particularly important in the current economic climate, where rising construction costs and interest rates are placing pressure on development pipelines. A more predictable funding environment would support sustained delivery, innovation, and better value for public investment.

9. Is the AHP 2021-26 meeting the needs of Deaf and Disabled Londoners, and others who require accessible housing?

We recognise the importance of delivering accessible, inclusive homes that meet the needs of Deaf and Disabled Londoners. However, we note that accessibility is not currently a prominent focus within the AHP 2021-26 funding framework.

Housing associations consistently meet or exceed local planning requirements for accessible housing, despite these standards being typically driven by planning policy rather than GLA funding conditions. As such, the delivery of accessible homes is often shaped more by borough-level planning obligations than by programme-level incentives or targets.

To strengthen outcomes for disabled residents, we would welcome a clearer emphasis on accessibility within future iterations of the AHP. This could include dedicated funding for wheelchair user dwellings, support for inclusive design innovation, and alignment with borough housing strategies for disabled people. A more intentional approach would help ensure that accessible housing is not only delivered in line with policy, but also proactively supported through funding and programme design.

10. Is there anything else you would like the GLA to do differently when it comes to delivering the AHP?

We strongly support a more flexible and locally responsive approach to programme delivery. While national oversight is important, we believe the GLA should have full discretion to manage the programme in partnership with housing associations and local authorities, rather than being constrained by the parameters set by central government. Local authorities and communities are best placed to understand housing need and delivery challenges, and programme design should reflect this.

One of the key issues we face is the use of fixed backstop dates for scheme starts and completions. These deadlines can create unnecessary pressure and risk, particularly where delays are outside of our control, such as planning, utilities, meeting building safety regulations or third-party dependencies. While we recognise the need for certainty around funding, we urge the GLA to tailor programme timelines to London's delivery context and allow greater flexibility where justified.

Looking ahead to the next Affordable Homes Programme, we welcome the Government's commitment to a longer-term funding horizon. A 10-year programme should provide much-needed stability, but the detail will be critical. We encourage the GLA to work closely with government to ensure that the upcoming prospectus allows for flexibility around milestones and delivery trajectories, particularly for complex or multi-phase schemes.

We would also welcome further innovation in programme design to help housing associations navigate current financial constraints and deliver at scale. One option could be the introduction of a revolving funding mechanism, similar to amortisation proposals, which would provide upfront grant and development-phase funding, with the potential for recycling upon completion. This would ease cash flow pressures while maintaining overall programme value.

Additionally, allocating grant based on habitable rooms rather than per unit would better reflect the cost and space requirements of different home types, supporting delivery that aligns with local need. We also support the option for upfront grant payments, which would improve financial certainty and reduce borrowing costs during the development phase.

We reiterate the need for higher grant rates for family-sized homes. These homes are essential to meeting London's housing need, yet they are more expensive to build and generate lower rental income per square metre. Without targeted support, delivery of these homes will remain constrained.

In addition, we would welcome more flexibility around the use of Recycled Capital Grant Funding (RCGF). Extending the timeframe for spending RCGF and broadening the conditions for its use would help providers reinvest in new supply more effectively.

Finally, we support a significant proportion of the £2.5bn in low-cost loans announced at the Spending Review being allocated to London. Delivering in London is more challenging due to higher land, build, and compliance costs. A fair share of funding would help accelerate delivery and ensure that Londoners benefit from the programme at scale.