

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3108

Title: Implementation of Kerslake Recommendations for Housing Delivery

Executive summary:

In October 2021, the Mayor asked Lord Kerslake to review housing delivery across the GLA Group and consider how a City Hall developer could be piloted in the next Mayoral term.

In March 2022 Lord Kerslake published his review making 15 recommendations. These recommendations will help the GLA Group streamline its approach towards house building; bring benefits to London's existing affordable housing sector; and deliver new, genuinely affordable homes.

The consolidated budget for 2022-23 allocated £600,000 per annum for three years to implement the recommendations, and to continue supporting the London Housing Panel. The programme spend is incorporated in the 2023-24 Housing and Land budget.

Decision:

That the Mayor approves:

1. revenue expenditure of up to £1,800,000 over three years to implement the recommendations made in the Kerslake Review, including the indicative spend set out in this paper
2. a delegation to the Executive Director, Housing and Land, to approve all further allocations, in consultation with the senior professional lead, within the total budget of up to £1,800,000 from 2022-23 through to 2024-25.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

27/3/23

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. In October 2021, the Mayor asked Lord Kerslake to chair an independent review to streamline and further improve housing development on public sector land across the GLA Group; and consider how a City Hall developer could be piloted in the next Mayoral term.
- 1.2. Lord Kerslake spoke to a wide range of stakeholders from within the GLA Group and externally to review the performance of housing delivery to date. The review also considered how the collaboration between the GLA Group could be improved to support the provision of housing, particularly affordable housing, in London.
- 1.3. Lord Kerslake's Review of GLA Group Housing Delivery, published in March 2022, makes 15 recommendations across the following themes:
 - oversight of GLA Group housing delivery
 - GLA Group collaboration on housing delivery
 - City Hall developer
 - GLA Group talent and London Legacy Development Corporation (LLDC) transition
 - finance and funding.
- 1.4. The Mayor accepted these recommendations, and in responding to Lord Kerslake's report has committed to delivering them in full. These themes have formed the workstreams of the Kerslake Review implementation programme of work (the programme).
- 1.5. This decision form sets out the identified workstreams for the programme and approves expenditure to deliver them.

2. Objectives and expected outcomes

- 2.1. The Kerslake recommendations, as set out in Table 1, inform the objectives for this work programme. Several different projects will be delivered against each recommendation.

Table 1: The Kerslake recommendations, grouped by theme

Oversight of GLA Group housing delivery	
1	The Mayor should mandate a statement of shared policy to confirm priorities for housing delivery on GLA Group land. This policy statement will need to be endorsed by senior leaders across the GLA Group, and should be published.
2	A senior professional lead (SPL) should be established, with responsibility for providing strategic oversight and system leadership over housing delivery within the GLA Group. This senior professional lead would provide a single point of contact across the GLA Group.
3	A new, dedicated GLA Group housing delivery forum should be established to support effective oversight and delivery of housing objectives.

GLA Group collaboration on housing delivery	
4	The GLA Group should review organisational arrangements to ensure greater consistency in roles; and to enable employees to move flexibly across the group (including to support career progression).
5	The GLA Group should establish a preferred process of internal collaboration on housing delivery. This process should be based on the principles of clear oversight, proactive engagement, and sharing of services and expertise. Collaboration should include the introduction of a peer-review function, a formalised internal planning consultancy, and a new centre for expertise.
6	The GLA Group should build stronger and more equal relationships with London local government, as well as with community, charity and business stakeholders.
7	The GLA Group should strengthen strategic relationships with central government and its agencies.
City Hall developer	
8	The initial stage of a City Hall developer should consolidate and expand existing development activities. A consolidated and expanded City Hall developer should be led by a single entity within GLA Housing and Land.
9	The initial phase of an expanded City Hall developer should undertake a more active land assembly approach. This includes intervening where there is an identified market failure, and clear value added from public sector intervention.
10	The initial phase of an expanded City Hall developer should use the existing GLA development management model as the default delivery model for all large sites owned by GLA Land and Property, the London Fire Commissioner, and the Mayor's Office for Policing and Crime.
11	The GLA should review and enhance the existing London Development Panel 2 procurement framework.
12	Small sites in GLA Group ownership that are identified for housing delivery should be consolidated under a single programme. This consolidation should aim to streamline housing delivery, secure additionality, and deliver social value.
13	A City Hall developer should work alongside TfL Transport Trading Limited Properties to enhance the company structure and support mutual housing delivery objectives.
LLDC Transition	
14	The transition of the LLDC should prioritise collaboration, cost efficiencies and the retention of key talent.
Finance and funding	
15	A strategic review of funding and finance opportunities should be undertaken. The review should explore how additional funding could support an expanded City Hall developer, and Old Oak and Park Royal Development Corporation housing delivery.

- 2.2. The first two recommendations have been completed with the publication of the Statement of Shared Policy and the appointment of the senior professional lead. Lyn Garner, the Chief Executive of LLDC, was appointed the senior professional lead in April 2022.

- 2.3. The remaining recommendations are the subject of collaboration across the GLA Group and are being monitored by the Kerslake implementation programme, overseen by the housing and development collaborative professional community.

Programme outcomes

- 2.4. Overall, implementing the recommendations through delivering planned projects will result in the following outcomes:
- better, more consistent collaboration and sharing of expertise within the GLA Group to improve housing delivery outcomes
 - strengthened oversight of housing delivery across GLA Group land
 - greater, evidenced understanding of the options for expanding on GLA Group development activities and the City Hall Developer
 - consistent frameworks and structures supporting career progression for development professionals within the Group with a focus on retaining and attracting talent.
- 2.5. Spend in the first year of the programme, 2022-23, primarily relates to staffing costs and £12,500 to commission a scoping report in support of retaining talent from the LLDC as it winds down operations (recommendation 14).
- 2.6. The following indicative programme spend is anticipated in 2023-24:
- £35,000 to implement measures to support the work identified in the scoping report; and to ensure the GLA Group retains its built environment talent, and remains competitive in an increasingly constrained employment market (recommendations 4 and 14)
 - £177,000 for staffing and programme management, including £50,000 to support centres for expertise (recommendation 5)
 - £125,000 to cover the initial scoping for the City Hall developer, including developing a pipeline new business and business planning, and procuring a development appraisal tool (recommendations 8-13)
 - £50,000 for consultancy to support the development of London Development Panel 3 ahead of London Development Panel 2 expiring in June 2023 (recommendation 11)
 - £25,000 of funding per annum for London Housing Panel was also agreed in the Mayor budget 2022-23 as part of the £600,000 allocated.
- 2.7. A delegation to the Executive Director, Housing and Land, to approve all further allocations, in consultation with the senior professional lead, within the total budget of up to £1,800,000 from 2022-23 through to 2024-25, will enable the timely delivery of the programme. Future allocations will be in line with the recommendations made by Lord Kerslake and delivery overseen by the housing and development collaborative community. In addition, regular reports on programme progress will be made to the Homes for Londoners Board's GLA Group housing delivery sub-committee.

Programme delivery to date

- 2.8. The following progress has been made in the first year, 2022-23, of the programme:

- a memorandum of understanding between the GLA and MOPAC is in final form to optimise the disposal and subsequent delivery on MOPAC sites to meet mayoral objectives
- relaunch of the improved Small Sites Small Builders programme to explicitly address the GLA Group small sites has been agreed
- commissioning of a scoping report on GLA Group talent, including future actions
- a memorandum of understanding being drafted to ensure collaboration across the GLA Group on recruitment and redeployment
- convening the Homes for Londoners Board's GLA Group housing delivery sub-committee to provide steer and oversight to the Kerslake programme
- initial scoping of the Network of Expertise on design bringing together expertise from across the group for effective knowledge sharing
- regular meetings of the GLA Group housing and development collaborative professional community providing oversight to the programme and improving collaboration across the GLA Group; this has resulted in a cross-Group workshop session to share learning on design and post-occupancy evaluation work being undertaken
- concept development of the City Hall developer has been tested with a wide range of stakeholders and is being formulated into a delivery plan.

3. Equality comments

- 3.1. Equality, diversity and inclusion (EDI) will be considered in all stages of the programme. For example, diversity will be considered in the representatives for any working groups, panels and meetings. The work related to GLA Group talent will provide an opportunity to embed EDI in the plans and ensure the GLA Group workforce becomes increasingly diverse – for example, by supporting career development across the GLA Group, enabling staff from diverse backgrounds to achieve their ambitions, and contributing to diversifying the sector.
- 3.2. Any work that is procured within the programme will consider the diversity of partners the GLA works with, and how the GLA Group can use its purchasing power to seek better diversity outcomes.
- 3.3. The overall outcome of increased affordable housing delivery in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black, Asian and minority ethnic groups, and women. The delivery of high-quality housing will also promote improved health and wellbeing, given that evidence indicates this issue disproportionately affects specific groups, including Black, Asian and minority ethnic groups, and women.

4. Other considerations

Staffing

- 4.1. The day-to-day management of the programme is overseen by a Programme Manager, a post filled in September 2022. The role sits in the GLA Public Land team in the Housing and Land Directorate, which provides the overall support for the programme.

- 4.2. Another full-time project officer will be recruited to support programme delivery. In addition, other officers in the GLA Strategic Projects and Property team contribute to the outputs of specific aspects of the programme as part of their substantive posts – for example, scoping the City Hall developer or the development of the London Development Panel 3. Salaries for these posts do not come out of the Kerslake implementation budget. These posts have been approved in parallel through the Establishment Control process.
- 4.3. In April 2022 Lyn Garner was appointed the senior professional lead for GLA Group housing delivery, as per Kerslake recommendation 2, and works across the GLA Group providing oversight.

Key risks

- 4.4. The key risk to the programme is the buy-in to the objectives and outcomes by the GLA Group members. Without the intention to cooperate at all levels through the GLA Group, little change can be enacted, therefore the leadership of the senior professional lead is crucial to the success of the programme delivery. The programme is being designed to interface at several levels through the Group; therefore, it will be crucial not only for senior leaders to foster positive working relationships, but for all members of the development community to learn from each other.
- 4.5. There is also a need to ensure that the programme is adequately resourced from a programme management and communications perspective. The budget identified will need coordination as it is being spent by different teams within the GLA Group, needing significant monitoring and administration to ensure that it delivers against the scale of the vision set out by Lord Kerslake.

Links to Mayoral strategies and priorities

- 4.6. Greater cooperation of the GLA Group is supported by the GLA Group Collaboration Board and is championed throughout the organisations to improve the effectiveness of the Group as a whole. Collaboration Professional Communities exist for selected themes of cross-organisation working, and the existing Housing Collaboration Professional Community has been expanded to widen its remit to include this workstream.
- 4.7. The programme is focused on improving housing delivery, which is underpinned by the London Plan and specifically by the Mayor's London Housing Strategy. The improvement of housing delivery by GLA Group organisations will support three of the five core aims of the London Housing Strategy:
- building more homes for Londoners
 - delivering genuinely affordable homes
 - high-quality homes and inclusive neighbourhoods.

Conflict of interest

- 4.8. There are no conflicts of interest to declare from anyone involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Mayoral approval is sought for revenue expenditure of up to £1,800,000 over three years to implement the recommendations made in the Kerslake Review, including the indicative spend set out in this paper. Approval is also requested for a delegation to the Executive Director, Housing and Land, to approve all further allocations, in consultation with the senior professional lead, within the total budget of up to £1,800,000 from 2022-23 through to 2024-25. This expenditure is to enable the implementation of Lord Kerslake's recommendations, and to continue the work of the London

Housing Panel. Key upcoming expenditure will relate to the scoping and business development for the City Hall developer; centres for expertise; and work relating to talent in development teams across the GLA Group.

5.2. The currently proposed expenditure profile is:

- 2022-23 – staffing costs for the senior professional lead and a project manager post at grade 10 costing up to £72,000 (start from September 2022) and £12,500 for a project under the talent workstream (see paragraph 2.5)
- 2023-24 – programme spend of up to £412,000 currently identified as detailed in paragraph 2.6
- 2024-25 – any remaining programme spend of up to £1,303,500 as currently forecast.

5.3. The above spend plans are to be funded from the Kerslake 2022-23 to 2024-25 budget (£600,000 per annum from 2022-23 to 2024-25) that has been agreed as part of 2022-23 and 2023-24 budget setting process. As actual spend profile differs from 2023-24 budget plans this will need to be updated as part of the 2024-25 budget setting process.

5.4. This programme will be managed by the Strategic Project and Property team within the Housing and Land Directorate.

6. Legal comments

6.1. Section 30 of the Greater London Authority Act 1999 (GLA Act) gives the Mayor a general power to do anything that he considers will further one or more of the principal purposes of the GLA. The principal purposes, as set out in section 30(2) of the GLA Act are:

- promoting economic development and wealth creation in Greater London
- promoting social development in Greater London
- promoting the improvement of the environment in Greater London.

6.2. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:

- have regard to the effect that his decision will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the UK and climate change and its consequences (section 30 (3-5) of the GLA Act)
- pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act)
- have due regard to the Public Sector Equality Duty – namely, the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010).

6.3. Given the above, and in accordance with section 34 of the GLA Act, which allows the Mayor to do anything that is calculated to facilitate, or is conducive or incidental to the exercise of any of his

functions (including his functions under section 30) and the Mayor's powers (under section 38 of the GLA Act) to delegate to any GLA member of staff functions of the GLA that are exercisable by him, the foregoing sections of this report indicate that the Mayor has the power to agree to the decisions set out above.

7. Planned delivery approach and next steps

- 7.1. The programme of work is currently under way, starting with the appointment of the senior professional lead and with the regular forums for programme oversight already operational. The operationalisation of the programme is overseen by the Housing and Development Collaborative Professional Community, made up of senior leads from across the GLA Group. The programme will also get strategic steer from the GLA Group housing delivery sub-committee, chaired by the Deputy Mayor for Housing and Residential Development.
- 7.2. The consolidated budget for 2022-23 allocated an annual budget of £600,000 for three years. Whilst some of the recommendations, such those around the City Hall developer, will require a longer delivery timeframe, some of the recommendations, particularly around the different forums for collaboration, will be delivered more quickly. A roundup of progress and outputs one year in will be presented to the Homes for Londoner Board in June 2023.
- 7.3. The activity and timelines are outlined in the table below:

Activity	Timeline
Procurement of contract for second stage GLA Group talent work	March 2023
GLA Group housing delivery sub-committee reports to the Homes for Londoners Board	June 2023

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Riina Heinonen has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Tim Steer has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

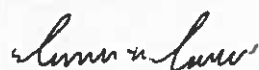
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 March 2023.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

27 March 2023

pp. Enver Enver on behalf of David Gallie

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature:



Date:

27 March 2023

