

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3138

Title: Brownfield Infrastructure and Land Fund

Executive summary:

The Mayor has secured £53m of funding from the UK government's Brownfield Infrastructure and Land Fund, with a requirement that this will be used to support land acquisitions within the Old Oak West area of the Old Oak and Park Royal Development Corporation (OPDC) boundary.

The parameters for the use of this funding by the OPDC, and related monitoring and reporting obligations, are being finalised in a Memorandum of Understanding between the Department for Levelling Up, Housing and Communities, the Greater London Authority (GLA) and the OPDC.

This Mayoral Decision therefore seeks approval for the receipt of this funding by the GLA and payment to the OPDC, which is expected to unlock housing supply and economic growth in London by supporting OPDC land acquisitions by March 2025.

Decision:

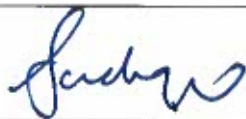
That the Mayor approves the Greater London Authority receiving up to £53m of Brownfield Infrastructure and Land Fund grant funding from the Department for Levelling Up, Housing and Communities; and the payment of such grant to Old Oak and Park Royal Development Corporation (OPDC) forthwith to support land acquisitions at Old Oak West within the OPDC boundary in London by March 2025.

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:

13/9/23

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

Decision required – supporting report.

1. Introduction and background

- 1.1. In August 2023, the Department for Levelling Up, Housing and Communities (DLUHC) agreed a funding settlement for London of £53m of grant from the national Brownfield Infrastructure and Land (BIL) Fund. A Memorandum of Understanding (MoU) has been negotiated with the DLUHC specifying that the grant must be used to support land acquisitions within the Old Oak West area of the Old Oak and Park Royal Development Corporation (OPDC) boundary by the end of financial year 2024-25. The MoU has an overall target of unlocking brownfield land at Old Oak West with the capacity to provide a minimum 2,300 homes within the OPDC boundary.
- 1.2. Although the BIL funding will be used by the OPDC for its own purposes, the DLUHC's power to pay grant is based on the funding being paid to the Greater London Authority (GLA), rather than directly to a functional body as defined by the Greater London Authority Act 1999 (GLA Act) (which includes the OPDC). Therefore, the DLUHC will pay the funding to the GLA, on condition that the GLA transfers it to the OPDC forthwith. The DLUHC will provide the total amount, £53m, in accordance with a programme described in the MoU, and developed between GLA/OPDC officers and DLUHC officials. This will be on the terms associated with the BIL Fund.
- 1.3. Delivery responsibility will be with the OPDC. The GLA will facilitate monitoring and reporting to the DLUHC. The OPDC must give the GLA the information necessary to fulfil its reporting role.
- 1.4. Under the terms of the MoU, any receipts generated by the BIL Fund will be available for recycling by the OPDC for further investment to support the BIL Fund objectives. Furthermore, the OPDC may combine the funding with monies from other funds (notably, the current Land Fund investment with the GLA, comprising the £50m loan facility under MD2956) to tackle different market barriers. However, the OPDC must make clear, in reporting to the GLA and the DLUHC, where and how different funds have been used together, so there is no risk of double counting.

2. Objectives and expected outcomes

- 2.1. The funding is expected to enable the delivery of at least 2,300 housing completions in London within the OPDC boundary (including the Old Oak West area).

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor, the GLA, the OPDC and the DLUHC are subject to the public sector equality duty, and this is acknowledged in the MoU. They must therefore have due regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard

to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected characteristic; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low.

- 3.3. The Mayor's Equality, Diversity and Inclusion (EDI) Strategy was issued in May 2018. The first chapter is entitled "A Great Place to Live". Priority outcome 1.1 in the strategy refers to delivering affordable, accessible and decent homes. The funding outlined in this report will help deliver new affordable housing. This in turn helps to implement the requirements for new housing set out in the London Plan.
- 3.4. The housing shortage in London disproportionately affects people with certain protected characteristics. Particularly relevant groups are Black, Asian and Minority Ethnic groups;¹ children and young people; low-income households; disabled people; migrants; and refugees. Increasing the supply of affordable, accessible and decent housing helps to achieve positive impacts for those groups in line with the priorities in the Mayor's EDI Strategy.
- 3.5. The delivery of affordable homes through the BIL Fund is therefore likely to help people with these protected characteristics, as they are disproportionately represented among those in need of affordable housing. This is in part because they are more likely to experience homelessness or overcrowding; or to have low incomes that make it difficult to afford market housing.²
- 3.6. The OPDC is planning for a welcoming place that is fully accessible and inclusive, providing opportunities for all and reflecting local needs. As a live example, the OPDC Planning team has prepared an emerging EDI matrix that looks at issues for each of the protected characteristics for the Supplementary Planning Documents. It also looks at policy and guidance mechanisms to address issues and meet needs.
- 3.7. As part of its procurement strategy, the OPDC will ensure that bidders set out how they will embed EDI, and enhance the social-value outcomes in their delivery, by submitting an EDI statement and action plan. Compliance and performance against the EDI action plan will then be monitored as part of the OPDC's monitoring and reporting process.

4. Other considerations

Key risks and issues

- 4.1. The GLA will be allocated BIL funding of up to £53m, to pass to the OPDC to enact its delivery obligations (set out in 4.2, below). The funding will be conditional upon the OPDC submitting a pipeline of sites' heads of terms agreements with vendors, to show that there is reasonable expectation that the funding will be spent by the end of financial year 2024-25.
- 4.2. The £53m BIL funding is for expenditure at Old Oak West to support land acquisition costs associated with the delivery of housing and other development on brownfield sites. DLUHC officers will engage with officers at the OPDC to agree the profile of sites the funding will be used for.
- 4.3. The allocation of funding will be made available by the DLUHC upon receipt of satisfactory evidence that: the MoU principles have been met; and the OPDC remains committed to the target set out in paragraph 1.1, above. The DLUHC is, however, committed to funding any contract that the OPDC has already entered into prior to the DLUHC notifying the OPDC that it will be reducing or withdrawing funding for future years.

Links to Mayoral strategies and priorities

¹ GLA Housing Research Note 8, Housing and race equality in London

² London Datastore, [Equality, Diversity and Inclusion Evidence Base for London](#)

- 4.4. The London Plan 2021 provides an integrated policy framework across housing, social, economic, cultural, environmental and transport policies.
- 4.5. The London Plan is underpinned by the concept of Good Growth – growth that is socially and economically inclusive and environmentally sustainable. It is informed by six Good Growth objectives: GG1, building strong and inclusive communities; GG2, making the best use of land; GG3, creating a healthy city; GG4, delivering the homes Londoners need; GG5, growing a good economy; and GG6, increasing efficiency and resilience.
- 4.6. The allocation from the BIL Fund will implement the policies of the Mayor's London Housing Strategy (LHS). An equality impact assessment found:

"[LHS] policies are likely to have broadly positive benefits in relation to social and economic sustainability objectives such as improving health, reducing inequalities, increasing accessibility, and economic development."
- 4.7. The LHS contains the policies and proposals to determine how to deliver Good Growth priority GG4, delivering the homes Londoners need. It sets out the policy rationale for the Mayor to take a more interventionist approach in London's land market, with the aims of building more social rented and other genuinely affordable homes; and accelerating the speed of building, including on public land.
- 4.8. The BIL Fund will therefore contribute to the Mayor's efforts to increase momentum in the delivery of new and affordable housing in Old Oak West and the OPDC boundary through land acquisitions.

Consultations

- 4.9. GLA officers have consulted extensively with DLUHC officials in securing the BIL funding and agreeing the terms of the MoU. Consultation with the OPDC is ongoing, pursuant to paragraph 4.2, above.
- 4.10. It is not considered necessary or appropriate to consult with any other persons or bodies, including those specified in section 32 (1) of the GLA Act (as amended), for the purposes of this report.

Conflict of interests

- 4.11. No conflicts of interest have been identified for any officers involved in the development of this proposal or in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. This Mayoral Decision is seeking approval for the GLA to accept the BIL funding of up to £53m from the DLUHC, intended for spend within Old Oak West. The funding will be used to help unlock and accelerate land assembly, remediation and infrastructure investment relating to brownfield sites, to accelerate housing delivery in London. The funding is for two years, from 2023-24 to 2024-25. Section 4 of the MoU requires that any unspent amount of the fund must be returned to the DLUHC. The GLA and the OPDC are in discussion on the profile of sites the funding will be used for. Delivery responsibility will be with the OPDC. The GLA is responsible for reporting to the DLUHC with OPDC responsible for providing the relevant information to enable this.

6. Legal comments

- 6.1. It is proposed that the DLUHC will pay the BIL grant funding to the GLA pursuant to sections 31 and 32(2) of the Local Government Act 2003 (LGA 2003), on condition that the GLA transfers any such funding to the OPDC. Where a grant paid under section 31 to the GLA is subject to such a condition, the Mayor must transfer the grant to the OPDC forthwith (section 32(4) of the LGA 2003).
- 6.2. The GLA is required, under section 103 of the GLA Act, to pay any BIL funding which it receives to the OPDC. Section 103 states: "Where the Authority receives any grant or other payment made only

for the purposes, or particular purposes, of a functional body, the Authority shall forthwith account for the grant or other payment to the functional body concerned and pay it over to that body.”

- 6.3. The GLA’s proposed responsibilities – with regard to monitoring and reporting on progress to the DLUHC in respect of the OPDC’s acquisitions of land at Old Oak West and unlocking the delivery of new homes in London – are permissible under sections 30(1) and 34 of the GLA Act, if the GLA considers that doing this will further one or more of the GLA’s principal purposes of promoting economic and social development, and improving the environment, in Greater London. The foregoing sections of this report indicate that it is open to the Mayor to take the view that these actions will promote economic and social development in Greater London.
- 6.4. In exercising the power in section 30(1), the GLA must have regard to the matters set out in section 30(4-6A) of the GLA Act, and to the Public Sector Equality Duty set out in section 149 of the Equality Act 2010. Reference should be made to section 3, above, in this respect.
- 6.5. In addition to the above, where the GLA is proposing to use the power conferred in section 30(1) of the GLA Act, the GLA must consider consulting in accordance with section 32 of the GLA Act. This is considered at paragraphs 4.9 and 4.10, above.

7. Planned delivery approach and next steps

- 7.1. In addition to agreeing the detailed MoU with the DLUHC and the OPDC as set out in paragraph 4.1 above, the GLA will enact its obligations to transfer funds to the OPDC to unlock or expedite the delivery of housing sites.

Activity	Timeline
Finalise MoU	September 2023
Receive BIL funding from DLUHC	September 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 be published either 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? YES

If YES, for what reason: To allow time for an announcement that the funding has been secured.

Until what date: 1 October 2023

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the 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:

Peter Carney 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 11 September 2023.

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

13/09/2023

CHIEF OF STAFF:

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

Signature:



Date:

13/09/2023