

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3216

### Small Site Small Builders Best Practice Funding Awards

#### Executive Summary:

The Small Sites Small Builders programme 2022-25 is making headway in supporting sites and projects that can make a substantially greater contribution to new supply of housing across the city. Additional expenditure, of up to £240,000, from unallocated budget in other Housing and Land programmes, approved under [MD2983](#), is sought to supplement the existing programme budget of £875,000, approved under [MD3093](#) to support projects bringing solutions to key challenges in the sector.

#### Decision:

The Mayor:

- 1) approves the use and expenditure of up to £240,000 unallocated combined funding from the Land for Council Homes Revenue Fund (LCHRF) and Right to Buy Back Revenue Fund (RBBRF) by the Small Sites Small Builders programme (SSSB) which, together with budget from the £875,000 expenditure approved under MD3093, are used to expand on the existing SSSB programme via:
  - i. provision of up to £300,000 revenue grant funding to London boroughs and other organisations identified through the competitive Round 2 Small Sites Small Builders bidding process, in 2023-24 and 2024-25, to complete projects offering best-practice solutions to small sites delivery challenges
  - ii. expenditure of up to £30,000 in 2024-25 for strategic consultancy which promotes collaboration across grant funded projects and highlights replicable London-wide approaches, from the additional budget
  - iii. expenditure of up to £30,000 in 2024-25 for consultancy to develop a pilot project facilitating acquisition opportunities of new 'section 106' homes through the GLA's SSSB online portal, as agreed through MD3093
- 2) delegates approval for any further expenditure to the Executive Director for Housing and Land, without the need for a further decision form, following a recommendation for approval from the GLA's Small Sites Project Board within the budget envelope of £823,000, increased from £583,000 as set out in MD3093.

#### 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:

31/1/24

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

### Decision required – supporting report

#### 1. Introduction and background

1.1. The Small Sites Small Builders (SSSB) programme was developed by the GLA's Housing and Land and Good Growth directorates to address the need for supporting small and medium-sized enterprises (SMEs) whilst helping public landowners bring forward small sites for development. The two overarching objectives set for the programme are:

- i. bringing small, publicly owned sites forward for residential led development
- ii. invigorating new and emerging 'sources of supply' including small developers, small housing associations, and community-led housing (CLH) groups.

1.2. In October 2021, the Mayor commissioned a Review of GLA Group Housing Delivery (the Kerslake Review) to examine housing delivery across the GLA Group. In March 2022, the Kerslake Review was published and set out 15 recommendations. This included advice that small sites in GLA Group ownership should be consolidated under a single programme to streamline housing delivery, secure additionality, and deliver social value.

1.3. To support these recommendations, the Mayor, in his 2022-23 budget, provided £300,000 per annum, for three years, to continue the existing SSSB programme. The total budget over three years (2022-23 to 2024-25) is £900,000, including £300,000 in the draft budget plans for 2024-25.

1.4. The proposed total expenditure and remaining budget are set out below:

Expenditure	
Total funding	£1.14m revenue (including £240,000 from RBBRF and LCHRF)
Total committed funding	£655,500
Allocated funding (as itemised in this decision)	£360,000
Remaining budget	£124,500

1.5. Total committed funding to date is summarised below, with interrelated decisions highlighted in brackets:

- i. £340,000 for site revenue grant to landowners (delegated authority to the Executive Director of Housing and Land, within the agreed budget envelope of £583,000, following endorsement by the Small Sites Project Board)
- ii. £292,000 revenue grant to TfL ([MD3093](#))
- iii. £10,800 for licences allocated to public landowners to access a due diligence procurement platform ([ADD2621](#))
- iv. £3,020 for a programme development workshop (delegated authority)
- v. £9,680 for a site analysis course for the SSSB network (delegated authority).

1.6. The revenue grant requested for the purposes of Round 2 (£300,000) is proposed to be awarded to eight private and public-sector partners, identified through the competitive bidding in the Small Sites Small Builders Round 2 – best practice grant funding process. Half of this expenditure is likely to be incurred in 2023-24, with the remainder granted in 2024-25. The proposals blend to establish a concentrated effort to advance small sites delivery by resolving challenges identified by the boroughs and other organisations, as experienced sector contributors.

- 1.7. To-date, allocations have been made across all programme strands identified in MD3093, including site release revenue funding to GLA Group and borough landowners. Following this decision, the remaining budget would be utilised for the continued delivery of the objectives of the original budget, including hosting the SSSB planning and policy toolkit on the GLA's website and a learning and development programme for SSSB stakeholders, forward funding an expert SME support function, legal fees, and administration contingency.
- 1.8. The premise and objectives for the programme have largely been set through the approval of MD3093. This approval seeks to extend and amplify the same work. The proposed delegation to the Executive Director of Housing and Land would ensure timely delivery and is consistent with the governance approach to the programme to-date. The role of the Small Sites Project board, as set out by MD3093, is to endorse allocations before they are put forward for approval. In November 2023, the board endorsed the allocation of funding for best practice projects and recommended this is supported by the work described in decision 1) ii and paragraph 2.2.

## 2. Objectives and expected outcomes

- 2.1. The best practice grant funding opportunity was structured in recognition that the best solutions to challenges in small sites delivery are best understood by the sector itself. Broad parameters for engagement were highlighted through the opportunity, including expectations for practical and tangible outputs within the key thematic areas set out in detail through MD3093. The projects, grantees and funding breakdowns proposed, subject to contract, are set out below.

Scope	Grantee	Grant request
<b>CLH toolkit 1.</b> Reflective case studies – to outline key challenges and methodologies to address from a CLH group perspective	London Citizens' CLT Ltd.	£35,000
<b>CLH toolkit 2.</b> Developer-facing – to establish an approach to support developers to identify and collaborate with newly-formed CLH groups	Co-operative Development Society Ltd.	£24,000
<b>CLH toolkit 3.</b> Community-facing – to capacity-build identified groups and development KPIs for borough use	Archio Ltd.	£39,842
<b>Best practice toolkit 1.</b> Sustainable delivery on small sites	Root and Branch Homes	£25,000
<b>Best practice toolkit 2.</b> Partnership working on supported small units for small sites	Homes in Mind Ltd.	£37,500

<b>Modular housing toolkit 1.</b> Scalable and responsive solutions to outer London boroughs	London Borough of Ealing	£50,000
<b>Modular housing toolkit 2.</b> Local pattern book with specialist input	London Borough of Barking and Dagenham	£49,392
<b>Borough support</b> for market engagement on site pipelines and development of site delivery route protocols	London Borough of Camden	£36,150

- 2.2. The Round 2 cohort will carry out complementary work, working collaboratively across boroughs and private-sector organisations, to build understanding, address barriers and share learning. To capture all work, delivered at a local level, and draw out strategic relevance to London, approval is sought for a further £30,000, to appoint a consultant to deliver this work in 2024-25. The aim is to obtain insight and support to coalesce individual projects around key themes, such as community-led housing and modern methods of construction, promote collaboration, and highlight replicable London-wide approaches. The findings would translate into a tangible output, such as a note, guidance or online facility hosted as part of the SSSB planning and policy toolkit, which will add value to the work of the wider stakeholder network.
- 2.3. Approval is sought for further expenditure of up to £30,000 in 2024-25 for consultancy work to:
- add shape to the issue of declining acquisition of new homes in smaller schemes (secured through section 106 agreements), as identified by GLA policy and planning teams, with further data, insight and engagement with internal and external stakeholders to identify requirements
  - outline how the issue could be practically addressed through the GLA's SSSB online portal through a pilot project, by clarifying user requirements
  - identify any mitigating strategies, due diligence and technical requirements of functionality added to the SSSB portal.

### 3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, functions of the Greater London Authority exercisable by the Mayor, are subject to a public-sector equality duty (PSED) and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.3. The programme will promote equality, and work to deliver new diverse and inclusive opportunities. It is not anticipated that the programme will have a negative impact on any groups identified under the Equality Act 2010, as it has been developed in line with strategic objectives outlined in the Mayor's

Equality, Diversity and Inclusion Strategy. This approach has enabled the PSED considerations to be integrated in the design of the programme, as set out in point 3.4 below.

- 3.4. Of the strategic objectives outlined in the Mayor's Equality, Diversity and Inclusion Strategy, SSSB 2022-25 intends to deliver outcomes directly related to strategic objectives and thereby create positive impact on the particularly relevant groups identified in the strategy. These objectives are as follows:
- i. A great place to live: strategic objectives 1, 4, 9 and 10 are supported through this programme by:
    - a. a positive contribution to increasing the supply of genuinely affordable homes and thereby helping to tackle the inequalities experienced by certain groups of Londoners most affected by the city's shortage of affordable homes
    - b. including objectives and example projects that deliver on the requirement to supply homes to meet diverse housing needs; and involving the community effectively in that delivery to create a positive impact in equalities terms, and to advance equality of opportunity for those with protected characteristics who are currently disadvantaged by the housing situation in London
    - c. promoting standards and training to boroughs and businesses around maximising social value and equality, diversity and inclusion.
  - ii. A great place to work and do business: strategic objective 22 is supported through this programme by:
    - a. provision of opportunities for small builders to build capacity to be finance-ready, with specific consideration given to barriers to accessing finance for business led by Black, Asian and Minority Ethnic people; women; and disabled people, as the particularly relevant groups identified.
- 3.5. Public-sector recipients of funding under this programme are also required to comply with the public-sector equality duty. This will be stipulated in any grant agreements and memorandums of understanding between the GLA and project partners, which require recipients to comply with all relevant laws and enactments in force from time to time relating to discrimination in employment and the promotion of equal opportunities, and any EDI measures negotiated through individual projects.
- 3.6. Organisations involved in the purchase of sites will be encouraged, through liaison with the programme, prior to contracts being finalised, to formalise their equality policies. Mayoral guidance on how to collect, analyse and act on equalities data will be shared through this programme with the small-builders sector. This will support the evidence-based interventions needed in those organisations to secure the significant benefits of a diverse workforce.
- 3.7. Arrangements with any organisations that receive grant funding or are commissioned to provide services will include checks and use of contractual clauses to ensure that:
- i. they comply with any discrimination laws and other requirements that the GLA would reasonably require
  - ii. all staff engaged in the performance of any services or activities associated with the funding observe equality and diversity clauses within the contract
  - iii. such organisations notify the GLA immediately of any legal proceedings issued against them by any supplier staff on the grounds of discrimination.
- 3.8. Management information collected for programme beneficiaries will be designed to enable an evaluation of the success in addressing barriers identified for relevant groups within the Mayor's Equality, Diversity and Inclusion Strategy.

#### **4. Other considerations**



### *Key risks and issues*

- 4.1. Strategic risks around small sites delivery in London are captured comprehensively in MD3093, in paragraphs 4.1 – 4.4. Key issues reported by the programme's stakeholders remain:
- i. the housing sector increasingly dominated by large construction businesses, with smaller sites overlooked and smaller builders experiencing a number of obstacles, such as the availability and cost of land, and the complexity, cost and sluggishness of the planning system
  - ii. the challenging economic climate and recent rises in interest rates, and associated finance costs, which continue to form barriers around viability for small builders and developers looking to deliver housing on small sites.

### *Links to Mayoral strategies and priorities*

- 4.2. The SSSB 2022-25 programme links to a wide range of Mayoral strategies and priorities in housing, regeneration and planning, including:
- i. London Plan 2021 policies supporting well-designed new homes on small sites to meet London's housing needs and supporting SME housebuilders (Policy H2 Small sites)
  - ii. London Housing Strategy 2018 policies supporting the diversification of the homebuilding industry, and establishing a presumption in favour of appropriate residential development on small sites; work to promote and enable CLH; and regeneration for all Londoners (Policy 3.3)
  - iii. the Affordable Homes Programme 2021-26 funding guidance, which refers to actively engaging with local businesses and SMEs in delivering new homes, as well as working with smaller housing associations, in the delivery of affordable homes for Londoners.

### *Consultations and impact assessments*

- 4.3. For the purposes of the Mayoral Decision underpinning this request, [MD3093](#), and in order to meet the requirement in section 32 of the GLA Act, consultation has been carried out with GLA functional bodies; LEDU; London borough councils; and bodies that represent the interests of persons carrying out business in Greater London.

### *Conflicts of interest*

- 4.4. There are no conflicts of interest to declare from any of the officers involved in the drafting or clearance of this decision.

## **5. Financial comments**

- 5.1. Mayoral Approval is sought to reallocate and spend up to £240,000 on the Small Sites Small Builders programme (SSSB) the unallocated combined funding from the Land for Council Homes Revenue Fund (LCHRF) and Right to Buy Back Revenue Fund (RBBRF) approved under MD2983. See below table showing how this will bring the total SSSB budget to £1.140m of which approved expenditure is £1.115m where £875,000 expenditure was approved under MD3093 and further £240,000 is requested through this MD.

	2022-23 (actual spend)	2023-24 Budget	2024-25 Planned budget	Total

Small Sites Small Builders existing budget (approved expenditure of £875,000 under MD3093)	£300,000	£300,000	£300,000	<b>£900,000</b>
Budget to be allocated via this decision from Unapplied reserves as per MD2983 and MD2969		£20,000	£220,000	<b>£240,000</b>
<b>Total Budget</b>	<b>£300,000</b>	<b>£320,000</b>	<b>£520,000</b>	<b>£1,140,000</b>
<b>Planned and approved expenditure</b>	£301,000	£320,000 (£150,000 from the £360,000 been approved through this MD)	£494,000 (£210,000 from the £360,000 been approved through this MD)	<b>£1,115,000</b>

5.2. Approval is requested to spend £360,000 on the below items from the 2023-24 and 2024-25 budget:

- i. provision of up to £300,000 revenue grant funding to London boroughs and other organisations identified through the competitive Round 2 Small Sites Small Builders bidding process, in 2023-24 (£150,000) and 2024-25 (£150,000), to complete projects offering best-practice solutions to small sites delivery challenges
- ii expenditure of up to £30,000 in 2024-25 for strategic consultancy which promotes collaboration across grant funded projects and highlights replicable London-wide approaches, from the additional budget
- iii expenditure of up to £30,000 in 2024-25 for consultancy to develop a pilot project facilitating acquisition opportunities of new S106 homes through the GLA's SSSB online portal, as agreed through MD3093.

5.3. Reallocation of £240,000 of the unallocated combined funding from the Land for Council Homes Revenue Fund (LCHRF) and Right to Buy Back Revenue Fund (RBBRF) approved under MD2983 to SSSB is currently held in the Unapplied reserves as per MD2969 (GLA: Mayor budget 2022-23) and will be drawn down from reserves and added to 2023-24 and 2024-25 budget as and when needed.

5.4 The 2024-25 budget setting process has accounted for the budget set out in the table under 5.1 however, this will be subject to the final 2024-25 budget approval therefore appropriate break clauses should be in contracts, should budget and funding change in future years.

## 6. Legal comments

6.1. In respect of the decisions requested of the Mayor, section 30 of the Greater London Authority Act 1999 (the 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. Given the above and 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.
- 6.3. 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 United Kingdom and climate change and its consequences (sections 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).
- 6.4. In taking the decisions requested, the Mayor must also 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; and to advance equality of opportunity, and foster good relations, 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 (section 149 of the Equality Act 2010).
- 6.5. In respect of paragraphs 6.3 and 6.4, the Mayor should have regard to section 3, above.
- 6.6. In addition to the above, where the Mayor is proposing to use the power conferred in section 30(1) of the GLA Act, the Mayor must consider consulting in accordance with section 32 of the GLA Act (see paragraph 4.3, above).
- 6.7. In order to mitigate any risks that proposed funding might be considered unlawful subsidy, officers should work with Legal to consider the structure and detail of proposed funding arrangements.
- 6.8. The award of GLA revenue grant funding under this programme is not a payment for services, and is not therefore subject to the requirements of the Public Contracts Regulations 2015. This notwithstanding, the GLA is still subject to the overarching duties of fairness and transparency. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA’s equalities duties, and in a manner that affords value for money in accordance with the GLA’s Contracts and Funding Code.
- 6.9. With regard to the procurement of consultancy services, as described in paragraphs 2.2 and 2.3 above, officers must comply with the GLA’s Contracts and Funding Code when undertaking the programme-related procurements.

## **7. Planned delivery approach and next steps**

- 7.1. Revenue grant agreements will be finalised in February 2024. An initial tranche of 50 per cent of total grant awards are intended to be drawn down the end of the 2023-24 financial year, with outputs, outcomes and evaluations completed and final 50 per cent of grant drawn down by the end of the first quarter of the conclusive financial year of the programme, 28 June 2024. This will allow sufficient time for evaluation work carried out for and by the programme.

Activity	Timeline
Round 2 best practice projects contracted	9 February 2024



Evaluation and learning strategic consultancy brief issued	1 March 2024
Round 2 projects delivered and outcomes submitted	28 June 2024
Consultancy projects and objectives delivered	1 October 2024
Outputs evaluated and used to inform and formalise Small Sites programme legacy vehicle	31 March 2025

**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:

Sogand Howard 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 29 January 2024.

✓

### INTERIM CHIEF FINANCE OFFICER:

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

**Signature:**



**Date:**

30/01/2024

### CHIEF OF STAFF:

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

**Signature:**



**Date:**

30/01/2024