

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3336

### Receipt of funding from Homes England and Transport for London for housing delivery projects

#### Executive summary:

This Mayoral Decision (MD) delegates authority to the Homes and Communities Agency (trade name: Homes England) to provide £550,000 of grant funding to the GLA, and £200,000 of grant funding to the London Borough of Hounslow, to facilitate housing delivery.

This MD seeks Mayoral approval for the GLA to receive and spend the £550,000 of grant funding detailed above. It also seeks the Mayor's consent for TfL to provide a revenue grant of £100,000 to the GLA, to expand the scope of proposed studies into potential additional housing capacity; and the Mayor's approval for the receipt and expenditure, by the GLA, of this grant for these purposes.

#### Decision:

That the Mayor:

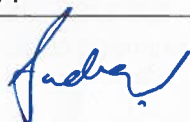
- delegates, to the Homes and Communities Agency (trading name: Homes England), the GLA's powers contained in sections 30 and 34 of the Greater London Authority Act 1999, enabling it to provide:
  - to the GLA: grant funding of £550,000 from Homes England, for the GLA's expenditure on the four projects described at paragraph 1.3, below
  - to the London Borough of Hounslow (LB Hounslow): grant funding of £200,000 from Homes England for LB Hounslow's expenditure on the two projects described at paragraph 1.4, below
- approves the GLA's receipt of the £550,000 grant funding provided by Homes England, subject to the terms and conditions of any such grant being approved by the GLA's Executive Director, Housing and Land (by record, in writing)
- consents to TfL providing a revenue grant of £100,000 to the GLA to meet expenditure, to be incurred by the GLA, on expanding the scope of proposed studies into potential additional housing capacity; and approves the GLA's receipt of this grant for these purposes
- approves the expenditure, by the GLA, of the grants made to it (identified above) on the following projects, up to the specified amounts:
  - £150,000 for a study into Mayoral Development Corporation and Land Assembly Zones as tools for housing delivery
  - £250,000 and £100,000 of TfL funding for studies into potential additional housing capacity
  - £120,000 for a study into accelerating housing delivery within the Ilford Opportunity Area
  - £30,000 for development of a proposal for a local planning and delivery service to support increased planning capacity in London.

#### 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:

3/3/25

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The government's housing and regeneration agency, the Homes and Communities Agency (trading name: Homes England), does not have the legal power to operate in Greater London. This power was transferred to the GLA under the Localism Act 2011.
- 1.2. Homes England has offered to provide £550,000 of grant funding to the GLA, and £200,000 of grant funding to the London Borough of Hounslow (LB Hounslow), for expenditure on the projects and matters identified below, to facilitate housing delivery.
- 1.3. The proposed £550,000 grant to the GLA is for four projects:
  - A study into Mayoral Development Corporation (MDCs) and Land Assembly Zones as tools for housing delivery (£150,000). This work will support spatial and policy analysis to consider the benefits of such interventions to drive housing supply.
  - Studies into potential additional housing capacity (£250,000). New capacity for housing needs to be brought forward in the most sustainable locations, and at optimum densities. This includes areas near public transport nodes that have the highest potential to promote higher-density, low-car sustainable developments. This work will provide a 'real-world' understanding of opportunities to deliver new, liveable neighbourhoods; and a high-level understanding of barriers and constraints, including analysis of mechanisms to overcome the market failures and barriers to delivery.
  - A study into accelerating housing delivery in the Ilford Opportunity Area (OA) (£120,000). Ilford town centre was designated as an OA in 2004, when it was identified as having capacity for 5,500 new homes. Only around 2,000 homes have been completed since then, so the OA remains far from meeting its potential of 6,000 by 2041. This work will look at the factors holding back development, and what can be done to encourage sustainable growth. This work will support the preparation of an Opportunity Area Planning Framework, via: a characterisation study to understand urban form; a tall-building study to inform a tall-buildings strategy for the area; and a viability study to understand why developers are not taking the development forward.
  - Development of a proposal, with the Ministry of Housing, Communities and Local Government, to support the capacity and skills of London's local planning authorities in response to sustained resourcing challenges (£30,000). This work will support further development of these proposals, including producing a procurement and recruitment strategy, and reviewing further funding sources.
- 1.4. The proposed £200,000 grant to LB Hounslow would be for two projects:
  - Work to deliver a refreshed Feltham masterplan (£90,000). Feltham's strategic location, and its growing residential and business potential, make it a key focus for regeneration. However, targeted support is needed to unlock the area's full potential. A refreshed and expanded masterplan for Feltham is a top priority for the council this year. This funding will support a transport strategy; an industrial land and intensification study; and a feasibility study to review delivery options on council-owned sites.
  - Studies to support potential new housing associated with the forthcoming disposal of the Feltham Ministry of Defence (MoD) site (£110,000). This work will include a meanwhile use and energy centre delivery strategy; a refresh of the site planning brief; and a viability appraisal.

### The delegation from the Mayor

- 1.5. Because this proposed funding is for projects within London, Homes England requires a delegation of the GLA's relevant legal powers before it can provide this funding. It is considered that delivery of these projects will help further the promotion of social and economic development in Greater London. Accordingly, the Mayor is asked to approve the relevant delegation in this MD.

### The GLA's receipt of the Homes England funding

- 1.6. Homes England funding of £550,000 will be used on the four GLA projects listed at 1.3, above, with a condition that this funding is fully spent by 31 March 2025. Once the MD is approved, the GLA and Homes England will enter into a grant agreement that also requires grant drawdown, on a project-by-project basis, with a claim form submission to Homes England. The full terms and conditions of the grant agreement are yet to be finalised, so the Mayor is asked to approve receipt, by the GLA, of this funding, subject to the final terms and conditions being approved by the GLA's Executive Director, Housing and Land.

### TfL grant to the GLA

- 1.7. As stated above, it is anticipated that £100,000 of grant funding from TfL would support the GLA's work in connection with studies into potential additional housing capacity. TfL has identified £100,000 of revenue funds from its spatial planning budget that it has offered to transfer to the GLA for this work. The Mayor is required to consent to this proposed revenue grant being paid from TfL to the GLA.

### The Mayor's approval of expenditure of the above grants to the GLA

- 1.8. The Mayor is asked to approve expenditure by the GLA, as set out at paragraphs 1.3 and 1.4, above. It is considered that delivery of these projects will facilitate housing delivery in the long term and help to further the promotion of social and economic development in Greater London. The provision of funding is considered an intra-public transfer of funds, and not a subsidy.
- 1.9. Any additional capital funding allocations by Homes England for the projects referred to in this MD would require a further specific delegation, in addition to the delegation conferred under this MD.

## **2. Objectives and expected outcomes**

- 2.1. The objective of this decision is to secure grant funding from Homes England. The funding will make a significant contribution to the studies listed in section 1. The overarching objective is to enable delivery of tens of thousands of additional new homes in London.
- 2.2. The decision also secures funding from TfL that will enhance the scope of the proposed studies and increase the ability to bring forward new capacity for housing in the most sustainable locations, and at optimal densities.
- 2.3. Through this funding, the GLA and its functional bodies, and LB Hounslow, will enable delivery of homes and jobs, and support wider regeneration benefits.

## **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and the GLA are subject to the public sector equality duty and must have due regard to the need to:
  - eliminate unlawful discrimination, harassment and victimisation
  - 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.
- 3.3. Both in the delivery of direct activity, and when procuring consultants under this decision, project managers at the GLA and LB Hounslow will ensure:
- project briefs and specifications require diversity and inclusion to be considered
  - appropriate indicators are drawn up to monitor the impact on different communities.
- 3.4. The funding (£550,000 to the GLA; £200,000 provided directly to LB Hounslow; and £100,000 of TfL funding) will help to facilitate housing delivery in London, and in turn, help to implement policies set out in the current London Housing Strategy. Londoners stand to benefit from an increase in housing, especially groups with protected characteristics. In 2020, LB Hounslow's population was 55 per cent Black, Asian and Minority Ethnic and 45 per cent White; LB Redbridge's population was 58 per cent Black, Asian and Minority Ethnic and 42 per cent White. Therefore, both projects serve populations with high proportions of Black, Asian and Minority Ethnic groups, who are disproportionately likely to experience poverty and associated housing constraints and will particularly benefit from additional housing, particularly affordable housing, and regeneration.

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

- 4.1. The full Homes England funding of £750,000 (inclusive of £200,000 separately provided to LB Hounslow) needs to be spent by 31 March 2025. TfL funds must be spent in the same timeframes.

##### Key risks

- 4.2. There is a risk of low take-up and insufficient time to deliver meaningful outcomes following the allocation of funding. This issue has been mitigated by proactive engagement (in the GLA and LB Hounslow) that has identified six (four GLA and two Hounslow) projects where the funding will be allocated, and remains on track to be spent by the allocated deadline. The GLA's Housing and Land directorate will draw the £550,000, on a project-by-project basis, by submitting a claim form to Homes England.
- 4.3. The key risk for the four GLA projects lies in meeting the deadlines by which the work needs to be completed (31 March 2025). This is mitigated by the fact that the GLA has already started to procure consultants. Failure to use Homes England and TfL funding within the required timescale is considered to be low risk.
- 4.4. LB Hounslow has a direct grant agreement with Homes England and indicates that it is on track to fully spend the £200,000 allocated to its two projects by 31 March 2025. There is a risk for both Feltham projects that LB Hounslow cannot commission the proposed outputs or realise the planned spend later in the year. However, this risk is low, as the council deems the Feltham masterplan a key priority to progress.

##### Consultation

- 4.5. The GLA has consulted with internal stakeholders such as planning, policy and area teams in relations to the four projects listed in this MD and utilisation of Homes England and TfL funding.
- 4.6. Homes England and LB Hounslow have been consulted in respect of proposals for the four GLA projects and two Hounslow projects.

##### Links to Mayoral strategies and priorities

4.7. The table below highlights the links to key Mayoral strategies and priorities:

| Document                | Strategic fit                                                                                                                                                                     |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| London Housing Strategy | <ul style="list-style-type: none"><li>• Identifying and bringing forward more land for housing</li><li>• Ensuring homes are genuinely affordable</li></ul>                        |
| London Plan             | <ul style="list-style-type: none"><li>• Ilford OA</li><li>• Ensuring new housing capacity is brought forward in the most sustainable locations and at optimum densities</li></ul> |

#### Conflicts of interest

4.8. There are no identified conflicts of interest.

## 5. Financial comments

- 5.1. Approval is sought for receipt of £550,000 grant funding, provided by Homes England to the GLA, which is to be allocated to four projects detailed at 1.3, above. Approval is also requested to receive and spend £100,000 revenue from TfL, to expand the scope of proposed studies into potential additional housing capacity. This is detailed at section 1.7, above.
- 5.2. Funding of £550,000 from Homes England, and £100,000 from TfL, is planned to be spent by the end of 2024-25. Homes England will fund all related expenditure either as one lump sum, or in arrears via a funding claim from the GLA. TfL is planning to transfer its funding to the GLA imminently.
- 5.3. Approval is also sought for delegation of powers, under sections 30 and 34 of the GLA Act, enabling Homes England to provide £200,000 separately to LB Hounslow. This is to deliver a refreshed Feltham masterplan, and a package of outputs in support of scoping the MoD site in Feltham. This is detailed at section 1.4, above.
- 5.4. The funding of £200,000 from Homes England to LB Hounslow will be paid to the borough directly by Homes England and will be a separate contract between the two bodies.
- 5.5. The GLA Investment team (part of the Investment and Operations unit in the Housing and Land directorate) will manage these funding and related projects.

## 6. Legal comments

- 6.1. 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), are: promoting economic development and wealth creation in Greater London; promoting social development in Greater London; and promoting the improvement of the environment in Greater London. Section 34 of the GLA Act 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).
- 6.2. It is proposed that the Mayor delegates his powers, under sections 30 and 34 of the GLA Act, to Homes England, enabling it to provide grant funding identified in this MD to the GLA and LB Hounslow. The Mayor may delegate these powers to Homes England by virtue of section 38(1) of the GLA Act. The delegation must be in writing and can only be granted or varied with Homes England's written consent (section 38(3 and 10) of the GLA Act). The delegation proposed in this MD is in writing. Homes England's written consent to the proposed delegation will need to be obtained for the delegation to become effective.
- 6.3. Upon the delegation to Homes England becoming effective, Homes England will be empowered to provide the grant funding identified in this MD, further to section 30 of the GLA Act, if it considers that doing so will further the improvement of one or more of the GLA's principal purposes (identified

above); and after consultation with such bodies or persons as it considers appropriate in the particular case (section 32 of the GLA Act, see below), and compliance with the matters identified in paragraph 6.7, below. The delegation of the powers in section 34 of the GLA Act will empower Homes England to do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of the section 30 power, including agreeing and entering into any relevant grant agreements for the provision of the grant.

- 6.4. The MD also seeks the Mayor's consent for TfL to provide a revenue grant of £100,000 to the GLA, to meet expenditure to be incurred by the GLA on expanding the scope of proposed studies into potential additional housing capacity. TfL may pay such a grant to the GLA under section 121 of the GLA Act, with the Mayor's consent (section 121(2) of the GLA Act). The grant must not be subject to any limitation in respect of the revenue expenditure which it may be applied towards meeting (section 121(3) of the GLA Act).
- 6.5. Under sections 30 and 34 of the GLA Act, the Mayor is empowered to approve receipt and expenditure, by the GLA, of the revenue grant funding identified in this MD, if the Mayor considers that doing so will further the improvement of one or more of the GLA's principal purposes set out at paragraph 6.1, above. It is identified above (paragraphs 1.5 and 1.8) that the delivery of these projects will help further the promotion of social and economic development in Greater London.
- 6.6. Section 32 of the GLA Act provides that the power under section 30 is exercisable only after consultation with such bodies or persons as the GLA considers appropriate. Paragraph 4.6, above notes that the GLA has consulted with Homes England and LB Hounslow.
- 6.7. Section 33 of the GLA Act requires the GLA, when exercising a section 30 power, to make appropriate arrangements with a view to ensuring due regard to the principle that there should be equality of opportunity for all people. In addition, section 149 of the Equality Act 2010 requires that the GLA and the Mayor have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and to advance equality of opportunity, and foster good relations, between people who share a protected characteristic and those who do not. Pursuant to this duty, section 3 of this MD, above, sets out the equality implications of the proposed decision.
- 6.8. The Mayor's power under section 30 of the GLA Act is subject to section 31 of that Act, which provides that the power cannot be used to incur expenditure in doing anything that may be done by TfL, unless this is for the purposes of, or relating to, housing or regeneration (subsections 1(a) and 5B). The proposed expenditure under this MD concerns the delivery of activities for the purposes of, or relating to, housing or regeneration; and so the restriction on not incurring expenditure in doing anything that may be done by TfL would not apply, by virtue of subsection 31(5B).
- 6.9. Section 31 also provides that, in determining whether to exercise the power conferred by section 31, above, the Mayor must seek to ensure that the GLA does not incur expenditure in doing anything that is being done by an MDC (subsection 1A). However, section 31 does not apply to the use of the GLA's general section 30 power, where the GLA incurs expenditure in cooperating with, or facilitating or coordinating the activities of, such bodies (see subsection 6). The proposed expenditure identified in this MD is to facilitate the activities of the relevant public bodies (including MDCs) involved in the delivery of the projects that are the subject of this decision.
- 6.10. If the Mayor makes the decisions sought, officers must ensure, to the extent that expenditure concerns the payment for services, those services are procured in liaison with TfL Procurement, and in accordance with the GLA's Contracts and Funding Code; and that contracts are put in place between, and executed by, the GLA and contractors before commencement of such services.

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

- 7.1. The work will be delivered according to the following timetable:

| Activity                         | Timeline      |
|----------------------------------|---------------|
| MD agreed and signed             | February 2025 |
| Deadline for funding to be spent | 31 March 2025 |

### 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? NO**

### 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:**

Ashish Sharma 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.

✓

**Mayoral Delivery Board**

This decision was agreed by the Mayoral Delivery Board on 24 February 2025.

✓

### CHIEF FINANCE OFFICER:

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

**Signature:**

*Fay Hamman*

**Date:**

27/02/2025

### CHIEF OF STAFF:

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

**Signature:**

*D. Bellamy*

**Date:**

24/02/2025