

## **Appendix 3**

### **Delegations in relation to Land Investment programmes, Affordable Home Programmes, and projects utilising returned Recycled Capital Grant and other specified forms of returned historic funding**

While the Mayor is the GLA's executive decision maker, they can, under the GLA Act, authorise staff to exercise most – but not all – of their powers. MD3274 'Updates to GLA Governance Documents', signed in June 2024, provides the default framework within which the Mayor's powers are retained by them, delegated to others and exercised. It is a scheme of delegation; it sets out the rules and parameters for and within which decision-making in the GLA normally takes place.

The sections in this appendix should be read alongside MD3274 'Updates to GLA Governance Documents' and sets out further delegations to GLA officers in relation to Land Investment programmes, Affordable Homes Programmes, and projects utilising returned Recycled Capital Grant and other specified forms of returned historic funding.

#### **(A) Rules concerning Land Investment programmes**

In December 2017, the Mayor established a £250 million Homes for Londoners Land Fund, drawn from the GLA's housing and land resources and receipts, as an investment fund for buying and preparing land for new and affordable housing in support of the Mayor's Housing Strategy.

MD2207 provided a standing delegation for individual spending decisions to be taken by the Executive Director, Housing and Land, with the involvement of an investment committee which scrutinises proposals for intervention and makes decisions on asset acquisitions and disposals in accordance with an investment strategy. Such decisions must be authorised through a Director Decision Form.

In September 2018, the Mayor secured £486m of funding from government to help unlock and accelerate housing delivery in London through land assembly, infrastructure investment and provision of gap funding. Terms for the use of this funding were agreed in a Memorandum of Understanding between the GLA and the Ministry of Housing, Communities and Local Government.

MD2396 (Land Assembly, Small Sites and Accelerated Construction Funds) provided a standing delegation to the Executive Director, Housing and Land to approve the allocation of this new funding in accordance with the terms associated with the schemes and in pursuit of the Mayor's housing ambitions. Such decisions must be authorised through a Director Decision Form.

A key purpose of these delegations is to allow the GLA to respond swiftly to opportunities for intervention in a fast-paced property market where transactions take place at speed. For example, the delegation enables officers to undertake necessary due diligence and, at least, confirm initial interest in acquiring (or supporting third-party organisations to acquire) land and/or property within timescales driven by the market. In the case of both funding pots, however, any investment proposals that are Novel, Contentious or Repercussive, must be approved via a Mayoral Decision Form. It also avoids the potential of a conflict with the Mayor's statutory planning powers.

The intention is the same rules will apply in the event of any further funding from government given for the same or similar purposes, although in such an event, a decision as to whether a new Mayoral Decision is required will be taken by the Executive Director, Housing and Land

following agreement with MDB, after consultation with the Chief Finance Officer and after taking advice from the GLA's legal advisors.

### **(B) Rules concerning the Affordable Homes Programmes**

The Affordable Homes Programmes (currently Affordable Homes Programme 2016-23 (AHP 2016-23) and Affordable Homes Programme 2021-26 (AHP 2021-26)) aim to increase the supply of new, genuinely affordable homes, drawing on Government funding. Due to the scale of the funding and the number of Financial Commitments entered into, different decision-making criteria apply to AHP 16-23, AHP 21-26 and successor Affordable Homes Programmes than to those outlined in MD3274 'Updates to GLA Governance Documents'.

These criteria are that:

- the overall scheme is approved through a Mayoral Decision Form
- any decisions within the funding envelope and scope of that Mayoral Decision Form or as the Executive Director, Housing and Land approves under this Mayoral Decision are delegated to the Executive Director, Housing and Land or the Assistant Director – Housing Programmes and Partnerships, and further Decision forms are not required unless:
  - the decision is Novel, Contentious or Repercussive, in which case a Mayoral Decision Form is required as normal; or
  - the decision involves a complex Financial Commitment, involves the giving of a loan for or the direct purchase of land, or relates to a bespoke agreement (Formal Document), in which case a Director Decision Form is required; and
- consideration has been given to the obligations set out in The Openness of Local Government Bodies Regulations 2014; and
- any decisions taken under this delegation not requiring a Decision form must be documented via a Record in Writing, as defined in MD3274 'Updates to GLA Governance Documents', and should be reported publicly quarterly.

Responsibility for identifying complex and bespoke schemes rests in the first instance with the Executive Director, Housing and Land. Advice should be sought from the GLA's Legal Advisors and/or the GLA's Performance and Governance team if there is any doubt.

### **(C) Rules concerning the use of returned Recycled Capital Grant and other returned capital grant funding made for the delivery of affordable housing**

The GLA provides capital grant funding to organisations across London, to deliver affordable housing through different funding schemes – the largest being the GLA's Affordable Homes Programmes. Partners securing capital grant funding under GLA schemes for the delivery of affordable housing must adhere to the terms of the GLA's funding agreements, the GLA's Recovery of Capital Grant General Determinations and its Affordable Housing Capital Funding Guide (CFG). As set out in these documents, the GLA can, under certain circumstances, recover capital grant it has paid out previously.

Where grant-recovery circumstances do not require the immediate return of grant funding to the GLA, partners who are registered providers of social housing often hold the grant funding in a Recycled Capital Grant Fund (RCGF). This is maintained and managed by the grant recipient.

The GLA sometimes allows partners to use the capital funding in the RCGF towards 'permitted uses', defined in the CFG. Save for exceptional circumstances, grant that has been in the RCGF for three years or more is returned to the GLA, as part of an annual process.

Predecessor bodies to the GLA who previously carried out the same or similar housing and regeneration functions to the GLA in the whole or part of London, including but not limited to the Homes and Communities Agency and the Housing Corporation, also provided capital grant funding for the delivery of affordable housing in London. Some of this funding has been, or in the future may be, returned to the GLA (sometimes through the RCGF process and sometimes returned immediately).

Due to the scale of the returned funding (including funding originally paid by predecessor bodies referred to above) – either immediately returned to the GLA or repaid to the GLA from a partner's RCGF – and the number of Financial Commitments entered into, different decision-making criteria apply to returned Recycled Capital Grant and other returned capital grant funding made for the delivery of affordable housing, than to those outlined in MD3274 'Updates to GLA Governance Documents'.

These criteria are that:

- where applicable, funding must be used in accordance with the requirements of section 333ZE of the Greater London Authority Act 1999 (*'Sums received by the Authority in respect of repayments of grants made by it for the purposes of social housing are to be used by it for those purposes'*), as amended or replaced from time to time
- the obligations set out in The Openness of Local Government Bodies Regulations 2014 which describe when written records of decisions and their content need to be published must be complied with
- any decisions regarding the use of the funding are delegated to the Executive Director, Housing and Land, or the Assistant Director – Housing Programmes and Partnerships, unless:
  - the funding is not delivering projects that are approved as part of the Building More Homes delivery plan, in which case a Mayoral Decision is required as normal
  - the decision is Novel, Contentious or Repercussive, in which case a Mayoral Decision is required as normal
- any decision made by either the Executive Director, Housing and Land, or the Assistant Director, Housing Programmes and Partnerships regarding the use of the funding which is either:
  - a complex Financial Commitment, the giving of a loan for or the direct purchase of land, or relates to a bespoke agreement (Formal Document), in which case a Director Decision Form is required
  - a referral to the Competition and Markets Authority under the Subsidy Control Act 2022 (as amended or replaced from time to time)will require a Director Decision Form
- any decisions taken under this delegation not requiring a Decision form must be documented via a Record in Writing, as defined in 'MD3274 'Updates to GLA Governance Documents', and should be reported publicly quarterly.

Responsibility for identifying complex and bespoke schemes rests in the first instance with the Executive Director, Housing and Land. Advice should be sought from the GLA's legal advisors and/or the GLA's Performance and Governance team if there is any doubt.

#### **(D) Rules concerning the use of returned funding relating to 'The Greater London Authority and the Homes and Communities Agency Transfer Scheme 2012'**

'The Greater London Authority and the Homes and Communities Agency Transfer Scheme 2012', made by the Secretary of State in exercise of the powers conferred by sections 190 and 193 of the Localism Act 2011, transferred to the GLA and GLA Land and Property Limited the rights and liabilities of the Homes and Communities Agency under a number of funding agreements related to property situated in London ('historic funding agreements'). This included agreements for both capital and revenue funding.

This section (D) applies to these historic funding agreements save to the extent that such an agreement relates to the provision of capital grant funding for the delivery of affordable housing, in which case the rules set out in section (C) above shall apply instead.

Some of the funding given under these historic funding agreements has been, or in the future may be, returned to the GLA or GLA Land and Property Limited.

Due to the scale of the returned funding, and the number of Financial Commitments entered into, different decision-making criteria apply to returned funding originating from these historic funding agreements than to those outlined in MD3274 'Updates to GLA Governance Documents'.

These criteria are that:

- the obligations set out in The Openness of Local Government Bodies Regulations 2014 which describe when written records of decisions and their content need to be published must be complied with
- any decisions regarding the use of the funding are delegated to the Executive Director, Housing and Land, unless:
  - the funding is not delivering projects that are approved as part of the Building More Homes delivery plan, in which case a Mayoral Decision is required as normal
  - the decision is Novel, Contentious or Repercussive, in which case a Mayoral Decision is required as normal
- any decision made by the Executive Director, Housing and Land regarding the use of the funding which is either:
  - a complex Financial Commitment, the giving of a loan for or the direct purchase of land, or relates to a bespoke agreement (Formal Document)
  - a referral to the Competition and Markets Authority under the Subsidy Control Act 2022 (as amended or replaced from time to time)

will require a Director Decision Form

- any decisions taken under this delegation not requiring a Decision form must be documented via a Record in Writing, as defined in 'MD3274 'Updates to GLA Governance Documents'', and should be reported publicly quarterly.

Responsibility for identifying complex and bespoke schemes rests in the first instance with the Executive Director, Housing and Land. Advice should be sought from the GLA's legal advisors and/or the GLA's Performance and Governance team if there is any doubt.