

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3441

Title: The London Social and Affordable Homes Programme 2026-36

Programme: Building more homes

Executive summary:

The Mayor has secured up to £11.7bn of funding from government to deliver the London Social and Affordable Homes Programme (LSAHP) 2026-36. This funding is expected to support thousands of new social and other affordable housing starts in London up to 2036 in line with commitments in the Building More Homes delivery plan as approved in MD3378. The LSAHP target will be formally agreed with government after the initial bidding round. This decision seeks approval for the GLA to receive this funding and the overall scope and high-level composition of the LSAHP, which will be reflected in the LSAHP 2026-36 funding guidance. It also approves delegations of authority in respect of these and related matters.

Decision:

That the Mayor approves:

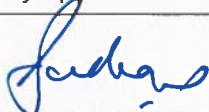
- 1) the GLA's receipt of up to £11.7bn of funding from government for the purposes of the London Social and Affordable Homes Programme (LSAHP) 2026-36, on conditions to be agreed with government by the Executive Director, Housing and Land in accordance with the delegation in decision 3, below
- 2) the overall scope and design of the LSAHP 2026-36, identified in section one, below
- 3) a delegation of authority to the Executive Director, Housing and Land, in consultation with the Deputy Mayor for Housing and Residential Development, to:
 - agree the conditions on which the GLA's receipt of the £11.7bn of LSAHP 2026-36 funding from government is subject to, approve the GLA's entry into Memoranda of Understanding with the government incorporating such conditions (see paragraph 1.4, below), and approve amendments to any such Memoranda of Understanding from time to time provided the amendments are not novel, contentious or repercussive
 - approve the draft and final funding guidance for publication and the making of the LSAHP 2026-36 subsidy scheme
 - agree, with the government, on the targets under the LSAHP 2026-36 for new social and affordable housing starts in London through to March 2036
 - agree and receive any additional revenue funding from government to cover operational costs relating to the delivery of LSAHP, following consultation with legal advisors and the GLA's Chief Finance Officer, and subsequently having secured agreement from the Mayoral Delivery Board.
- 4) that each decision in Mayoral Decision (MD) 3378 – Building More Homes, related to schemes set out in Appendix 4 of that MD, shall apply to the LSAHP 2026-36; and that said Appendix 4 shall be deemed to include the LSAHP 2026-36 in the list of approved GLA funding schemes, through which funding is sometimes, or may be, returned to the GLA
- 5) the addition of the LSAHP 2026-36, as a new project, in strand two of the delivery plan for the Building More Homes programme, approved under MD3378
- 6) up to £1m of revenue expenditure to cover operational revenue costs over the LSAHP's lifetime, and a delegation of authority to the Executive Director, Housing and Land to approve specific items of such expenditure, subject to the source of funding for any such expenditure having been identified in advance as set out in paragraph 4.6
- 7) updating the Appendix to the London Housing Strategy, to reflect that the above affordable housing funding has been allocated to the GLA.

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:

27/10/25

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

Decision required – supporting report

1. Introduction and background

- 1.1. Increasing the delivery of social and other affordable housing is one of the Mayor's key priorities. The Building More Homes Mayoral strategic programme was established to address this, through Mayoral Decision (MD) 3378: Delivery Plan – Building More Homes.
- 1.2. One of three strands of the Building More Homes delivery plan is to 'work to secure and deploy flexible funding to enable housing delivery'. Project 1.1 in the delivery plan is to 'negotiate a successor Affordable Homes Programme (AHP) or equivalent funding programme which is essential to address general needs, specialist and supported and intermediate housing needs'. Project 1.1 in the delivery plan also states that '[a] new project for delivering the next [Social and Affordable Homes Programme] SAHP will be added to strand 2 below following agreement of new funding'. This decision adds the LSAHP 2026-36, as a new project, in strand two of the delivery plan for the Building More Homes programme, approved under MD3378.
- 1.3. Following negotiations, the Mayor has secured up to £11.7bn of funding from the government to deliver the LSAHP. This funding is expected to support thousands of new social and affordable homes to start on site in London through to March 2036. The target for the programme will be formally agreed with the government after the initial bidding round. It is expected that the LSAHP 2026-36 funding guidance will require homes funded under the programme to complete by March 2039.
- 1.4. Paragraphs 1.6 to 1.14 below set out funding conditions that have been discussed with the Ministry of Housing, Communities and Local Government (MHCLG) to date. Discussions with the MHCLG are ongoing to agree the final conditions. Further details in this respect are set out in part 2 of this decision form. The additional Mayoral priorities for this programme are set out in paragraphs 1.15 to 1.23, below. The conditions of funding will form the basis of a Memorandum of Understanding, to be entered into with MHCLG. Funding guidance will be published, setting out the parameters of the programme and how housing providers can bid for funding. This decision delegates authority to the Executive Director, Housing and Land, in consultation with the Deputy Mayor for Housing and Residential Development, to:
 - agree the conditions on which the GLA's receipt of the £11.7bn of LSAHP 2026-36 funding from government is subject to, and approve the GLA's entry into Memoranda of Understanding with the government incorporating such conditions, and approve amendments to any such Memoranda of Understanding from time to time provided the amendments are not novel, contentious or repercussive
 - approve the draft and final funding guidance for publication
 - agree, with the government, the targets under the LSAHP.
- 1.5. The programme will support affordable housing delivery from 2026-27. Housing providers will submit bids for funding via the GLA's online grant management system.

Proposed design of the LSAHP 2026-36

- 1.6. The LSAHP 2026-36 will primarily fund the following affordable housing products, subject to final negotiation with MCHLG:
 - social rent
 - intermediate rent, including Key Worker Living Rent

- shared ownership
- London Living Rent.

1.7. The programme may fund a limited number of other affordable products, where these are permissible under programme parameters and where they support key Mayoral priorities. This includes, where appropriate, delivering Affordable Rent homes to support the delivery of supported and specialist housing.

Social rent

1.8. The Mayor expects that at least 60 per cent of the homes delivered through the programme will be for social rent, aligning with the government's expectations for the national (both London and outside-of-London) programmes. Social rent homes are intended to help low-income households that are in housing need, and may struggle to secure or sustain housing on the open market. Rent levels for new social rent homes must be set in accordance with the Regulator for Social Housing's Rent Standard in place when a home is let to a resident.

Intermediate rent, including Key Worker Living Rent

1.9. Intermediate rent homes play an important role in meeting the needs of Londoners who:

- are unlikely to secure social rented housing
- struggle to cover the costs of a market rent home
- cannot afford home ownership.

1.10. There is no requirement or expectation on providers to sell intermediate rent homes to residents on either a shared ownership or market-homes basis.

1.11. The GLA will look to fund the following intermediate rent products:

- Key Worker Living Rent a new tenure being introduced by the Mayor, with rents (including service charges) set at or below borough-level benchmarks. Benchmarks will be published annually by the GLA, and are based on 40 per cent of average net household incomes of London's key workers. They will be further adjusted to take into account local market rents.
- Other forms of intermediate rent, where rents (including service charges) meet London Plan and National Planning Policy Framework requirements on affordability.

Shared ownership

1.12. Shared ownership is an intermediate housing product that allows a home buyer to purchase a share of a new home, and pay a rent on the remaining, unsold share. For homes delivered with a GLA grant, this rent must be set in accordance with the requirements of the GLA Capital Funding Guide.¹ Shared owners may subsequently buy further shares in their homes.

London Living Rent

1.13. London Living Rent is an intermediate affordable housing product that offers up to 10 years' sub-market renting at London Living Rent benchmarks. During this time, tenants save towards a deposit and other costs associated with buying a home. The benchmarks are published annually by the GLA and are based on one-third of the estimated median gross household income for the local borough. This figure is varied by up to 20 per cent in line with ward-level house prices, and capped to reflect the maximum affordability for an eligible household. Benchmark rents also vary based on the number of bedrooms within the home. Providers of London Living Rent homes funded through the LSAHP

¹ GLA, [Affordable Housing Capital Funding Guide](#)

2026-36 will be required to offer tenants the opportunity to buy the London Living Rent home on a shared ownership basis during their tenancy, and within 10 years.

Supported and specialist housing

- 1.14. The LSAHP 2026-36 will be the primary capital funding route for the delivery of supported and specialist housing in London. Types of projects funded under this route include specialist housing for older people; disabled people; homeless people, and those at risk of homelessness; members of the Gypsy and Traveller community; and other groups.

Programme requirements

- 1.15. The parameters of the programme have been shaped through negotiations with MHCLG, and by considering London-specific programme priorities. The key London-specific priorities for this programme are detailed below.

Expectations and requirements in relation to building safety approaches

- 1.16. While there is a preference to rely on national regulations wherever possible, the GLA's housing funding programmes will use additional grant conditions to improve building safety in London where necessary. These grant conditions must be appropriate and proportionate, and must be able to be implemented and monitored effectively by the GLA.
- 1.17. The national regulatory regime has been strengthened since the GLA launched its last Affordable Homes Programme (AHP 2021-26) under MD2207. This has included the government establishing the Building Safety Regulator; expanding requirements to install sprinklers and second staircases; and improving the competency and regulation of fire risk assessments and local authority building control.
- 1.18. Despite these improvements, the Mayor has raised concerns that the regulations covering the external walls of buildings under 18m are insufficient – as is the testing and certification regime, which does not sufficiently control for the risk of unsafe materials being used on external walls.
- 1.19. It is therefore proposed through this decision to restrict the use of combustible materials on the external walls of buildings of all heights, including banning their use in new development. This goes further than national regulations, which only ban combustible materials in new developments over 18m, and severely restrict their use at 11-18m. This is a proportionate response to an outstanding risk.
- 1.20. It is further proposed through this decision to require active fire suppression systems in newly developed buildings of all heights, with the exception of single units. This goes further than national regulations, which only require sprinklers in new development over 11m. This is because of the well-evidenced benefits that these systems provide, and ongoing concerns about the effectiveness of regulations covering buildings under 11m.

Promoting good design and sustainability

- 1.21. The programme will not specify design or sustainability standards for new developments. Specifications will instead be determined through the planning system and relevant London Plan policies. Where projects come forward through the programme, and have not been fully scrutinised by the planning system (such as acquisitions and through permitted development routes such as office-to-residential conversions), these projects will generally be required to meet London Plan minimum floor space standards. For supported and specialist housing, different standards apply to reflect the different types of projects coming forward.
- 1.22. The GLA introduced the post-occupancy evaluation requirement (which involves collecting data on a home's performance after occupation) in the AHP 2021-26. The GLA will be reviewing the effectiveness of this requirement. Subject to this review, the GLA may require providers to undertake post-occupancy reviews on a proportion of their projects completed under this programme.

Equality, diversity and inclusion (EDI)

1.23. Providers securing funding under this programme must achieve the following five minimum EDI standards:

- offer EDI training for all employees
- implement a zero-tolerance approach to all forms of discrimination, harassment and bullying
- broaden recruitment channels, and encourage applications from diverse and under-represented groups
- collect and monitor workforce data to benchmark the diversity of their workforce against the local area of their organisation
- publish their gender and ethnicity pay gaps².

Funding routes and assessment process

- 1.24. The programme will adopt negotiated grant rates for all projects. Providers will be able to bid for funding for a combination of named projects (identified sites that may not be owned by the provider, but for which providers should have a clear timetable for acquisition and delivery) and indicative projects (for proposals to secure funding for longer-term development plans).
- 1.25. The GLA will also seek to use funding flexibly, to maximise affordable housing delivery in the programme. This includes for unlocking affordable housing delivery on public land.
- 1.26. The GLA will allocate funding to partners through a competitive bidding process. Bids will be scrutinised for value for money, deliverability and strategic fit, including the expectation that at least 60 per cent of the homes delivered through the programme will be for social rent.
- 1.27. Though the GLA expects to allocate funding through an initial bidding round, any unallocated funding would be allocated through a further round of bidding or through continuous market engagement. Assessment criteria approved by the Mayor and agreed with MHCLG will also apply to any further bids.

Subsidy control

- 1.28. The GLA is required to obtain and consider a subsidy report from the Subsidy Advice Unit (SAU) at the Competition and Markets Authority before it makes the LSAHP 2026-36 subsidy scheme. This is to ensure that the London SAHP 2026-36 complies with the legal requirements under the Subsidy Control Act 2022.
- 1.29. To allow partners more time to familiarise themselves with the programme, the GLA will publish its funding guidance before the SAU publishes its report on the LSAHP 2026-36 – and therefore before the GLA makes its subsidy scheme. The funding guidance will be published as an advanced draft document. It may need to be amended by the GLA before housing providers are invited to submit bids for a funding allocation, if – on consideration of the SAU's subsidy report – the GLA forms an opinion that it is necessary to make amendments in light of that report; or if, for another reason, the GLA is of the opinion that aspects of the documentation need to be updated.
- 1.30. Once the SAU's subsidy report is received, the SAU's comments in respect of the proposed subsidy scheme will be considered. The Executive Director, Housing and Land, will approve the final version of the funding guidance and the making of the subsidy scheme. The subsidy scheme will not be made until the statutory 'cooling-off' period expires: this is five working days, starting the day after the SAU publishes its subsidy report (unless the Secretary of State directs that the cooling-off period is extended). The approval (of the final version of the funding guidance and the making of the subsidy

² Smaller organisations may be exempt from this requirement.

The Equality (Race and Disability) Bill will, when enacted, require organisations to publish their disability pay gap. The GLA expects partners to align with this requirement when the Bill is enacted.

scheme) would only be given where the Executive Director is satisfied that any comments in the SAU's report have been appropriately considered; and, if any amendments are made to the funding guidance, it remains substantively consistent with this MD and the provisions of the Memorandum of Understanding to be entered into with MHCLG.

Governance and decision making for the LSAHP 2026-36

- 1.31. Due to the scale of the funding, and the large number of transactions and decisions required, the decision-making criteria and rules that apply to affordable homes programmes differ from those set out in MD3274: Updates to GLA Governance Documents (June 2024). This also reflects the Mayor's role in the planning approvals process. These different decision-making criteria and rules are set out in Appendix 3 of MD3378; these will apply to the LSAHP 2026-36, including in respect of approving individual allocations within the programme's funding envelope. Save where otherwise specified in Appendix 3 of MD3378, decisions will be made by the Executive Director, Housing and Land or the Assistant Director for Housing Programmes and Partnerships, and should be published quarterly on the GLA's website and in accordance with the requirements of The Openness of Local Government Bodies Regulations 2014.
- 1.32. Appendix 4 of MD3378 sets out a list of approved GLA funding schemes contained in the Building More Homes delivery plan. Where additional funding is secured in the future from central government or other sources to expand or extend these schemes, MD3378 delegates authority to the Executive Director, Housing and Land, to approve receipt of such funding:
 - where the parameters of the scheme remains the same or similar
 - after consulting with legal advisers and the GLA's Chief Finance Officer
 - having then secured agreement from the Mayoral Delivery Board.
- 1.33. MD3378 also approves the allocation of certain returned funding (including funding returned from the schemes in Appendix 4 of MD3378) to schemes set out in Appendix 4 of that MD, as deemed necessary by the Executive Director, Housing and Land, in collaboration with the Deputy Mayor for Housing and Residential Development. To the extent not covered by an existing delegation, it also delegates authority to the Executive Director, Housing and Land, to approve expenditure of the additional funding and returned funding described above, towards the schemes set out in Appendix 4 and for the delivery of the projects listed in paragraphs 1.15 and 1.16 of MD3378.
- 1.34. This decision form seeks approval to:
 - apply the decisions in MD3378, which relate to schemes set out in Appendix 4 of that MD, to the LSAHP 2026-36
 - deem the LSAHP 2026-36 as included in the list of approved funding schemes in Appendix 4 of MD3378.
- 1.35. Discussions with MHCLG are ongoing to secure revenue funding to cover the GLA's administrative costs (including staffing and legal costs) associated with the delivery of the programme. If additional revenue funding from the government becomes available, this decision delegates approval to the Executive Director, Housing and Land to agree the receipt of additional revenue funding from the government, following consultation with legal advisors and the GLA's Chief Finance Officer, and subsequently having secured agreement from the Mayoral Delivery Board.

Updating the Appendix to the London Housing Strategy

- 1.36. Section 333A(2)(d) of the Greater London Authority Act 1999 (GLA Act) requires the London Housing Strategy to include a statement of the Mayor's spending proposals for the 'relevant period'. In the Appendix to that strategy, the relevant period is 'taken to mean April 2015 to March 2022, which is the period during which Government has made allocations to fund the [existing] affordable

housing programme'. That Appendix notes that 'it will be updated and published on the GLA's website to reflect future allocations of funding'. The allocation to the GLA of the affordable housing funding that is the subject of this MD is a funding allocation that needs to be reflected in the Appendix to the London Housing Strategy. The Mayor is asked to approve this.

2. Objectives and expected outcomes

- 2.1. The Mayor has secured up to £11.7bn of funding from the government in 2026–36, with new homes starting through to March 2036. The number of homes this funding will support will be agreed with the government after the initial bidding round.
- 2.2. The core London-level outcome that the Building More Homes Delivery Plan (MD3378) contributes to is: Londoners live in homes they can afford. This outcome reflects the importance of building more homes in London (particularly social and other forms of affordable housing), to address an overall imbalance of housing supply and demand, which is making housing more unaffordable in our city.
- 2.3. The LSAHP 2026–36 will increase the supply of social and affordable housing in the capital, helping to meet the needs of Londoners who are disproportionately affected by housing affordability and housing need. In doing so, the programme directly responds to the project set out in Appendix 2 strand one of MD3778, which sets the task to 'negotiate a successor AHP or equivalent funding programme which is essential to address general needs, specialist and supported and intermediate housing needs'. It is also anticipated to have positive impacts on groups sharing protected characteristics under the Equality Act 2010, as is highlighted in section three below.
- 2.4. The GLA reserves the right to amend its funding guidance for the LSAHP 2026–36, in line with evolving policy requirements. Any changes will be communicated to providers via the GLA's website.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and 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. 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
 - encourage them to participate in public life or in any other activity where their participation is disproportionately low.

This can involve treating people with a protected characteristic more favourably than those without one.

- 3.3. The GLA has conducted an Equality Impact Assessment (EqIA) to assess the equality implications of the LSAHP 2026–36. The GLA will use this assessment to monitor and review impacts throughout the programme. Some of the key findings from the EqIA are as set out in this section.
- 3.4. A majority social rent programme will benefit Londoners who struggle to afford a home that meets their needs, and other Londoners in housing need. This group includes Londoners from Black, Asian and ethnic minority backgrounds; Deaf and disabled Londoners; younger Londoners; and women.
- 3.5. The LSAHP 2026–36 will also fund intermediate housing including intermediate rent, London Living Rent and shared ownership. Funding intermediate housing will have a positive impact on some groups who cannot afford a home that meets their needs on the open market. This includes younger Londoners, who are more likely to move into intermediate housing. The delivery split between intermediate rent and shared ownership may have an impact on Londoners who benefit from intermediate housing. Londoners from some Black, Asian or minority ethnic backgrounds are more likely to move into an intermediate rented home, and less likely to buy a shared ownership home. Therefore, Londoners from some Black, Asian or minority ethnic backgrounds may be more likely to benefit from intermediate rent homes rather than shared ownership homes.
- 3.6. The LSAHP 2026–36 funds supported and specialist housing, which is designed to provide housing for eligible Londoners. Those eligible are likely to share protected characteristics. This includes older people; disabled people; and women who have experienced domestic abuse. Demographic data also shows that Londoners moving into supported and specialist housing are more likely to be male; disabled; Black; and/or have a low income. Londoners with these characteristics are more likely to be in some types of housing need, or unable to afford a home that meets their needs.
- 3.7. Partners must also meet EDI standards, including workforce diversity monitoring and inclusive recruitment. These measures aim to improve representation in the built environment sector, where certain groups are underrepresented – specifically women; young people; and Black, Asian and Minority ethnic groups. Providers must promote EDI across their operations and communities.
- 3.8. The GLA’s EqIA for LSAHP 2026–36 is attached (Appendix 1).

4. Other considerations

- 4.1. Risks and mitigating actions are outlined in the table below:

Risk	Mitigation	Rating
The programme is not deliverable and the GLA cannot allocate its funding. The Mayor would then return unused funding to government, leading to an undersupply of new social and affordable homes in London.	The funding settlement agreed with the government recognises the current economic outlook and challenges facing London’s affordable housing sector. Housing and Land officers have been working closely with partners to understand housing delivery appetite. They will work closely with providers to ensure that projects come forward throughout the programme, with robust programme management arrangements in place to ensure that providers deliver their commitments. This includes working with providers to identify replacement projects if projects slip or fall out of the programme completely. Housing delivery targets for the programme will also be agreed with the government after the initial bidding round, better reflecting housing delivery appetite and capacity.	Medium
The homes funded through this programme	London’s overwhelming housing need is for low-cost housing, and this programme will prioritise the delivery of homes for Social Rent. Moreover, this programme will also meet the needs of Londoners who are unable or unlikely to secure	Low

do not meet the needs of Londoners.	social rent housing, but struggle to meet their housing needs in the open market. It will do so by delivering intermediate housing tenures such as Intermediate Rent, London Living Rent and Shared Ownership.	
The policy priorities set out by the Mayor and the government are too onerous to be deliverable.	The GLA has sought to streamline programme requirements, in recognition of the challenging delivery environment in London. It is expected that such an approach will have a positive impact on housing delivery. Consultation with housing delivery partners has evidenced that this is a welcomed approach.	Low
The programme will deliver lower-quality social and affordable housing, due to streamlined Mayoral policy requirements.	The programme will not specify design or sustainability standards for new developments. Specifications will instead be determined through the planning system and relevant London Plan policies. However, acquisitions funded through the programme, including where homes are delivered via permitted development routes (such as office-to-residential conversions) will be expected to meet London Plan minimum floor space standards as a funding requirement, though this requirement can be waived in certain circumstances. The programme will also expect partners to meet minimum building safety requirements that go beyond national standards, and EDI requirements as a condition of funding. Post-occupancy evaluation may also be introduced in the programme, to assess how homes perform once occupied. This will also ensure that homes meet the needs of Londoners; and support continuous improvement in the design and delivery of homes under the programme and for future programmes.	Low
The GLA fails to comply with the subsidy control regime.	The GLA has designed this programme to comply with subsidy control rules. It will submit a referral to the SAU. The LSAHP 2026-36 subsidy scheme will not be made, and bidding will not be opened, until after the SAU publishes its report and the statutory cooling-off period has expired. The GLA reserves the right to amend its Funding Guidance to address any recommendation made in the report. The funding agreements for the programme will set out terms to ensure the GLA complies with subsidy control requirements – including, for example, monitoring requirements.	Low
The GLA cannot operationalise the programme effectively, because it does not have access to sufficient dedicated personnel, resources and revenue funding.	The GLA has dedicated personnel and resources to help support the operationalisation of the programme. This includes dedicated revenue funding to cover operational costs such as legal fees and consultancy services to support the effective delivery of the programme.	Medium
Discussions with MHCLG lead to significant changes in the conditions set out in paragraphs 1.6 to 1.14 above.	The Executive Director, Housing and Land, will consult with the Deputy Mayor for Housing and Residential Development before making any decision under the authority delegated to him in this MD. If ongoing discussions with MHCLG lead to changes in the funding conditions described in this MD, and if these would compromise the Mayor's ability to achieve the	Low

	outcomes set out in MD3378, or would be novel, contentious or repercussive, a new MD would be sought.	
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Consultation and conflicts of interest

- 4.2. The design of the LSAHP 2026-36 has involved extensive consultation with MHCLG, Homes England and registered provider (including local authority) partners across the sector. 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, for the purposes of this report.
- 4.3. There are no conflicts of interest to note from any of the officers involved in the drafting or clearance of this decision form.

Operationalising the funding programme

- 4.4. Delivery of the LSAHP 2026-36 requires significant operational support, including the provision of legal advice and contract commissioning; subsidy control support; support with financial appraisals; and other similar related work.
- 4.5. Decision five of MD2707 states that all interest generated from the recovery of unused or recycled affordable housing grant is prioritised for offsetting the GLA's administrative and staffing costs associated with delivery of affordable housing. In line with this decision, the use of interest generated from the recovery of unused or recycled affordable housing grant (including returned Right to Buy receipts or returned Recycled Capital Grant) towards any administrative and staffing costs for this programme is considered to be approved under MD2707.
- 4.6. This decision seeks approval of up to £1m of revenue expenditure across the lifetime of the LSAHP 2026-36. Specific items of such expenditure are to be approved by the Executive Director, Housing and Land under delegated authority conferred by this decision. This is to cover operational support costs, including the provision of legal advice and contract commissioning; subsidy control support; support with financial appraisals; and other similar related work. This funding will be covered by the Housing and Land Operational budget; the use of interest generated from the recovery of unused or recycled affordable housing grant (whether from returned Right to Buy receipts or returned Recycled Capital Grant) or new revenue funding from MHCLG. The source of this funding will be identified each year through the GLA budget-setting process.
- 4.7. If additional revenue funding from the government becomes available to support the delivery of this programme, this MD delegates approval to the Executive Director, Housing and Land to agree the receipt of additional funding from the government, after consultation with legal advisors and the GLA's Chief Finance Officer, and subsequently having secured agreement from the Mayoral Delivery Board.

5. Financial comments

- 5.1. This decision seeks approval of the receipt of up to £11.7 billion of affordable housing grant from MHCLG to deliver social and affordable homes in 2026-36. The funds received are capital in nature.
- 5.2. Funding will be allocated to housing providers following a competitive bidding process. Allocations will be subject to further decisions under the delegated authority as set out elsewhere in this decision.
- 5.3. The funding to the GLA is subject to further conditions from the government as set out in section one, above. These will be crystalised in a Memorandum of Understanding between the GLA and the government.
- 5.4. This decision also seeks approval of up to £1million revenue funding across the lifetime of the LSAHP 2026-36 to cover operational support costs, including the provision of legal advice and contract

commissioning; subsidy control support; support with financial appraisals; and other similar related work.

- 5.5. The initial £200,000 of the £1 million administration revenue costs will come from the Housing and Land Operational budget. Around £75,000 of expenditure is expected to be incurred in 2025-26; and the remainder in 2026-27, subject to finalising the 2026-27 budget. Similarly, future years' revenue budgets may initially be funded from Operational budget and/or Recycled Capital Grant Fund interest receipts (recovery of unused or recycled affordable housing grant), this will be subject to GLA's annual budget-setting process and as per paragraph 4.6 approval from Executive Director, Housing and Land. These costs will be augmented by additional revenue funding from government if made available. Note revenue expenditure referenced in this decision is excluding staffing costs.

6. Legal comments

- 6.1. Section 30 of the GLA Act (as amended) 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
 - promoting the improvement of the environment in Greater London.
- 6.2. Given the above, the GLA's housing and regeneration functions contained in Part 7A of the GLA Act, and section 34 of that 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 section 333A(3)(b), (4) and (10), the GLA is empowered to receive funding from the government and provide financial assistance for the purpose of the recipient providing affordable housing.
- 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 these decisions 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 (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). These matters will also need to be taken into account when preparing the funding guidance, and when assessing specific bids for funding proposals and entering into funding agreements.
- 6.5. In respect of paragraphs 6.3 and 6.4, the Mayor should have regard to section three, above, and the EqIA that is attached at Appendix 1.
- 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, he must consider consulting in accordance with section 32 of the GLA Act (see section

4.2 above). The Mayor will need to consult in accordance with section 32 of the GLA Act, as appropriate, prior to entering into any funding agreements.

- 6.7. Where funding is to be granted by the GLA for the provision of low-cost rental accommodation, it should be noted that sections 31 to 36 of the Housing and Regeneration Act 2008 (as amended by section 333ZE of the GLA Act) will apply. This includes a requirement upon the GLA to impose a condition ensuring that a registered provider of social housing is the landlord when the accommodation is made available for rent.
- 6.8. The award of GLA funding under this programme is not a payment for services, and is not therefore subject to the requirements of the Procurement Act 2023. 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. Legal advice should be sought on the forms of funding agreement to be used for this funding programme, including advice as to any subsidy requirements, and no commitment to fund should be made before the relevant funding agreement is entered into.
- 6.10. This decision asks the Mayor to approve the Appendix to the London Housing Strategy being updated to reflect the allocation to the GLA of the above affordable housing funding. This is to comply with the requirements of section 333A(2)(d) of the GLA Act, as noted in section one, above. The Appendix can be updated without consulting any other body. The changes will not constitute material revisions to the strategy; furthermore, they will simply reflect the funding allocation to the GLA, negotiated and agreed with the government, and which cannot therefore be changed by any outside consultation.
- 6.11. Section 38 of the GLA Act provides that any function exercisable on behalf of the Authority by the Mayor, shall also be exercisable by, amongst others, any member of staff of the Authority, if or to the extent that the Mayor authorises and subject to any conditions imposed by the Mayor. The Mayor may make the delegations requested in this decision.

7. Planned delivery approach and next steps

- 7.1. The dates set out below are target dates for key LSAHP 2026-36 activities. It is unlawful for the GLA to make a subsidy scheme for the LSAHP 2026-36 until after the SAU process (see paragraphs 1.28 to 1.30, above) has been satisfactorily completed. As such, these dates are subject to change. After the initial bidding round has closed, the GLA will assess bids and, alongside allocations, agree housing delivery targets for the programme with the government. All the below activities are subject to agreeing timetables with MHCLG.

Activity	Timeline
Publication of draft funding guidance	Q3 2025-26
Subsidy scheme made by the GLA, once the SAU process has been satisfactorily completed	Q4 2025-26
Initial bidding round opens	Q4 2025-26
Initial bidding round closes	Q1 2026-27
Assessment	May 2026
Announcement of allocations (subject to final agreement with government)	June 2026
End date for projects starts on site	March 2036
End date of projects completions on site	March 2039

Appendices and supporting papers:

Appendix 1: Equality Impact Assessment for the London Social and Affordable Homes Programme 2026-36.

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.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme/s does this fall within: Building more homes

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: Mayoral Decision includes key information about the LSAHP 2026-36. Publication should be deferred until after the programme has been launched publicly.

Until what date: 14 November 2025.

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? YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Jotepreet Bhandal 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 20 October 2025.

CHIEF FINANCE OFFICER:

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

Signature *Fay Hammond*

Date 23/10/2025

CHIEF OF STAFF:

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

Signature *D. Bellamy*

Date 22/10/2025

