

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2060

**Title: Hounslow Town Centre Housing Zone, London Borough of Hounslow – Hounslow Town School**

### Executive Summary:

This Director Decision signs off due diligence undertaken in respect of an affordable housing project the GLA proposes to fund in the Hounslow Town Centre Housing Zone and variances to the housing completion dates and outputs as set out in MD1457 and change of GLA investment from recyclable grant to grant funding.

### Decision:

That the Executive Directors in consultation with the Deputy Mayor for Housing and Residential Development:

- agree that the outcome of due diligence, detailed in this report, demonstrates it is appropriate for GLA to contractually commit affordable housing grant of £6.2125m to fund the affordable housing at the Hounslow Town School site within the Hounslow Town Centre Housing Zone; and
- agree the revised forecast completion dates and outputs for the delivery of housing completions; and
- note and agree that £3.5m GLA grant investment indicatively allocated by MD1457 will change from recyclable grant being made available to the London Borough of Hounslow to scheme specific grant funding being allocated to Network Homes Limited for the delivery of the affordable housing units; and
- note that this decision, further to MD1457 which was inherited by this administration and MD2042, approves the affordable housing grant for the Hounslow Town School site which is expected to deliver 50% affordable housing.

### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

**Name:** David Lunts

**Position:** Executive Director Housing and Land

**Signature:**



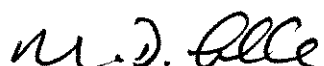
**Date:**

20/11/16

**Name:** Martin Clarke

**Position:** Executive Director Resources

**Signature:**



**Date:**

29.11.16

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

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

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

- 1.1 The Hounslow Town Centre proposal was designated a Housing Zone by Mayoral Decision 1457, where funding of £18.5m was indicatively allocated (subject to the outcome of legal and financial due diligence) for the purposes of unlocking or accelerating the delivery of housing and delivering regenerative benefit to Hounslow Town Centre. Additional Housing Zone funding of £2.7125m was indicatively allocated by Mayoral Decision 2042, for the same purposes and subject to the same due diligence process.
- 1.2 London Borough of Hounslow (the Borough) will retain oversight of delivery across the Housing Zone by implementing governance arrangements outlined in the Overarching Borough Agreement (OBA) with the Greater London Authority (GLA) dated 6 November 2015.
- 1.3 The Borough's original Housing Zone proposal was for the GLA to invest £3.5m into the Hounslow Town School site to enable the delivery of 200 homes (including 80 affordable homes) alongside a new primary school and a further £15m into the Lampton Road site to deliver 750 homes on the site of the former civic centre which will be relocated to Bath Road. The latter was approved by DD2004 and is now in contract, with an obligation to deliver 919 homes, rather than the 750 homes originally proposed.
- 1.4 The Housing Zone proposal for the Hounslow Town School site was originally for the £3.5m GLA investment to be provided to the Borough as recyclable grant funding. The grant would not be fully recoverable by the GLA but it was to be recycled by the Borough with additional indirect homes being delivered. Following discussions with the Borough, it was identified that the GLA contracting directly with Network Homes Limited (Network) would be more efficient for the GLA as using an affordable housing funding agreement would mean that any grant recovered in future (e.g. staircasing receipts from shared ownership homes) would be recycled by Network and used to fund future mayoral priorities.
- 1.5 An application for the proposed scheme at the Hounslow Town School site was submitted to the local planning authority in July 2016. On 6th October 2016 the Local Planning Authority resolved to grant permission for a new primary school and 284 homes (up from the 200 originally planned), subject to a S106 agreement which is expected to provide 40% affordable homes, equivalent to 113 homes, up from the 80 affordable homes originally planned.
- 1.6 Following further negotiation with Countryside Properties Plc and Network, it has been agreed that the proportion of affordable homes to be provided on the Hounslow Town School site will be increased to 50%, equivalent to 142 homes. MD2042 approves an additional indicative funding allocation of £2.1725m to support the delivery of the additional affordable homes. The overall unit cost for the 142 homes remains in line with MD1457 (£43,750 per unit/home).
- 1.7 The Borough has committed, through the Overarching Borough Agreement, to deliver 3,647 completions within the Housing Zone area by 2025. The additional homes expected to be achieved at the Lampton Road and the Hounslow Town School sites will increase the overall output to 3,731 homes. The Borough will help to achieve these outputs by using its own resources, equivalent to 40% of the grant amount, and recycle these resources three times to unlock future developments that will deliver 3,731 dwellings by 2025. The Borough's commitment, to deliver these homes, means that overall delivery within the Housing Zone area remains in line with MD1457 which anticipates delivery of 3,478 dwellings by 2025.
- 1.8 Due diligence has now been undertaken in respect of the Hounslow Town School site intervention in the Hounslow Town Centre Housing Zone, the conclusion of which is set out below.

## Summary

- 1.9 Network requires GLA investment in the form of affordable housing grant in accordance with the Housing and Regeneration Act 2008 to deliver a total of 142 affordable homes by 31<sup>st</sup> March 2022. In addition to these homes, the site will also comprise a further 142 market homes which will be delivered by Countryside and which do not form part of the Affordable Housing Grant Agreement (AHGA) between the GLA and Network.
- 1.10 Following the designation of the Housing Zone, the Borough used the GLA London Development Panel to seek tenders for the provision of a new primary school and the procurement of new homes on the Hounslow Town School site. Tenders indicated that the scheme was not financially viable; indeed there was still a significant funding gap after the GLA grant had been factored in. To mitigate the funding gap, Countryside has increased the number of residential homes from the Borough's minimum requirement of 200 homes (the level of delivery forecast in MD1457) to 284 homes. The residual risk of a funding gap is being covered by Countryside. The final scheme is subject to planning permission.
- 1.11 The contracted position as set out within the AHGA in relation to the delivery profile of homes and tenure apportionment will be as follows:
- Phase 1: 20 Shared Ownership Homes (Grant Funded) by 31 December 2018;
  - Phase 2: 68 Affordable Rent Homes (Grant Funded) and 54 Shared Ownership Homes (Grant Funded) by 31 March 2022
- 1.12 It is currently forecast that the homes will be completed as follows:

<b>Completions Delivery Forecast</b>	<b>2018-19</b>	<b>2021-22</b>	<b>Total</b>
<b>Affordable Rent Homes (Grant funded)</b>	<b>0</b>	<b>68</b>	<b>68</b>
<b>Shared Ownership Homes (Grant funded)</b>	<b>20</b>	<b>54</b>	<b>74</b>
<b>Market Sale Homes</b>	<b>30</b>	<b>112</b>	<b>142</b>
<b>Total Homes</b>	<b>50</b>	<b>234</b>	<b>284</b>

- 1.13 The increase in the amount of funding for this intervention from £3.5m to £6.2125m to deliver 142 homes (an additional 62 affordable homes to the number anticipated under MD1457) has already been approved (subject to the satisfactory outcome of legal and financial due diligence) under MD2042 and, overall, the homes will still be delivered by 2025. However, the forecast delivery dates, as set out in the above table, and the provision of grant funding to Network (rather than recoverable grant to the Borough) are changes to the proposals set out in MD1457. In accordance with the Housing Zones Change Management Process (DD1485), a request for these amendments was submitted to the Housing Zones Steering Group for consideration. It was agreed the request falls within a "Tier 2" pre-contract variation under the Change Management Process and therefore

would require Housing Zones Steering Group review followed by agreement in principle by the Assistant Director – Programme Policy and Services, or in his/her absence a Head of Area other than the Head of Area in whose area the Hounslow Town Centre Housing Zone is, before being submitted for a Director Decision. GLA officers confirm that this process has been followed.

- 1.14 The delivery dates for the development at the Hounslow Town School site have slipped from those stated in MD1457 and there will be no completions in 2015-18. When detailed site investigation was undertaken by the successful tenderer, it became apparent that the delivery programme needed refining. The impact of this has been to put back the completion date for phase 1 into 2018/19. Phase 1 is a standalone phase but has been delayed by the presence of a high voltage SSE cable on the eastern edge of the site. SSE has indicated that decommissioning will be completed by December 2016. Start on site for phase 1 has, therefore, been reprogrammed to September 2017 and completions will slip into 2018-19.
- 1.15 Delivery of Phase 2 is dependent on the new school being completed so that the existing building can be decanted and demolished. A potential risk of delay to the construction programme for the school was identified due to the possible location of a Thames Water culvert on the western edge of the site. Following site investigation, however, no culvert has been found so the risk of delay to construction of the school, and consequently to delivery of Phase 2, is considered minimal. If the culvert is discovered on the site after commencement of construction and it will cause unavoidable delay to the delivery of Phase 2, the AHGA contains a mechanism to allow the parties to agree changes to the delivery dates but the GLA will not be obliged in any circumstances to extend the completion date for Phase 2 beyond 30 September 2023.
- 1.16 Since MD1457 was signed in July 2015, the developer has advised that phase 2 completions are likely to be delayed due to economic uncertainty following the EU referendum held on 23rd June. Potential impacts on sales values and rate of sale are currently being assessed. Delaying phase 2 completions by 24 months compared to the original position under MD1457 will provide contingency to resolve issues arising from the identification of Thames Water and SSE assets as well as allowing time for market confidence to be restored.
- 1.17 The Borough intend to contract with Countryside Properties UK Ltd, working in partnership with Network, to construct a new primary school to the west of the existing building. An area of land which is currently occupied by school buildings and an adjacent playing field will be released for the provision of 284 new homes. No grant will be paid out under the AHGA unless both the Development Agreement between the Borough and Countryside under which the new primary school and the housing is to be delivered and the Building and Sale Contract between Network and Countryside for the delivery and sale to Network of the affordable housing in respect of the Hounslow Town School site have been entered into and become unconditional.
- 1.18 The proposed Housing Zone intervention at the Hounslow Town School site will unlock housing by facilitating a project which makes more efficient use of the land. Early option appraisal undertaken by the Borough indicated that, without the Housing Zone intervention the proposed development would not be viable and the school would be extended rather than replaced. If the existing school were only extended rather than demolished and replaced on the western part of the site, it is estimated that site capacity would be reduced to approximately 105 homes. The contribution of Housing Zone funding towards the delivery of the affordable homes on the site enables the Borough to build a new modern and fit for purpose primary school and allows for the release of surplus land to be used for the development of 284 new homes of which 50% will be affordable.
- 1.19 The Hounslow Town School site project falls in the east of the Housing Zone boundary and is located in close proximity to the High Street.

## Funding

- 1.20 The Borough's Housing Zone bid requested grant of £3.5m for this project based on a scheme of 200 homes (80 affordable). A planning application submitted in July 2016 seeks permission for a scheme of 284 homes (113 affordable), and the additional grant of £2.7125m indicatively allocated by MD2042 will enable a total of 142 affordable homes to be provided on the site. The average grant per home is £43,750 which remains in line with MD1457.
- 1.21 The £6.2125m of GLA grant funding will be drawn down by Network in a single tranche once Network has acquired a secure legal interest in the phase 1 site and phase 1 has started on site. The grant funding will improve the economic viability of the residential scheme and directly enable the delivery of a high proportion of the site (50%) as affordable housing. The AHGA allows the GLA to reclaim grant, should the agreed quantum of delivery not be achieved by the contracted end date. Should only one phase be delivered then the grant for the other non-completed phase can be recovered by the GLA.
- 1.22 The Borough have committed to the GLA (in the Overarching Borough Agreement) that it will deliver a 68 home development scheme at Nantley Road (27 homes of which will be affordable) from its own resources. These resources are available to the Borough because the construction of the new civic centre (related to the Lampton Road Housing Zone intervention) and school will provide them with more cost efficient buildings. These homes are included in the OBA as direct nil grant outputs.

## Appraisal

- 1.23 Project due diligence was undertaken by officers of the Housing and Land directorate applying the methodology used to assess affordable housing bids submitted to the GLA for funding via the Mayor's Housing Covenant 2015-18 Programme. This includes assessment of value for money, design quality, strategic fit with GLA priorities and review of deliverability.

### Value for Money

- 1.24 The value for money assessment takes into account the grant rate proposed for the project and judges this against the total scheme costs. On the basis of the assessment carried out the project is deemed to represent good value for money.

### Value for Money (Overall Housing Zone)

- 1.25 The London Borough of Hounslow has committed (under the Overarching Borough Agreement) to recycle £11,555,000. It is expected that, to meet this obligation, the Borough will invest £7,400,000 (40% of the original £18.5m Housing Zone investment) three times (equivalent to £11,555,000). This will be resourced from both Hounslow CIL and New Homes Bonus generated by the additional homes unlocked across the entire Hounslow Town Centre Housing Zone to which the Hounslow Town School site scheme will contribute. This funding will be used to facilitate the direct delivery of at least 465 homes over the 2015-2025 Housing Zone programme period. It is understood that Lampton Development 360 LLP will be established in December 2016 and commissioned by the Borough to develop up to 1,366 homes (all tenures) across the Borough on surplus land held in the Borough's general fund, including the 68 homes at Nantley Road.
- 1.26 The Borough's commitment to recycle capital will help to deliver 3,731 homes, within the Town Centre area, in the period up to 2025 and it is the Borough's intention that 40% of these homes will be "affordable homes".
- 1.27 At the end of 2025 the Housing Zone proposals, if all reinvestment has been achieved and 40% affordable secured, will deliver 3,731 homes of which 1,492 will be affordable. This equates to £14,217 per affordable home and is slightly higher than the figure (£13,377) included in MD1457.

### Strategic Fit

- 1.28 A key rationale for funding the Hounslow Town School site intervention is the additional homes (284 homes compared to an estimated 105 homes) which are unlocked on the Hounslow Town School site as a result of relocating the primary school and mitigating the viability gap for the residential scheme.
- 1.29 The development will also facilitate the reprovision of the Hounslow Town Primary School. The existing buildings date back to 1971 and have been added to over the years. These will be replaced with a denser more efficient layout to support modern teaching and provide additional forms of entry to accommodate demand from Hounslow's growing population. The new school will accommodate an extra 60 pupils per year group and overall capacity will increase from 630 to 1050 pupils. The new school will be built to BREEAM "Very good" ensuring that the building is sustainable and enabling the Borough to achieve major savings on Energy use.

#### Deliverability

- 1.30 It is intended that the Borough will enter into a Development Agreement with Countryside for the Hounslow Town School development, including the delivery of the housing. Network will enter into a Building and Sale Contract with Countryside and purchase the affordable homes at golden brick stage (i.e. when construction work reaches above foundation level). The Borough will approve the agreement between Network and Countryside for the purchase of the affordable homes. If either the Development Agreement or the Building and Sale Contract have not been entered into and become unconditional by 30 September 2017 the GLA will be entitled to terminate the AHGA.
- 1.31 The contractual completion milestone dates within the AHGA are consistent with those dates within the draft Building and Sale Contract as at the date of this report. There is a risk that further changes are made to the draft Building and Sale Contract before it is entered into so, in order to mitigate risk to the GLA, it is a condition of payment of grant under the AHGA that Network's solicitors must provide an opinion to the GLA that the terms of the Building and Sale Contract do not prejudice or undermine the operation of the AHGA or prevent Network from complying with the AHGA's terms.

#### Contractual relationship with development partners

- 1.32 In the original Housing Zone submission it was envisaged that GLA Housing Zone funding would be drawn down by the Borough and the Borough would contract with Countryside for the construction of the new primary school and residential homes. The Housing Zone funding would be used to accelerate and unlock an increased quantum of residential delivery and ensure that a minimum of 40% of the development would be affordable tenures. It is expected that the obligation to provide a minimum of 40% affordable housing in the event that the overall quantum of development changes, will be enforced by the Borough via the Development Agreement with Countryside.
- 1.33 Following discussions with the Borough and Network it was mutually agreed that the GLA would provide grant funding directly to Network and that this funding would be for the provision of affordable housing on the Hounslow Town School site. The GLA would use a grant funding agreement as the form of contract.
- 1.34 The GLA will sign an Affordable Housing Grant Agreement (AHGA) with Network and will allocate £6,212,500 of grant for the delivery of 142 affordable homes.
- 1.35 The GLA has entered into an Overarching Borough Agreement with the London Borough of Hounslow and the Borough remains committed to deliver 3,647 completions within the Housing Zone area by 2025. Overall delivery within the Housing Zone area therefore remains in line with MD1457.

#### Due Diligence on the project cost

- 1.36 The Borough used the GLA's London Development Panel to seek tenders for the construction of the proposed school and residential development. The Borough commissioned GVA Bilfinger to

manage the tender evaluation process which was undertaken with input from Borough officers and GLA representatives. Two tenders were submitted reflecting the specialist nature of the development.

- 1.37 The tenders were scored and Countryside was selected as the preferred tenderer with Network Homes Limited identified as their Registered Provider to be the landlord of the affordable homes.

#### Project Milestones

- 1.38 The key project milestones are summarised as follows:

Planning

- 1.39 Detailed planning application submitted in July 2016.

- 1.40 The target date for planning approval for the Hounslow Town School site is October 2016

- 1.41

Project	Forecast Start on Site Date	Forecast Practical Completion Date	Absolute Longstop Completion Date
Hounslow Town School Residential – Phase 1	30 09 2017	31 12 2018	31 03 2020
Hounslow Town School Residential – Phase 2	28 02 2019	31 03 2022	30 09 2023

#### Governance

- 1.42 The Overarching Borough Agreement dated 6 November 2015 between the GLA and the Borough sets out the governance structure for the overall Hounslow Housing Zone proposal. In addition, the AHGA has a specific clause and obligations in regards to monitoring and reporting. The GLA will contract with Network in respect of Hounslow Town School site AHGA and this relationship will be managed on a reciprocal basis through quarterly review meetings in order to ensure transparency and deliverability of the scheme. The relationship will be managed by a designated officer from the GLA's Housing and Land Directorate with oversight of Housing and Land Senior Management Team.

#### Stakeholders / Contractual Arrangements

- 1.43 The counterparty in respect of the Hounslow Town School site project is Network Homes Limited who will enter into a Housing Zone Affordable Housing Grant Agreement with the GLA. The wider redevelopment of the Hounslow Town School site was tendered through the London Development Panel (LDP) and the site will be covered through a Development Agreement entered into between the London Borough of Hounslow and Countryside as lead LDP bidder, working in partnership with Network Homes Limited. Network will enter into a Building and Sale Contract with Countryside for the purchase of the affordable homes on golden brick.

#### Conclusion

- 1.44 In summary, the assessment undertaken by officers of the Housing and Land Directorate concluded that the Hounslow Town School site scheme meets the GLA's requirements in terms of value for money, strategic fit with GLA priorities (including the aim to unlock and increase housing supply) and deliverability. Officers recommend therefore that it is appropriate for GLA to contractually

commit affordable housing grant of £6.2125m to fund the Hounslow Town School residential scheme.

2. **Objective and expected outcomes** The project will provide 284 new homes including 142 affordable homes. The Borough has specified in the S106 Agreement that the scheme must include 20 active elderly homes. All 20 of these active elderly homes will be affordable, including 5 homes to be let at capped rent (no higher than 50% of market rent) which will be made available to persons over 55 who have a recognised housing need or who are vacating an under occupied dwelling or require a transfer on health or regeneration grounds. These allocations could free up family sized homes elsewhere in the Borough. As per the agreement and requirement of the local planning authority the affordable rented homes will be let at the following rents; one bedroom £174.74 pw, two bedroom £222.96 pw and three bedroom £170.57 pw.
- 2.2 The project will facilitate the reprovision of the Hounslow Town Primary School. The new school will provide capacity for 1050 pupils in a modern and efficient new building meeting BREEAM "Very good", thereby enabling the Borough to achieve major savings on energy use.
- 2.3 The Borough will use this efficiency gain, to help support the development of new housing on the Borough-owned Nantley Road site. This site will deliver a minimum of 68 new homes 40% of which (27 homes minimum) will be delivered as affordable tenures.
3. **Equality comments** Hounslow Town Centre Housing Zone is aimed at implementing the Mayor's policies set out in the Mayor's London Housing Strategy. In January 2014 the GLA published an integrated impact assessment ("IIA"), including an equalities impact assessment, of that strategy. The policies related to increasing housing supply, to which the Hounslow Town School site scheme will contribute, were covered by the Integrated Impact Assessment (IIA) for the Further Alterations to the London Plan.
- 3.2 The IIA concluded that updating housing projections and targets would support the delivery of sufficient housing and may help stabilise housing prices, supporting equal opportunities throughout communities. Furthermore, the provision of housing, including maximising the delivery of affordable housing would be in line with other policies of the Plan (e.g. Policy 3.5), ensuring that the needs of different groups are taken into account in the housing design.
- 3.3 The delivery of new and additional homes will help to implement Objectives 1, 2, 3 and 4 of the Mayor's Equalities Framework "Equal Life Chances for All" (June 2014) through the creation of new homes, housing products and well-designed housing schemes.
- 3.4 The designation of a Housing Zone within an area is designed to identify a site or sites as an area for housing growth and delivery within London, often partnered with a series of funding streams and non-financial assistance to deliver these new homes, and therefore this decision will facilitate these goals and ultimately ensure that the needs of different groups are taken into account in the design and development of housing.
- 3.5 In order to access this funding Network will be required to enter into a contract with the GLA to deliver the intervention. With regard to project delivery the agreement places the following obligations on Network in respect of the Equality Act 2010:
  - The counterparty shall comply in all material respects with all relevant Legislation relating to health and safety, equality and relevant employment matters.
  - The counterparty has, and is in full compliance with, a policy covering equal opportunities designed to ensure that discrimination prohibited by the Equality Act 2010 is avoided at all times and will provide a copy of that policy and evidence of the actual implementation of that policy upon request by GLA.

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

##### Key Risks and Issues

- 4.1 The GLA payment of grant is subject to the following conditions which have been introduced to mitigate the key risks and issues identified which may affect the delivery of the scheme:
- Network must provide the GLA with evidence that the Hounslow Town School site Building and Sale Contract has been entered into;
  - GLA is provided with an opinion from Network's solicitors that the terms of the Hounslow Town School site Building and Sale Contract do not conflict with the terms of the AHGA;
  - Network must provide the GLA with evidence of detailed planning permission approval; and
  - Network can only draw down grant on or after start on site of phase 1 and only after it has acquired a secure legal interest in the phase 1 site.
- 4.2 Paragraphs 1.14 to 1.16 above set out further key risks in relation to delivery timescales.
- Links to Mayoral Strategies and Priorities
- 4.3 The purpose of the Housing Zones Programme is to increase housing supply by accelerating and unlocking development to deliver 75,000 homes by 2026. The Hounslow Town School site project will contribute towards this and support the aim to deliver 42,000 homes per annum prescribed by the Further Alterations to the London Plan March 2015.
- 4.4 A Financial Viability Appraisal has been undertaken in respect of Countryside's proposed 284 unit scheme. This indicates that, without the Housing Zone intervention the high cost of re-providing the Hounslow Town Primary School would reduce the level of affordable housing to 30% (85 homes) based on a policy compliant mix of 40% shared ownership and 60% affordable rent. It should be noted, however, that the appraisal indicates that there is still a potential funding gap and the baseline 30% affordable homes is only possible because the residual risk is being covered by Countryside.
- 4.5 The £6.1225m Housing Zone funding enables the Borough to reprovide the primary school and deliver 50% affordable housing. The new primary school will be a modern energy efficient building with significantly reduced running costs and overheads. These efficiencies mean that the borough can use the resources made available for the purchase and development of residential land where 40% of the homes built will be affordable tenures.

#### **5. Finance comments**

- 5.1 £18.5m was allocated to Hounslow Housing Zone as part of MD1457, which included £3.5m towards the delivery of 200 units (of which 80 units, equivalent to 40% would be affordable units) on the Hounslow Town School site.
- 5.2 With permission for a greater number of homes (284 in total) and the additional grant proposed by MD2042 (£2.7125m), the total number of affordable homes will rise to 142, which represents 50% of the total.
- 5.3 The grant rate for the additional units beyond the original 80 equals £43,750 per units (£2.7125m for an additional 62units), which is considered reasonable.
- 5.4 As of the 12 October 2016, the current spending on the Housing Zones grant will be £80,525,000, of the original £200,000,000 budget, with a remaining £119,475,000.
- 5.5 The drawdown of funds for this project would be 100% at start on site.

## 6. Legal comments

- 6.1 Under section 30(1) of the Greater London Authority Act 1999 (as amended) ("GLA Act"), the GLA has the power to provide the funding for the Hounslow Town School site intervention providing it considers that doing so will further one or more of its principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London.
- 6.2 The intervention will deliver affordable housing, and it is open to the GLA to take the view that funding it will promote both social and economic development, and is therefore within its power, contained in section 30(1) of the GLA Act.
- 6.3 In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) and 33 of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010, which are explained in paragraph 7.3 of the legal comments of MD 1457. As is noted in paragraph 7.4 of MD1457, the London Housing Strategy, which included a policy for Housing Zones, has been subject to an Integrated Impact Assessment, and GLA officers consider that the delivery of new and additional homes within the Housing Zones programme will help to implement Objectives in the Mayor's Equalities Framework "Equal Life Changes for All." (See also sections 4 and 5 of MD1457).
- 6.4 The GLA has engaged with Network and the Borough in relation to the intervention which is the subject of this Director Decision. It is not considered necessary or appropriate for the GLA to consult with any other persons or bodies including those specified in section 32(2) of the GLA Act for the purposes of this Director Decision.
- 6.5 The GLA funding for this intervention is grant funding. It is not being provided on a commercial basis and is not therefore a specified activity under section 34A of the GLA Act that is required to be provided through GLA Land and Property Limited.
- 6.6 External lawyers have been instructed to prepare and negotiate the funding contract for the GLA.

## 7. Planned delivery approach and next steps

Activity	Timeline
Completion of Contract	November 2016
Physical Start on site	September 2017
Practical Completion of development	March 2022

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

**Part 1 Deferral:****Is the publication of Part 1 of this approval to be deferred? Yes**

If YES, for what reason:

Publication to be deferred until Network has entered into contract with Countryside

Until what date: 31 December 2016

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:**

Judith Carlson has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Nick Taylor has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 28 November 2016.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Ollce*

Date

*29.11.16*

