

GREATER LONDON AUTHORITY

[REDACTED]
(By email)

Our Ref: MGLA011018-4190

25 October 2018

Dear [REDACTED]

Thank you for your request for information which the GLA received on 30 September 2018. Your request has been dealt with under the Freedom of Information Act 2000.

Our response to your request is as follows:

1. *After London's £1.7bn second tranche of grant providers in London now aim to deliver 116,000 affordable homes – starts by 2022 or 2021 . This includes 90,000 starts from the first £3.15bn tranche between 2015/21. Of that first target, government conditions required that at least 58,500 have to be intermediate, leaving 31,500 for low cost rent. So the potential to boost the supply of low cost rent above 31,500 will depend on:*

a) What proportion of those 90,000 units will be grant funded. My assumptions is that all of them will be – that the £3.15bn will fund 90,000 affordable starts”.

is that right?

The GLA has secured £4.8bn from central Government to support 116,000 affordable housing starts by 2022.

2. *b) Whether providers can deliver more than 90,000 affordable starts by 2021. If they can, it may be possible that most of the ‘surplus’ could be delivered as low cost rent because the GLA will have fulfilled its commitment to government to deliver 58,500 intermediate low cost ownership units.*

Is that right? Or will any units over the 90,000 target also have to be split 65% intermediate/35% low cost rent? Or some other require tenure split?

The GLA is still in discussions with central Government about the split between tenures.

3. *c) The proportion of affordable units delivered in ‘nil-grant schemes.’ If this proportion is relatively high then providers could choose to prioritize low cost rent in these schemes from their own resources and cross-subsidy without breaking the government’s requirement that 58,500 grant funded starts must be intermediate. Presumably the proportion of ‘nil grant’*

units/schemes will mainly depend on whether providers can deliver more than 90,000 starts by 2021. If they can't then all or most affordable homes may be grant funded.

a) Is that right? b) Can the GLA provide an estimate of the proportion/% of affordable homes delivered in London that: i) Have been delivered without grant in the recent past (eg, under the 2015-18 AHP) ii) Will be delivered without grant from 2015-22, or 2016-21

The GLA encourages partners to log nil-grant schemes, but its records will not be complete. Central Government publishes statistics about homes delivered with/without grant: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>. Table 1000 may be helpful.

4. According to London-wide guidance (Capital Funding Guidance 2015-18, some of which still applies) there are types of development which are not usually eligible for any GLA grant: S106 agreements and re-provided units in estate redevelopments. The new Mayor's guidance, in the AHP 2016-21 introduced other criteria for Section 106 agreements. Under the Mayor's 35% 'threshold' approach developers can only get fast track planning if they deliver 35% affordable without grant.

If they can then grant can fund additional units. If extra funding can enable the scheme to reach 40% affordable then grant can apply to all units not just the number over 35% affordable. If it's likely that a large proportion of affordable units will be delivered through S106 agreements, and that most will not be eligible for grant, then providers will be able to prioritize low cost rent in these schemes, without breaking the government's requirement that 58,500 grant funded starts must be intermediate.

a) What proportion of affordable housing was delivered through S106 agreements in London under the 2015-18 AHP? b) Of those units roughly what proportion were grant funded? (presumably a minority were)

Please note the information in the table below is not complete. It is based on an unverified report from our legacy system (IMS) and picked up schemes where a s106 indicator was selected on the system. It does not include s106 homes within nil-grant schemes (since there was not an indicator on the system to identify these). There are no s106 details for the 2015-18 programme for April 2017 onwards.

Completions delivered through the 2015-18 Programme showing number of S106

Financial Year	Total Completions	Section 106				Other		
		Total S106 Units	of S106 units.. Completions	of S106 units.. Completions	% of Grant funded S106	Non S106 units	S106 /Non-S106 unknown	S106 as a % of completions where known
2015-16	1,290	751	70	681	9%	539	0	58%
2016-17	2,636	1,765	95	1670	5%	871	0	67%

5. Strategic Partnerships may affect they number of units/schemes considered to be grant funded. As I understand it their whole program may be considered as grant funded, if the flexible funding applies to their whole programs and not individual schemes/units. Presumably, despite flexible funding for SPs, grant will be allocated to particular

schemes/units, and some of their schemes/units won't be grant funded. If so, in nil-grant schemes they would be free to prioritise low cost rent.

is that right?

Further information on strategic investment partnerships is included in the Affordable Homes Programme 2016-21 funding guidance:

<https://www.london.gov.uk/sites/default/files/homesforlondoners-affordablehomesprogrammefundingguidance.pdf>

If you have any further questions relating to this matter, please contact me, quoting the reference MGLA011018-4190.

Yours sincerely

Paul Robinson
Information Governance Officer

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<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>