

MINUTES

Meeting	Housing Investment Group
Date	Thursday 2 October 2014
Time	10.00 am
Place	Room 8.6, City Hall, The Queen's Walk, London, SE1 2AA

Summary minutes of the meetings of the Housing Investment Group will be published on the GLA's website at www.london.gov.uk/mayor-assembly/mayor/investment-performance-board/housing-investment-group (except in those cases where information in the papers may be exempt from disclosure under the Freedom of Information Act). Meetings of this internal officer-level Group will not be held in public and are only open to those invited to attend by the Chair of the Group.

Present:

Members:

Richard Blakeway, Deputy Mayor for Housing, Land and Property (Chair)
Lizzie Clifford, Head of Housing and Planning, London Councils (attended via conference call)
David Lunts, Executive Director - Housing and Land
Simon Powell, Assistant Director - Strategic Projects and Property
Jamie Ratcliff, Assistant Director - Programme Policy and Services
Nick Salisbury, Homes for London Board Member (attended via conference call)
Mike Youkee, Homes for London Board Member (attended via conference call)

GLA Officers:

Jamie Izzard, Board Secretary
Rachel Johnson, Board Coordinator
Tom Middleton, Head of Governance and Resilience
Stewart Murray, Assistant Director - Planning (Items 7 - 10)
Lucy Owen, Head of Area - South
Esther Thorpe, Capital Accountant

1 Apologies and Chair's Announcements (Item 1)

1.1 There were no apologies for absence.

2 Declarations of Interest (Item 2)

2.1 There were no declarations of interest.

3 Minutes of the Meeting Held on 10 September 2014 (Item 3)

3.1 **DECISION:**

That the minutes of the meeting of the Group held on 10 September 2014 be agreed.

4 Actions Arising (Item 4)

4.1 **DECISION:**

That the update on actions arising from previous meetings of the Group be noted.

5 Floating Village Update (Verbal) (Item 5)

5.1 An update on the Floating Village at London's Royal Docks was provided by the Assistant Director, Strategic Projects and Property.

5.2 The Group heard that the Development Agreement was due back from Carillion Igloo Genesis, and discussions were ongoing with regard to planning and design of the development.

5.3 The Assistant Director, Strategic Projects and Property assured members that the planning application was still on target for submission in spring 2015.

5.4 It was agreed that a high-level meeting should take place between the Chair, LB Newham and Carillion Igloo Genesis prior to the end of 2014, to discuss project progress.

5.5 Further detail in relation to the consideration of this matter is set out in a private version of the minutes.

5.6 **DECISIONS:**

a) That the oral update on the Floating Village be noted; and

b) That a meeting be arranged between the Chair, LB Newham and Carillion Igloo Genesis prior to the end of 2014, to discuss project progress.

6 Housing Zones Consultancy Support (Part Reserved) (Item 6)

- 6.1 The Group received a report seeking in-principle approval to appoint external consultants and legal advisors, at a cost of £800,000, to advise on and prepare documentation as necessary for the delivery of 20 Housing Zones across London.
- 6.2 Members heard that the deadline for Housing Zone bids was 30 September 2014. A total of 25 applications were received from 24 London boroughs. Total funding requested was significantly higher than the £400 million available.
- 6.3 Members queried whether £800,000 would be sufficient to cover all associated costs. The Group was assured that workshops had taken place with two legal firms, both of whom proposed a higher degree of standardisation across the funding agreements than initially expected. Furthermore, assurance was given that boroughs would be required to firmly evidence their proposals to demonstrate how figures were reached. Members heard that the due diligence phase was intended only to scrutinise borough proposals, rather than to provide costings, and therefore work was expected to remain within budget.
- 6.4 While the Group agreed that the figure requested should suffice, the need for contingency measures to be in place should additional resources be required was discussed. It was suggested that a review of this budget be brought to a 2015 meeting of the Group, in order to discuss progress and address any concerns that may have arisen. Urgent decision-making mechanisms should also be considered should a further request for funding be forthcoming.
- 6.5 The Group agreed that a summary of each successful bid be taken to the Investment and Performance Board for information.
- 6.6 An update on the joint Department for Communities and Local Government (DCLG), Homes and Communities Agency (HCA) and the Greater London Authority (GLA) Financial Transactions Review was provided by the Assistant Director, Programme, Policy and Services. Members heard that the review was ongoing and due to complete on time in November..
- 6.7 Further detail in relation to the consideration of this matter is set out in a private version of the minutes.
- 6.8 **DECISIONS:**
- a) That the assessment process developed to date be noted;**
 - b) That a spend of £800,000 to appoint Property/Cost Consultants and Legal Advisors to assist Area Managers in carrying out the detailed due diligence phase, which will include a comprehensive review of development and financial assumptions within bidders' proposals, together with a review of State Aid compliance and legal contracting work, be approved in principle;**
 - c) That the update on the joint DCLG, HCA and GLA Financial Transactions Review be noted;**
 - d) That a review of the budget assigned to carry out the due diligence phase be brought to a 2015 meeting of the Group, in order to discuss progress and address any concerns that may have arisen;**

- e) **That a summary of each successful bid be taken to the Investment and Performance Board; and**
- f) **That an announcement be made in January 2015 stating all successful bids selected to undergo the due diligence process.**

7 Rough Sleeping Funding 2015/16 (Item 7)

- 7.1 The Group received a report seeking the extension of funding and grant making arrangements to assist with the achievement of the Mayor's rough sleeping policy aims.
- 7.2 Members discussed whether homelessness was accurately measured, and were informed that data is currently compiled by DCLG through the English Local Authority Statistics on Housing (ELASH) forms. It was also noted that were more information to be collected, appropriate measures would need to be in place to ensure appropriate handling of data.
- 7.3 Members agreed that an update on rough-sleeping services be taken to the January 2015 Homes for London meeting, to examine how this work could interact with outreach and prevention currently undertaken by local authorities.
- 7.4 Further detail in relation to the consideration of this matter is set out in a private version of the minutes.
- 7.5 **DECISIONS:**
 - a) **That the extension (and variation as necessary) of the following contracts and funding agreements for a period of 12 months until 31 March 2016 be approved in principle.**
 - b) **That an update on rough-sleeping services be taken to the January 2015 Homes for London meeting.**

8 RE:NEW for PRS (Item 8)

- 8.1 The Group received a report seeking approval to deliver two projects to save energy and carbon in properties in the private rented sector (PRS) through the RE:NEW programme, and reinforce the appeal and benefits of the London Rental Standard (LRS).
- 8.2 The Group heard that two strands of funding would be made available: to LRS-accredited landlords to part or fully fund the retrofit of at least 50 PRS properties; and to LRS-accredited lettings agents, to pilot the use of incentive payments for achieving retrofit works on at least 500 PRS properties they let or manage on behalf of private landlords. A small amount of funding would also be made available to evaluate both strands.
- 8.3 The reason for targeting PRS properties rather than owner-occupied properties was challenged. The Assistant Director, Programme Policy and Services informed the Group that there were compelling reasons for improving energy efficiency in the PRS sector, currently the worst performing sector in terms of quality of stock. Exact data on the energy performance of

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the owner-occupier sector in comparison to the Private Rented sector was not immediately to hand.

- 8.4 Members heard that while Energy Performance Certificates (EPC) had not yet had a big impact, this would be likely to change, as from 2017 regulation would require property to be at a certain EPC level in order to be let.
- 8.5 The Group heard that in order for lettings agents to qualify for any incentive payment works to demonstrably improve energy efficiency of the property would have to be undertaken. It was also hoped that lettings agents would adopt a more energy efficient approach in the long-term.
- 8.6 Questions were raised as to whether the scheme would be replicable on a greater scale. Members heard that, if successful, the programme could be scaled-up and delivered through energy suppliers or contractors, as part of their marketing budgets. A discussion was held regarding the potential involvement of energy suppliers to incentivise the programme. It was agreed that while this could be looked at for future iterations of the programme, to engage energy suppliers at this stage would complicate and delay the start of the programme.
- 8.7 Further detail in relation to the consideration of this matter is set out in a private version of the minutes.

8.8 **DECISION:**

That the development and implementation of the following projects, and their evaluation, at a maximum cost to the GLA of £285,000 from the existing 2014/15 RE:NEW budget be approved in principle:

- **project 1 LRS-accredited landlord demonstration projects:** to part or fully fund the retrofit of at least 50 PRS homes with LRS-accredited landlords, produce case studies and testimonials and showcase these to boroughs, accredited LRS partners and private landlords to demonstrate the benefits, low cost, and ease of taking such action (up to £165,000 - £140,000 capital and £25,000 revenue);
- **project 2 LRS-accredited lettings agents incentives:** to pilot the use of incentive payments to LRS-accredited lettings agents for achieving retrofit works on at least 500 PRS properties they let or manage on behalf of private landlords (up to £100,000 - revenue); and
- **project evaluation:** of both projects (estimated cost of £20,000 - revenue).

9 Date of Next Meeting (Item 9)

- 9.1 The next scheduled meeting of the Group is 4 November 2014 at 4.00pm at Newlon Housing Trust, Haringey.

10 Any Other Business the Chair Considers Urgent (Item 10)

- 10.1 The Assistant Director, Strategic Projects and Property provided an oral update on the Newington Butts development.
- 10.2 The Assistant Director, Programme, Policy and Services provided an update on Quarter 2 of the AHP. The Group heard that the programme, due to deliver a total of 17,890 affordable homes, remained on target. Furthermore, the Quarter 3 target level had been exceeded, although it remained below the level anticipated by area teams.
- 10.3 The Chair suggested that a Quarter 3 AHP update be brought to the January 2015 meeting of the Group.
- 10.4 Further detail in relation to the consideration of this matter is set out in a private version of the minutes.
- 10.5 **DECISIONS:**
- a) That the recommendation outlined in the private report minutes be agreed;**
 - b) That a Quarter 3 update on the AHP, be brought to the January 2015 meeting of the Group.**

11 Close of Meeting

- 11.1 The meeting closed at 11.08am.

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