

# Subject: Housing Delivery Vehicles

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 4 September 2018

This report will be considered in public

## 1. Summary

- 1.1 This report sets out the background information for a discussion with invited guests on housing delivery vehicles created by London borough councils.

## 2. Recommendation

- 2.1 **That the Committee notes the report as background to putting questions to the invited guests on housing delivery vehicles created by London borough councils.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree an output from the discussion.**

## 3. Background

- 3.1 Local authorities have been looking at new ways to deliver more housing of all kinds. They have been seeking ways of offering tenancies other than secure social tenancies, and providing homes not subject to the right to buy. They have also been looking at how to borrow money on the open market to build housing and how to continue to fund a wide range of local authority services.
- 3.2 Boroughs and Greater London Authority (GLA) family organisations have started to form a variety of housing development and delivery models. They are at quite different stages of development. In line with the rest of England and Wales, many London councils have set up local housing companies, partly or wholly owned by the council itself. Others have formed joint ventures and special vehicles, offering varying degrees of control to the councils and with differing goals.

## 4. Issues for Consideration

- 4.1 The Housing Committee has spent some time considering the existing research on local housing companies in order to gather evidence on the benefits and risks of different models, and to gain an understanding of how councils intend to use their delivery vehicles and whether they will contribute to the delivery of more homes for Londoners, in particular more affordable homes.

- 4.2 In July 2018, the Housing Committee held an informal meeting with three authors of research on local housing companies and other delivery vehicles. Presentations were made by:
- Professor Janice Morphet, Bartlett School of Planning, University College London, co-author of *Local Authority Direct Provision of Housing* (December 2017) with Dr Ben Clifford;
  - Victoria Pinoncely, Centre for London, co-author of *Borough Builders: delivering more housing across London* (July 2018) with Mario Washington-Ihieme; and
  - Paul Hackett, Smith Institute, author of *Delivering the Renaissance in Council-Built Homes: the rise of local housing companies* (October 2017)
- 4.3 The presenters set out their evidence and recommendations for improving best practice amongst housing delivery vehicles to maximise the amount of housing, including affordable housing, that these vehicles can help to provide. They also considered how the Mayor of London might help.
- 4.4 The Housing Committee now wishes to discuss these issues with a range of London boroughs, which have and have not chosen to set up local housing companies, the local housing companies themselves and the Mayor of London's team. They seek an understanding of:
- Whether local housing companies or alternative housing delivery vehicles help to build more homes, more affordable homes and build homes more quickly;
  - Whether local housing companies impede other models of building or reduce and/or slow down the number of homes built through other means, such as direct building by councils, building by housing associations or commercial developers;
  - What the Mayor of London could do to help local councils to develop and share best practice, and to minimise the duplication of their efforts; and
  - How best can the data on delivery of affordable homes by local housing companies be captured in the future?

- 4.5 The following guests have been invited to attend the meeting and participate in the discussion:
- **James Murray**, Deputy Mayor for Housing (attending with **James Clark**, Head of Housing Strategy, Housing and Land, Mayor of London)
  - **Cllr Ravi Govindia**, Leader of London Borough of Wandsworth, a council with a direct delivery programme (attending with **Brian Reilly**, Director of Housing and Regeneration and **Chris Jones**, Assistant Director, Strategy and Development);
  - **Deborah Heenan**, Major Projects Director, London Borough of Newham, where Red Door Ventures is a wholly owned local housing company
  - **Richard Blakeway**, Chair of BexleyCo, local housing company in the London Borough of Bexley and former Deputy Mayor for Housing (2008-2016)
  - **Councillor Louise Mitchell**, Cabinet Member for Housing, London Borough of Waltham Forest (attending with **Paul Mawson**, Managing Director of Sixty Brick - local housing company)
  - **Pat Hayes**, Chief Executive of BeFirst, local housing company in the London Borough of Barking and Dagenham
  - **Simon Theobald**, Head of Finance, Neighbourhoods and Housing, London Borough of Hackney which has set up a wholly owned local housing company
  - **Mark Baigent**, Interim Director of Housing and Regeneration, London Borough of Tower Hamlets, former Managing Director of Sutton Living Limited and author of *How to set up a local housing company* (March 2017)

## 5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

## 6. Financial Implications

6.1 There are no direct financial implications to the GLA arising from this report.

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### List of appendices to this report:

None.

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None.
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