

AGENDA

Meeting Homes for Londoners

Date Tuesday 28 March 2017

Time 10.00 am

**Place Committee Room 5, City Hall,
The Queen's Walk, London, SE1 2AA**

Agendas and summary minutes of the meetings of the Homes for Londoners Board will be published on the GLA's website at <https://www.london.gov.uk/moderngovmb/ieListMeetings.aspx?Committeeld=423> (except in those cases where information in the papers may be exempt from disclosure under the Freedom of Information Act). Meetings of the Board will not be held in public and are only open to those invited to attend by the Chair.

Members of the Homes for Londoners Board:

Sadiq Khan, Mayor of London (Chair)

James Murray, Deputy Mayor for Housing and Residential Development (Deputy Chair)

Mark Boleat, Executive Member, London Councils

Mike Brown MVO, Commissioner, Transport for London

Hugh Bullock, Chairman, Gerald Eve

Mayor Sir Steve Bullock, Lead Member for Housing, London Councils

Cllr Ravi Govindia CBE, Conservative Group Lead on Housing, London Councils

Cllr Claire Kober OBE, Chair, London Councils

David Lunts, Executive Director, Housing and Land, GLA

David Montague CBE, Chair, G15

Liz Peace CBE

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interest

The Chair to invite Board members to declare any interests which they may have in any of the items set out on the agenda.

[Note: In accordance with the GLA's Code of Ethics for staff, officers must make a declaration of interest on any issue on which they are advising the Mayor which affects an interest held by them - or any person related to them or with whom they have a close personal relationship whether financial or otherwise - and ensure that the details are recorded in the Authority's Register of Interests.]

3 Minutes of the Meeting held on 8 December 2016 (Part reserved)
(Pages 1 - 20)

4 Actions Arising (Pages 21 - 22)

5 Board Terms of Reference (Pages 23 - 28)

6 Towards a New London Housing Strategy and London Plan (Pages 29 - 40)

7 Increasing Land Supply through joint GLA - Housing Association Initiatives (Pages 41 - 44)

8 Homes for Londoners Sub-group Updates (Pages 45 - 56)

9 Date of Next Meeting

The next meeting of the Homes for Londoners Board is scheduled for Tuesday 13 June 2017 at 10.00am in Committee Room 5, City Hall.

10 Any Other Business the Chair Considers Urgent

GREATERLONDONAUTHORITY

MINUTES

Meeting	Homes for Londoners Board
Date	Thursday 8 December 2016
Time	10.00am
Place	Committee Room 4, City Hall, The Queen's Walk, London, SE1 2AA

Agendas and summary minutes of the meetings of the Homes for Londoners Board will be published on the GLA's website:

<https://www.london.gov.uk/moderngovmb/ieListMeetings.aspx?Committeeld=423>

(except in those cases where information in the papers may be exempt from disclosure under the Freedom of Information Act).

Present:**Members:**

Sadiq Khan, Mayor of London (as Chair of the Board)
James Murray, Deputy Mayor for Housing and Residential Development
David Lunts, GLA Executive Director – Housing and Land
Mark Boleat, Executive Member for Housing, London Councils
Mike Brown MVO, Commissioner, Transport for London
Hugh Bullock, Chairman, Gerald Eve
Mayor Sir Steve Bullock, Lead Member for Housing, London Councils
Cllr Ravi Govindia, Conservative Group Lead on Housing, London Councils
Cllr Claire Kober, Chair, London Councils
David Montague, Chair, G15
Liz Peace CBE

Others in attendance:

Jamie Ratcliff, GLA Assistant Director – Programme, Policy and Services
Simon Powell, GLA Assistant Director – Strategic Project and Property
Dick Sorabji, Corporate Director (Policy & Public Affairs), London Councils
James Clark, Jennifer Peters, Andrew Williams (presenting officers, GLA)
James Graven, Partner, Deloitte; Megan Jones, Deloitte
Ed Williams, GLA Monitoring Officer (Clerk)

1 Apologies and Chair's Announcements

- 1.1 The Mayor welcomed all present to the inaugural meeting of the Board, and stated how much he looked forward to working with everyone present to deliver the ambitious and much-needed programme for housing in London.

2 Declarations of Interest

- 2.1 There were no declarations of pecuniary interests. It was noted that the London Councils representatives may have non-pecuniary interests in Housing Zones matters, as may be discussed at future meetings.

The Mayor then agreed to take Item 4 on the agenda as the next item of business.

3 Task and Finish Working Groups (Item 4)

- 3.1 James Clark, Housing Policy Manager, introduced the paper.
- 3.2 It was suggested, and agreed, that Board members should be consulted via email on the proposed terms of reference and membership of each working group.
- 3.3 In relation to the proposed working group on new models of housing delivery, James Murray, Deputy Mayor for Housing and Residential Development, emphasised the key role of the Board in terms of highlighting models for consideration. Liz Peace, Chair of this group, confirmed that her intention was to undertake discussions with all relevant persons and to give a presentation at the next meeting of the Board on the proposed work programme for the group.
- 3.4 In connection with the proposed working group on skills and capacity of the construction industry, it was noted that London Councils had nominated Councillor Peter John as Chair, as he was London Councils' lead member for skills. It was also noted that Transport for London (TfL), through the Transport Commissioner, could play a key role in the work of this group.
- 3.5 Hugh Bullock explained that he would consult the Board via email on the proposed membership and remit of the working group being established to review the role of overseas buyers in London's property market, which he will chair. The Board noted that the intention was to convene an initial meeting of the working group in January 2017, to include discussion with the London School of Economics (LSE) who have been engaged by the GLA to undertake specific research into this matter. It was noted also that, subject to the views of the Board, a separate Steering Group was to be established, with a wider membership, to assist and inform the deliberations of this working group.

3.6 DECISIONS:

- (a) That the three proposed task and finish working groups, as set out in the paper, be established;**

(b) That Liz Peace, Cllr Peter John and Hugh Bullock be appointed as chairs of the working groups on new models of housing delivery, skills and capacity of the construction industry and the role of overseas buyers in London's property market, respectively; and

(c) That authority to confirm the formal terms of reference for each of the working groups be delegated to the Deputy Mayor for Housing and Residential Development, in consultation with the identified chair and prior consultation with the members of the Homes for Londoners Board.

Action: James Clark, Housing Policy Manager

4 Homes for Londoners: Terms of Reference for the Board and Skills and Capacity Review Update (Item 3)

4.1 James Graven, Deloitte, gave a presentation that provided an update on the progress of the GLA's Skills and Capacity Review.

4.2 DECISION:

That the presentation be noted.

4.3 It was also agreed that revised draft terms of reference would be presented to the next meeting of the Board, to address issues raised about: the operation of the quorum and Member substitutions at Board meetings; the focus on achieving a genuine step-change in the approach to, and delivery of, housing in London; the role of infrastructure issues within the work of Homes for Londoners; and the role of the GLA's Executive Director as a member of the Board.

4.4 DECISION:

That revised draft terms of reference would be presented to the next meeting of the Board.

Action; Ed Williams, Clerk

5 Autumn Statement, Housing Settlement and New Affordable Homes Programme Prospectus (Item 5)

5.1 James Clark, Housing Policy Manager and Andrew Williams, Area Manager, GLA Housing & Land, introduced the paper.

5.2 During discussion, the following points were raised:

(a) That the recent announcements by the Government and the Mayor presented London with a major opportunity, which would require concerted and collective action to take advantage of;

- (b) That the GLA was keen to assist local authorities on the issue of temporary accommodation where it could, and the new Innovation Fund was a potential mechanism in this regard; and
- (c) That fixed grant rates should assist smaller housing association in their longer-term planning, but that the issue of land availability remained central to all of the delivery targets.

5.3 DECISION:

That the paper be noted.

6 Affordable Housing and Viability Supplementary Planning Guidance

6.1 Jennifer Peters, Strategic Planning Manager, GLA, introduced the paper.

6.2 During discussion, the following points were raised:

- (a) That there had been a lot of discussion between the GLA and Government on the issue of bringing forward public sector land for housing development, which had been positive and which was on-going; and also that the GLA was to use the skills and capacity review to help determine where in the delivery chain additional resources should be applied in order to achieve the maximum beneficial effect; and
- (b) That the impact of local authority planning conditions on the time and cost of housing delivery should be reviewed.

6.3 DECISION:

That the paper be noted.

7 Executive Director's Report (Item 7)

7.1 The Panel received the restricted paper from David Lunts, Executive Director for Housing and Land, GLA.

7.2 It was agreed that the draft revised London Plan and information on housing trends in London would be presented to future Board meetings for discussion.

7.3 It was noted that a joined-up approach between the GLA's housing and planning functions was vital to the success of the Mayor of London's policy aims. It was agreed that the progress on TfL sites would be included within future reports.

Action: Jamie Ratcliff, Assistant Director, Policy Programme and Services

7.4 The Board heard that there were existing planning consents for more than 80,000 affordable homes in London, but that, given phasing issues on large sites and the attrition rate of many existing planning consents, in reality, new programmes would be vital to the delivery of the target of 90,000 starts by 2021.

7.5 DECISION:

That the report be noted.

8 Dates of Future Meetings

8.1 It was agreed that the 2017 Homes for Londoners Board meetings were to take place on the following dates and times:

- Tuesday, 28 March 2017 at 10.00am in Committee Room 5, City Hall;
- Tuesday, 13 June 2017 at 10.00am in Committee Room 5, City Hall;
- Thursday, 21 September 2017 at 10.00am in Committee Room 4, City Hall; and
- Tuesday, 5 December 2017 at 10.00am in Committee Room 4, City Hall.

9 Any Other Business the Chair Considers Urgent

9.1 There were no items of urgent business.

10 Close of Meeting

10.1 The Mayor and Board members welcomed the positive approach demonstrated by the tone and nature of the discussion at the meeting, and all agreed to play an active and constructive part in the work of Homes for Londoners going forward.

10.2 The meeting closed at 11.54am.

Contact Officer: Ed Williams, Clerk to the Board,
Telephone: 020 7983 4399, Email: ed.williams@london.gov.uk

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Homes for Londoners Board

Date of meeting: **28 March 2017**

Title of paper: **Actions Arising**

To be presented by: **Ed Williams, Clerk to the Board**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development.**

Classification: **Public**

1 Executive Summary

1.1 This report updates the Board on actions arising from its previous meeting.

2 Recommendation

2.1 That the update on actions arising from the previous meeting be noted.

3 Actions Arising from previous meetings

3.1 Actions arising from the meeting on 8 December 2017.

Agenda Item	Action	Status
3. Task and Finish Working Groups	That authority to confirm the formal terms of reference for each of the working groups be delegated to the Deputy Mayor for Housing and Residential Development, in consultation with the identified chair and prior consultation with the members of the Homes for Londoners Board. James Clark, Housing Policy Manager	Complete: Terms of reference and membership of the sub-groups are provided on this agenda.
4. Terms of Reference for the Board and Skills and Capacity Review Update	That revised draft terms of reference would be presented to the next meeting of the Board. Ed Williams, Clerk	Complete: See item on this agenda.

8. Executive Director's Report	<p>It was agreed that the progress on TfL sites would be included within future reports.</p> <p>Jamie Ratcliff, Assistant Director, Policy Programme and Services</p>	<p>In progress: A comprehensive set of performance indicators is being developed to cover the housing and land activity of the GLA group (including TfL).</p> <p>It is intended that these will be reported against for the first time at the June 2017 Board meeting.</p>
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4 Financial Comments

4.1 None directly arising from the recommendations outlined in this report.

5 Next Steps

5.1 Outlined elsewhere within this report.

Appendices:

None.

Homes for Londoners Board

Date of meeting: **28 March 2017**

Title of paper: **Homes for Londoners Board Terms of Reference**

To be presented by: **Ed Williams, Clerk to the Board**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development**

Classification: **Public**

1 Executive Summary

- 1.1 This paper presents revised Terms of Reference for the Homes for Londoners Board, amended in light of discussion at the inaugural meeting and subsequent informal consultation with members.

2 Recommendation

- 2.1 That the Board ratifies the revised terms of reference attached at Appendix 1.

3 Background

- 3.1 It was agreed at the 8 December 2016 meeting of the Board that that revised draft Terms of Reference would be presented to the next meeting, ensuring that points raised by members during the discussion were addressed.
- 3.2 The Board's Terms of Reference have been redrafted better to convey its overarching values, to highlight the importance of infrastructure issues, to clarify the Mayor's role in appointments and amend some references to procedural matters. Members have been consulted informally on the redrafted document
- 3.3 The revised Terms of Reference for agreement are attached at Appendix 1. Appendix 2 sets out the original draft Terms of Reference presented to the Board on 8 December 2016.

4 Next steps

- 4.1 Once agreed, Board Terms of Reference to be published on GLA website.

Appendices:

Appendix 1 – Homes for Londoners Board - revised draft Terms of Reference for agreement

Appendix 2 - Homes for Londoners Board – original draft Terms of Reference (presented to 8 December 2016 meeting) with revisions tracked.

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Homes for Londoners Board For agreement - Updated draft Terms of Reference

The Homes for Londoners Board is founded on common cause and a steadfast dedication amongst its members to work together tirelessly to achieve a genuine step-change in the approach to, and delivery of, housing in London. It will use its combined expertise and work with partners across the housing sector to maximise new home building, especially of affordable homes, in London through innovation and problem solving, alongside a focus on the related infrastructure issues.

The Board will, as set out in Mayoral Decision 2012, comprise the Mayor of London (as Chair), the Deputy Mayor for Housing and Residential Development (as Deputy Chair), four borough Leaders (nominated by London Councils), the Transport Commissioner, the GLA's Executive Director for Housing and Land, the Chair of the GI5 (group of London's largest housing associations) and two members of the residential property sector (as recommended by London First). The Mayor may appoint other Members over time as he considers will best further the Board's purpose. The terms of Members' appointments will be set out in writing to them at the time of their appointment.

The Deputy Mayor for Housing and Residential Development, as Deputy Chair, may lead meetings of the Board and/or undertake associated activities as directed by the Mayor.

The Homes for Londoners Board will:

- a) monitor the delivery of new and affordable homes across London, with a particular focus on GLA Group land, the wider public sector, and key development areas including Housing Zones and Mayoral Development Corporation areas;
- b) oversee London's housing-related investment programmes, including those devolved to the Mayor and those for which the Mayor's functional bodies and the boroughs are responsible, advising the Mayor on progress and any emerging risks relating to the delivery of any programme;
- c) advise the Mayor and his partners on the opportunities to bring forward land for development within the ownership of the GLA Group and the wider public sector;
- d) monitor other issues relevant to greater housing supply, such as addressing the shortage of construction skills and the use of new construction methods;
- e) contribute to each stage of the development of the Mayor's statutory housing strategy and advise the Mayor on emerging GLA policies and programmes that relate to the delivery of housing in London, including in particular the London Plan and the transport strategy;
- f) receive quarterly reports from across the GLA Group for programmes and major projects as defined in the terms of reference; and
- g) commission task and finish working groups as appropriate to investigate and develop proposals to boost housing delivery.

Meetings of the Board shall be called by the Mayor of London. The quorum for a meeting of the Board is half the total number of Board Members (rounded up to the next whole number), as long as those present include either the Chair or Deputy Chair and a London Councils representative. A Board Member may be counted in the quorum if they are able to participate in the proceedings of the meeting by remote means e.g. telephone or video link (or equivalent)

and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.

Recommendations and views expressed by the Board will be agreed by consensus (with no requirement for voting). Where a Board Member wishes, their dissent or objection can be recorded in the minutes of the relevant meeting.

The Mayor is committed to openness in his administration and is committed to making the work of this Board transparent. Agendas and reports (where possible) for the Board will be published in advance of meetings; reports will be released with the agenda except in those cases where officers reasonably consider that information contained in the reports may be exempt from disclosure under an applicable exemption under the Freedom of Information Act 2000 (FOIA) on the basis that the public interest is against disclosure. Summary minutes of the meetings of the Board will be published as soon as practicable following each meeting. The meetings themselves will not be public to reflect the accountability arrangements Parliament has put in place for the GLA; that is that the Mayor is answerable to the London Assembly only after he has taken decisions.

When undertaking work on behalf of the Board, Members are required to agree to comply with guidance provided by the GLA's Monitoring Officer, to register & declare all relevant interests and to seek advice from the GLA's Monitoring Officer on any issue where a conflict of interest is or may be arising.

Homes for Londoners Board

Draft Terms of Reference (showing revisions from original version)

The Homes for Londoners Board ~~will provide leaderships founded on common cause and support a steadfast dedication amongst its members to work together tirelessly to achieve a genuine step-change in the Mayor of London on housing policy, strategy approach to, and delivery of, housing in London.~~ It will ~~use its combined expertise and~~ work with partners across the housing sector to maximise new home building, especially of affordable homes, in London through innovation and problem solving, ~~alongside a focus on the related infrastructure issues.~~

~~The Board will monitor overall housing delivery across London, including across the GLA Group and wider public sector.~~

The Board will, as set out in Mayoral Decision 2012, comprise the Mayor of London (as Chair), the Deputy Mayor for Housing and Residential Development (as Deputy Chair), four borough Leaders (nominated by London Councils), the Transport Commissioner, the GLA's Executive Director for Housing and Land, the Chair of the GI5 (group of London's largest housing associations) and two members of the residential property sector (as recommended by London First). The Mayor may appoint other Members over time as he considers will best further the Board's purpose. ~~Members nominated by London Councils will be subject to confirmation and appointment by the Mayor. The Mayor may vary the membership and number of members at any time. The Mayor shall set the length of tenure for all Board Members and their terms and conditions of appointment. Where London Councils advises the Mayor that one of its nominees is no longer to act as a Board Member for London Councils, that person's membership ends with immediate effect. A Board Member may resign at any time by giving notice to the Mayor in writing, having immediate effect. The Mayor may terminate a Member's appointment to the Board at any time. The Mayor may vary the provisions of MD2012, and the remit of the Board, at any time as he deems necessary. The terms of Members' appointments will be set out in writing to them at the time of their appointment.~~

~~The Mayor will be Chair of the Board.~~ The Deputy Mayor for Housing and Residential Development ~~will be the, as~~ Deputy Chair, ~~and~~ may lead meetings of the Board and/or undertake associated activities as directed by the Mayor.

The Homes for Londoners Board will:

- a) monitor the delivery of new and affordable homes across London, with a particular focus on GLA Group land, the wider public sector, and key development areas including Housing Zones and ~~mayoral development~~ Mayoral Development Corporation areas;
- b) oversee London's housing-related investment programmes, including those devolved to the Mayor and those for which the Mayor's functional bodies and the boroughs are responsible, advising the Mayor on progress and any emerging risks relating to the delivery of any programme;
- c) advise the Mayor and his partners on the opportunities to bring forward land for development within the ownership of the GLA Group and the wider public sector;
- d) monitor other issues relevant to greater housing supply, such as addressing the shortage of construction skills and the use of new construction methods;

- e) contribute to each stage of the development of the Mayor's statutory housing strategy and advise the Mayor on emerging GLA policies and programmes that relate to the delivery of housing in London, including in particular the London Plan and the transport strategy;
- f) receive quarterly reports from across the GLA Group for programmes and major projects as defined in the terms of reference; and
- g) commission task and finish working groups as appropriate to investigate and develop proposals to boost housing delivery.

Meetings of the Board shall be called by the Mayor of London. The quorum for a meeting of the Board is ~~two~~ half the total number of Board Members, (rounded up to the next whole number), as long as ~~one of those Members is present~~ include either the Chair or Deputy Chair. ~~For the purpose of determining whether and~~ a quorum is present, a London Councils representative. A Board Member may be counted in the quorum if they are able to participate in the proceedings of the meeting by remote means e.g. telephone or video link (or equivalent) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum. ~~Members are able to send substitutes to meetings of the Board if necessary, by agreement with the Mayor.~~

Recommendations and views expressed by the Board will be agreed by consensus (with no requirement for voting). Where a Board Member wishes, their dissent or objection can be recorded in the minutes of the relevant meeting.

The Mayor is committed to openness in his administration and is committed to making the work of this Board transparent. Agendas and reports (where possible) for the Board will be published in advance of meetings; reports will be released with the agenda except in those cases where officers reasonably consider that information contained in the reports may be exempt from disclosure under an applicable exemption under the Freedom of Information Act 2000 (FOIA) on the basis that the public interest is against disclosure. Summary minutes of the meetings of the Board will be published as soon as practicable following each meeting. The meetings themselves will not be public to reflect the accountability arrangements Parliament has put in place for the GLA; that is that the Mayor is answerable to the London Assembly ~~through Mayor's Question Time~~ only after he has taken decisions.

When undertaking work on behalf of the Board, Members are required to agree to comply with guidance provided by the GLA's Monitoring Officer, to register & declare all relevant interests and to seek advice from the GLA's Monitoring Officer on any issue where a conflict of interest is or may be arising.

Homes for Londoners Board

Date of meeting: **28 March 2017**

Title of paper: **Towards a New London Housing Strategy and London Plan**

To be presented by: **James Clark, Housing Policy Manager; and
Jennifer Peters, Strategic Planning Manager**

Cleared by: **David Lunts, Executive Director – Housing & Land**

Classification: **Public**

1 Executive Summary

- 1.1 The Mayor has asked officers to begin work on a new London Housing Strategy (LHS). Officers are also preparing a new London Plan, which will include many policies relating to housing. This paper provides an initial summary of the issues, challenges, opportunities and trade-offs that will need to be addressed by these documents.

2 Recommendation

That the Board:

- 2.1 Comments on whether the issues identified are the key ones for the London Housing Strategy, identifies any that may be missing and suggests how these could be shaped to address the main housing challenges, opportunities and trade-offs in policy development; and
- 2.2 Notes that:
- a) Members will be offered the opportunity to feed into the development of specific housing policies through engagement outside Board meetings; and
 - b) A more developed draft of the London Housing Strategy will be presented to the Board for review at its next formal meeting, prior to publication of the strategy for consultation.

3 Introduction and Background

- 3.1 The LHS and London Plan are currently being developed alongside one another. The new LHS will bring together in one document everything the Mayor is doing, and expects partners to do, to address the London housing crisis. This includes things he is doing or proposes to do through the planning system. The LHS and the London Plan will both draw on the same evidence base and will contain similar policies, but will be parallel documents seeking to address London's housing needs. There is no hierarchical structure to these documents, and the policies in the LHS relating to environmental/spatial/development matters will always defer to the London Plan. The LHS guides investment decisions and housing policy but does not set GLA planning policy. It will say what the Mayor has done or is intending to do through the London Plan as it relates to housing.

3.2 Due to its wider scope and more extensive evidence base, the draft of the London Plan will take longer to finalise for consultation than the LHS. Due to the different sets of regulations in relation to their adoption, the LHS is anticipated to be adopted almost two years earlier (in spring 2018) than the London Plan.

London Housing Strategy

3.3 The Mayor's statutory powers and responsibilities with regard to the LHS are set out in the GLA Act 2007 as amended by the Localism Act 2011. The key provisions are as follows:

- that the Mayor must prepare, publish and keep under review, a statutory London Housing Strategy;
- that this strategy should set out his assessment of housing conditions in London and the need for further housing provision, his policies and proposals to meet needs and improve housing conditions and measures that other bodies are to be encouraged to take to achieve the aims of the strategy;
- that he must set out a statement of his spending proposals for the spending round;
- that these proposals should include plans for how the GLA will provide financial assistance for housing, the amount of housing financial assistance to be given for different activities or purposes and the number, type and location of houses to be provided by means of this housing financial assistance; and
- that these proposals should also include a statement of how much should be allocated to boroughs and his expectations as to how the boroughs will use the money granted to them (nb. this was written in the era of very large borough allocations for the Decent Homes Programme).

3.4 Any statement of a borough's housing policies or proposals must be in "general conformity" with the LHS (GLA Act 2007). In preparing or modifying their social housing allocations schemes, boroughs must "have regard" to the LHS (Localism Act 2011). We expect to publish a draft LHS in summer 2017. The final version, which is subject to a vote by the London Assembly and approval by the Secretary of State, should be published in spring 2018.

3.5 The GLA publishes *Housing in London* on a roughly annual basis. This forms the statistical evidence base for the LHS, summarising key patterns and trends across a wide range of topics relevant to housing in the capital. Board members are invited to consult the latest version of *Housing in London*, [published last month](#), for a summary of the scale of the housing crisis facing London.

3.6 Beyond this initial opportunity to comment, Board members or their representatives have been invited to join a Steering Group, chaired by the Deputy Mayor for Housing and Residential Development, to work through the key issues for developing the LHS. In addition, GLA officers will convene a series of meetings and workshops focused around specific issues that will need to be addressed by the Strategy. Where the content of these is likely to be relevant or of interest to specific Board members, officers will ensure that they, or their nominees, are invited.

The London Plan

3.7 Under the Greater London Authority Act 1999 (as amended), the Mayor is required to publish a Spatial Development Strategy (SDS) for London. The London Plan, as it is more commonly known, provides a strategic framework for London

boroughs' local plans, neighbourhood plans, and for the taking of planning decisions.

- 3.8 The London Plan is part of each borough's development plan. The London Plan also provides an overarching framework for the Mayor's other strategies, by:
- providing a spatial (geographical and locational) framework and context for his other strategies (such as those on transport, economic development, housing and the environment);
 - bringing his strategies and policies together in a single, comprehensive framework, showing how together they will contribute to the sustainable development of London over the next twenty years; and
 - giving effect to those of the Mayor's policies that require the planning system for implementation.
- 3.9 On gaining office, the Mayor made clear his intention to produce a new London Plan. Early consultation on the Plan has taken place via the *City For All Londoners* consultation. This document set out the Mayor's vision for the capital which will be developed and taken forward through all his strategies. The Mayor used a range of media to consult on *City for All Londoners* and elicited many more responses than are usually generated by formal consultation on the Plan itself.
- 3.10 The timetable and process for the new London Plan is largely dictated by regulations. The draft plan will be published for consultation in autumn 2017 and the consultation will run for three months. An Examination in Public and approval by the Secretary of State and the London Assembly will follow, with final publication expected by the end of 2019.
- 3.11 A key role of the London Plan is balancing competing land uses and requirements and ensuring sustainable development. *City for all Londoners* outlines the Mayor's vision for accommodating this growth. The new Plan will move away from the idea that all growth is intrinsically desirable and focus instead on encouraging 'good growth'. This will have a strong social dimension and seek to address London's inequality (as far as is possible through land use planning). The Mayor wants a city where *"everyone, regardless of their background or circumstances, is able to share in and make the most of London's prosperity, culture and economic development ... where no community feels left behind and where everyone has the opportunities they need fulfil their potential"*.
- 3.12 The rest of this paper is structured around the five thematic chapters that will make up the new London Housing Strategy:
- increasing the supply of new homes;
 - providing more genuinely affordable homes;
 - supporting high quality and inclusive neighbourhoods;
 - improving the private rented sector; and
 - addressing homelessness.

4 Increasing the supply of new homes

- 4.1 The Mayor's aim is to significantly increase levels of housebuilding in London. Annually, London currently builds roughly half the number of homes that it needs.

This fundamental lack of housing supply underpins many of the housing challenges that we face, including:

- growing unaffordability of house prices and rents;
- declining home ownership;
- growing levels of housing need and homelessness;
- negative impacts on economic competitiveness and productivity; and
- changes to London's social mix.

4.2 The key issues that need to be addressed to deliver a step-change in housing supply are explored in more detail below.

a. Increasing the supply of land for housing development

4.3 The current London Plan identifies land capacity for around 42,000 homes per year. This falls short of the identified need for 49,000 homes per year, a figure that is itself likely to increase as we undertake the new housing needs assessment. We also know that London's land supply is over-reliant on large brownfield sites that are often very complicated and slow to build out.

4.4 Therefore, to meet London's growth, the new London Plan will need to identify additional land capacity for housing overall, while also ensuring that all types of land and all parts of London are playing their role in housing delivery. It will not be enough to rely on just one or two options. Key issues that will need to be addressed include:

- Density:** To meet London's growing needs London's density will need to be increased. However, account will need to be taken of the way residents feel about existing places, while acknowledging that London is always changing and that this is part of its appeal for many Londoners. The London Plan will seek to ensure that increased densities create genuinely sustainable neighborhoods, with more accessible and affordable housing and 'walkable' local services and social infrastructure. The Strategic Housing Land Availability Assessment, a project carried out in partnership with all London's Local Planning Authorities, is currently underway, with a clear focus on increasing capacity through increasing density across London.

Question 1: How can higher density development be delivered in a sustainable and acceptable way?

- Industrial land:** Surplus industrial land has been a key source of housing land over the last few years; many Opportunity Areas are ex-industrial areas. However, emerging research on London's supply of industrial land suggests that, given the amount of industrial land that has already been lost, and the growth in manufacturing in London, any further release will have to be managed very carefully. Supporting the co-location of industry and other uses in a way that does not undermine the industrial function of an area and also does not increase land owners' expectations of values on the sites will be key to opening up housing capacity in these areas in the future. We may also need to consider relocation within London or beyond. A key issue being addressed by the research is understanding just how much industrial land, which is really low cost business space protected as such by the planning system, is essential to the functioning of our economy as a whole.

Question 2: Should we seek to release more industrial land for housing. If so, how can we do so in an economically and environmentally sustainable way?

- iii. **Town centre intensification:** Restructuring within the retail sector opens up opportunities for new homes as well as creating challenges for local communities in maintaining access to services. This is likely to lead to greater emphasis in the Plan on town centre renewal through housing-led, higher density mixed use re-development, which can deliver homes but also breathe new life and vitality into town centres. Policies will seek to ensure the mix includes affordable workspace and ensure that the cultural offer of areas is celebrated and enhanced. Full scale redevelopment is only likely to be an option for a few areas given fragmented ownership, high land values and limited public funding. Therefore, areas immediately around town centres will also be important as opportunities for smaller scale redevelopment and intensification.

Question 3: What contribution to housing supply can town centre regeneration make and how can this be done at scale?

- iv. **Small sites and intensifying existing residential uses:** Small sites (less than 0.25 hectares) are an important source of housing supply. Research carried out by the Outer London Commission on barriers to housing delivery identified a fall in small site output as a key issue in housing delivery. We are exploring the scope for infill and intensification in areas across London, particularly those of lower existing residential density where there is decent public transport and/or opportunities to improve public transport and walking and cycling connectivity. This policy approach will also provide opportunities for SME builders, which should help to diversify the sector and accelerate delivery.

Question 4: What are the key barriers to more small sites coming forward for housing development?

- v. **Opportunity Areas:** Realising the capacity of brownfield Opportunity Areas will continue to be crucial: each can accommodate at least 2,500 homes and/or 5,000 jobs. Three or four potential new Opportunity Areas have been identified, and we will continue to work with boroughs and other partners to refine existing Opportunity Area development frameworks. These are long term sources of capacity where the key challenge is how to speed up delivery.
- vi. **Growth corridors:** Transport will be key to opening up new areas of growth. The Mayor has been clear about the importance of Crossrail 2 for London's future growth. The Bakerloo Line extension is also a priority.
- vii. **Public land:** We have now identified all public land in London. The next stage of the work is to identify which public land is surplus to requirements and potentially developable. The GLA, TfL and other functional bodies are leading the way with their own land, and many boroughs are also reviewing their land to support housing development. The Mayor is working with Government and boroughs to explore what can be done to speed up public land release, but currently London government lacks powers to coordinate and bring forward surplus public land. Also, it should be noted that surplus public land can only ever be a relatively small part of the land supply agenda.
- viii. **Green Belt and other protected open space:** The Mayor has been clear on his commitment to protect the Green Belt and Metropolitan Open Land. This

will make it even more important that the options above are fully explored and utilised.

b. Barriers to housing land coming forward for development

4.5 Even once sufficient land is allocated for housing there are a range of barriers that, in practice, stop this land coming forward for housing quickly enough. This is evidenced by the fact that roughly 50,000 homes are given planning permission each year yet only around 30,000 are actually delivered.

4.6 Some of the key barriers that need to be addressed are:

- lack of planning and coordination in areas where disparate land ownership make realising housing development opportunities difficult;
- inadequate powers for public sector organisations to acquire private land to unlock development (existing powers are also very costly and slow to utilise at scale);
- land with planning permission in the hands of organisations that are not developers, have no intention of developing homes, or whose business model militate against speedy delivery;
- delays caused by the planning system due to lack of resources, slow progress on section 106 agreements and discharge of planning conditions; and
- delays and blockages caused by key enabling infrastructure such as utilities.

4.7 Some of these (e.g. better coordination of strategic land opportunities) can be addressed through existing powers. However, others require a stronger role for London government to intervene or direct other agencies, or to be more active in London's land market through land assembly and acquisition powers.

Question 5: Are these the key barriers to housing land coming forward for development? What additional powers and measures need to be in place in order to unblock these barriers?

c. Public investment to support housing delivery

4.8 We already utilise public investment to support housing delivery in a variety of ways. For example:

- the affordable housing programme provides a significant capital subsidy for housing associations and other housing providers;
- the Housing Zones programme provides targeted investment to unlock strategic housing sites;
- investment in infrastructure, particularly transport infrastructure, enables housing delivery and higher densities;
- schemes such as Help to Buy de-risk housing delivery for private developers; and
- various funding streams, including Community Infrastructure Levy (CIL), help to ensure that local infrastructure is in place to support new development and minimise negative impacts for local communities.

4.9 However, we know that the scale of this investment needs to increase dramatically if overall housing supply is also to increase, and existing investment needs to be better coordinated to support housing growth. In particular, we need to see much more investment in transport infrastructure to help release additional land for

housing. The final report of the London Finance Commission provides a blueprint for how this investment could be secured through fiscal devolution.

- 4.10 In the shorter term we also need to secure a significant share of the additional £1.4bn of funding for affordable housing, announced at last year's Autumn Statement, and of the £2.3bn Housing Infrastructure Fund. The latter could be an opportunity to fund small and medium scale infrastructure schemes in order to support additional housing supply. There is also an opportunity shape and influence the Government's response to the Peace Review of CIL.

Question 6: How can existing public investment be better utilised to support housing growth, and what mechanisms should be explored to raise additional investment?

d. Domination of housebuilding industry by relatively few players

- 4.11 As the recent White Paper acknowledged, the housebuilding industry in London continues to be dominated by a relatively small number of private developers. Their contribution to housing supply must be protected but there are a range of structural reasons why they are unlikely to be able to deliver the required doubling in housing delivery:

- their capacity is limited by availability of finance and skills and appetite to take on significantly more development;
- as most large developers tend to build for sale, their business is highly dependent on wider market and economic factors and therefore tends to be cyclical; and
- in turn, this limits build out rates, particularly on large sites – this is often referred to as issues with 'absorption', i.e. local markets can only absorb a finite number of homes for sale at any given point.

- 4.12 Part of the solution to London's housing shortage is therefore to encourage more new organisations to start building homes, ideally utilising different sources of finance and building homes for a wider range of London's needs (thus reducing issues with 'absorption').

- 4.13 The key players that need to be supported through measures in the London Housing Strategy include the following:

- i. **Housing Associations:** Despite already building more than a third of London's homes, and the vast majority of its new affordable homes, housing associations have appetite to do much more. However, they face a significant barrier in accessing development land.

Question 7: What measures need to be taken to ensure that more land ends up in the hands of housing associations? What else do housing associations need to expand their capacity?

- ii. **Build to Rent:** These schemes utilise alternative sources of finance and are not dependent on the for-sale market, and so can theoretically support additional housing supply and build out at a faster pace. Recent moves by the Mayor and now the Government will support this sector to grow, but it remains to be seen whether it can become a major source of housing supply for the capital.

Question 8: Have recent reforms to support Build to Rent gone far enough, or should the LHS (and/or the Plan) explore additional measures?

- iii. **Smaller builders:** The decline of small and medium-sized builders has contributed to the concentration of most development activity within a relatively small number of large developers. A key reason for this is the decline in availability of smaller sites but there are also other issues such as the burden of planning obligations and CIL, access to appropriate finance, the complicated and risky nature of planning and development, and lack of available skills and labour.

Question 9: In addition to increasing the number of small sites, what more can we do to support smaller builders?

- iv. **Local authorities:** Despite recent increases, London boroughs still build far less housing than they did during the 1960s and 1970s. There are a range of financial reforms that would enable them to do much more – yet these are largely in the hands of Government, whose White Paper indicated very little additional flexibility. It also introduced a potential problem, by suggesting that homes built through Council housing companies may be subject to the Right to Buy.

Question 10: What further work needs to happen to persuade the Government of the case for empowering local authorities to build more homes? How can local authorities deliver on the Government’s aspirations for home ownership without undermining delivery?

- v. **Community-led, custom and self-builders:** though they make very small overall contributions to housing supply there is an opportunity to harness and encourage the sector to do much more.

e. *Construction skills and the need to modernise the industry*

4.14 It is now widely accepted that the construction industry faces a construction skills crisis. With around a quarter of London’s construction workers originating from European Union countries, and considerable uncertainty surrounding their status after Brexit, there is an urgent need to address this crisis. There are also wider issues at stake, including:

- the structure of the industry and its workforce;
- the lack of a strategic approach to apprenticeship training and considerable uncertainty surrounding the new Apprenticeship Levy;
- the industry’s attractiveness to younger people, ethnic minorities and, in particular, women; and
- the transition to modern methods of construction and off-site manufacturing.

4.15 At the same time, Government, the Mayor and boroughs continue to negotiate a skills devolution package that could go a lot further. There are also opportunities to shape the Government’s response to the Farmer Review and build on the Mayor’s new Skills for Londoners and Construction Skills Academy initiatives.

Question 11: What are the key capacity constraints, in terms of skills, labour and building methods, facing the industry? How can these be resolved?

5 Providing more genuinely affordable homes

5.1 Direct action will need to be taken to ensure housing in London remains affordable. The Mayor has already announced his plans to work towards his

strategic target of 50% of new homes being genuinely affordable alongside a target to start delivering 90,000 affordable homes by 2021.

5.2 Beyond this, the following challenges remain:

- ensuring the types of affordable housing most suitable for London's needs are prioritised;
- ensuring the planning system works harder to increase the proportion of affordable housing delivered in new schemes, including by looking at the role of viability assessments and embedding policy requirements into land values;
- securing additional investment from Government to support affordable housing delivery;
- providing more certainty (including rent-setting) for social landlords;
- encouraging and supporting new finance models for affordable housing; and
- protecting and effectively utilising London's existing affordable homes.

6 Supporting high quality and inclusive neighbourhoods

6.1 Ensuring that new homes and neighbourhoods are high quality, inclusive and sustainable must remain a priority, particularly as we look to significantly increase housing supply. Doing so will not only make London a more liveable city, but will also contribute to our efforts to reduce London's reliance on fossil fuels and help to make housing development more acceptable to Londoners.

a. Design, quality and environmental sustainability of homes

6.2 The 2016 Minor Alterations to the London Plan adopted the Nationally Described Space Standards. In introducing these standards, the then Government was clear that no further standards that relate to the internal layout and performance of a dwelling should be required by the planning system. The recently published White Paper has said the Government will review the Nationally Described Space standards, suggesting a move away from a one size fits all approach. If this means London gains the flexibility to introduce its own standards (as was the case before 2015) then this could be a welcome opportunity to ensure our standards can ensure that the higher densities we need to deliver are of good quality and design. However, it could also weaken our ability to set standards, which could in turn lead to less local support for development.

6.3 While ensuring good quality sustainable development, we also have to take account of the cost of requirements on the deliverability of development. The National Planning Policy Framework states that "sites and the scale of development should not be subject to the scale of obligations and policy burdens that their ability to be developed viably is threatened" (para 173) and that the cumulative impact of all the standards and policies "should not put implementation of the plan at serious risk" (para 174). A viability study will be carried out on the new London Plan to ascertain deliverability.

6.4 There also remains some ambiguity in the Government's approach to zero carbon homes and what can be sought through planning policy, and there remain considerable challenges in retrofitting the existing housing stock to adapt it for a low carbon future.

Question 12: How can we best balance the need for higher quality and more environmentally sustainable housing, with the need for significantly more housing supply overall?

b. Supported and specialist housing

- 6.5 The need for supported and specialist housing outstrips supply, and the gap in provision look set to increase in the future. Reasons for this include population changes (including an increasing number of older people) and decommissioning of existing supported housing, primarily because of changes to funding. Supported housing also improves health and social outcomes and results in substantial savings to the public purse, compared with either institutional care or homelessness. Specialist housing that meets specific housing needs – covering everything from gypsies and travellers to victims of domestic abuse – also needs to be prioritised.

Question 13: What types of supported and specialist housing should be prioritised in the new London Housing Strategy and how can this be delivered within an uncertain policy and financial context?

c. Ensuring Londoners have a stake in, and benefit from, new and existing homes

- 6.6 Ultimately it will not be possible to significantly increase housing delivery unless we bring Londoners with us. There are a whole range of issues that need to be addressed in order to improve Londoners' confidence in housing development and provide real opportunities to influence it. These include the following:
- more transparency in the planning system, on developer build out rates, and land ownership;
 - ensuring residents of social housing estates are involved in, and receive a fair deal from, estate regeneration projects;
 - enhancing the role of community-led housing projects, including co-operative housing;
 - giving Londoners a better chance of accessing newly-built homes; and
 - bringing empty properties back into use.

Question 14: How can we make much more housing supply acceptable to Londoners, in a way that is consistent with the financial and policy constraints that we must operate within?

7 A fairer deal for private renters and leaseholders

- 7.1 The PRS is a vital part of London's housing market. Many benefit from the flexibility this tenure offers. However, affordability, standards and conditions, and security of tenure are all significant issues for many Londoners, especially the growing number of renting households with children. Key issues include:
- lack of resources (and sometimes relevant powers) for London boroughs to enforce against criminal landlords;
 - the need to utilise licensing schemes to significantly enhance boroughs' ability to do so;
 - regulation of letting agents, including lettings fees;
 - educating and empowering renters about their rights;

- rising unaffordability of rents and ‘transactional’ costs associated with renting (e.g. deposits, agency fees);
- pressures from welfare reform and homelessness making it more difficult for low income households to find affordable private rented accommodation; and
- poor security of tenure.

Question 15: How can we support local authorities and work with central government to drive improvements in property conditions, management standards, affordability and security in private rented homes?

- 7.2 There are also 1.7 million leasehold flats in London, with leaseholders experiencing similar problems to private renters in terms of their interactions with freeholders and managing agents. Key issues include service charges, ground rents, costs of major works, lack of consumer control and choice, and risk of exploitation in the retirement leasehold sector.

Question 16: How can we ensure leaseholders’ rights and interests are better represented and should the tenure be fundamentally reformed?

8 Addressing homelessness

- 8.1 Both rough sleeping and wider forms of homelessness are disproportionately concentrated in London. The pressures of supply and affordability described below are key factors here, so efforts to address these are vital to any bid to tackle homelessness. However, a compelling treatment of homelessness also needs to consider factors that are more readily influenced in the short to medium term, with a view to slowing the increases in homelessness and rough sleeping and/or improving the outcomes experienced by homeless households and rough sleepers.

a. Supporting homeless households into sustained accommodation

- 8.2 London boroughs are heavily reliant on the private rented sector (PRS) in order to fulfil their legal obligations to homeless households. Doing so represents an increasing challenge and cost to them, due to the same pressures that are fuelling homelessness from the sector. There may well be scope for boroughs to strengthen their leverage in this competitive market through closer collaboration. This represents a politically sensitive challenge, but is one that the Mayor is ready to support. London also needs housing solutions for homeless households that reduce its reliance on the sector that is the main source of homelessness.

Question 17: What is the potential for closer collaboration between boroughs to help deliver accommodation for homeless households and how do we encourage it? What other housing solutions can we use for homeless households and how can we best develop them?

- 8.3 The Homelessness Reduction Bill (HRB) will extend boroughs’ duties to homeless households, but it is difficult to see how the very limited funding attached to it will enable boroughs to deliver positive outcomes for large numbers of Londoners not currently assisted.

Question 18: What approach should we take to new HRB duties, to maximise beneficial effects for London?

b. Tackling rough sleeping

8.4 Many London Boroughs commission their own rough sleeping out-reach teams and complementary services. In addition, the GLA spends around £8m per year on pan-London services to tackle rough sleeping. The GLA also works with the Boroughs with the highest levels of rough sleeping, and other statutory and not-for-profit sector organisations, through the 'No Nights Sleeping Rough' taskforce to identify and pursue new approaches to tackling rough sleeping.

Question 19: Are the current respective roles of the GLA and boroughs in tackling rough sleeping the right ones?

9 Equality comments

9.1 The LHS and the London Plan will be subject to impact assessments, including meeting the GLA's statutory duties under Equality Act 2010.

10 Financial Comments

10.1 None at present.

11 Legal Comments

11.1 None at present.

12 Next steps

12.1 The next steps in development of the LHS are summarised in the table below.

12.2 Beyond this initial opportunity to comment, Board members or their representatives have been invited to join a Steering Group, chaired by the Deputy Mayor for Housing and Residential Development, to work through the key issues outlined in this paper.

Activity	Timeline
Develop draft policies	April–June 2017
Draft LHS for consideration by the Board	July 2017
Draft LHS for public consultation	Summer 2017
Final version published	Spring 2018

Appendices:

None.

Homes for Londoners Board

Date of meeting:	28 March 2017
Title of paper:	Increasing Land Supply through joint GLA - Housing Association Initiatives
To be presented by:	David Montague, Board Member and Chair of g15
Cleared by:	David Lunts, Executive Director – Housing and Land
Classification:	Public

1 Executive Summary

- 1.1 The availability of developable land in the hands of our partners is one of biggest barriers to achieving our shared targets for significant delivery of genuinely affordable homes. This paper updates the Board on initiatives being developed to improve the availability of land and unblock delivery. This includes strategic partnerships between the GLA and individual housing associations, and more collaborative approaches to assembling land.
- 1.2 Significant progress has been made in terms of discussions with potential strategic partners to deliver tens of thousands of homes by 2021. There is scope and ambition for the GLA to engage with other organisations with significant delivery aspiration to develop similar partnerships.
- 1.3 Progress has been made towards establishing a collaborative 'London Land Fund', with an aspiration for this work to assemble opportunities for at least 3,000 homes a year in the medium term.
- 1.4 A pilot of this approach has begun in Ilford town centre, where Notting Hill Housing Group, Swan Housing, the London Borough of Redbridge and the GLA plan to work together in partnership to unlock housing delivery, and the scope to expand this approach to other areas of strategic focus across London.

2 Recommendations

- 2.1 That the Board notes the report.

3 Introduction and background

- 3.1 The availability of developable land is likely to be one of the key issues in relation to achievement of our target of at least 90,000 affordable housing starts by March 2021. The Mayor already works with landowners, including housing associations, to address this through proactive spatial planning, use of public land in the GLA's control, and offers to support land assembly including through use of land assembly powers where necessary.
- 3.2 The g15 group of London's 15 biggest housing associations has the desire to deliver 100,000 housing starts in London by 2021, with over half of these being genuinely affordable homes. Currently sites are secured for around 20 per cent of this total, meaning considerable work in land assembly, enabling and identification is required.

- 3.3 A new Strategic Housing Land Availability Assessment (SHLAA) will help us identify land capacity to underpin the new London Plan. New powers in the Neighbourhood Planning Bill, particularly those relating to compulsory purchase, should help speed up and lessen the cost of land assembly. As part of the development of a new London Housing Strategy, the GLA is exploring new approaches to land assembly and the potential for additional powers to assist this.
- 3.4 In the meantime the Mayor is committed to working with partners to ensure that more developable land is made available to support the delivery of new homes, and particularly affordable homes. Key initiatives include support for individual housing associations, support through strategic planning and land acquisition, and exploration of more formal mechanisms such as a 'London Land Fund'. These are outlined below.

4 Strategic Partnerships with Housing Associations

- 4.1 In the Mayor's *Homes for Londoners: Affordable homes programme 2016-21* funding guidance, the GLA sets out its desire to further collaborate with and proactively assist affordable housing delivery partners to access land opportunities and to form strategic partnerships with those organisations willing to deliver at least 60% of their development programmes as affordable housing.
- 4.2 As part of this approach, the GLA has been engaging in constructive discussions with a range of organisations and expects the strategic partnerships approach to support the delivery of tens of thousands of homes, the majority of which will be genuinely affordable.
- 4.3 The GLA is keen to explore strategic partnerships with other organisations that can demonstrate significant delivery ambitions. The GLA may be able to assist in discussions with neighbouring land owners and local planning authorities, and is prepared to use its statutory land assembly powers and funding flexibilities to support strategic land assembly. The GLA will also work with partners to consider whether their existing assets could form part of wider development opportunities.

5 Medium Term Opportunities

- 5.1 Beyond this, the GLA is engaging with partners on medium-term collaborative opportunities to improve land availability where fractured land ownership and viability constraints are a barrier to land coming forward for development.
- 5.2 Specifically, the GLA is keen to identify areas where housing delivery could be unlocked through proactive planning and land assembly aligned with targeted investment of affordable housing grant and infrastructure funding. The ambition is to scale up these collaborative efforts in order to unlock land for 3,000 additional homes per year, in addition to existing efforts. This would represent a 10% increase in annual housing delivery.
- 5.3 Working with the g15, the GLA has identified three types of land opportunity that may be particularly suitable to this kind of approach, and has commenced a pilot in Ilford town centre, as described below.

(i) Town centres

- 5.4 The new London Plan is likely to identify significant housing capacity in town centre locations, where there are opportunities to combine new development with economic and social regeneration.
- 5.5 However, currently there are significant delivery issues in town centres, particularly relating to fragmented land ownership. Many individual boroughs lack the capacity to assemble land at scale and existing landowners may have unrealistic expectations for the value of their land. Resolving these issues takes time, capacity, and willingness to consider using statutory land assembly powers as a last resort. This is often compounded by viability issues due to issues such as poor public transport and/or public realm.
- 5.6 Such town centre sites present an opportunity for the GLA, housing association and local authority partners to work collaboratively to unlock significant delivery capacity over a 5-20 year period. This could be achieved through a combination of strategic public sector leadership and intervention, including targeted investment and land assembly.
- 5.7 The GLA has commenced a pilot with the London Borough of Redbridge, Swan Housing and Notting Hill Housing Group to overcome issues around fragmented land ownership and unlock housing supply in Ilford town centre. Partners will work collaboratively to increase the pace and quality of delivery, with the GLA ready to assist in de-risking development, including through Housing Zones funding. A memorandum of understanding (MOU) is being developed to move this programme forward, with the intention that other housing association signatories can be added over time.

(ii) Transport intensification zones

- 5.8 A second type of medium term land opportunity is areas where public transport improvements are planned, particularly additional rail capacity and new stations. These areas (e.g. Old Kent Road) are often characterised by a mixture of existing land uses but with clear opportunity for regeneration and additional homes underpinned by improved transport connectivity. Moreover, early intervention could help to capture some of the value uplift associated with the new transport scheme – which could further help to fund the scheme as well as wider benefits such as affordable housing.
- 5.9 As part of this approach, the GLA will seek to improve coordination between different statutory authorities. For example, in some cases it may be prudent to ensure that our strategy for securing housing and value capture benefits from new transport schemes is settled and implemented prior to details of such schemes being announced.

(iii) Public land

- 5.10 A third potential opportunity is public land. There could be a role for a more concerted programme of acquisitions of public land held by other landowners to support the affordable homes programme.

6 Towards a 'London Land Fund'

- 6.1 Building on the above, the GLA is also considering the scope for a more formal arrangement with its housing association partners to support additional land supply. It is assumed housing associations are likely to build out schemes

quicker, and with a higher proportion of affordable housing, than other organisations may do.

- 6.2 A 'London Land Fund' is conceived as a joint GLA/g15 initiative to proactively identify and secure full or partial ownership of strategic land opportunities to support housing growth. The expectation is that a significant financial commitment would be made to the Fund by participating housing associations and the GLA.

7 Equality Comments

- 7.1 This paper is predominantly concerned with increasing the supply of housing in London, particularly of genuinely affordable homes. Previous equalities impact assessments carried out by the GLA suggest this may help stabilise housing prices, supporting equal opportunities throughout communities. They also found that maximising the delivery of affordable housing would have a positive impact on groups with protected characteristics

8 Financial Comments

- 8.1 None at present. Any financial implications of the initiatives described above will be considered at the point at which decisions are made.

9 Legal Comments

- 9.1 None at present. Any financial implications of the initiatives described above will be considered at the point at which decisions are made.

10 Next Steps

- 10.1 Progress on the initiatives described in this paper will be reported to the Board as appropriate.

Appendices:

None

Homes for Londoners Board

Date of meeting: **28 March 2017**

Title of paper: **Update on Homes for Londoners Task and Finish Sub-groups**

To be presented by: **James Clark, Housing Policy Manager**

Cleared by: **David Lunts, Executive Director of Housing and Land**

Classification: **Public**

1 Executive Summary

1.1 The Board has commissioned three task and finish sub-groups to consider specific housing and development issues in detail. This report provides an update on the work of these three groups. Further oral updates will be invited from sub-group members at the meeting.

2 Recommendation

2.1 That the Board notes the paper and oral updates from sub-group members.

3 Introduction and Background

3.1 At its first meeting on 8 December 2016, the Homes for Londoners Board agreed to establish three task and finish sub-groups to investigate and develop action on three key areas of interest. These actions may include protocols for joint working between the Mayor and other public bodies including councils, policies to support growth opportunities such as build-to-rent and offsite construction, and other interventions to support the development industry. Some actions may involve policy advocacy with central government and the Board will ask members of the wider housing sector to be involved in policy development where their expertise is relevant.

3.2 The three sub-groups were agreed as follows:

- New models of housing delivery (chaired by Liz Peace CBE);
- Skills and capacity of the construction industry (chaired by Cllr Peter John OBE); and
- The role of overseas buyers in London's property market (chaired by Hugh Bullock).

3.3 Groups would be time-limited with a clear remit and set of questions to answer and a mandate to work with partners across London to develop findings and recommendations.

3.4 The final terms of reference and membership for each group are set out at Appendix 1. Board members were invited to comment by email during their development.

4 Update on the work of the sub-groups

New models of housing delivery

- 4.1 This sub-group met for the first time on 2 March 2017 and held a scoping discussion on the key issues and barriers to building significantly more homes that are affordable to Londoners on ordinary incomes. It was a wide-ranging discussion, covering topics including, but not limited to, public sector land and procurement, land assembly and compulsory purchase, land use planning, institutional investment, capacity in the public sector and market risks.
- 4.2 A follow-up meeting has been arranged for 21 March 2017 at which it is intended to refine the list of barriers into a manageable work programme.
- 4.3 The sub-group is working towards the production of a final report to the Board in June 2017.

Skills and capacity of the construction industry

- 4.4 This sub-group will meet four times between April and July 2017, with the first meeting taking place on 3 April 2017.
- 4.5 In advance of the first meeting, sub-group members will be provided with a comprehensive briefing outlining the scale and nature of the challenge regarding construction skills in London. The first meeting will provide sub-group members with an opportunity to agree their understanding of the evidence regarding construction skills in the capital and develop a work programme focussing on how the work of the sub-group can best add value on the issues outlined in the terms of reference.
- 4.6 The sub-group is working towards the production of a final report to the Board in September 2017.

Role of overseas buyers in London's property market

- 4.7 This sub-group has met twice so far (on 3 and 22 February 2017), and has heard updates on the progress of the research on overseas buyers in London being undertaken by the London School of Economics and York University.
- 4.8 The next meeting will be on 22 March and at this the sub-group will consider the findings from the research as well as the draft structure of the group's final report. This will also be an opportunity to have an initial discussion on possible policy recommendations, followed by a final discussion at their meeting in April.
- 4.9 The sub-group is working towards the production of a final report to the Board in June 2017.

5 Equality comments

- 5.1 Not applicable.

6 Financial Comments

- 6.1 Not applicable.

7 Legal Comments

7.1 Not applicable.

8 Next Steps

8.1 The next steps in the work of the sub-groups are summarised below:

Activity	Timeline
Meetings of sub-groups	March – July 2017
Production of final report for HfL Board (New models and Overseas buyers)	June 2017
Production of final report for HfL Board (Skills and capacity)	September 2017

Appendices:

Appendix 1: Terms of reference and membership for Homes for Londoners sub-groups.

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Terms of Reference and Membership of HfL sub-groups

Homes for Londoners Board sub-group on Overseas Investment

Terms of reference:

Context

Concerns have grown in recent years that overseas buyers are increasingly buying homes before Londoners, and then sometimes keeping them empty. At the same time, developers report that advanced sales, including to overseas buyers, are crucial to funding residential developments, along with the associated community benefits – including affordable housing – which they provide.

The Mayor has a manifesto commitment to ensure that more new homes are available to Londoners and this needs to be considered in the context of substantially increasing housing supply, development viability, and London's openness to international investment. In addition, the Mayor has been calling for more transparency around overseas money invested in London property.

The Mayor has commissioned the most thorough research on this matter ever undertaken in Britain in order to inform this work in addressing the issue. The research will provide answers to four key questions:

- What proportion of new homes is sold to buyers who are resident overseas?
- What proportion of new homes owned by foreign buyers is kept empty?
- How reliant are developers on sales to overseas buyers?
- How does overseas financing of development contribute to housing supply?

Brief for the group

We expect the group to be closely involved in the development of the research, commenting on emerging findings and proposing solutions which address the issues found as part of the research.

In particular, we expect that the group will propose policy solutions which could be used by the Mayor to implement his manifesto commitments.

Who needs to be involved?

It is suggested that Hugh Bullock chair this group and be supported by the GLA Housing Policy team, but that a wider group of stakeholders will also need to be involved. It is suggested that these include:

- Housebuilders with developments inside and around London at various price points;
- TfL property;
- Shelter;
- Representatives of the development finance, property law and consulting sectors
- Housing associations active in the for-sale market; and
- London boroughs.

Homes for Londoners Board sub-group – Overseas Investment Membership:

1. Hugh Bullock (Chairman, Gerald Eve) (Chair)
2. Jonathan (Jon) Di-Stefano (Chief Executive, Telford Homes)
3. Rob Tincknell (Chief Executive Officer, Battersea Power Station Development Company)
4. Tony Pidgley CBE FRICS (Chairman, Berkeley Group)
5. Ingrid Osborne (Chief Executive, Taylor Wimpey Central London)
6. Cathy Lloyd (Sales and Marketing Director, L&Q)
7. John Hughes (Group Development Director, Notting Hill Housing Trust)
8. Andrew Barry-Pursell (Head of Spatial and Environmental Policy, City of Westminster)
9. Karen Sullivan (Director for Planning and Development, London Borough of Islington)
10. Brian Reilly (Director of Housing and Community Services, London borough of Wandsworth)
11. Lester Hampson (Head of Property Development, TfL)
12. Kate Webb (Chief Executive, Shelter)
13. Russell Gardner (Partner, EY)
14. Hugh Taylor (Head of Housing UK, HSBC)
15. Matthew White (Partner and Head of Planning Team, Herbert Smith)
16. Duncan Stott (Director, Priced Out)

Homes for Londoners Board sub-group - Construction skills

Terms of reference

Context

The construction sector is a major employer in the capital, but 90,000 skilled workers are expected to retire from their construction jobs in London between 2012 and 2022, with total demand for new skilled workers in the capital reaching 133,000 during this period. The result of the referendum on membership of the European Union is expected to increase pressure on labour availability in a sector which heavily relies on non-British workers.

Whilst there may be a temporary slow-down in commercial development which could create some slack in the labour market, the need to approximately double housing delivery is potentially constrained by labour availability. The Farmer Review¹ reports that pressure on labour availability is already having an impact on housing delivery in the UK, leading to capacity-induced cost inflation for construction and so endangering project viability in some cases. This suggests that there is a need to not only address skills shortages and the supply of labour, but also to move to new, less labour intensive methods of housing construction (e.g. pre-manufacturing homes offsite) in order to underpin the step-change in housing delivery required in London.

In the March 2015 Budget the government announced that it would be “*devolving further powers to the Mayor of London, including over skills... which will allow the Mayor to... tailor decisions over skills provision to London’s needs*”. No formal devolution deal has been signed yet, but London government is revisiting a broader set of asks around skills devolution including devolving 16-19 skills funding, retention of unspent revenue by London’s Apprenticeship Levy-paying employers to create more apprenticeships, and devolution and management of careers information, advice and guidance activity.

The Mayor has a manifesto commitment to create a Construction Academy and the Deputy Mayor for Housing & Residential Development is keen to explore how we can best support approaches to pre-manufacturing homes.

Issues for consideration by the sub-group

- How can the supply of skills training better meet the needs of construction employers throughout their supply chains and how can these needs be better and more consistently articulated?
- What needs to happen in order for more young people, and women in particular, to choose to enter the construction industry?
- How can construction become more attractive as a career?
- How can new the planning system and new housing developments better support the provision of training and apprenticeship opportunities?
- What developer-led models of skills provision already exist in the UK and elsewhere that can be replicated?
- How can skills devolution and the Apprenticeship Levy be utilised as an opportunity to deliver the construction sector’s priorities?

¹ An independent review of the UK’s construction labour model by Mark Farmer, commissioned by BEIS and CLG: <https://www.gov.uk/government/publications/construction-labour-market-in-the-uk-farmer-review>

- How can the sub-group help to inform the development of the proposals for the Mayor's Construction Academy Scheme?
- What are the likely impacts of the EU referendum decision on overseas labour in London's construction industry?
- What are the implications for the supply of skills of a shift to pre-manufacturing of homes?

Outputs

The sub-group should prepare a report for the Homes for Londoners Board highlighting their findings, with a particular focus on any proposals to improve skills provision and promote industry capacity, along with any recommendations on change or devolution required from central government. This report should also be shared with the Skills for Londoners Taskforce.

Format/research methods

This project will not require any new primary research. The main focus of study will be interviews, roundtables or other engagement with organisations providing skills and, even more importantly, employers with a need for skilled workers. The Board will be supported by a briefing document prepared by London Councils and the GLA.

Homes for Londoners Board sub-group - Construction skills Membership: (invited members)

1. Cllr Peter John OBE (Leader, Southwark Council and Executive Member for business, skills and Brexit, London Councils) (Chair)
2. Mayor Sir Steve Bullock (Mayor of Lewisham and Executive Member for Housing, London Councils)
3. Cllr Ravi Govindia CBE (Leader, Wandsworth Council)
4. Jules Pipe CBE (Deputy Mayor, Planning, Regeneration and Skills, GLA)
5. Jo Negrini (Chief Executive, Croydon Council)
6. Mark Mitchener (Managing Director, Rydon)
7. Steve Trusler (Accommodation Sector Leader (Europe), Laing O'Rourke)
8. Victoria Whittle (Head of Ready2Work, Affinity Sutton)
9. Andy Carson (Operations Director, Berkeley Homes)
10. Suzannah Nichol MBE (Chief Executive, Build UK)
11. Brian Berry (CEO, Federation of Master Builders)
12. Mark Farmer (CEO, CAST)
13. David Montague CBE, (Chair, g15 and Chief Executive, L&Q)
14. Gemma Bourne, (Head of Social Sustainability and Lendlease Foundation, Lendlease)
15. Yvonne Kelly (Principal & CEO, Barking & Dagenham College)
16. Robbie Erbmann (Head of Housing Strategy, TfL)

Homes for Londoners Board sub-group – New delivery models

Terms of reference:

Context

The long-standing gap between London's housing requirements and its level of new supply suggest that the existing set of housing delivery models are insufficient to meet London's needs.

The 'pipeline' of permitted units either under construction or not started continues to grow, but delivery is constrained by sales rates (speculative developers), affordable housing subsidy (housing associations and councils), or land (Build for Rent providers and others?).

Whilst the planning system is approving large numbers of units, the process remains time-consuming, uncertain and oppositional. Finally, the public sector is unable to capture more than a fraction of the land value growth that results from its own investment.

Issues for consideration by the sub-group

- What new business models would drive an increase in housing supply?
- How could joint ventures between public and private sector be used to increase and/or accelerate delivery?
- What funding/delivery models could enable the public sector to capture land value growth as a result of transport or other public sector investment?

Outputs

The sub-group should prepare a report for the Board highlighting their findings, with a particular focus on which delivery models are worth piloting or investigating further, and what legislative or other changes might be required to take them forward.

Who needs to be involved?

It is suggested that Liz Peace chair this group and be supported by the Housing Policy team, but that a wider group of stakeholders will also need to be involved. It is suggested that these include:

- housebuilders;
- Build for Rent investors/developers;
- long-term private sector investors;
- housing associations;
- TfL property; and
- London boroughs.

Homes for Londoners Board sub-group – New delivery models Membership

1. Liz Peace CBE (Chair)
2. Dominic Grace (Head of Department Residential Development Sales, Savills)
3. Adam Challis (Head of UK Residential Research, JLL)
4. Waqar Ahmed (Group Director of Finance, L&Q)
5. Jennie Daley, (UK Director of Planning, Taylor Wimpey)
6. John di Stefano (Chief Executive, Telford Homes)
7. Alan Collett (Executive Chairman, Hearthstone Investments)
8. Andrew Pratt (Senior Advisor, Housing Growth Partnership)
9. Ben Denton (Group Director, Strategy and Business Development, Keepmoat)
10. Jonathan Goring (Managing Director, Lovell)
11. Charlie Ferguson-Davie (Chief Investment Officer, Moorfield)
12. Pete Gladwell (Head of Public Sector Partnerships, Legal and General)
13. Gerald Almeroth (Strategic Director – Resources, London Borough of Sutton)
14. Andrew Sivess (Group Manager Assets & Funding, London Borough of Barking and Dagenham)
15. Joanna Killian (Partner and Head of Local Government, KPMG)

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