

MINUTES

Meeting: Homes for Londoners

Date: Tuesday 27 February 2018

Time: 2.00 pm

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

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Present:

Sadiq Khan (Chair)
James Murray
Mark Boleat
Mike Brown MVO
Bullock
Mayor Sir Steve Bullock
Paul Hackett
David Lunts

1 Apologies for Absence and Chair's Announcements (Item 1)

- 1.1 Apologies for absence had been received from Cllr Ravi Govindia CBE, Cllr Claire Kober OBE and Liz Peace CBE.
- 1.2 The Chair offered his sincere thanks to Mayor Sir Steve Bullock and, in her absence, Cllr Claire Kober OBE, who would not be standing for reelection, for their work on the Board.
- 1.3 The Board was updated on the launch of the 'First Dibs' policy: the voluntary offer from the g15 housing associations and the Home Builders Federation to restrict marketing and sales of new homes under £350,000 to UK residents for three months, before any overseas marketing takes place, including an initial head start exclusively for Londoners. In particular, Paul Hackett was thanked for his instrumental role in securing agreement from the g15 organisations.

- 1.4 The Chair also thanked Hugh Bullock for his leadership of the Board's Overseas Investment sub-group, whose 2017 report had set the scene and provided a sound evidence base for the policy. A formal response to the sub-group's findings had been issued to Mr Bullock.

2 Declarations of Interest (Item 2)

- 2.1 It was noted that Paul Hackett and the London Councils members of the Board had a standing interest in items touching on the 2016-21 affordable housing programme (included in item 7), as representatives of organisations which had been allocated funding and/or of boroughs in which funding would be spent by third parties. This was noted in the interests of transparency as no decisions were sought under item 7.

- 2.2 Also in the interests of transparency, Hugh Bullock declared an interest in item 8, as Chairman of Gerald Eve, which had provided services to the GLA in relation to Land Assembly research to be discussed at that item. The research commissioned had been completed and no decision was sought from the Board on this matter.

3 Minutes of the Meeting Held on 30 November 2017 (Part reserved) (Item 3)

3.1 DECISION:

That the minutes of the meeting of the Board held on 30 November 2017 be agreed as a correct record.

4 Actions Arising (Part reserved) (Item 4)

- 4.1 The Board received a report setting out progress against actions arising from previous meetings.

- 4.2 Jamie Ratcliff, Assistant Director – Housing updated the Board on talks with Transport for London (TfL) regarding off-site manufacturing of housing or housing components. The GLA and TfL hoped to joint-fund a standardisation guide to assist manufacturers to respond to London's needs in this area. Industry, London Councils and wider stakeholders were being fully consulted during the process. The work had in part been informed by the London Assembly Planning Committee's report '*Designed, sealed, delivered*', and the Chair of the Board committed to write to the Chair of that Committee setting out the action being taken.

[Action: Chair]

- 4.3 Following discussion at the previous Board meeting, officers had met with several Board members and other industry experts to discuss how housing delivery might be increased in a weakening market. Encouraging diversification of delivery to improve supply was preferable to any measures that would stimulate price growth, with possible levers falling broadly into the categories of regulatory changes, fiscal measures and strategic initiatives. This touched upon some of the same issues as the ongoing review by Sir Oliver Letwin of unimplemented planning permissions, to which the GLA team was contributing evidence.

4.4 DECISION:

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

5 NHS London Estates Board Update (Item 5)

- 5.1 Will Tuckley, Chair of the London Health and Care Strategic Partnership Board and Marianne Brook, London Estates Board Consultant, London Health & Care Devolution Programme, gave a presentation on the London Estates Board (LEB). Better use of NHS estates had been a key component of the 2017 London Health and Care devolution agreement and the LEB, overseen by the London Health Board, was working to align public sector interests to facilitate delivery of modern NHS facilities and ensure the provision of housing on any surplus land.
- 5.2 The LEB had moved from an advisory into a strategic phase following the signing of the Memorandum of Understanding (MoU) with Government, and was expected to move toward a full decision-making function by the end of the year. The LEB would operate with the full involvement of the sub-regions to ensure decisions would only be taken where there was local ownership of and consent to planned changes.
- 5.3 Members welcomed the opportunities presented by the MoU and the work of the LEB. The Board discussed where the greatest opportunities lay for housing delivery. It was noted that, although more complex to assemble than large, acute care sites, there were a great number of under-utilised or unused community health and care facilities, particularly in outer boroughs, which might become available should local areas choose to improve these services by consolidation. Strong relationships were being developed with London's Sustainability and Transformation Plan areas to ensure the healthcare system at all levels was made aware of the expertise available through the LEB and London Estates Delivery Unit.
- 5.4 Available capital investment for the NHS was extremely limited and subject to national competition. The ability to retain capital receipts from NHS land in London was therefore extremely welcome, however it was noted that up-front capital investment in services would be required in many locations in order to release land for development and a range of options was being explored to facilitate this.
- 5.5 In response to a query about key worker housing, the presenters confirmed that responding to workforce issues, including the cost of accommodation, was a priority for healthcare partners and a primary workstream for the Strategic Partnership Board. A variety of alternative delivery mechanisms were being investigated in response to this need.
- 5.6 It was agreed that the Board would receive updates on the progress of the LEB approximately twice a year, to be brought as key milestones were approached or achieved.

[Action: LEB Team / Clerk]

5.7 DECISION:

That the report, presentation and discussion be noted.

6 TfL Update on its Residential Development Programme (Item 6)

- 6.1 Mike Brown MVO, Commissioner, and Lester Hampson, Property Development Director, TfL gave a presentation on TfL's residential development programme. TfL is committed to starting on sites by 2021 with capacity for 10,000 homes, with 50% of homes on sites brought forward since May 2016 being affordable.

- 6.2 Increased collaboration with the GLA had begun to pay significant dividends: the pace of development had increased, as had the diversity of TfL's development partners thanks to a greater flexibility around routes to market. Through considered development and close cooperation with boroughs and the GLA, TfL's intention was to ensure high quality architecture and optimum density at all its sites, working with the Mayor's Design Advocates to ensure this.
- 6.3 Members discussed the challenges of catalysing build-to-rent development at scale and noted that many of TfL's sites lent themselves to this model, primarily due to their proximity to transport links. It was hoped that TfL's developments would serve as exemplars, demonstrating to boroughs how housing could be delivered and sustainable income streams generated, as balanced against the shorter-term benefits of land sales.
- 6.4 The presenters were asked what might be done to support Network Rail (NR) to develop its strategy and agility in working toward developing surplus land. The Commissioner confirmed that regular discussions were held with NR on the issue and that TfL would assist NR to develop the local relationships that were crucial to success. The Chair would be invited to a future meeting between the Commissioner and NR.
- 6.5 It was agreed that the Board be updated on the progress of TfL's housing delivery programme on an approximately six-monthly basis.

[Action: Mike Brown / Clerk]

6.6 DECISION:

That the report, presentation and discussion be noted.

7 Housing Delivery Report (Item 7)

- 7.1 Jamie Ratcliff, Assistant Director – Housing, presented a report summarising both overall and affordable housing delivery in London. Available data showed there had been an upturn in completions during 2016/17 compared to the previous financial year, and 12% more starts in 2017 than 2016, driven largely by an increase in building in outer London boroughs. However, there was continued evidence of a softening market, with an increase in the number of unsold, completed homes in 2017 for the second year running.
- 7.2 The Board considered levels of uncertainty in the market and factors influencing the figures presented. It was noted that increased build times would serve to increase the statistics on homes under construction, as would any skills shortages.
- 7.3 Progress on affordable housing starts was discussed, both under the Mayor's affordable homes programme 2016-2021 and across the wider GLA Group. Projections offered a good level of confidence that the 90,000 affordable homes target would be achieved.

7.4 DECISION:

That the report and discussion be noted.

8 Land Assembly Research Findings (Part reserved) (Item 8)

- 8.1 Scott Bryant, Senior Policy Officer, Housing presented a summary of commissioned research into international models of land assembly with the potential to unlock complex sites to support housing development in London.
- 8.2 The research highlighted that land assembly, an inherently complex process, had particularly been hampered in the UK by a shortage of necessary skills, high expectations of land value and uncertainty over risk. The most successful international examples were underpinned by strong public-sector leadership and investment, supported by clear and comprehensive planning powers for land assembly and compulsory purchase.
- 8.3 Members considered the research recommendations, which spanned the topics of resourcing, strategic planning, incentivisation and compulsory acquisition and added to a growing body of evidence for a more interventionist approach by UK regions and boroughs to land assembly. The clear cross-party consensus on the need for action to increase home-building was encouraging given that increased powers for the GLA and/or local authorities would be essential if Government targets were to be achieved.
- 8.4 The Board recognised that any potential legislative changes would take time to be realised and that any other possible actions to help achieve similar goals should be taken as soon as was practical. However, the public sector would ultimately need enhanced powers to take action in instances where the private sector was unable or unwilling to bring forward development on fragmented sites.
- 8.5 The Chair thanked all involved for their contributions to the work, which would be published in full later in the year and would bolster the case for change that he would continue to make to Government.

8.6 DECISION:

That the report, presentation and discussion be noted.

9 Land Fund Update (Item 9)

- 9.1 Simon Powell, Assistant Director- Strategic Projects and Property, updated the Board on the progress of the Mayor's new £250m Land Fund. As the GLA's own land portfolio was now largely in the process of development, fresh opportunities were needed to acquire sites to help maintain momentum in affordable housing delivery. The Fund would operate on a revolving basis, working closely with boroughs and development partners to prepare sites for housing and reinvesting receipts to deliver additional land over time.
- 9.2 An Investment Committee had been established to manage the fund, including two independent members with development and investment expertise, and a business plan for would be considered by the Committee in the spring prior to formal Mayoral approval.
- 9.3 In response to a query, officers confirmed that one site was already in the process of being purchased and that there was a high level of interest and approaches from boroughs and other public sector organisations, with a number of other opportunities currently being explored.
- 9.4 It was agreed that the Board would receive an update on the Fund at each future meeting.

9.5 DECISION:

That the report and discussion be noted.

10 Date of Next Meeting (Item 10)

10.1 The next meeting of the Board was scheduled for Tuesday 12 June 2018 at 10:00am at a venue to be confirmed.

11 Any Other Business the Chair Considers Urgent (Item 11)

11.1 There was no urgent business.

12 Close of Meeting (Item)

12.1 The meeting ended at 3:37 pm.

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