

AGENDA

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

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)

Sir Mark Boleat, London Councils representative

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

Paul Hackett, Chair, g15

Cllr Claire Kober OBE, Chair, London Councils

David Lunts, Executive Director, Housing and Land, GLA

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 30 November 2017 (Part reserved)
(Pages 1 - 16)

4 Actions Arising (Part reserved) (Pages 17 - 22)

5 NHS London Estates Board Update (Pages 23 - 26)

6 TfL Update on its Residential Development Programme (Pages 27 - 32)

7 Housing Delivery Report (Pages 33 - 40)

8 Land Assembly Research Findings (Part reserved) (Pages 41 - 50)

9 Land Fund Update (Pages 51 - 54)

10 Date of Next Meeting

The next meeting of the Homes for Londoners Board is scheduled for Tuesday 12 June 2018 at 10:00am.

11 Any Other Business the Chair Considers Urgent

MINUTES

Meeting: Homes for Londoners Board

Date: Thursday 30 November 2017

Time: 10.00 am

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

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Present:

Members

Sadiq Khan, Mayor of London (Chair)

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

Mike Brown MVO, Commissioner, Transport for London

Hugh Bullock, Chairman, Gerald Eve

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

Paul Hackett, Chair, g15

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

CLlr Claire Kober OBE, Chair of London Councils

David Lunts, Executive Director, Housing and Land, GLA

Liz Peace CBE, Chair of the Old Oak and Park Royal Development Corporation

Officers and Guests

James Clark, GLA Senior Manager – Housing Strategy

Eleanor Lloyd, GLA Senior Board Officer (Clerk)

Simon Powell, GLA Assistant Director – Strategic Projects and Property

Jamie Ratcliff, GLA Assistant Director – Housing

Dick Sorabji, Corporate Director of Policy and Public Affairs, London Councils

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

- 1.1 Apologies for absence had been received from Sir Mark Boleat, London Councils representative.

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 relating to the 2016-21 affordable housing programme (Item 10 on this agenda), 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: the interests were non-pecuniary and no decisions were sought under item 10.

2.2 There were no additional declarations of interests.

3 Minutes of the Meeting held on 21 September 2017 (Item 3)

3.1 DECISION:

That the minutes of the meeting of the Board held on 21 September 2017 be agreed as a correct record.

4 Actions Arising from Previous Meetings (Item 4)

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

4.2 The Chair updated the Board on the London Health and Care Devolution Memorandum of Understanding, which had been signed on 16 November. This would mean the work of the London Estates Board and its delivery unit, based at the GLA, could begin to gather pace. Members agreed that the Homes for Londoners and London Health Boards should work together to oversee the development of a London Estates Strategy. Key components of the strategy would be identified over the coming weeks and it was agreed that this would be presented to the Board at its February 2018 meeting. **[Action: Simon Powell]**

4.3 The Mayor was continuing to lobby strongly for London to be given powers to broker the development of other, non-NHS public land. Discussions with Government on this topic were ongoing.

4.4 The Deputy Mayor for Housing and Residential Development updated members on the process and timelines for decisions on the Government's Housing Infrastructure Fund (HIF). Many of the proposed projects submitted by the GLA were ready to begin, however no date had been set by Government for the announcement of funding awards.

4.5 DECISION:

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

5 Draft London Housing Strategy (Item 5)

5.1 James Clark, GLA Senior Manager – Housing Strategy presented a report on the draft London Housing Strategy (LHS), which was open for consultation until 7 December 2017. Officers had met and discussed the LHS with hundreds of stakeholder organisations and held several major workshops. Individual Londoners were being engaged via the Talk London portal.

5.2 It was noted that the majority of organisations were likely to submit responses close to the end of the consultation period but that, informally, engagement thus far had demonstrated a high level of positive feedback on the strategy, with a particular appreciation for the clear vision for boosting homebuilding in London it set out. Significant numbers of respondents

were raising issues currently outside the Mayor's control, lending weight to the need for the final strategy to articulate a clear call for reform and devolution of housing powers. Elements addressing homelessness, particularly in relation to welfare reform; strategic initiatives with the wider South East; and work to support local authorities to deliver housing would also be strengthened.

- 5.3 Members welcomed the development of the strategy and quality of engagement. Some members felt that further work may be to support those local authorities that may find their delivery targets more challenging to meet. It was noted that although Government felt that housing targets should be higher still, it was helpful that the Letwin Review would be looking into issues around unimplemented planning permissions. Substantial work previously undertaken by the GLA on this issue would be provided to Government and it was agreed this would also be circulated to members. **[Action: James Clark]**
- 5.4 The Board discussed the competing pressures on Government departments seeking to dispose of public land. While there was universal recognition that delivering housing on surplus land was a priority, tensions existed between maximising the delivery of affordable homes and the need of departments to secure the highest possible receipts from sales.
- 5.6 In relation to council homebuilding, the Chair confirmed the GLA would continue to lobby for the full powers for councils to borrow to build.
- 5.7 **DECISION:**
That the report and discussion be noted.

6 Budget 2017 (Item 6)

- 6.1 Jamie Ratcliff, GLA Assistant Director – Housing, gave a presentation on the content of the 22 November 2017 Budget. Although housing had been a focus of the budget, which had set out £44bn of funding over the next five years including the expansion of Help to Buy, changes to Stamp Duty Land Tax and an increase of the HIF, there had been no London-specific announcements.
- 6.2 Officers confirmed that changes to the remit and powers of the Homes and Communities Agency would not directly affect London, but may have indirect impacts by facilitating new development across the wider South East. More generally, it was noted that London currently had a good dialogue with the wider South East arising from recent discussions around the HIF, and members stressed the importance of developing these strategic relationships, particularly now that additional HIF had become available.
- 6.3 Further detail in relation to consideration of this item is set out in a private version of the minutes.
- 6.4 **DECISION:**
That the report, presentation and discussion be noted.

7 Homes for Londoners Sub-group Updates (Item 7)

- 7.1 Jamie Ratcliff, GLA Assistant Director – Housing, updated the Board on work being undertaken to follow up recommendations of the Board’s completed sub-groups, and on progress of two new sub groups recently agreed.
- 7.2 An update was provided on the establishment of an expanded team at City Hall to support land assembly and manage the Mayor’s forthcoming £250m Land Fund, which responded to a key recommendation of the Homes for Londoners New Delivery Models sub-group. The team would work closely with local authorities to support them in bringing forward sites for development, providing capacity, brokering expertise and, where necessary, loan funding. Boroughs, housing associations and other developers were being encouraged to contact the team with possible sites.
- 7.3 Work to respond to the recommendations of the Overseas Investment sub group was ongoing and officers were working closely with both developers and lenders. The Board recognised a clear need for new financial products that would allow domestic first-time buyers to access off-plan sales. Lenders were cooperating closely with the GLA to explore possibilities, however several members felt that underwriting of longer mortgage offers using public funds should be considered.
- 7.4 Councillor Peter John OBE was taking forward the recommendations of the Construction Skills sub group under the remit of the Mayor’s Construction Skills Advisory Group, and championing the London Local Labour Initiative with local authorities.
- 7.5 The Construction Quality sub-group would meet again in December and planned to report back to the Board in June 2018. It was confirmed that building control issues were being examined but that the group would not seek to duplicate any work being undertaken by other bodies in the wake of the Grenfell tower fire. In response to a query, officers confirmed that the group would explore options for the promotion of off-site manufacturing, including potential mechanisms of evening out demand to maintain cashflow for suppliers. GLA officers would speak to Transport for London to ensure its expertise in this area was utilised.
[Action: Jamie Ratcliff / Mike Brown]
- 7.6 The Social Infrastructure sub-group would be convened in June 2018 and report to the Board at a later date.
- 7.7 Further detail in relation to consideration of this item is set out in a private version of the minutes.
- 7.8 DECISION:**
That the report and discussion be noted.

8 Homes for Londoners Team Structure (Item 8)

- 8.1 David Lunts, GLA Executive Director, Housing and Land, set out the structure of the Mayor’s Homes for Londoners team and plans for its expansion. The GLA’s Housing and Land directorate had been restructured when the organisation had taken on responsibility for housing investment in 2012 and remained stable since that time.

- 8.2 The broad structure of the team consisted of an area-focussed unit, a land and development unit, and a unit overseeing policy development and programme management. The wider directorate now encompassed a small team working on the development of the Royal Docks, a London Estates Delivery Unit and a new team to support the Homes for Londoners Land Fund.
- 8.3 The GLA's new strategic partnership approach, providing a streamlined approach to grant funding, was helping forge strong relationships with providers and had freed up resources to contribute to other work areas. The directorate was to be relocated to allow for expansion and to share space with the Old Oak and Park Royal Development Corporation and, potentially, with property staff from other parts of the GLA Group, creating a more collaborative environment. Further growth in the team was expected in the new year, dependent on the allocation of HIF to London and any further funding announcements from Government.
- 8.4 The Board welcomed the collaborative approach being taken across the GLA Group and the enhancement of the Homes for Londoners technical and negotiating skill base. It was agreed that a standing item would be added to future Board agendas allowing officers to seek members' input on specific projects or issues faced by the Homes for Londoners team, in particular any issues relating to the Land Fund. An update on the business plan for the Land Fund would be brought to the February 2018 meeting of the Board.
[Actions: David Lunts / Simon Powell]
- 8.5 Members requested an update on the pace of development on land belonging to TfL and other GLA Group organisations, as well as projections over the coming five years. It was agreed that an update on TfL's development work would be presented to the next Board meeting.
[Action: Mike Brown]
- 8.6 DECISION:**
That the report and discussion be noted.

9 G15 Housing Supply Update (part reserved) (Item 9)

- 9.1 Paul Hackett, Chair of the g15 group of housing associations, presented an update on the construction plans of London's biggest housing associations. Collectively, g15 organisations had been allocated approximately £1.4bn of the GLA's 2016-2021 Affordable Homes Programme budget and had committed to delivering 42,000 affordable housing starts in London by March 2021, of which nearly 17,000 were already scheduled.
- 9.2 It was anticipated that key challenges to delivery would be: continuing to access land at appropriate prices; skills and capacity issues; and the possibility of reduced cross subsidy in a cooling housing market.
- 9.3 The Chair thanked Paul Hackett and the g15 member organisations for the report and asked that updates be brought to the Board on a regular basis. It was also requested that in future reports, a breakdown be provided of the proportion of homes which would be delivered via section 106 commitments, together with an indication of the geographical spread of planned starts.
[Action: Paul Hackett]
- 9.4 DECISION:**
That the report, presentation and discussion be noted.

10 Housing Delivery Update - Quarter 2 2017-18 (Item 10)

- 10.1 Jamie Ratcliff, Assistant Director – Housing, presented a report summarising both overall and affordable housing delivery in London. Although overall housing starts had reduced over the previous year, planning permissions had now begun to rise. Market forecasts predicted a 7% increase in London house prices over the next five years, compared to 56% over the previous five-year period. Mortgage regulation would contribute to the limiting effect on prices.
- 10.2 While a stabilisation of land prices may reduce housing delivery by commercial developers, it offered an opportunity for housing associations and local authorities to increase building. Given that renting was the most realistic option for many Londoners, members discussed possible ways to increase the supply of rental properties. Greater importance had been afforded to build to rent developments in the draft New London Plan, recently published for consultation, and it was hoped that a forthcoming revision of the National Planning Policy Framework would also support rental developments.
- 10.3 The Board considered the forecasts provided and in light of the weakening market conditions, discussed whether there would be benefit in conducting a piece of work to examine how to increase housing delivery in this context, particularly in respect of increasing volumes of middle market rental properties. Overlaying market predictions with political and funding cycles may be particularly beneficial. It was agreed that members would be given the option to feed in informally to this work, with a view to reporting back to the June 2018 Board meeting.
[Action: Jamie Ratcliff]
- 10.4 It was confirmed that 16 contracts had now been signed under the 2016-21 Affordable Homes Programme. The Board agreed that future reports should contain the TfL and wider GLA family statistics mentioned at 8.5 above. Overall starts during the programme period would be supplemented by other programmes such as the Innovation Fund, which was delivering small, bespoke but replicable schemes such as those provided by Pocket Homes.
[Action: Jamie Ratcliff]
- 10.5 Skills capacity challenges were discussed. It was hoped that the work being undertaken by Cllr Peter John (see 7.4 above) would make significant impact on this issue, as would a continuation to seek post-Brexit assurances on workforce from Government and a focus on demand aggregation for offsite manufacturing and its supply chains.
- 10.6 Further detail in relation to consideration of this item is set out in a private version of the minutes.
- 10.7 DECISION:**
That the report and discussion be noted.

11 Date of Next Meeting (Item 11)

- 11.1 It was confirmed that the next meeting of the Board would be held on Tuesday 27 February 2018 at 2:00pm at City Hall.

12 Any Other Business the Chair Considers Urgent (Item 12)

12.1 There was no urgent business.

13 Close of Meeting

13.1 The meeting ended at 12.10pm.

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Homes for Londoners Board

Date of meeting: **27 February 2018**

Title of paper: **Actions Arising**

To be presented by: **Eleanor Lloyd, Senior Board Officer**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and David Lunts, Executive Director - Housing and Land**

Classification: **Public**

1 Executive Summary

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

2 Recommendation

2.1 That the Board notes the update.

3 Actions Arising from Previous Meetings

3.1 Actions arising from the meeting on 30 November 2017.

Agenda Item	Action	Status
4. Actions Arising	London Estates Strategy to be presented to February 2018 meeting of the Board. Simon Powell	In progress: See London Estates Board Update on this agenda
5. Draft London Housing Strategy	GLA research on unimplemented planning permissions to be circulated to members James Clark / Clerk	Complete: Circulated on 14 December 2017
7. Homes for Londoners Sub-group Updates	Construction quality – off site manufacturing: GLA officers would speak to Transport for London to ensure its expertise in this area was utilised Jamie Ratcliff / Mike Brown	In progress: Further discussions have been held between GLA and TfL, who are now looking to jointly fund a standardisation guide to support precision-manufacture of homes.
8. Homes for Londoners Team Structure	Update on the business plan for the Land Fund to be brought to the February 2018 meeting of the Board. David Lunts / Simon Powell	Complete: See item on this agenda

Agenda Item	Action	Status
	An update on TfL's development work would be presented to the next Board meeting. Mike Brown	Complete: See item on this agenda
9. G15 Housing Supply Update	Future reports to provide a breakdown of the proportion of homes to be delivered via S106 commitments, together with an indication of the geographical spread of planned starts. Paul Hackett	In progress: Next report expected to June 2018 Board meeting.
10. Housing Delivery Update	Work to be conducted on how to increase delivery in a weakening market. Members to feed in informally with a view to reporting back to the June 2018 Board meeting. Jamie Ratcliff	In progress: Officers are progressing this work and a meeting with some Board members was held on 19 February 2018. A verbal update will be provided.
	Future reports to contain TfL and wider GLA family statistics on housing delivery and five year projections. Jamie Ratcliff	Complete: See report on this agenda

3.2 Actions arising from the meeting on 21 September 2017.

Agenda Item	Action	Status
5. Construction Skills Sub-group report	Progress update to be brought to June 2018 meeting of the Board. Cllr Peter John	In progress: Added to Board forward plan.
8a. Social Infrastructure sub-group	Terms of reference and membership of the sub-group to be circulated to the Board for comment prior to being finalised. Dick Sorabji / James Clark	In progress:
	Report of the social infrastructure sub-group to be brought to February 2018 meeting of the Board. Dick Sorabji / James Clark	In progress: Group not yet established. Report expected to come to later meeting.

3.3 Actions arising from the meeting on 13 June 2017.

Agenda Item	Action	Status
6. London Housing Strategy	To look at examples of good governance and best practice in local authority planning committees, identifying ways this could be replicated across boroughs to create consistency in the planning system and improve the process, particularly for small builders. London Councils	In progress: London Councils are considering best practice in the commission of ongoing work.

4 Next Steps

4.1 Outlined elsewhere within this report.

Appendices:

Appendix 1 – Actions arising from the private minute (reserved)

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Homes for Londoners Board

Date of meeting: **27 February 2018**

Title of paper: **NHS London Estates Board Update**

To be presented by: **Will Tuckley, Chair of the London Health and Care Strategic Partnership Board and
Marianne Brook, London Estates Delivery Unit**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and
David Lunts, Executive Director, Housing and Land**

Classification: **Public**

1. Executive Summary

- 1.1 The new Health and Care Devolution deal in London has led to the establishment of the NHS London Estates Board (LEB). The LEB aims to provide greater transparency and oversight of NHS estate plans, activities and decisions within London. Synergies exist between the objectives of the LEB and Homes for Londoners Board, especially as opportunities exist to identify NHS sites for release for new housing. The LEB has progressed into Phase 2 of operation and is prioritising the development of a London Estates Strategy alongside a London capital pipeline.
- 1.2 At this meeting the Board will receive a presentation highlighting the strategic objectives of the LEB and proposed steps to develop a London Estates Strategy, followed by a discussion of the opportunities and challenges for the two Boards to work collaboratively.

2. Recommendation

- 2.1 That the Board notes the report and presentation.

3. Introduction and Background

- 3.1 London's health and care estate faces quality and utilisation challenges of a scale unparalleled elsewhere in the country. Addressing London's estates challenges requires capital investment in times of unprecedented financial challenge. London has identified surplus NHS estate which could provide an opportunity to release some capital and land that may deliver wider value. System challenges and structural barriers have, to date, prevented the potential of London's health and care estate from being realised at the necessary pace. London and local government have significant planning, development and financing expertise that could be brought to bear when considering the NHS estate in London.
- 3.2 The LEB establishes a single collective forum where London health and government partners will come together to discuss London-wide estate challenges and opportunities. This will ensure that London government partners are engaged early

in the process and in turn, will facilitate more joined up strategic decision-making for London. The Health and Care Devolution Memorandum of Understanding (MoU) with government agreed that all health and care capital cases that would be best considered jointly within the London system - covering both NHS and local government investments - will ultimately be considered and determined by the LEB or (for lower financial limits) local or sub-regional estates boards. In other words the LEB will take decisions on NHS capital investment through delegated business case approvals (so far as statutory powers permit). By mitigating the need for the sequential approval process through regulators and different organisations, the LEB will enhance the effectiveness, efficiency, quality and transparency of process and decisions.

- 3.3 National partners, via the MoU have also agreed in principle to NHS Trusts and Foundation trusts in London retaining capital receipts from surplus land release, on the basis that the LEB will identify how to reinvest these receipts to support agreed system-wide health priorities.
- 3.4 The LEB was formed in December 2016 and has been meeting in an advisory capacity to date. In January 2018, the LEB received formal approval to progress to the second phase of operation, taking on strategic functions. Membership includes representatives from the GLA and London Councils.
- 3.5 Through the LEB, work is underway to galvanise efforts to deliver estates transformation and enable wider public-sector benefits through substantially increasing the engagement with local authorities through the One Public Estate programme and the GLA'S Housing and Land Team.
- 3.6 As the LEB progresses to Phase 2 work is being prioritised to bring together the collective technical and professional expertise of the constituent organisations across NHS London via the London Estates Delivery Unit (LEDU). The LEDU will lead in the development of a London Estates Strategy and supporting Capital Pipeline. Bringing together the 5 sub-regional areas the LEB Estates Strategy will enable clear strategic direction and motivation to the LEB and London Health and Care Devolution partners. It will set out the strategy and approach to deliver a health and social care estate that is fit for purpose in terms of configuration, cost, specification and location across London, meeting local, sub-regional and national policy objectives.

4. Objectives & Expected Outcomes

- 4.1 A presentation at the meeting will highlight the strategic objectives of the LEB, progress to date and steps to develop a London wide NHS Estates strategy.
- 4.2 The presentation will be followed by a discussion of the opportunities and challenges that the LEB presents for public sector land release and housing delivery in London and how this can be incorporated into the London wide strategy. This will also provide an opportunity for the Board to discuss how the two Boards can be mutually supportive.

5. Key Risks and Issues

- 5.1 London's five sub-regional areas have identified the requirement for an additional £4 billion by 2020/21 to support health and care estate. However, this is unlikely to be met by the national capital available to the NHS. A key issue for the LEB will be to ensure there is sufficient up-front capital investment into the London system to enable the future release of surplus assets and land to generate the additional capital needed to deliver acute, primary, community and social care facilities across the five sub-regions as well as releasing land to support much needed housing delivery.

6. Equality Comments

- 6.1 One of the Board's key aims will be to increase the supply of housing in London. This will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups and women. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health.

7. Financial Comments

- 7.1 No direct financial implications arising from this report.

8. Next Steps

- 8.1 Progress will be reported to the Board periodically.

Appendices:

None

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Homes for Londoners Board

Date of meeting: **27 February 2018**

Title of paper: **TfL Update on its Residential Development Programme**

To be presented by: **Mike Brown MVO, Commissioner, TfL**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and
David Lunts, Executive Director, Housing and Land**

Classification: **Public**

1. Executive Summary

- 1.1 This paper will update the Board on the progress that Transport for London (TfL) is making in delivering housing on its land.
- 1.2 Since May 2016, TfL has worked with the Mayor to accelerate the release of sites for development to fulfil his manifesto pledge to unlock public land to build genuinely affordable homes for Londoners. Last year TfL brought to market sites that will generate over 1,000 homes. This year, we will bring to market sites that will generate at least 3,500 homes. Next year we expect to bring forward over 4,000 homes.
- 1.3 Across the TfL sites brought forward since the Mayoral election, 50% of the homes will be affordable. Our programme will also generate hundreds of millions of pounds to reinvest in transport.
- 1.4 TfL is currently progressing over 50 development opportunities. These vary from small sites specifically targeted at SME builders and Community Land Trusts, through to new neighbourhoods that can deliver 1,000 or more homes. In addition to substantial amounts of housing, our programme will provide significant new employment through retail and commercial space, as well as operational improvements such as step-free access at stations.

2. Recommendation

- 2.1 That the Board notes the report and presentation.

3. Issues for Consideration

Housing Programme

- 4.1 Since May 2016, TfL's approach to development has been transformed. We have a clear strategy with twin objectives of securing 50% affordable housing on our land and also ensuring long-term revenue to reinvest in the transport system.
- 4.2 Last year we brought sites for over 1,000 homes to market. These include sites at Kidbrooke (Royal Borough of Greenwich) delivering at least 400 homes of which

half will be affordable, Landmark Court (London Borough of Southwark) which has the potential to deliver a mixed-use scheme with 35% affordable housing, and Fenwick South (London Borough of Lambeth) which will provide 55 homes, 100% of which will be social housing.

- 4.3 This year, we have already brought to market sites that can generate 2,500 homes. These include Northwood Town (London Borough of Hillingdon) and Limmo Peninsula (London Borough of Newham) through our Property Partnerships Framework, and Harrow-on-the-Hill (London Borough of Harrow) with an adjoining developer. We are also marketing 10 small sites through the GLA's Small Sites Small Builders portal which is targeted at the SME sector.
- 4.4 Limmo, a 12-acre site next to Canning Town Tube station, is particularly significant as there is the opportunity to transform the Elizabeth Line works site into a new East London neighbourhood in a prime location next to the River Lea. It is expected that of the 1,500 homes built on the Limmo site, 600 of the homes (40%) will be genuinely affordable.
- 4.5 By the end of March 2018, we expect to bring forward an additional 1,000 homes to market, including through the GLA's new London Development Panel 2, the majority of which will be at 100% affordable.
- 4.6 Next year we are expecting to bring forward sites offering an additional 4,000 homes. This includes a significant opportunity at Morden, where the London Borough of Merton is working with us to promote a major, mixed-use town centre development with the potential to deliver over 2,000 homes, as well as improved transport facilities, retail and community uses.
- 4.7 We are also reviewing all our sites for which planning permission was obtained prior to May 2016, including at Earls Court, to drive additional affordable housing and long-term value.
- 4.8 A map showing the active sites we are working on is included in the Appendix 1.

Approach

- 4.9 Our development sites have the huge benefit of always being immediately adjacent to the transport network. Our development team is working effectively with our engineers and operational teams to unlock these opportunities and de-risk development. The programme embraces all our operational business, including as it does car parks, worksites, bus garages and depot sites.
- 4.10 TfL is committed to delivering the Mayor's affordable housing target. Working closely with the GLA, over the past two years we have been able to deliver 50% affordable housing whilst still hitting the financial returns previously assumed in our Business Plan. We have been able to do so by expanding and accelerating our programme and taking a portfolio-wide approach to achieving the 50% target, with individual sites contributing between 35% and 100%.
- 4.11 We also want to leave an enduring legacy of placemaking of the highest quality. We have worked closely with the GLA in producing architectural and environmental design guides to assist and challenge our development partners. We test all our design feasibilities against the objectives of Good Growth and the Mayor's Transport Strategy. We also work very closely with the Mayor's Design Advocates, and can already see the benefits that their input is adding.

- 4.12 Huge progress has been made in assembling a multi-disciplinary in-house team. We also have an Advisory Group of non-executive directors, led by Francis Salway, former Chief Executive of Land Securities. The most recent appointee to the Advisory Group is Stephen Howlett CBE, former Chief Executive of Peabody, who brings huge experience in the delivery of affordable housing as well as a keen focus on design and sustainability.
- 4.13 TfL is also working increasingly closely with a number of boroughs and will continue to expand and deepen these relationships over the coming year. As we have seen at Morden, there are clearly opportunities that can be unlocked by pooling public sector land and taking advantage of the investment that TfL has undertaken.

5. Objectives & Expected Outcomes

- 5.1 There is the potential to deliver at least 10,000 homes on TfL land, and the progress to date is fulfilling the Mayoral pledge of using public sector land to deliver high levels of affordable housing as well as generating long term revenue to invest within the transport network.
- 5.2 We are currently analysing the long-term revenue potential of the programme as we move away from capital receipts, with an expectation that we will increasingly focus on the private rented sector in our outer London residential portfolio.
- 5.3 The scale - and in particular the longevity - of TfL's development programme offers opportunities to invest in modular construction and skills development that can provide long-term benefit to TfL and potentially the wider industry. We are working with the GLA and others to take these forward.

6. Key Risks and Issues

- 6.1 Having identified the sites and put in place the programme to deliver them, the principal risk to delivering high levels of affordable housing on these sites by March 2021 is the time taken to secure planning consents. We will mitigate this risk by working closely with boroughs, the relevant communities, the GLA, the Mayor's Design Advocates and other key stakeholders.

7. Next Steps

TfL would be pleased to provide regular updates to the Board as we take forward our programme.

Appendices:

Appendix 1 – Map of development sites

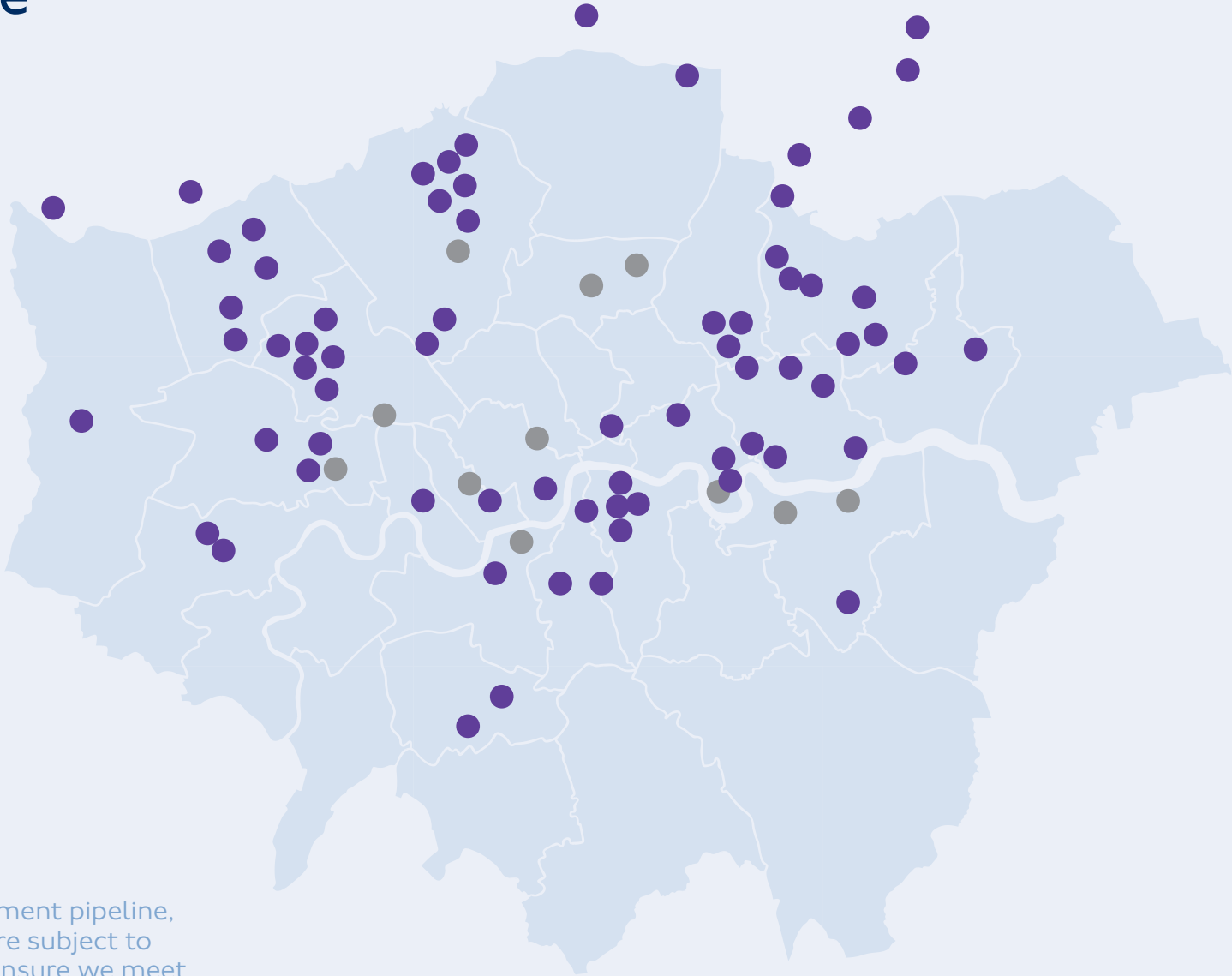
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Development pipeline

Project

● Pre-May 2016 sites

● Post-May 2016 development pipeline



The map above shows the indicative development pipeline, which is under constant review. These sites are subject to change dependant on market conditions, to ensure we meet both our financial, and affordable housing targets.

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Homes for Londoners Board

Date of meeting: **27 February 2018**

Title of paper: **Housing Delivery Report**

To be presented by: **Jamie Ratcliff – Assistant Director, Housing**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and
David Lunts, Executive Director, Housing and Land**

Classification: **Public**

1 Executive Summary

- 1.1 This paper provides an update on housing delivery across London for both affordable and market housing, the current position on overall pipeline starts and completions and an analysis of progress against the Mayor's target to start to build 90,000 affordable homes by 2021.

2 Recommendation

- 2.1 That the Board notes the report.

3 Introduction and Background

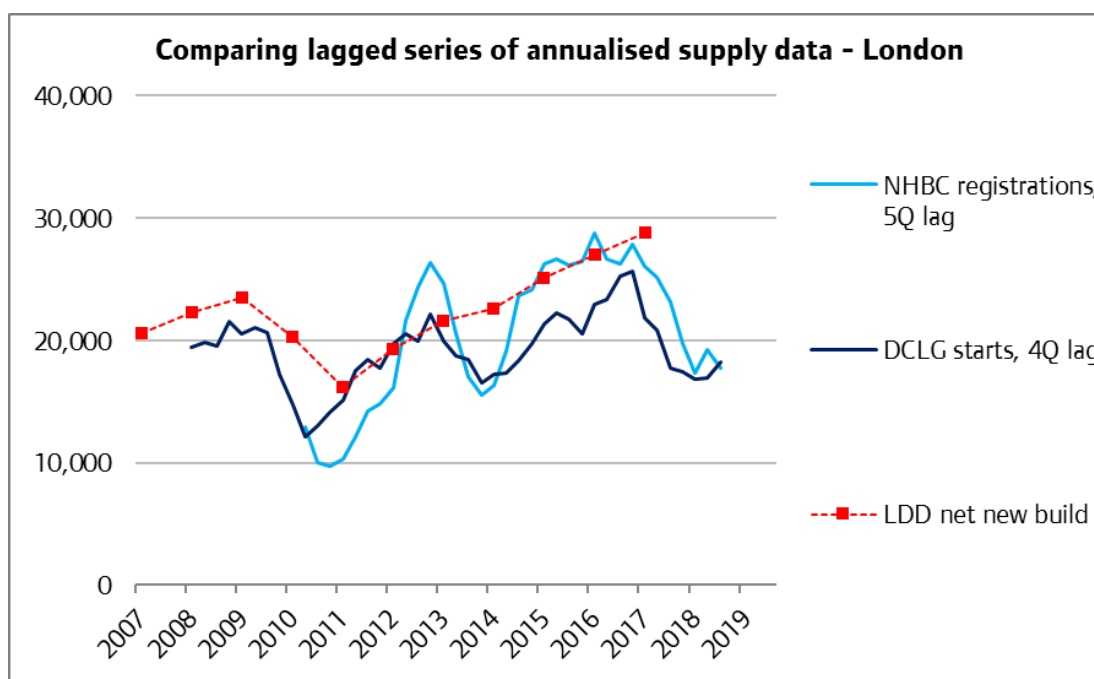
Overall Housing Aims

- 3.1 The Mayor's draft London Plan, published for consultation in late November 2017, sets out an ambitious target for 65,000 new homes a year, an increase from the existing London Plan target of 42,000. The higher target reflects faster population growth, the additional housing required by an ageing population, and the need to make up for years of under-supply.
- 3.2 The annual 65,000 new homes target is based on a detailed analysis of potential housing capacity in London, including an exhaustive survey of large sites carried out jointly by the GLA and London boroughs, and an assessment of the potential for additional supply from small sites across London.
- 3.3 The draft London Plan also includes the Mayor's new strategic target for 50% of new homes to be affordable. This represents a very large increase from the current position, and specific measures to achieve this aim include increasing the number of affordable homes provided by developers through the 'threshold approach' to viability, using the Mayor's investment powers to fund additional affordable homes, and targeting public land brought forward for housing to deliver at least 50% affordable housing.
- 3.4 There are specific targets for the delivery of affordable homes. The Mayor secured £3.15bn from Government to 2021 to start at least 90,000 affordable homes between April 2015 and March 2021.

4 Issues for Consideration

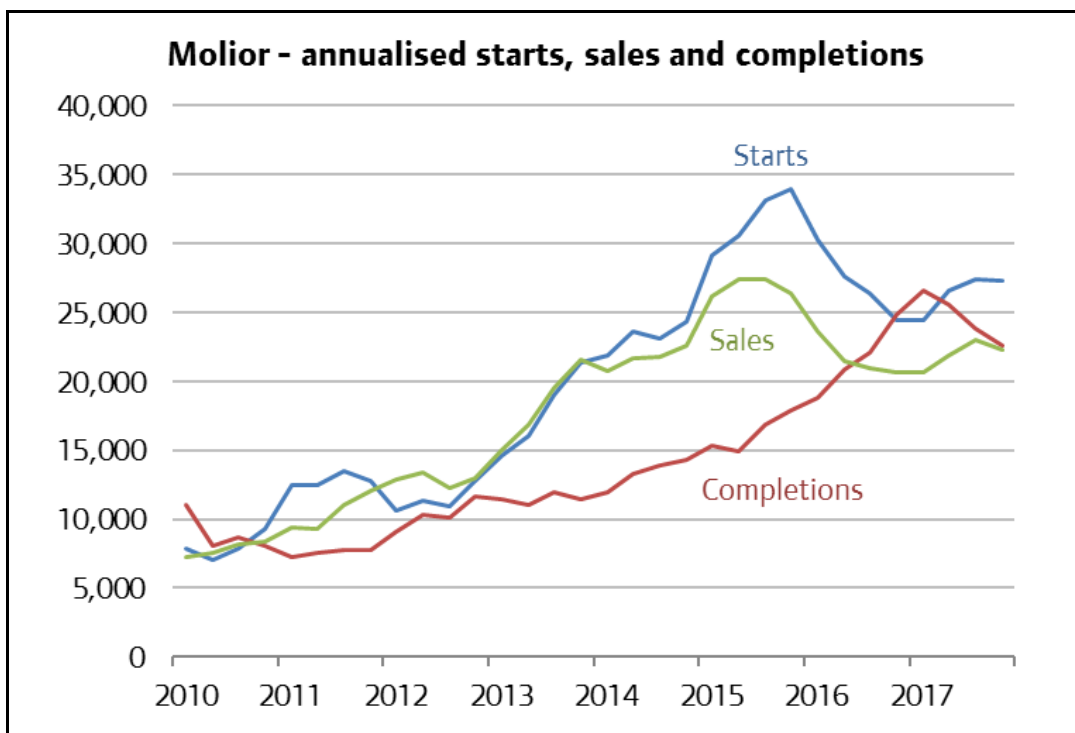
All Tenure Housing Supply

- 4.1 There is a mixed picture on overall housing supply in London, with indicators suggesting there is likely to be a fall in completions in 2017/18 compared to 2016/17, but also a relatively healthy 'pipeline' of homes under construction and with planning permission.
- 4.2 Statistics published by the Department for Communities and Local Government (now the Ministry for Housing, Communities and Local Government [MHCLG]) on 16 November 2017 indicate that in 2016/17 there were total net 'conventional' completions of 39,560 new homes in London, up from 30,390 in 2015/16. Net conventional completions include new build, conversions of houses into flats and non-residential buildings being converted into housing. It excludes 'non-conventional' supply of bedrooms in hostels and halls of residence, which count towards the London Plan housing supply targets. When taking these other sources of supply into account, it is likely that housing supply in London in 2016/17 exceeded the current London Plan supply target of 42,400, while remaining well below the 65,000 target in the new draft London Plan. Final estimates of new supply in 2016/17 will be published in the new Annual Monitoring Report to be published this spring.
- 4.3 Data from MHCLG on new construction starts and from the National House-Building Council (NHBC) on registrations (pre-starts) both show a substantial fall in 2016, with this number having levelled off or shown minor increases in 2017. This is expected to lead to a lower rate of completions in 2017/18 compared to 2016/17. The chart below shows registrations and starts (with appropriate lags applied to allow for construction) against the London Development Database's net new build measure, for comparative purposes.



- 4.4 The most up-to-date information available on private sector housing starts is from the research firm Molior. According to Molior, there were 27,300 private sector housing starts in 2017, 12% more than in 2016, driven primarily by a large increase

in outer London boroughs. However, this is 20% fewer starts than were witnessed in the peak year of 2015.



4.5 Looking towards the longer term, there were 64,700 homes under construction at the end of 2017 according to Molior. This is higher than at any point since the recession. Furthermore, data from the Home Builders Federation show that 60,000 new homes were granted planning permission in London in the year to September 2017. Together, these figures suggest that there is a healthy current pipeline of permitted homes, both flowing through the planning system and already under construction.

4.6 Given increased market uncertainty for the medium-term, the pace at which this pipeline is built out is of critical importance to achieving the new London Plan targets. According to Molior, unsold stock increased in 2017 for the second year running with the number of unsold units under construction at 30,000 (up 19% on the previous year), and the number of unsold completed units at 1,500 (up 35% on the previous year). Private developers are expected to be closely monitoring sales rates, both to judge the delivery of current schemes, and also to assess the risk-adjusted return of future opportunities.

Affordable Housing Supply

4.7 Funding allocations to build 49,400 homes via the Mayor's new 2016-21 affordable housing programme were approved in July 2017 and, when combined with approvals for a further 30,000 homes already progressing through existing programmes, indicate a strong pipeline against the overall target.

4.8 Table 1 overleaf sets out a profile of expected affordable housing starts against the Mayor's 90,000 starts target. To the end of January 2018, 23.5% of the target has been achieved with 21,183 starts delivered. This is now rising significantly as the starts are recorded under the 2016-21 programme following the completion of the contracting process and the programme remains on track to deliver within our target range for this year.

Table 1: Affordable Housing Starts delivery profile (end January 2018)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total	Achieved
Actual starts	7,467	8,935	4,125				90,000	20,527
Expected starts			12,500 - 16,500	14,000 - 19,000	17,000 - 19,000	18,000 - 25,000		

- 4.9 Housing providers continue to put forward proposals for further housing delivery through continuous bidding. To the end of December 2017 there were 1,083 additional homes allocated funding through this route.

GLA Group Land

- 4.10 The information below on housing delivery on GLA Group land has been provided by GLA Group functional bodies.

GLA Housing and Land

- 4.11 It is expected that in the period from 2017-21 there will be around 12,100 homes started on GLA/former GLA land, including joint ventures, of which around 4,000 will be affordable homes. Within this number are several large scale, long term projects with phased delivery, including Greenwich Peninsula (c15,000 homes) and Barking Riverside (c11,000 homes). Table 2 below shows an estimated annual profile of delivery.

- 4.12 **Table 2:** GLA no. of starts on site from April 2017 to March 2021:

GLA H&L	2017-18	2018-19	2019-20	2020-21	Total Starts	% Aff'd sites brought to market post May 2016
All tenures	2,268	3,568	2,930	3,345	12,111	69%
Affordable only	671	746	942	1,736	4,095	

Transport for London (TfL)

- 4.13 A separate agenda item at this meeting deals specifically and in detail with progress on TfL sites.
- 4.14 TfL has twin aims to generate revenue to reinvest in the transport network and deliver affordable housing for Londoners. Their key programme targets are;
- 50% of homes (by habitable room) built on across their portfolio will be affordable, on projects brought to market post March 2016;
 - A Business Plan target of £850m of capital receipts and long-term revenue from property development to reinvest in transport; and
 - Start by March 2021 on sites with capacity for 10,000 homes.
- 4.15 TfL is using a number of routes to bring sites forward. It has begun to use a wider range of routes beyond the previously-established Property Partnerships Framework, including the Mayor's London Development Panel, closer engagement with the GLA's affordable housing Strategic Partners, bespoke partnerships with several innovative developers seeking to precision manufacture homes, and through the GLA's 'Small Sites, Small Builders' pilot programme.

- 4.16 A target of 50% affordable homes has been set for TfL's portfolio of sites brought to market post May 2016. Several projects which already had planning permission or existing contractual arrangements approved prior to May 2016 are therefore excluded from the 50% affordable homes average. On the sites that have launched to market in 2016/17 50% of homes will be affordable.
- 4.17 TfL's target in 2017/18 is to deliver 3,000 homes to market of which 50% are affordable. Five sites have already been launched and further sites are due to be marketed in the next few weeks.
- 4.18 By 2021, TfL will have started on sites with capacity for 10,000 homes, including around 900 units from the indicative pipeline.

Table 3: TfL no. of starts on site from April 2017 to March 2021:

TfL	Indicative	2017-18	2018-19	2019-20	2020-21	Total Starts	% Aff'd sites brought to market post May 2016
All tenures	953	180	256	2,896	5,715	10,000	50%
Affordable only	354	92	114	705	2,364	3,629	

London Legacy Development Corporation (LLDC)

- 4.19 The LLDC Local Plan seeks to maximise affordable housing in new developments and sets a target of 35%. Most of the LLDC owned sites already have outline planning permission under the Legacy Communities Scheme, granted in 2012. This aims to create new lifetime neighbourhoods with a balanced mix of housing types and tenures, alongside employment, cultural and education facilities.
- 4.20 The LLDC has agreed to work towards the Mayor's 50% affordable homes target, where there is scope to re-visit existing consents, and recognising the need for widespread and ambitious infrastructure investment in the area.
- 4.21 The affordable housing provision of their overall profile of delivery is still subject to further design, planning and viability review, along with discussions with GLA Finance colleagues through the LLDC's Long-Term Plan approval process. The LLDC is working with the GLA to find ways to maximise the affordable housing provision through alternative delivery routes. Table 4 below shows an estimated annual profile of delivery.

Table 4: LLDC no. of starts on site from April 2017 to March 2021:

LLDC	2017-18	2018-19	2019-20	2020-21	Total Starts	% Aff'd sites brought to market post May 2016
All tenures	0	695	2,417	1,500	4,612	N/A
Affordable only	0	250	511	525	1,286	

Mayor's Office for Policing and Crime (MOPAC)

- 4.22 Principles and routes for disposals to both contribute towards affordable housing targets and to ensure MOPAC receives best consideration when disposing of surplus land have been established.

- 4.23 MOPAC is currently working with GLA Housing and Land to identify opportunities on pipeline sites to increase the level of affordable housing.
- 4.24 Estimated dates have been provided for when their sites are due to be sold. This shows six sites in 2017/18 and the remaining sites in 2018/19. Table 5 below shows an estimated annual profile of delivery.

Table 5: MOPAC no. of starts on site from April 2017 to March 2021:

MOPAC sites	To be confirmed	2018-19	2019-20	2020-21	Total Starts	% Aff'd sites brought to market post May 2016
All tenures	253	0	382	1,188	1,823	39%
Affordable only	139	0	133	459	731	

London Fire and Emergency Planning Authority (LFEPA)

- 4.25 The LFEPA portfolio consists of sites brought to market prior to May 2016 and three pipeline sites where the method of disposal on the properties has not yet been determined.
- 4.26 LFEPA has indicated that it is keeping the programme under review and will report any additional properties as soon as appropriate. Table 6 below shows an estimated annual profile of delivery.

Table 6: LFEPA no. of starts on site from April 2017 to March 2021:

LFEPA	To be confirmed	2017-18	2018-19	2019-20	Total Starts	% Aff'd sites brought to market post May 2016
All tenures	18	85	175	0	278	N/A
Affordable only	2	34	8	0	44	

5 Key Risks and Issues

- 5.1 Delivering the Mayor's housing programme is challenging and achieving the target by 2021 is not without risk. Partners are heavily dependent on identifying pipeline sites and managing commercial risk given an increased reliance on cross subsidy from market sales and rental.
- 5.2 The GLA is working closely with housing providers to ensure that sites supported by the Mayor progress to agreed milestones and that clear strategies are in place to avoid delays or sites stalling. The programme consists of over 50 housing providers and over 1,200 individual named sites, with further sites to be confirmed throughout the course of the programme.
- 5.3 Capacity, in terms of labour and materials, in the construction industry is a potential risk in terms of achieving this target.

6 Equalities Comments

- 6.1 Increasing the supply of housing in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups and women. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health.
- 6.2 The Mayor's Homes for Londoners: Affordable Homes Programme 2016-21 will significantly increase the number of affordable homes in London. The delivery of the Mayor's housing programmes will help to implement objectives 1, 2, 3 and 4 of the Mayor's Equalities Framework "Equal Life Chances for All" (June 2014) through the creation of new homes and housing products.

7 Financial Comments

- 7.1 Including allocations made by the previous Mayor the budget for affordable housing delivery is approximately £3.25bn. Expenditure on affordable housing in financial year 2017/18 is expected to be approximately £560m.

8 Next Steps

- 8.1 The Board will be updated on housing delivery at each meeting.

Appendices:

None

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Homes for Londoners Board

Date of meeting: **27 February 2018**

Title of paper: **Land Assembly Research Findings**

To be presented by: **Scott Bryant, Senior Policy Officer**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and
David Lunts, Executive Director of Housing and Land**

Classification: **Public (with reserved appendices – information to be published at a later date)**

1 Executive Summary

- 1.1 This paper summarises findings from research commissioned by the GLA to explore international models of land assembly, and how they could support an increase in housebuilding in London. The research has been led by Urbanism Environment and Design Ltd. (URBED). The recommendations relate to how land assembly could be better resourced, incentivised and enabled through the use of new statutory powers in order to support a significant increase in the pace and scale of housing delivery in London. A presentation will be delivered to the Board to accompany this report.

2 Recommendations

- 2.1 That the Board
- a) Notes the report and presentation; and
 - b) Comments on the recommendations made in the research report.

3 Introduction and Background

- 3.1 The GLA commissioned research to investigate international models of land assembly and how they could support an increase in housing delivery in London. Following a procurement process, in July 2017 the commission was awarded to Urbanism Environment and Design Ltd., supported by Dentons LLP, Gerald Eve, Housing Futures Ltd. and the Network of European Metropolitan Regions and Areas (METREX).
- 3.2 The key elements of the brief were to:
- a) Review land assembly models employed internationally, and draw conclusions from these about the conditions that would best support land assembly in London;
 - b) Identify specific land assembly mechanisms that could support housing delivery in London;
 - c) Evaluate how these measures could be applied in London, including the resource, legislative and planning implications of these measures;

d) Test in-principle these measures on two sites in London.

- 3.3 GLA has also facilitated a Research Advisory Group to inform the development of the research, comprising a range of organisations with an interest or role in land assembly in London. Appendix 1 lists the external organisations represented on this Advisory Group. Alongside this, extensive engagement with teams across the GLA and Transport for London (TfL) has taken place as this research has developed.

4 Research Findings

- 4.1 The research highlights that land assembly is an inherently complex and time-consuming process. This has been exacerbated in the UK by a shortage of necessary skills in both the public and private sectors, high expectations of the value of land, and uncertainties about the costs and risks involved in assembling sites, which has hindered long-term strategic planning.
- 4.2 The research explores land assembly mechanisms used in the UK in the past, as well as those utilised in France, Germany, the Netherlands and the USA. It finds that successful international models of land assembly are underpinned by strong public-sector leadership, focussed in specific areas of the greatest opportunities and supported by public investment. Whilst the legislative context varies across the case-study countries, the research highlights a role for more comprehensive and streamlined planning and land acquisition powers to support land assembly.
- 4.3 The research makes recommendations in four key areas, which are summarised in Appendix 2 (reserved for publication at a later date):
- a) Resourcing land assembly;
 - b) Incentivising voluntary land assembly;
 - c) Compulsory acquisition of sites; and
 - d) Strategic planning for land assembly.
- 4.4 At the core of the recommendations is the need for a more interventionist approach by both the GLA and boroughs to land assembly. This is consistent with the findings of the Homes for Londoners new delivery models sub-group, which reported to the Board in June 2017.

5 Key Risks and Issues

- 5.1 The research makes recommendations for long-term change to improve land assembly in London. The findings are particularly relevant to the GLA's emerging position in three areas:
- a) London Housing Strategy: following a three-month consultation that concluded in December 2017, a revised Strategy is now being prepared. The draft Strategy made the case for further reforms of, and resources to support, compulsory purchase and commits to exploring new land assembly models, drawing on international examples.
 - b) Development and funding infrastructure task force: following a Memorandum of Understanding on further devolution to London, published alongside the Spring Budget 2017, Government established a joint task force to explore

options for piloting a Development Rights Auction Model (DRAM) on a major infrastructure project in London. The GLA, TfL, London Councils, HM Treasury, Department for Transport and the Ministry for Housing, Communities and Local Government are represented on this task force.

- c) Letwin Review: during the Autumn Budget 2017, Government announced a review into the gap between housing permissions and completions in areas of high demand, to be led by Sir Oliver Letwin MP. A full report from this review is expected at the 2018 Budget.

6 Equality Comments

- 6.1 The research seeks to identify land assembly mechanisms that have the potential to increase the supply of housing in London. This will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups and women¹. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health.²

7 Financial Comments

- 7.1 A budget of up to £50,000, from the GLA Housing & Land budget, was established to fund the research. Implementing the research recommendations would have further financial implications for the GLA.

8 Legal Comments

- 8.1 The commission was supported by Dentons LLP, which has evaluated the implications of the research recommendations on existing legislation. TfL Legal has also provided comments on the recommendations.
- 8.2 Implementing the research recommendations would require legislative change, as set out in Appendix 2.

9 Next Steps

- 9.1 The research is scheduled to be launched in March / April 2018.

Appendices:

Appendix 1 - External membership of Land Assembly Research Advisory Group

Appendix 2 - Summary of research findings and GLA response (reserved – scheduled for later publication)

¹ DCLG (2016): statutory data on homelessness

² Shelter (2013): People living in bad housing; Office of the Deputy Prime Minister (2004): the impact of overcrowding on health and education

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Land Assembly Research Advisory Group: external membership

Organisation	Member	Position
C20 futureplanners	Stephen Hill	Director
Homes England	Gareth Blacker	General Manager - Infrastructure & Complex Projects
LB Redbridge	Matthew Essex	Operational Director – Regeneration and Property
Royal Institute of Chartered Surveyors	Tony Mulhall	Associate Director - Land Professional Group
Shelter	Rose Grayston	Senior Policy Officer
University of Sheffield	Dr Sarah Payne	University Teacher
Womble Bond Dickinson LLP	Jonathan Bower	Partner

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Homes for Londoners Board

Date of meeting: **27 February 2018**

Title of paper: **Land Fund Update**

To be presented by: **Simon Powell, Assistant Director, Housing and Land**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and
David Lunts, Executive Director of Housing and Land**

Classification: **Public**

1 Executive Summary

- 1.1 The draft London Plan sets out ambitious new housing targets (66,000 new homes a year) and a strategic target of 50% of new homes to be genuinely affordable. Alongside the new draft Plan, the GLA has produced new borough housing delivery targets which will require a substantial uplift in the number of development sites coming into production, together with a more focussed approach to land assembly and infrastructure.
- 1.2 The Mayor's draft London Housing Strategy supports this ambition by setting out a rationale for the GLA to take a more interventionist approach in bringing more land forward to step up the pace and scale of new and affordable home building.
- 1.3 The Mayor has recently announced a new GLA £250 million Land Fund to support this approach which will be used to acquire and prepare land for new and affordable housing, working closely with boroughs and our development partners. The Fund will be drawn from the GLA's existing and projected housing and land resources and receipts and it is intended that it will operate as a revolving fund, recycling land receipts and reinvesting to deliver additional land for similar purposes over time.
- 1.4 This paper provides a summary of the purpose, management and proposed business strategy of the Fund.

2 Recommendation

- 2.1 That the Board notes the report.

3 Introduction and Background

- 3.1 The GLA's land and property assets are owned and managed by Greater London Authority Land & Property Ltd (GLAP), a wholly GLA-owned subsidiary company and the assets acquired and managed by the new fund will be held and organised via GLAP.

- 3.2 The GLA, through GLAP, inherited a very substantial portfolio of land and property interests in 2012 when the London assets of the former London Development Agency, the London Thames Gateway Development Corporation and the Homes & Communities Agency were transferred to the Mayor. This amounted to around 635 hectares and has provided a powerful platform to influence housing outcomes and test new approaches to procurement, design, tenure and development management.
- 3.3 Almost all the inherited GLAP assets that are capable of development for new homes and workspace are now either on site or through procurement with development partners in place with a total of around 60,000 new homes due to be completed. Unless the GLA begins to intervene and find fresh opportunities to acquire sites then City Hall will lose the opportunity to continue to influence housing outcomes, and to build on the innovation, expertise and capability that the GLA has developed over the last six years.
- 3.4 The GLA is also in the final stage of procuring a new London Development Panel (LDP2), based on the highly successful earlier LDP which provides a highly efficient and fully OJEU-compliant fast track for getting public sites into development. Although the Panel can operate across the public sector, without a commitment to a pipeline of future GLA opportunities for the framework members to access this is likely to be less effective.
- 3.5 An Investment Committee has been established to supervise the Fund, comprising the Deputy Mayor for Housing & Residential Development, the Executive Director of Housing & Land, the Assistant Director of Strategic Projects & Property; the GLA's Group Treasury & Chief Investment Officer and two independent members with development and investment expertise (Mike Youkee, ex development director, Quintain and Gerry Murphy, Deputy Chief Executive, London Legacy Development Corporation). The role of the Committee is to provide scrutiny and challenge in the assessment of potential investments; to approve the Fund's investment strategy and business plan; and to monitor the delivery of the Fund's objectives and key business outcomes.
- 3.6 The preparation of the Fund's business plan and investment strategy is underway and will be presented to the Land Fund Investment Committee in March 2018, along with a number of potential acquisition and investment proposals.
- 3.7 The main objectives of the Fund are to:
- Support opportunities to bring land forward for housing development more quickly;
 - Target opportunities for genuine additionality in terms of project viability, pace and levels of affordable housing and where there is a market failure;
 - Ensure that the Fund's investment delivers at least 50% genuinely affordable housing across its sites and investments;
 - Enable the GLA to be able to pursue innovative approaches to the procurement and design of new housing and to have a significant level of influence over the pace, quality and tenure profile of affordable housing delivery in London;
 - Develop a pipeline of short, medium and longer-term assets, taking a portfolio investment approach to ensure that short term 'wins' are balanced by a longer-term pipeline;

- Work with partners to inject financial support towards the cost of land and enabling infrastructure for schemes where additional affordable housing may be possible or where acceleration may be achieved;
 - Pursue partnerships and joint ventures with other housing providers where appropriate;
 - Test the scope for extending the fund by exploring the potential for additional future third-party investment in the Land Fund; and
 - Support the Fund's activities through the full range of mayoral investment and statutory powers, including compulsory purchase where appropriate.
- 3.8 The Fund will operate in close partnership with boroughs and our housing partners to identify opportunities for intervention, building on our collaborative work around the Housing Zones programme, Opportunity Areas and more generic engagement with partners' affordable housing development programmes.
- 3.9 Sourcing opportunities for intervention is a key priority for the GLA's Housing and Land team that is being led, predominantly, by the three Area Operations teams with specialist technical support from the Strategic Projects and Property team. A detailed pilot project has been undertaken to investigate potential opportunities to optimise and intensify development in a number of locations through selective land acquisitions and partnerships with adjacent site owners and these are being explored in more detail, along with a wider pipeline of sites that we are aware of through dialogue with boroughs and a number of housing associations. These opportunities range from direct acquisitions to brokering deals with third parties, potential use of statutory powers and financing enabling works.

4 Objectives and Expected Outcomes

- 4.1 The Land Fund will deliver a range of outcomes, including a substantial number of new homes, at least 50% of which will be genuinely affordable. It will bring forward sites that will demonstrate best practice in public procurement (utilising the new London Development Panel) and offer opportunities to test fresh approaches to housing design and development.
- 4.2 In addition to the key housing outcomes, the fund will also support wider regeneration and good growth outcomes through maximising associated employment and training opportunities.
- 4.3 The Fund will also provide a return on its initial investment with the aim of establishing a self-supporting revolving facility that can be recycled to support additional land acquisitions and associated activities together with future potential opportunities for co-investment from external parties.

5 Key Risks and Issues

- 5.1 Team capacity has been strengthened through the creation of several new posts within the Homes for Londoners team. This will ensure that the team is able to proactively source opportunities for intervention in the land and property market. New ways of working have also been introduced to optimise internal working arrangements across the Directorate.

- 5.2 The Land Fund does not as yet, have an agreed investment strategy and business plan in place. However an outline investment strategy is in preparation and will be presented to the March 2018 Land Fund Investment Committee meeting for consideration. Any interim decisions will be taken based on the Fund's agreed objectives.

6 Equality Comments

- 6.1 The Fund aims to maintain or increase momentum in the delivery of new and affordable housing. Increasing the supply of housing in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups and women. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health.

7 Financial Comments

- 7.1 It is intended that the Fund will provide a return on its initial investment with the aim of establishing a self-supporting revolving facility that can be recycled to support additional land acquisitions and associated activities together with future potential opportunities for co-investment from external parties.

8 Next Steps

- 8.1 The next steps following consideration by the Board are:
- Officers to present an outline Investment Strategy to the Land Fund Investment Committee in March 2018; and
 - Update the Homes for Londoners Board on progress at its June 2018 meeting (and periodically thereafter).

Appendices:

None