

Homes for Londoners Board

Date of meeting: **28 March 2017**

Title of paper: **Increasing Land Supply through joint GLA - Housing Association Initiatives**

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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