

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

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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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