

FAQs – Housing Zones

1. How can we show that our scheme is deliverable?

We are asking bidders to submit quantified evidence that key partners, in particular major landholders and lead developers/house builders, have been engaged in putting together the bid and are committed to the outcomes in the funding agreement.

We will look closely at the extent of partners' support and commitment to the bid. For example, while we will not expect them to be co-signatories we will expect clear evidence of engagement and commitment to the outcomes.

2. Does the Housing Zone have to meet the London Plan requirements, such as the affordable housing mix?

We will look at flexible approaches to the housing mix on individual sites, within the context of the agreed delivery plan and any existing masterplan or Opportunity Area Planning Framework. This could be a variation in the mix to provide more low cost home ownership, to promote purpose-built private rented housing or to deliver higher or lower proportions of affordable housing depending on the needs of the site, viability and concerns around tackling absorption rate problems.

Given the size of Housing Zones, it is not expected that any will come forward with single tenure proposals. The Mayor and Government have signalled their openness to proposals for local variations on city-wide and national planning policy and it will be for bidders to make the case for such variations and to demonstrate how they will deliver increased housing output.

3. Do the new homes have to meet all the Mayor's design requirements?

All new homes in Housing Zones must meet the Mayor's Housing Design Guide requirements, including environmental standards.

4. What should the borough contribution be?

This is for boroughs to decide, but as the prospectus makes clear, the greater contribution a borough and its partners can make to bringing a development forward the more likely it is to be supported as a Housing Zone. This contribution could take a wide range of forms such as HRA funding, s106 offsite contributions, Right to Buy or New Homes Bonus receipts, Transport LIP funding or borough landholdings. All these must be clearly identified in the bidding documentation.

5. Can I combine Housing Zones funding with other GLA funds?

Outputs from Housing Zones funding must be accounted for separately from other GLA funding programmes, so this is not likely to be possible. However Housing Zones funding may be able to be combined with many other forms of funding, depending on the rules for that particular funding. In each case it would be for the bidder to satisfy themselves as to the legality of such combination and this would need to be addressed in the bidding documentation.

6. Will Housing Zones be only for housing, or can they be mixed use?

The expectation is that normally Housing Zones will be solely, or at least primarily, housing. Some degree of mixed use may be acceptable within the context of the agreed delivery plan and any existing masterplan or Opportunity Area Planning Framework, where this is helping to create sustainable communities. It is likely that many Housing Zones will be within Opportunity Areas, which will also include substantial non-residential elements. In these cases the red lines should be drawn around the Housing Zones to exclude these other uses where possible.

7. Will all Housing Zones be in Opportunity Areas?

Given that they need to be over 1,000 units in all cases, it is expected that most Housing Zones will be in Opportunity Areas. However this is in no way a requirement and we will consider bids from anywhere in London as long as they have clearly deliverable plans.

8. Can Housing Zones become Mayoral Development Corporations?

It is not intended that any Housing Zone should become an MDC.

9. How do you ensure additionality?

It will be for the bidder to demonstrate in the bidding documentation that the housing delivery that will be supported in the Housing Zone would not have come forward without the Housing Zone or would have come forward more slowly or at a lower quantum.

10. Who can receive the funding?

This will depend on what funding is sought in the bid and for what purpose. The GLA contribution can go to boroughs, developers or other bodies, but each case will need to be considered with regard to any legal or financial issues raised by such funding. The Government loans can only be made to private sector bodies, which, for this purpose, include Housing Associations alongside private developers, but does not include local authorities.

11. How will you deal with state aid issues?

We would expect all bidders to have addressed in their bids whether such issues are likely to arise and to have taken advice on this, which should form part of their bidding documentation. Notwithstanding this, the GLA will take its own legal advice on state aid issues on a case by case basis as it deems necessary before any funding decisions are made.

12. With whom and how will the GLA make Housing Zone proposals contractual?

On confirmation of a successful bid for Housing Zone status a bespoke series of funding agreements will be drawn up with each partner Borough based on their identified proposals and needs. This will firmly hold relevant parties to account in delivering agreed outputs. It is assumed that the funding agreements will be with the lead London borough but the GLA will consider alternative proposals.

13. What monitoring arrangements will exist?

The GLA will require regular and timely progress reports to a timescale to be agreed. The full content will be bespoke to each Housing Zone but each will need to provide comprehensive management information on all schemes within the Housing Zone including the development's progress, costs, values, and the project's funding position.

14. I need support as soon as possible - can I bid early?

Bidding is open now and bids can be submitted as soon as they are ready. While we expect to make most decisions on Housing Zones designation and funding after the 30 September deadline, we are open to making some early decisions where necessary. If boroughs wish to request an early decision they will need to make the case for this in their bidding documentation.

15. Will bidding be closed for good on 30 September?

We will review the position on this after bidding closes. If we do not identify 20 Housing Zones that we wish to support after bidding closes then we will encourage more bids. If we have designated 20 Housing Zones then we will consider the extent to which there were other viable bids that we were not able to support and the evidence of additional appetite for Housing Zones and may then consider making further designations or even running another bidding round.

16. How do I make a bid?

Boroughs are invited to bid for funding by submitting the proforma in the prospectus, which is available at the following address:

<https://www.london.gov.uk/priorities/housing-land/increasing-housing-supply/housing-zones>

The bidding is now open and will run initially until 30 Sep 2014. All bids should be sent to the GLA at this address

housingzones@london.gov.uk

17. The proforma asks for Boroughs to break down the Housing Zones delivery units by tenure. Does this include units within the Housing Zones and adjacent sites, or just within Housing Zones?

Please only include units by tenure within the proposed Housing Zones.

18. Are there any other sources of funding or borrowing that can be accessed by Housing Zones?

Local Authorities who submit successful proposals for Housing Zones will also have access to cheaper borrowing at the Public Works Loan Board's project rate for capital infrastructure expenditure relating to the Zone in 2014-15 and 2015-16. £540m of project rate borrowing is available over those years across the country (there is no London split for the borrowing). If any Borough does want to request project rate borrowing for future years they will need to do it now as there will not be any future opportunities available.

Those Housing Zones seeking to use project rate borrowing are asked to complete the relevant section of the proforma, clarifying how much is being asked for, the precise projects and the borrowing profile by year.

Please note that the project rate is, by definition, 40 bps below standard rate. Assurances will be required that the borrowing is being used for infrastructure clearly related to the Housing Zone.

19. Other than meeting the requirements of local policies, the London Plan and the London Housing Design Guide, are there other standards that schemes in Housing Zones will have to meet?

As part of the Mayor's ongoing commitment to improving the quality of new and existing homes across London we will require, where appropriate, membership of the London Rental Standard, advertising on First Steps and sign-up to the Mayor's Concordat from those schemes / developers who benefit from Housing Zone funding interventions.