

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1540

Title: Receipt of funding for The London Land Commission

Executive Summary:

The Mayor and the Chancellor of the Exchequer announced in February 2015 their intention to establish a London Land Commission. This decision approves receipt and expenditure of a £1m grant from HM Treasury to support the Commission's work.

Decision:

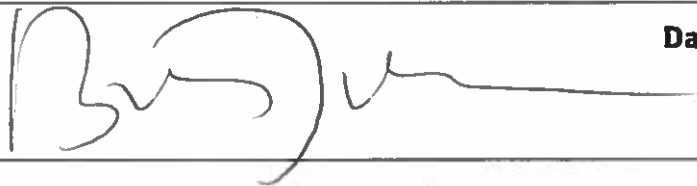
The Mayor approves receipt and expenditure of a grant of £1m revenue funding from HM Treasury to support the establishment and operation of the London Land Commission, including the procurement and appointment of property consultants and an ICT developer.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

10/09/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 The potential for building homes on public land in London is huge. However, the lack of useful data and coherent co-ordination has resulted in a fragmented approach to land release, which has arguably led to a lack of ambition and slowed the rate of delivery.
- 1.2 To address this, on 20 February 2015 the Chancellor and Mayor announced the Long Term Economic Plan for London which included the proposal to establish a London Land Commission to identify land in public ownership, which will help London to develop the equivalent of 100% of London's brownfield land and contribute towards building over 400,000 new homes by 2025.
- 1.3 The new Commission will work in partnership with Central and Local Government to unify the disparate threads into one single whole: improving the way public bodies manage information, allowing better co-ordination of the release of disused public land, and ultimately boosting the supply of new homes in the Capital.
- 1.4 The Commission is based in the GLA, is governed by the Mayor and Housing Minister and will meet on a quarterly basis. The Deputy Mayor for Housing and Land will co-chair the meeting in lieu of the Mayor when necessary. London Councils and Government Departments are represented on the Commission. The ongoing membership of the Commission will be reviewed and agreed between the Mayor and Housing Minister on a priority basis. An initial meeting was held on 13 July where the Mayor and Minister agreed the Commission's Terms of Reference, including provisions as to its composition. The agreed Terms of Reference are attached at Appendix A.
- 1.5 The GLA is responsible for the operation of the Commission, whose work includes establishing thematic priorities, engaging with London Boroughs and Government Departments and developing a comprehensive database to collate and publish data concerning public sector land. The Housing and Land team is responsible for the programme management and delivery of the Commission's activities, with input from GLA Planning and Transport for London.
- 1.6 HM Treasury has issued a Grant Determination, under section 31 of the Local Government Act 2003, to provide the GLA with a grant of £1m revenue funding, which will be used by the GLA to establish the Commission, and support its work and operation. There are no conditions to the grant. It has been identified that the HMT grant will be expended on data collection, professional advice to assess land availability and housing capacity; development of a public land ownership register; and resourcing the Commission. Expenditure of the money will be subject to the GLA's usual corporate governance and approval procedures.
- 1.7 To support early delivery of the Commission's objectives the GLA procured the services of Savills via a call off from an approved framework in accordance with the requirements of the GLA's Contracts and Funding Code. Under its appointment, Savills will complete the data collection for the register, engage with London's Boroughs and complete assessments on land availability and housing capacity, and the levers required to unlock existing and future opportunities. Initial work has commenced with Savills as a pilot study to inform the scope of the GLA's activities and provide professional advice to the Commission in its first year of operation.
- 1.8 The GLA will set up a project group to monitor implementation and delivery of the work programme agreed by the Commission. The group will be comprised of HMT, DCLG, London Councils, DoH and other key landowning departments as required to inform the programme delivery.

2. Objectives and expected outcomes

2.1 Set out below are the objectives of the London Land Commission in order of priority.

Priority interventions
<p>Priority A: Developing a robust brownfield register for publically owned land</p> <ul style="list-style-type: none">• Collect existing data and assess where residential schemes will unlock growth• Create an asset database, controlled and managed by GLA on behalf of LLC• Agree standard of categorization of assets across local and central public bodies
<p>Priority B: Establishing a priority strategy for public land release (around transport nodes and within Housing Zones & Opportunity Areas)</p> <ul style="list-style-type: none">• Focus on priority areas where interventions will add most value and agree strategy and programme for brownfield land release• Define growth areas for future housing supply, including where rationalisation and configuration of land will maximise residential potential• Develop planning and development principles, including soft market testing with private sector, transferring/sharing commercial risk• Agree with Public bodies disposal programme for identified surplus sites for 2015-2016 (reviewed annually thereon)• Identify role of other bodies critical to the success of land coming forward to market• Develop and align strategies with London Health Board on its recommendations for NHS estates
<p>Priority C: Explore opportunities for collaboration and changes to improve procurement activities to accelerate new housing supply</p> <ul style="list-style-type: none">• Review asset strategies, analysing and defining commercial drivers for landowners• Understand existing practices for disposals and identify any barriers or knowledge gaps• Agree commercial strategy for sites which have potential to be surplus, including planning strategy• Develop models for land release, including joint ventures, where land is in multiple ownership• Identify changes required to existing policies to support better and more efficient public bodies and strategic bodies, including truncating existing processes, reviewing definition of best consideration (including basis of value) and making recommendation for changes, including improving legislation if necessary to further objectives.
<p>Priority D: Develop a capital investment programme to incentivise land release and unlock housing through investment in site assembly and infrastructure</p> <ul style="list-style-type: none">• Business case for comprehensive spending round• GLA and Government agree match funding to enable and incentivise landowners• Agree financial and political levers required

3. Equality comments

- a. The London Land Commission initiative implements policies contained in the Mayor's London Housing Strategy. In January 2014 the GLA published an integrated impact assessment ("IIA"), including an equalities impact assessment, of that strategy.
- b. The policies related to increasing housing supply were covered by the Integrated Impact Assessment (IIA) for the Further Alterations to the London Plan. The IIA concluded that updating housing projections and targets would support the delivery of sufficient housing and may help stabilise housing prices, supporting equal opportunities throughout communities.

In undertaking its role, the London Land Commission and the GLA will need to have regard to the Public Sector Equality Duty (see paragraph 6.5 below).

4. Other considerations

- a. Political buy-in from public sector land owners will be needed to maximise the effectiveness of the LLC. There is a considerable degree of buy-in already, through the Government's Surplus Public Sector Land programme, with which GLA has been involved, and which a significant number of Government departments have signed up to. The GLA is working with London Councils to co-ordinate activities with London Boroughs to ensure they are actively involved and committed to working collaboratively.
- b. The future capital funding arrangements for the Commission's operation are yet to be determined, and will need to be discussed and agreed with Government, including commitment towards a programme of land assembly and targeted investment in infrastructure and housing.

5. Financial comments

- 5.1 The GLA is to receive £1,000,000 of non-ringfenced revenue grant to establish the London Land Commission within the 2015-16 financial year.
- 5.2 Expenditure of this grant is to develop a database (£100,000); consultancy support (£200,000); Due diligence (£100,000); staff costs (£200,000) and an enabling works programme (£400,000).

6. Legal comments

- 6.1 Under section 30(1) of the Greater London Authority Act 1999 (as amended) ("GLA Act"), the GLA has the power to do anything it considers will further one or more of its principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London.
- 6.2 Under section 34(1) of the GLA Act, the GLA may do anything (including the acquisition or disposal of property rights) which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the Authority.
- 6.3 The London Land Commission is a non-incorporated consultative and advisory body that has been established by the Mayor under sections 30 and 34 of the GLA Act. As such, the Commission has no separate independent or corporate legal status and operates through the GLA.
- 6.4 The London Land Commission/GLA is empowered to undertake its proposed role and activities under the following provisions of the GLA Act:
 - Section 30(1) (see paragraph 6.1 above). This section is the provision under which the GLA invests in housing and regeneration projects, including by loaning money or providing financial assistance for such projects. Under this section, the GLA is also empowered to co-operate and work with, or to facilitate or co-ordinate the activities of the GLA's functional bodies, London borough councils and other public bodies - providing the Mayor considers that to do so will further one or more of the GLA's principal purposes;
 - Section 396(1) which empowers the GLA to carry out, or assist in carrying out, investigations into, or the collection of information relating to any matters concerning Greater London or any part of it; and may make, or assist in making arrangements whereby such information is, or the results of any such investigation are, made available to any government department, any local authority in Greater London, any other body or person, or the public. (This section does not empower the GLA to *require* other public bodies to provide it with information relating to their land ownership; although under section 395 of the GLA Act the GLA may require its functional

bodies to provide the Mayor with such information as he may request by notice. In addition, under sections 397 and 398 the Mayor make schemes for the collection of information which require London borough councils to provide information requested by the Mayor and described in the information scheme);

- Part 7A – which contains specific powers relating to housing and regeneration, including its power of compulsory acquisition (section 333ZA) and power to have designated property, rights or liabilities of specified public bodies transferred to it, under a transfer scheme made by the Secretary of State (section 333DA).
- Section 34(1) (see paragraph 6.2 above).

6.5 In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:

- (i) have regard to effect that these decisions will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5) of the GLA Act;
- (ii) pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act); and
- (iii) have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010).

6.6 Section 32 of the GLA Act provides that the power in section 30(1) is exercisable only after consultation with such bodies or persons as the Authority may consider appropriate in the particular case. The GLA has engaged with Government, London Councils, and a number of other public bodies in relation to its proposals for a London Land Commission. For the purposes of this Mayoral Decision, it is not considered necessary or appropriate for the GLA to consult with any other persons or bodies including those specified in section 32(2) of the GLA Act.

6.7 The terms of reference at Appendix A provide that the role of the Steering Group is *“To enable the London Land Commission’s objectives through:..... - Delivering brokering of deals between different parts of the public sector on land sales, including by identifying opportunities for coordination and disposal with privately owned land;- Ensuring advice and capacity (primarily technical) is provided to drive the procurement and delivery of homes and spur economic growth across London.”*

6.8 Further legal consideration should be given before the London Land Commission / GLA undertakes these activities in any particular case. This is because the extent to which such activities are the provision of professional, technical or administrative services to another public body, they will need to be permissible under the Local Authorities (Goods and Services) Act 1970.

6.9 Under sections 31 and 32 of the Local Government Act 2003, a Minister of the Crown may pay a grant to the GLA towards expenditure incurred or to be incurred by it. A grant paid under section 31 may be paid on such conditions as the person paying it may determine.

6.10 The officers are reminded that, as in the case of all other expenditure by the GLA, the £1 million revenue funding from HM Treasury must be expended in accordance with the requirements of the GLA’s Contracts and Funding Code.

7. Investment & Performance Board

7.1 The Board received the report which provided an update on the establishment of the London Land Commission. The Assistant Director for Strategic Projects and Property noted that an inaugural meeting between the Mayor and Minister for Housing had taken place on 13 July 2015. The aim of the Commission is to work collaboratively across the public sector to rationalise the estate and identify opportunities for new areas of housing. The Commission is also looking at incentives to help free up land assets held by the public sector.

7.2 The Board Members agreed that:

- a) The receipt and expenditure of £1m for the London Land Commission's work be approved in principle;
- b) The operation of the Commission be noted, namely that:
- c)
 - i) The Commission will be co-chaired by the Mayor and the Housing Minister;
 - ii) The delivery of the activities of the Commission will be discharged by the GLA; and
 - iii) The revenue funding granted by the Treasury will be administered by the GLA for the establishment and operation of the Commission.

8. Planned delivery approach and next steps

Activity	Timeline
Mayoral Decision for receipt of funding	August
Data collection	Summer- Autumn 2015
Procurement of ICT developer	Summer 2015
London Land Commission meeting	October 2015
Identification of early opportunities	Autumn 2015
*Publish initial data (register)	Winter 2015

***indicative timetable subject to procurement**

Appendix A Terms of Reference

This paper sets out the high-level principles that will govern the London Land Commission.

Remit

- Develop a robust brownfield register for publically owned land, bringing together existing data and sourcing new data from public bodies in London.
- Establish a strategy for prioritising public land release (around transport nodes and within Housing Zones and Opportunity Areas)
- Explore opportunities for collaboration and changes to improve procurement activities to accelerate new housing supply
- Develop a capital investment programme to incentivise land release and target investment to unlock housing around infrastructure

Governance and structure

- This will be a new Commission, led by the GLA.
- The Commission will be Co-chaired by the Mayor and the Housing Minister and which will meet on a quarterly basis.
- It will be a policy advisory group providing oversight on the implementation of the London Land Commission
- The membership, including any independent representatives, will be agreed between the Mayor and Government.
- The Mayor will delegate the role of Co-Chair to the Deputy Mayor for Housing and Land, when he is unable to act as Chair.
- Establishment of a steering group, chaired by GLA, with representation from public landowners.

Role of the Steering group

To enable the London Land Commission's objectives through:

- Identifying land and property in public ownership, requiring co-operation by Government Property Unit, Departments (and their delivery bodies) and London Boroughs to share data with GLA on a quarterly basis.
- Analysing data to identify priority areas for development and sites which could be advanced to come forward for development
- Agreeing standardised approach to categorization of land and property across central and local public bodies
- Requiring surplus land or land which will or has the potential to become surplus for development to come forward
- Delivering brokering of deals between different parts of the public sector on land sales, including by identifying opportunities for coordination and disposal with privately owned land.
- Assessing barriers and constraints, uses and housing capacity and interventions necessary to increase land release
- Requiring spatial mapping to highlight where a strategic approach to land, including public sector acquisitions, could unlock asset value and accelerate delivery in growth areas.
- Comprehensive approach to directing investment, through infrastructure, housing and complementing policies for improving London's health economy.
- Ensuring advice and capacity (primarily technical) is provided to drive the procurement and delivery of homes and spur economic growth across London

Key roles

In setting up the Commission, Government agrees to:

- Provide existing data on central government land and their delivery bodies
- Provide existing NHS Trust / NHS Property Services data
- Participation of key departments, and exercising their influence over delivery bodies to further the Commission's objectives.

In setting up the Commission, the GLA will lead on:

- Providing Secretariat functions for the Commission
- Providing existing data on GLA / TfL /MOPAC/LFEPA/LLDC land
- Participation of boroughs to share data and identify opportunities for housing potential

The Commission would require ongoing resource & capital funding the details of which are to be agreed between DCLG, HMT and the GLA

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form -NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Amena Matin has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

Advice:

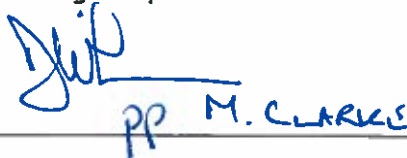
The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature


PP M. CLARKE

Date 19 August 2015

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature



Date 25:08:2015

