

## **Appendix 2 – Challenge Panel Guidance Note**

### **Challenge Panel Guidance Note**

This note provides general guidance to those Boroughs / partners presenting their Housing Zone proposals to the Challenge Panel for consideration.

#### **Purpose of the Panel**

The Panel represents the next stage of assessment for the Housing Zone proposals following the assessment and review of the proposals by the relevant GLA officer. By the time the Housing Zone proposal reaches the Challenge Panel it will have been subject to detailed review and challenge by GLA officers and input from both the GLA's Legal and Finance teams highlighting areas to be addressed. The Panel represents an opportunity for the Borough / partner to convey their intentions for the Housing Zone to the Panel alongside the relevant GLA officer and for the Panel to challenge areas of the bid where they have concern or would like to see more information.

While the GLA officer assessment will have looked at the overall concept of the Housing Zone bid and the value for money assumptions, the Challenge Panel will begin to make an appraisal of some of the individual transactions that form part of the bid and seek to gain a better understanding of these.

#### **Schedule for Presentations**

All Housing Zone proposals will be offered the same opportunity to present to the Panel. This will consist of;

- Presentation (10 minutes maximum)
- Questions from the Panel (30 minutes maximum)

Following on from the presentation and questions the Panel will have an opportunity to discuss the proposals directly with the relevant GLA officer. The presenting Borough / partners will not be present for this discussion.

It is expected that prior to the Panel meeting its members will be familiar with a) the key vision, principals and proposals for the Zone, b) the physical standing of the zone following an unaccompanied site visit.

Therefore presentations should instead focus on the key interventions, the funding needed and the nature of any repayment profiles and sources alongside the delivery mechanisms and governance for the Housing Zone.

Subsequently the officer will relay one of three recommendations to the Borough / partner;

- a) Proceed with the bid to the next stage of assessment, subject to incorporation of recommended amendments, without requiring a further Challenge Panel report.
- b) Requesting the Borough to provide clarity on certain issues and return to the Challenge Panel (via an update report or in exceptional circumstances a further meeting) before proceeding the next stage of assessment.
- c) In exceptional circumstances - rejection of the bid without further future consideration due to insurmountable issues.

## Questions the members may ask Boroughs

The Challenge Panel will ultimately be looking at how the Housing Zone will unlock new homes, and whether the new homes would be delivered without the GLA's support.

In the lead up to the Challenge Panel meeting, some more detail will be provided to individual Boroughs / partners about the questions that they can expect and the issues that will be challenged, based on the GLA officer's assessment. Below is a list of sample questions that the Panel members may wish to ask bidders for more detail or clarification on;

- 1) Is it clear that the Borough / partner is willing to offer sufficient financial or non-financial resource as part of a "something-for-something" deal to unlock or accelerate housing delivery in the proposed Housing Zone?
- 2) Is there identifiable and named development already underway or ready to commence immediately that could be reasonably accelerated/ complemented?
- 3) Is it clear how quickly an increase in housing could be delivered?
- 4) Are there any potential physical constraints (e.g. infrastructure gaps, contamination, ground conditions etc.) to increased development which haven't been sufficiently addressed?
- 5) Is there evidence of market capacity for the proposed increase in housing?
- 6) Are strategies proposed to accelerate housing delivery and overcome issues of market absorption (e.g. increased levels of shared ownership/long term private rented sector homes)?
- 7) Is it sufficiently clear what the scale of supporting infrastructure (hard and soft), if any, is required? Is it sufficiently clear when it is required to be delivered and what can realistically be funded from other sources?
- 8) Has the Borough / partner explained how the intervention will increase and aid developer confidence and certainty of delivery?
- 9) Has the Borough / partner been able to demonstrate its own commitment and willingness and that of the relevant partners to deliver the housing numbers in the bid proposal?
- 10) Has the Borough / partner clearly evidenced how the planned interventions will deliver the proposed outputs to the proposed timescales?
- 11) Is there a high level risk assessment of the proposals, including reference to the ability and capacity of borough, land owner and other involved partners?
- 12) Is it sufficiently clear how the GLA's investment be treated? Particularly in terms of returns, including any above the principal investment, and how this would be calculated.
- 13) Is there a sufficient level of certainty attached to the proposed funding repayment profile to the GLA?