

Review of GLA Group housing delivery

Mayor's response

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Foreword

As Mayor of London tackling the housing crisis has been one of my top priorities. I am proud to have achieved record breaking delivery of genuinely affordable homes during my first term as Mayor. This achievement includes working with boroughs to kick-start a renaissance in council homebuilding, with more council homes started across the capital last year than in any year since the 1970s.

In the manifesto I was re-elected on last year, I renewed my commitment to build good quality homes for all Londoners. I committed to build more genuinely affordable homes on surplus public land and to lead by example through maximising the number of affordable homes built on land owned by the GLA Group. The GLA Group is already making a significant contribution to housing delivery in London. Since 2016, construction has started on more than 17,000 homes on GLA Group land – of which over 6,000 have been affordable.

I am determined to build on these successes to deliver more homes for Londoners, and ensure no stone is left unturned in our efforts to do so. That's why I asked Lord Bob Kerslake to review how the GLA Group could streamline and further improve housing delivery across the group to increase the development of the genuinely affordable housing that London so desperately needs. Looking to the future, the Group has a strong collective ambition to deliver at least 70,000 new homes with over 50 per cent being affordable.

I thank Lord Kerslake for working with rigour and at pace to conduct his independent Review of GLA Group Housing Delivery. I am confident that this review will lay the path to enable a step-change in how the GLA Group collaborates and delivers new genuinely affordable homes for Londoners. I would also like to thank everyone who contributed to the review, including those representing each GLA Group organisation, as well as the wider housing sector.

I accept the recommendations of Lord Kerslake's Review of GLA Group Housing Delivery in full. I have set out below how I intend to take them forward with the wider GLA Group.

Mayor's response

Oversight of GLA Group housing delivery

The GLA Group is:

- Greater London Authority (GLA), which includes GLA Land and Property Limited (GLAP), which is the GLA's subsidiary housing delivery company
- London Fire Commissioner (LFC)
- London Legacy Development Corporation (LLDC)
- Mayor's Office for Policing and Crime (MOPAC), which oversees the Metropolitan Police Service (MPS)
- Old Oak and Park Royal Development Corporation (OPDC)
- Transport for London (TfL), which includes TTL Properties Limited (TTLP), TfL's subsidiary development company.

These organisations work hard to fulfil a broad range of statutory duties and organisational objectives. Whether this means securing the efficiency of the Metropolitan Police Service or regenerating high streets – they are united in a shared objective of improving the lives of Londoners.

London's housing crisis remains one of the greatest barriers to addressing the inequalities we face in our city. A key priority for my second term has been to do all I can to overcome these challenges. My London Plan sets a strategic target that 50 per cent of all new homes built in London should be genuinely affordable. Nothing short of this will meet the scale of the challenge London faces. My London Plan also requires residential development on public sector land to deliver at least 50 per cent affordable housing, or across a portfolio of sites. In accordance with these requirements, the GLA Group has a significant opportunity to leverage its land ownership to strengthen the delivery of new genuinely affordable homes.

Recommendation 1: The Mayor should mandate a statement of shared policy to confirm priorities for housing delivery on GLA Group land. This policy statement will need to be endorsed by senior leaders across the GLA Group and should be published.

I have published a Statement of Shared Policy which has been endorsed by senior leaders across the Group. This statement reaffirms our collective commitment, within statutory powers, to deliver at least 50 per cent affordable housing through our residential developments. The GLA Group will use housing delivery to support my policy of Good

Growth. We will build thousands of genuinely affordable homes and create a more inclusive, safer city that supports the health and wellbeing of all Londoners.

As Mayor of London and Chair of C40, I am committed to making London a net zero-carbon city by 2030. The statement commits the GLA Group to supporting this effort through delivering environmentally sustainable development. To achieve all these objectives, the GLA Group will work even closer together in a transparent and agile manner to deliver the homes Londoners need.

Recommendation 2: A senior professional lead should be established, with responsibility for providing strategic oversight and system leadership over housing delivery within the GLA Group. This senior professional lead would provide a single point of contact across the GLA Group.

I will shortly appoint a senior professional lead to provide operational and strategic oversight over housing delivery across the GLA Group. The lead will oversee GLA Group collaboration on housing delivery, promote consistency in practice and will support decision making and performance management forums. The lead will also oversee a collective pipeline of housing, land and investment opportunities. The lead has my firm backing to fully implement the recommendations of this review and uphold the statement of shared policy. I will ensure they have the authority, resources and funding to do so. I am confident that establishing this lead will enable a step-change in how the GLA Group collaborates. This will accelerate the delivery of at least 70,000 new homes on GLA Group land, as well as identifying new opportunities for future delivery.

Recommendation 3: A new dedicated GLA Group housing delivery forum should be established to support effective oversight and delivery of housing objectives.

My Homes for Londoners Board provides a crucial forum to bring together expertise from across the GLA Group, London Councils and the wider housing and property sector. Together it oversees a range of strategic housing issues, including housing delivery across London, my investment programmes, and land held by the GLA Group and other public bodies. Lord Kerslake has highlighted the need for specific oversight of GLA Group housing delivery through this forum.

I will create a new Homes for Londoners Board sub-committee to oversee GLA Group housing delivery. The sub-committee will have responsibility for overseeing the GLA Group housing programme, including its future pipeline, and it will scrutinise performance. The sub-committee will be chaired by the Deputy Mayor for Housing and Residential Development, Tom Copley, and vice-chaired by the senior professional lead. Membership will include senior representatives from each of the GLA Group housing development teams, senior borough housing officers, and selected technical planning and development professionals from outside of the GLA Group.

GLA Group collaboration on housing delivery

I commissioned this review to take the actions necessary to streamline and further improve housing delivery across the GLA Group. I recognise the significant benefits of GLA Group organisations working more effectively together and benefitting from their significant collective expertise. There are fantastic examples of collaboration already happening across the GLA Group:

- TfL is partnering with LLDC as part of my Construction Academy Hub
- the GLA is collaborating with MOPAC to develop new affordable homes at the former Peel Centre in Hendon
- OPDC has recently obtained funding and finance from my GLA Land Fund.

Recommendation 4: The GLA Group should review organisational arrangements to ensure greater consistency in roles and to enable employees to move flexibly across the group (including to support career progression).

The GLA Group Collaboration Board has established a collaborative professional community for property development. This community brings together relevant leaders from each GLA Group organisation to work together, learn from, and support each other. Part of their remit is to establish, where possible, consistent role definitions and career paths across the group – enabling permanent progression or secondment opportunities for staff. The community will take forward this recommendation and will be accountable to the GLA Group Collaboration Board. They will be informed by significant engagement from senior leaders, trade unions and staff across the Group.

Recommendation 5: The GLA Group should establish a preferred process of internal collaboration on housing delivery. This process should be based on the principles of clear oversight, proactive engagement, and sharing of services and expertise. Collaboration should include the introduction of a peer-review function, a formalised internal planning consultancy, and a new Centre for Expertise.

The senior professional lead will oversee collaborative working on housing delivery between housing development teams and professionals across the GLA Group. I am confident that they will be supported by staff across the GLA Group to oversee shared housing opportunities. The lead will develop a culture of ‘peer review’ and identify the professional support necessary to deliver challenging and complex housing schemes. I will introduce a new shared internal service to provide planning support and technical advice across the GLA Group for housing delivery. This new service will help to achieve planning consents in line with my London Plan, and will be facilitated by additional GLA resource.

Recommendation 6: The GLA Group should build stronger and more equal relationships with London local government as well as community, charity, and business stakeholders.

My Homes for Londoners Board regularly engages with the wider housing and property sector on strategic housing issues for London. In addition to this, the GLA Group consistently engages with, and convenes, wider stakeholders. I will ensure the GLA Group builds on its strong relationships with local government, businesses, and local communities in support of GLA Group housing delivery. The new senior professional lead will provide oversight across the GLA Group on continued and more effective engagement with key stakeholders on housing delivery. The collaborative professional community for property development will also drive improvements in engagement practice.

Recommendation 7: The GLA Group should strengthen strategic relationships with central government and its agencies.

I have always been open to working constructively with the government to address the needs of Londoners and to tackle our joint priorities. Lord Kerslake has rightly highlighted TfL's funding challenges with government and Old Oak and Park Development Corporation's work to secure land transfer from the Department for Transport. Improved GLA Group collaboration, including through the new Homes for Londoners Board sub-committee will help identify joint approaches to government engagement. My Deputy Mayor for Housing and Residential Development has invited the Housing Minister for regular meetings to work through strategic issues. While a productive relationship will deliver significant benefits for London and the UK, success will also depend on the government engaging productively.

City Hall Developer

In my manifesto, I committed to pilot a new City Hall developer to start directly building the low-cost homes Londoners need. I welcome Lord Kerslake's recommendations on how a City Hall developer could operate effectively, and how it should be established.

Recommendation 8: The initial stage of a City Hall developer should consolidate and expand existing development activities. A consolidated and expanded City Hall developer should be led by a single entity within GLA Housing and Land.

I support the recommendation that a City Hall developer should expand the GLA Group's existing housing development activities as a first stage. The second stage of expansion would involve direct delivery of housing to build a long-term pipeline of sites in London. The GLA Group's existing housing development activities are already having a positive impact on affordable housing delivery. I can confirm the City Hall developer will be led by a single entity within the GLA's Housing and Land directorate and delivered over two stages.

The GLA will oversee a five-year rolling business plan to guide the first stage of expansion. This will consider the implications of, and lay the groundwork to, pilot direct delivery during the next mayoral term. Direct delivery will require developing our institutional capacity, significantly increased funding and financing, and the expansion of programmes which will ensure a second phase of expansion is a success for Londoners.

Recommendation 9: The initial phase of an expanded City Hall developer should undertake a more active land assembly approach. This includes intervening where there is an identified market failure and clear value added from public sector intervention.

I support the recommendation that an expanded City Hall developer will have to take a more interventionist approach to land assembly, including through exercising CPO powers. My London Housing Strategy proposed a Centre of Expertise for Land Assembly, a forum through which the GLA could support local authorities in land assembly. I will accelerate and expand this programme as part of the first phase of a City Hall developer, and scoping will proceed over the next year. This forum will also enable increased collaboration and the sharing of expertise across the GLA Group.

Recommendation 10: The initial phase of an expanded City Hall developer should use the existing GLA development management model as the default delivery model for all large GLAP, LFC and MOPAC sites.

I support the recommendation that an expanded City Hall developer should use the existing GLA 'development management' model as the default delivery model for all large GLAP, LFC and MOPAC sites. To ensure success, I have already committed funding for additional staff and other resources in my 2022-23 budget, and I recognise that further funding may be required in future. This approach will also require effective collaboration across the GLA Group. I believe a useful framework for this will be through the appointment of the lead, the new Homes for Londoners sub-committee, and from the common understanding set out in the Statement of Shared Policy.

Recommendation 11: The GLA should review and enhance the existing London Development Panel 2 procurement framework.

My London Development Panel, LDP2, has provided a reliable and efficient method for public landowners to select development partners for their sites in Greater London. I recognise that LDP2's successor needs to be more flexible to be more effective for all parties. We will review the options and rationale for procuring a new framework in summer this year. The government's proposals to reform procurement law should also provide us with an opportunity to procure more effectively.

Recommendation 12: Small sites in GLA Group ownership that are identified for housing delivery should be consolidated under a single programme. This consolidation should aim to streamline housing delivery, secure additionality, and deliver social value.

I support the recommendation that small sites in GLA Group ownership should be consolidated under a single programme. A more collaborative GLA Group will be able to pool small sites together to unlock efficiencies. In my 2022-23 budget I have provided £300,000 per annum for three years to continue and expand the existing Small Sites Small Builders (SSSB) programme. SSSB has made small publicly owned sites available to small builders, housing associations and community-led organisations so they can play a bigger role in building the homes that London needs.

TTL Properties Limited

TTLP is currently establishing its finance, governance and organisational structures. This new model has the potential to accelerate its housing development through increasing its borrowing capacity and raising finance.

Recommendation 13: A City Hall developer should work alongside the TfL TTLP property company to enhance the company structure and support mutual housing delivery objectives.

I confirm that the GLA and City Hall developer will collaborate with and support TfL's TTLP development company. The TfL Board will shortly be asked to establish a Land and Property committee, as a special purpose oversight and decision-making committee of the TfL Board. This committee is expected to oversee TTLP, including a new business plan for TfL housing delivery. In my capacity as Chair of TfL I will ensure that the senior professional lead is consulted on all appointments to this new committee. This will ensure that strategic alignment and effective collaboration are integral to the new company structure. I will also ensure that a representative of the GLA's Housing & Land directorate sits on the committee.

LLDC Transition

The London Legacy Development Corporation has used the once-in-a-lifetime opportunity of the London 2012 Summer Olympics, Paralympics, and the creation of Queen Elizabeth Olympic Park to develop a dynamic new heart for east London. LLDC has created new opportunities for local people whilst driving innovation and growth in London.

Recommendation 14: The transition of LLDC should prioritise collaboration, cost efficiencies, and the retention of key talent.

I have agreed that LLDC's planning functions will be handed back to the relevant boroughs by 31 December 2024 and custodianship of the Queen Elizabeth Olympic Park will transition to a successor body. During this transition, I am committed to retaining the talent and expertise that has led the successful regeneration of the area in and around the park.

I believe LLDC's transition to a successor body represents an opportunity to consolidate housing expertise across the GLA Group. This will be enabled by the work of the collaborative professional community, bringing consistency to roles within the GLA Group. There will also be increased collaboration on specific schemes overseen by the lead and the Homes for Londoners Board sub-committee.

Finance and Funding

My budget and funding programmes provide the essential investment to improve Londoners' lives, they support the delivery of affordable housing, create jobs and address the climate emergency. Lord Kerlake has rightly highlighted that in order to pilot an expanded City Hall developer and direct delivery, additional development funding will be required.

Recommendation 15: A strategic review of funding and finance opportunities should be undertaken. The review should explore how additional funding could support an expanded City Hall developer and OPDC housing delivery.

The GLA already has significant commitments relating to housing delivery and related development activities. This includes its loans to LLDC (expected to peak at around £550m), the borrowing against future business rates income that is funding the redevelopment of the Royal Docks (over £200m) and my Land Fund (£250m). This substantial investment (on top of the GLA's investments in projects such as Crossrail and the Northern line extension) is possible because of the prudent approach the GLA takes to borrowing.

Further funding and finance is required to boost social housing delivery, both on GLA Group land and more broadly. This could involve a successor to my Land Fund including external investment, and I am open to considering other prudent options. I have asked my Chief of Staff to work with the GLA's Executive Director, Resources, and the GLA's Chief Investment Officer to undertake this review, consulting closely with housing delivery leaders across the GLA Group.

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