

## REQUEST FOR MAYORAL DECISION – MD2012

### Title: Homes for Londoners

#### Executive Summary:

The Mayor is committed to establishing Homes for Londoners, a powerful team at the heart of City Hall to drive forward the Mayor's commitment to building more new and affordable homes.

Homes for Londoners will be led by a new governance structure that will oversee matters including overall delivery, investment decisions, land assembly, and the development of relevant planning policies. The work overseen by the new governance structure will be taken forward by existing and strengthened housing, land, planning and other development teams within the GLA Group under clear new joint-working arrangements.

This decision sets out the new governance structure for Homes for Londoners, including its roles and responsibilities. It also seeks approval of expenditure for the immediate recruitment of an interim expert viability team as well as budget for external advice that will, in the first instance, be drawn on to carry out a housing, land, planning and development skills and capacity review across the GLA Group to ensure there is sufficient capability to meet the Mayor's objectives. This may lead to additional expertise and support being recruited in due course where necessary.

#### Decision:

That the Mayor approves:

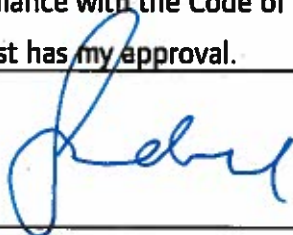
1. The establishment of Homes for Londoners, including: the Homes for Londoners Board; the Deputy Mayor's Housing Investment & Policy Panel; and a Single Programme Office.
2. The commissioning of a review of the current housing, land, planning and development capacity across the GLA, TfL and the wider GLA group to support the work of Homes for Londoners.
3. Expenditure of up to £250k for the immediate recruitment of an interim expert viability team to support affordable housing delivery and increase the pace and consistency of planning decisions.
4. Expenditure of up to £200k to support the establishment of Homes for Londoners and provide other technical advice as necessary.

#### 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:

1/8/11

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 The Mayor is committed to setting up Homes for Londoners, a new and powerful team at the heart of City Hall that will bring together and strengthen the GLA's housing, land, planning, funding, and development capacities. This has wide backing across the housing sector in the capital, including from London boroughs, the GLA, developers and from London First in their recently published namesake report.
- 1.2 The work of Homes for Londoners will be overseen by a new governance structure led by the Mayor that will closely involve London boroughs. This paper sets out the structure that Homes for Londoners will take, including its roles and responsibilities, which the Mayor is asked to approve.

#### **2. Objectives and expected outcomes**

- 2.1 The objective of Homes for Londoners is to assist the Mayor in driving the delivery of more new and affordable housing, working closely with London boroughs, housing associations, developers, home-builders, investors, central government, the wider housing sector, and Londoners themselves. It is expected to result in the following outcomes:

- Accelerating the delivery of new and affordable homes by identifying necessary interventions at the policy level and in specific areas including Housing Zones;
- Establishing a closer working relationship between the GLA and boroughs to guide strategic decisions, for instance on investment and planning, and problem-solving to unlock sites;
- Building a new strategic relationship with housing associations, offering greater flexibilities over funding to enable the delivery of greater supply;
- Bringing forward surplus public land for home-building, alongside an active use of relevant land powers to support public and private development;
- Improved monitoring of housing delivery, especially across the GLA Group by reducing duplicate systems, and across the wider public sector;
- Aligning the activities and investment decisions across different parts of the GLA Group to support delivery of the Mayor's housing aims;
- A work programme of policy development that, where appropriate, involves relevant players from across the wider housing sector, the 'housing alliance';
- Develop and promote innovative construction methods and delivery mechanisms, and work with the wider GLA and other partners to grow skills and capacity in the construction sector;
- A structure to make best use of any further powers and resources that are devolved to London government as a result of ongoing discussions with central government.

- 2.2 Homes for Londoners will provide a united and focused approach to housing delivery by putting in place a new GLA oversight structure described below. This new structure will work alongside but does not substitute or replace the GLA's Decision Making Framework or the decision making arrangements of any of the functional bodies.

#### **3. Governance and oversight**

##### **Mayor**

- 3.1 The Mayor will retain overall responsibility for providing strategic direction and oversight consistent with his statutory responsibilities and he will chair the Homes for Londoners Board. This will require

the close cooperation and sharing of information between the GLA Group and other organisations represented on the Board.

#### Homes for Londoners (HfL) Board

- 3.2 The HfL Board will provide advice to the Mayor on housing policy, strategy and delivery issues. It will monitor overall housing delivery across London, including across the GLA Group and wider public sector. It will provide a structure for problem-solving of housing related issues across the capital.
- 3.3 The Board will meet on a quarterly basis and its membership will consist of the following:
- Mayor of London (Chair)
  - Deputy Mayor for Housing and Residential Development (Deputy Chair)
  - Four borough Leaders – to be nominated by London Councils
  - Transport for London Commissioner
  - GLA Executive Director – Housing & Land
  - Chair of the G15 (group of London's largest housing associations)
  - Two members of the residential property sector (to be suggested by London First)
- 3.4 The HfL Board will have oversight over the following:
- *Overall housing delivery across London* – the Board will monitor the delivery of new and affordable homes across London, with a particular focus on GLA Group land, the wider public sector, and key development areas including Housing Zones and mayoral development areas. It will also monitor other key drivers of greater housing delivery, such as efforts to close the skills gap and the use of new construction methods. The purpose of monitoring will be to ensure relevant interventions are being undertaken to accelerate delivery where necessary.
  - *The statutory London Housing Strategy* – in preparing his housing strategy, the Mayor has a statutory duty to consult with London Boroughs. The Board will contribute to each stage of the development of the strategy and any proposed changes to the strategy ahead of the formal consultation process. The Board may appoint a working group in order to ensure that it can properly contribute to the process without causing delays.
  - *Housing, planning and infrastructure co-ordination* – the Board will review and advise the Mayor on emerging GLA policies and programmes that relate to the delivery of housing in London. In particular, this will include the review of the London Plan and any subsequent or consequent planning guidance; the development of the London Transport Plan where housing issues arise and any associated strategic infrastructure issues.
  - *Delivering housing investment programmes* – the Board's responsibilities will include the oversight of London's housing-related investment programmes, including those devolved to the Mayor and those for which the Mayor's functional bodies and the boroughs are responsible. The Board will receive quarterly reports from across the GLA Group for programmes and major projects as defined in the terms of reference and will comment on performance and propose action where appropriate. The Board will advise the Mayor on any substantial or endemic risk relating to the delivery of any programme.
  - *Land held by the Mayor and other public bodies* – the Board will have oversight of the development of City Hall and TfL land, alongside any proposals for the acquisition of land and property for housing purposes. The Board will receive reports from the London Land Commission and will advise the Mayor on the wider opportunities for bringing public sector land forward for new housing.

- A 'task and finish' work programme of policy development - the Board will commission task and finish working groups as appropriate to investigate and develop action on key areas of interest. This could include protocols for joint working between the Mayor and other public bodies including councils, policies to support growth opportunities such as build-to-rent and offsite construction, and other interventions to support the development industry. Some actions may involve policy advocacy with central government, and the Board will ask members of the wider housing sector to be involved in policy development where their expertise is relevant.

- 3.5 Terms of reference for the HfL Board will be prepared in accordance with this decision and adopted at the first meeting to be held in Autumn 2016. The Terms of Reference may be amended, varied or modified in writing in consultation with Board members and in agreement of the Chair provided that they remain consistent with the terms of this decision. The terms of reference will enable members to be substituted at Board meetings, if necessary.
- 3.6 Other Mayoral appointees may attend meetings by agreement with the chair to provide further input and advice to discussions of the Board.
- 3.7 Administrative support for the HfL Board will be provided by GLA Committee Services.

#### Deputy Mayor's Housing Investment & Policy Panel

- 3.8 To reflect the complexity and volume of decisions the Mayor makes in relation to housing, the Deputy Mayor for Housing & Residential Development will meet with appropriate senior officers monthly to monitor housing performance and steer the work of Homes for Londoners. Meetings will be used to, for example:
  - Make recommendations to the Mayor or the Homes for Londoners Board on the delivery of the GLA's housing investment and other relevant programmes;
  - Consider all land acquisitions and disposals prior to any decision by the Mayor;
  - Consider and make recommendations on housing and housing-led regeneration projects/programmes;
  - Give consideration to the use of wider GLA Group funding or assets in support of housing projects;
  - Provide a steer to GLA Group officers at the early stages of housing project development and offer strategic advice on senior/strategic stakeholder engagement;
  - Provide regular oversight and direction over identified obstacles to delivery and the Homes for Londoners task and finish work programme.
- 3.9 Membership of the Deputy Mayor's Housing Investment & Policy Panel will consist of the following officers:
  - Deputy Mayor for Housing & Residential Development (Chair)
  - GLA Executive Director – Housing & Land
  - GLA Executive Director – Development, Enterprise & Environment
  - GLA Assistant Director – Programme, Policy & Services
  - GLA Assistant Director – Strategic Project & Property
  - GLA Head of Area – Northwest London
  - GLA Head of Area – Northeast London
  - GLA Head of Area – South London
  - GLA Head of Finance & Governance
  - TfL Director of Commercial Development
  - London Councils Representative

- 3.10 The terms of reference will enable members to be substituted at Panel meetings, if necessary. Administrative support for the Deputy Mayor's Housing Investment & Policy Panel meetings will be provided by GLA Committee Services.
- 3.11 Other Mayoral appointees may attend meetings by agreement with the chair to provide further input and advice to discussions of the Panel.
- 3.12 To support the work of the Panel, the Executive Director of Housing and Land will convene senior officers across the GLA, TfL and other functional bodies as necessary.

#### **4. Strengthening GLA skills and capacity**

- 4.1 The work of Homes for Londoners will be carried out by the existing housing, land, planning and other development teams within the GLA Group, operating under clear new joint-working arrangements. This existing capacity may be strengthened by additional expertise and support where necessary.
- 4.2 A skills and capacity review of the housing, land, planning and other development functions of the GLA and GLA Group will be carried out. This review will include a high level benchmarking exercise on roles, responsibilities, grading and remuneration. A consultant will be appointed to carry out this work in line with the GLA's procurement policies, reporting in the autumn. The will require input and co-ordination from across the GLA and GLA Group.
- 4.3 It is envisaged that strengthening skills and capacity within Homes for Londoners will lead to the GLA having a more active role in driving the delivery of housing, for example by providing the necessary expertise or interventions to help bring forward more public land for development, and providing investment and planning support to enable and speed up development.

#### **Viability Service**

- 4.4 An urgent need has been established for an expert viability team to support affordable housing delivery and increase the pace and consistency of planning decisions. It is proposed that this will sit within the GLA's Planning Unit and have close links into the affordable housing investment function within the Housing & Land Directorate. The primary function of the viability team will be to interrogate strategic planning applications referred to the Mayor and associated viability assessments to ensure the maximum reasonable viable amount of affordable housing is secured from new developments in London.
- 4.5 At the strategic planning level the viability service will also provide in-house expertise on:
- London Plan viability (e.g. SHLAA)
  - Opportunity Areas/Intensification Areas – Planning Frameworks (OAPFs)
  - Development Infrastructure Funding Studies (DIFS)
  - Housing Zones and other potential London Plan Growth Zones
- 4.6 In due course the remit of this service may be expanded to provide a dedicated planning and viability resource to review public sector land, including land owned by TfL and boroughs. It could also provide support to Local Planning Authorities in their own viability assessments.
- 4.7 This decision approves expenditure of £250k to fund the interim viability team which will consist of expert development economics and finance surveyor(s)/consultant(s) from the property sector, a temporary strategic planning manager to organise and run the interim team in preparation for full implementation, and a business support/administration officer. The interim team will mainstream the viability approach, knowledge and skills, and they will implement and monitor the approach toward



viability during the first 12 months of the new Housing Supplementary Planning Guidance in anticipation of a permanent GLA viability team being established in 2017.

- 4.8 Establishment of the above posts will be made by separate decision in accordance with the Head of Paid Service Staffing Protocol.

#### Single Programme Office

- 4.9 A Single Programme Office will be created to ensure robust management of the Mayor's housing initiatives and programmes. This office will build on existing frameworks used in the Housing and Land directorate to incorporate related activity across the wider GLA Group to form a single programme monitoring and delivery structure for the Mayor's housing priorities.
- 4.10 The Programme Office will identify common reporting requirements from the current housing and land programmes, housing-related regeneration programmes and developments currently underway on existing GLA Group land as well as programmes delegated to the Homes and Communities Agency (HCA). This will centralise responsibilities for collecting and tracking information related to housing targets and land development priorities set out by the Mayor to ensure an on-going central source of clear and accurate information and assist with the monitoring and development of key housing policies.
- 4.11 The Programme Office will also work to ensure there is a central source of data on public landholdings across the GLA Group to enable co-ordinated activities. Currently the functional bodies and Mayoral Development Corporations (MDCs) have differing approaches to land disposal and entirely different reporting mechanisms. A single protocol will be established across the GLA Group to ensure that strategies, where possible, are aligned and there is a single source of data which can be used to monitor and manage investment and outputs.
- 4.12 To maximise opportunities for new housing supply and co-ordinate risk management and policy alignment, the functional bodies and MDCs are to provide information on proposals for their land holdings including planning and procurement strategies to the HfL Board, prior to marketing or entering into arrangements.
- 4.13 The GLA delegates administration of a number of national programmes to the HCA where these cover development in London. These delegations are to be reviewed with the intention of improving reporting and monitoring protocols so they are aligned with the Mayor's directives.

## **5. Further matters**

### Transparency

- 5.1 To ensure full transparency, GLA Committee Services will publish the agenda, minutes and other papers relating to each HfL Board and Deputy Mayor's Housing Investment & Policy Panel meeting on the GLA website unless commercially sensitive or otherwise exempt under the Freedom of Information Act 2000. These papers will be published as soon as is reasonably possible. However, if immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it may be deferred until a specified date.
- 5.2 Board members are to act solely in the public interest and will be required to declare any private interests, both pecuniary and non-pecuniary, and to take steps to resolve any conflicts of interest arising in a way that protects the public interest, including registering and declaring interests in a manner conforming to procedures set out in the terms of reference. This includes the requirement for members to withdraw from a meeting where appropriate. Terms of reference will also reflect the need to ensure that no commercial advantage could be obtained by the residential and housing association Board members.

- 5.3 Special care will be taken by GLA Committee Services and the Single Programme Office to ensure reports and written communication which may relate to a member's conflict of interests are not disseminated or otherwise made available to the relevant member(s). In particular, members with conflicts of interests will not be entitled to receive any commercially sensitive or otherwise exempt information and papers relating to those interests.

#### **Budget**

- 5.4 Board and group appointments are expected to be made without incurring additional costs, though it is anticipated that additional staff resourcing will be required for the Single Programme Office and viability team. These approvals, along with any subsequent approval relating to staffing for Homes for Londoners, will be progressed separately in accordance with the Head of Paid Service Staffing Protocol, though approval of expenditure to fund the interim viability team is made by this decision.
- 5.5 Additional funding may be required for specialist task and finish working groups when commissioned by the HfL Board. Funding for these groups will be approved by separate decision when required.
- 5.6 In order to help meet the Mayor's objectives for Homes for Londoners this decision approves a consultancy support budget of £200k. This budget will be drawn upon initially for the skills and capacity review.

#### **6. Equality comments**

- 6.1 Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - Advance equality of opportunity between persons who share a relevant protected characteristic 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.
- 6.2 The obligation in section 149(1) is placed upon a decision maker, and due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 6.3 The HfL Board, the Deputy Mayor's Housing Investment & Policy Panel and associated supporting structures must have regard to the public sector equality duty in their work including when giving strategic direction and in their recommendations to the GLA Group and the Mayor.
- 6.4 Paragraphs 3.3 and 3.9 set out the established job posts which will make up the HfL Board and the Deputy Mayor for Housing Investment & Policy Panel. For established GLA and GLA Group posts, equality duties were complied with at time of appointment and are maintained through the GLA Staff Charter or equivalent group standard.

#### **7. Other considerations**

##### **a. Links to Mayoral strategies and priorities**

- 7.1 The Mayor has made housing his top priority and is committed to establishing Homes for Londoners to bring together consideration of all of the Mayor's housing, land, planning, funding, and development issues into a new cohesive and focused oversight and advisory structure to oversee

work to raise investment, assemble land, commission and construct new homes and make sure Londoners get a fair deal from developers.

- 7.2 Establishment of Homes for Londoners fulfils this pledge by enabling housing, land and regeneration activity to be more co-ordinated and issues relating to housing delivery discussed and resolved more effectively.

b. Impact assessments and consultations

- 7.3 This decision was drafted in consultation with the Mayor's Chief of Staff, the Deputy Mayor for Housing and Residential Development and other executive and senior staff within the GLA and GLA Group.

## **8. Financial comments**

- 8.1 This decision seeks approval to establish Homes for Londoners, including the Homes for Londoners Board, the Deputy Mayor's Housing Investment & Policy Panel and a Single Programme Office. To meet the above objective the paper seeks approval to spend £200k on consultancy support.

- 8.2 This expenditure is available from the Housing & Land Management and Support Consultancy Budget and will be expended in the 2016/17 financial year. Any changes to this proposal, including the requirement of additional funds, will be subject to further approval via the Authority's decision making process.

- 8.3 The expenditure of up to £250k for the immediate recruitment of an interim expert viability team will be funded as follows:

- £226k from Planning Reserve; and
- £24k from DEE Programme Budget.

## **9. Legal comments**

- 9.1 Section 30(1) of the Greater London Authority Act 1999 (the GLA Act), provides that the Authority may do anything which further one or more of the principle purposes which are:

- (1) promoting economic development and wealth creation in Greater London;
- (2) promoting social development in Greater London; and
- (3) promoting the improvement of the environment in Greater London.

- 9.2 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 the effect that his decision 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);

- 9.3 Homes for Londoners is intended to assist the Mayor by ensuring that London's housing issues can be cohesively addressed. Given the above, together with the GLA's housing and regeneration functions contained in Part 7A of the GLA Act and section 34 of that Act, which allows the Mayor to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any of his functions (including his functions under section 30), the GLA is empowered to establish Home for Londoners.
- 9.4 Further legal advice should be obtained in relation to the proposed wider remit of the viability service when the relevant details are available to ensure that such services are provided in accordance with the GLA's powers and functions.

#### **10. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
First Deputy Mayor's Housing Investment & Policy Panel held / Terms of Reference adopted.	Summer 2016
First HfL Board Meeting held / Terms of Reference adopted	Autumn 2016
Single Programme Office in place	Autumn 2016
Capacity and skills review conducted	Autumn 2016
Interim expert viability team in place	Autumn 2016

#### **Appendices and supporting papers:**

There are no appendices to this decision.

**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? Yes**

If YES, for what reason:

To allow time for functional bodies to be briefed of the decision so they are able to respond to enquiries (both internal and external) that may arise.

Until what date: 22 August 2016

**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:**

Heath Pritchard 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:**

Jamie Ratcliff 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:**

James Murray has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

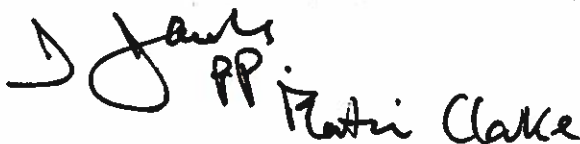
The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

 PP Patricia Clarke

Date 29.7.16

**CHIEF OF STAFF:**

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

Signature

 D. Bellamy

Date 29/7/2016.