

MAYOR OF LONDON

Andrew Boff AM

Deputy Chair of the Housing Committee
City Hall
The Queen's Walk
More London
London SE1 2AA

Our ref: MGLA210617-7329

Date: 20 SEP 2017

Dear Andrew,

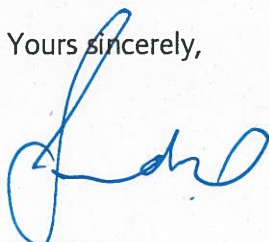
Housing Committee report – Homes down the Track – A Marathon and a Sprint for TfL

Thank you for your letter of 21 June and for also enclosing a copy of your letter to Lester Hampson of 20 June setting out recommendations from your report '*Homes Down the Track*'. Please accept this as a response to both letters.

Since I took office, Transport for London (TfL) has made good progress in identifying sites suitable for a programme of development. In 2016/17, TfL brought five sites to market, with capacity to provide around 1,000 homes, half of which will be affordable. As a member of the Homes for Londoners Board, TfL's Commissioner, Mike Brown MVO, ensures progress on the ground complements my housing goals. TfL has committed to starting on sites by 2020/21 that will deliver 10,000 homes, and my team at City Hall is working to support them accelerate their programme.

I have set out my response to your recommendations below. I trust that you find this information of value.

Yours sincerely,



Sadiq Khan
Mayor of London

Cc: Lorraine Ford, Housing Committee Scrutiny Manager

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Recommendation 1

The London Land Commission (LLC) should undertake more detailed work to classify London's developable public landholdings. This would make its database more usable for developers, especially smaller businesses. Once this work is complete, the LLC should be relaunched to ensure developers are aware of it and what it offers.

Work has been undertaken to improve the quality of the LLC register, by turning points into site boundaries and using other data sources, including the Land Registry data, to improve accuracy. This has greatly increased the number of identified sites and provides a rich source of data from which potential development sites can be identified.

The register identifies legally registered publicly owned land, but does not distinguish between land that is developable/surplus and land that is operational. For this reason, GLA officers have regular bilateral meetings with key public sector landowners to help them identify and progress development opportunities. Declaring land surplus often requires public sector landowners to take operational decisions; for example, in its 2016 Footprint Strategy the Ministry of Defence identified four London sites that will become available for development once the activities on them have been relocated, which in some cases will not be for at least 10 years. Similarly, the NHS has a considerable amount of work to undertake to identify potentially surplus sites following reviews of clinical requirements.

More broadly, my team are working towards the GLA having a stronger role in bringing more public and private sector land into the market, in line with my draft Housing Strategy. As this work progresses, it is likely that the work of the LLC will become part of a broader effort to bring forward both public and private sector land.

Recommendation 2

The Mayor needs to work with the boroughs and TfL to align development objectives for each site, and stick to them, to reduce complexity for developers.

The Deputy Mayor for Transport and the Deputy Mayor for Housing and Residential Development meet regularly with key officers from TfL and the GLA to provide strategic oversight and direction for TfL's property development work on TfL-owned land. Officers from across the GLA (Housing & Land, Planning, and Regeneration) meet with TfL not just to align objectives on individual sites, but also to ensure delivery of planning policy, Mayoral Strategies, policy implementation such as Good Growth by Design, and funding opportunities such as the affordable housing programme.

London's boroughs are critical to the success of TfL's ambitious programme to deliver thousands of new homes. TfL has established relationships at an officer and political level in key boroughs where development is proposed to seek to create greater clarity for its development partners on planning matters and to look at opportunities to combine land.

TfL is working with several boroughs on specific sites where it has neighbouring landholdings. Circumstances vary from site to site, but combining land often makes it more attractive to develop. TfL should also be able to deliver more comprehensive developments that can provide more local infrastructure improvements and higher levels of affordable housing than if its sites were developed in isolation.

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TfL is in discussion with London boroughs including Lambeth, Merton, Harrow, Barnet, Tower Hamlets and Ealing on specific sites. It has a wider programme of borough engagement to identify further sites beyond its current programme to align with borough priorities.

Three-way engagement is also taking place, for example with joint GLA and borough pre-application meetings and early engagement on feasibility work.

Recommendation 3

TfL also needs to develop and resource a strong relationship with each relevant borough to accelerate delivery and create certainty wherever possible.

As set out above, TfL has strategic and site-by-site relationships with several boroughs.

TfL has allocated planning and communications teams to work with the boroughs at an officer and political level and has set up a regular programme of engagement to meet with key partners. To bolster its expertise TfL recently appointed Stuart Robinson as a strategic planning advisor. Stuart was previously Chairman and Executive Director of Planning at CBRE and is a well-respected leader in this field.

Recommendation 4

TfL needs to ensure effective joint working between its property development and operational and technical staff, to minimise and resolve early the inevitable frictions which will arise for each scheme.

As TfL's Commissioner told the Assembly in June, TfL is on course to meet the target it has committed to, of starting on sites by 2020/21 that will deliver 10,000 homes. In 2016/17 it brought five sites to market that will deliver around a thousand homes, 50 per cent of which will be affordable. The relationship between TfL's developments and infrastructure is critical to unlocking its land.

The combination of technical and property development expertise enables TfL to bring forward sites balancing operational requirements with commercial interests. This approach has been successful in bringing forward Landmark Court last year, while at South Kensington and Harrow-on-the-Hill TfL is combining commercial development with significant transport improvements such as new step-free access.

Recommendation 5

TfL should consider whether it needs to add a property professional to its board membership to ensure effective oversight of its property development activities.

TfL's Board members have a wide range of commercial backgrounds. In May 2015, TfL also appointed the Commercial Development Advisory Group which oversees its commercial development programme and advises on property development. The group is chaired by the former Chief Executive of Land Securities, Francis Salway, and includes a number of industry leaders. Francis attends each quarterly TfL Finance Committee to advise the Board on Commercial Development activity.

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Recommendation 6

TfL and the Mayor should consider a more rapid approach to procurement on a first set of sites, to speed up initial delivery.

It is important to ensure TfL can bring sites forward as quickly as possible to accelerate delivery. This means they must use a variety of routes to market in addition to the Property Partnerships Framework including direct development, joint ventures with neighbouring land owners (e.g. at Greenwich Peninsula), open market procurement, and partnership with SME builders.

TfL is also looking at how it can use partnerships with some of London's biggest housing associations, and the London Development Panel 2, to speed up delivery even further.

In addition, TfL is working on a series of pilot programmes that have innovative approaches to procurement and construction, including the use of precision manufactured homes. If the pilots are successful there is the potential to rapidly scale up to deliver thousands of homes, to complement those delivered through other routes.

Recommendation 7

TfL should prioritise identifying and analysing smaller sites so that more of them come forward quickly. By the end of 2017, it should put together a pilot approach to working with smaller builders, to deliver two or three 'quick win' sites as demonstration projects.

The GLA is developing a portal to release small sites on public land to smaller builders as part of its 'Small Sites, Small Builders' programme. This approach will accelerate the delivery of housing on public land by addressing challenges around procurement, access to land, financing, and planning certainty.

TfL has a specific team identifying a pipeline of small sites which will act as pilots for this programme. It is prioritising sites where minimum intervention is required to ensure smaller builders can bring these sites forward as quickly as possible.

Recommendation 8

TfL should appoint a small builder champion to its property development team.

TfL has appointed Kevin Hines, Commercial Asset Manager, to be the Commercial Development lead for its small sites programme. He is working closely with the GLA's 'Small Sites, Small Builders' project team.