

Review of GLA Group housing delivery

Lord Kerslake

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Foreword

There can be little argument about the essential need for more new housing and more genuinely affordable housing in London. Even amongst the other urgent and important issues facing London, such as responding to the pandemic, the housing challenge stands as an enduring imperative that must be addressed if London is to be the prosperous and inclusive city that we all want it to be.

The Mayor has set out a bold ambition that, for all developments, at least half of the housing should be genuinely affordable. For publicly owned land this is now more than an ambition and is a policy expectation set out in the London Plan. This policy sets the context in which the development of all publicly owned land should be considered. This policy also sets the context in which the value of that land should be assessed. Only when there is a significant and genuine issue of viability should a departure be considered.

The Mayor can significantly contribute to the supply of new and genuinely affordable housing. One way this can be achieved is through development of land under the ownership and control of the Greater London Authority (GLA) Group. For this public land there should be an active and purposeful programme of development and a full adherence to the 50 per cent affordable policy. Anything less would be a denial of the Mayor's intent and a missed opportunity for those most in housing need.

This report looks at the record of housing delivery on GLA Group land and how it might be strengthened and streamlined. In summary, there have been some real and positive achievements since 2016 when the Mayor took up office and some teams have performed well. Performance across the group has been mixed, with some parts of the group falling short of their target. There are a range of reasons given for this underperformance and I am very aware that housing development is a complex and sometimes frustrating process. However, I have found in this review that the current arrangements are too fragmented and inconsistent across the group and there is definite scope for improvement.

It is perhaps understandable that each of the organisations in the GLA Group will approach housing delivery in its own way. Indeed, each organisation has its own specific role underpinned by distinct statutory responsibilities. There are though, common approaches and skills involved in the process of successful development that go across the individual organisations and schemes. A more unified, clearly led, coherent, and streamlined approach across the group will certainly bring benefits.

As my report makes clear, this is not about micromanagement. However, GLA Group housing delivery would benefit from stronger professional leadership, better programme management and more unified approaches to staff recruitment and career development.

GLA Group housing delivery would also benefit from greater use of shared services and more effective engagement with key partners, particularly local authorities in London via London Councils.

All members of the GLA Group acknowledged the Mayor's policies on affordable housing and sustainable development. However, I am concerned that the different approaches to development and disposal leads to different outcomes in terms of delivery of those policies. In particular, I think there should be a presumption against freehold sale without planning permission. The current approach to disposals provides the least confidence in securing outcomes that reflect Mayoral priorities and local community need.

Alongside the issue of strengthening and streamlining the current arrangements, I was asked to look at the issue of creating a City Hall developer. As you will see from the report, I think there is real potential to make a difference here. The potential value added from strategic public sector intervention in housing delivery is significant. However, this is based on taking a wider view of the developer role to include land assembly, compulsory purchase, and joint venture. Progress on this can and should be made now. Undertaking direct development also has potential but is best considered for the next Mayoral term.

Extending the ambition to develop more homes will undoubtedly require more resources in the form of development finance. This in turn will require taking a view about borrowing and risk. The wider context of the extensive borrowing to fund Crossrail is clearly relevant here. However, without further development finance, there will be little or no scope to make progress. I have therefore recommended a strategic finance review to explore the amount of funding that will be required to progress the GLA's development ambitions and identify how this might best be secured.

The new Transport for London (TfL) model has the potential to make greater progress on delivering the considerable potential of TfL land. In particular, the ability to borrow for development funding is an important step forward. It is vital however, that the risks as well as the opportunities of this model as set out in my report are recognised and managed. Close involvement will be needed by the Mayor and his team as the work progresses.

I am enormously grateful to all those who have given time to submit evidence and be interviewed. As you will see from the list in the report, the contributions have been extensive. They have all helped to shape the final report. However, this is an independent report, and the conclusions and recommendations are my own.

Finally, I would like to give my thanks to the fantastic GLA team who have supported me in the production of the report to what was a very tight timescale. Their immense efforts have made the task manageable. The GLA is lucky to have them.

Lord Kerslake

Executive summary

The Mayor of London has set a clear ambition to increase the number of genuinely affordable homes across the capital. This ambition has been strengthened by the implementation of the London Plan 2021. The London Plan sets a strategic objective for public landowners – including the GLA Group – to deliver 50 per cent affordable housing for residential schemes on public land.

The Mayor pledged in his 2021 election manifesto to commission an independent review of housing development across the GLA Group and to pilot a new City Hall developer. In doing so, the Mayor recognises that City Hall could play a more direct and interventionist role in contributing to the delivery of affordable housing in London.

The GLA Group already makes a significant contribution to housing delivery in London. Since 2016, the group has started construction on more than 17,000 homes on GLA Group land – of which over 6,000 have been affordable. Looking to the future, the group has a strong collective ambition to increase the number of homes that are delivered.

This review considers how GLA Group housing delivery could be pushed to further increase delivery. In doing so, the report considers how the GLA Group could streamline activities, increase collaboration, and share expertise across teams. This review highlights that, while some good progress has been made, housing delivery remains uneven across the group. Similarly, while there have been some efforts to collaborate internally to improve housing delivery outcomes, these examples are also fragmented. This fragmentation is making housing delivery less effective and resulting in fewer affordable homes available for Londoners. As such, there is a clear case for change.

To address this fragmentation, it is critical that the Mayor strengthens professional leadership in this area and mandates a more consistent approach to housing delivery across the GLA Group. All GLA Group organisations will need to sign up to these shared policy objectives if they are to precipitate real change. In doing so, GLA Group organisations should unambiguously commit to delivering a minimum of 50 per cent affordable housing on residential land coming forward for development in the future. Furthermore, the GLA Group should act as exemplars in delivering against the Mayor's affordable housing policies, as laid out in the London Plan 2021.

Any reasserted Mayoral leadership should be underpinned by strengthened oversight arrangements. The review recommends establishing a new senior professional lead, who would be responsible for overseeing housing delivery across the GLA Group. The review also recommends establishing a new oversight forum to manage housing delivery performance and monitor the GLA Group's overall pipeline of land.

The report recognises that greater collaboration across teams – and with London’s wider development sector – will bring benefits in terms of future housing delivery. It will also improve internal career progression prospects for existing GLA staff. The review recommends the GLA re-assesses its existing organisational structures and processes to bind together teams and encourage sharing of the significant in-house expertise. These proposed new structures and processes include the introduction of new peer-review functions, a new internal planning consultancy function and a new Centre for Expertise for land assembly.

The review considers how a future City Hall developer could operate most effectively to deliver housing for Londoners. In doing so, it recognises that housing delivery comprises a broad range of development activities, beyond direct delivery, and that the GLA Group is already engaging in a number of these activities (including some small-scale direct delivery led by TfL). Engagement with London’s affordable housing sector clearly showed that City Hall would provide most value if it consolidates and expands its current development activities and maximises the use of its existing powers. This is rather than undertaking a direct delivery model, at least in the short-term. The report recommends that the first stage of expanding City Hall’s development activities should involve increased land acquisition and assembly activities. In this context, these activities include compulsory purchase, a formalised and expanded development management model of risk sharing via more formalised partnering (including across and within the group) and a more unified approach to small sites.

The review suggests the GLA may wish to pilot direct delivery in the next Mayoral term, as a second stage of expansion. Any direct delivery pilot would be subject to the success of this initial stage of expansion, and subject to significantly increased financial and resource investment being made available. More broadly, any genuine commitment to increase City Hall development activities will need to be backed by significantly more inward financial investment to succeed.

Increasing the amount of affordable housing in London forms one of many political priorities for the Mayor of London. However, for London, the delivery of affordable housing has been – and will remain – an enduring and central priority. The Mayor has a unique role to play in addressing London’s housing crisis. This review sets out a pathway to harness these powers to the collective benefit of Londoners, for years to come.

Decisions on the recommendations and options in this report would be for the GLA Group to agree following its normal decision-making processes. This includes impact analysis, consultation, and engagement.

1. Introduction

London's housing challenges

- 1.1. London is experiencing a significant housing crisis. Over the long-term, growth in London's housing stock has not kept pace with increases in jobs, population, or housing demand. London faces an acute shortage of genuinely affordable homes, and the pandemic has exacerbated many of the capital's longstanding social, health and housing inequalities. The capital's housing challenges are well evidenced:
- There are currently more than 60,000 homeless households living in temporary accommodation across London – including over 84,000 children.
 - Last year, more than eight per cent of London's households experienced overcrowding – a rate far higher than in other parts of England and which increased sharply in London towards the end of 2020.
 - The net number of new homes completed in London in 2019-20 was the highest for decades. However, this trajectory has been followed by a dip in new supply in early 2020. This decline was attributed to a range of factors linked to the Covid-19 pandemic and Brexit. This includes planning and construction delays, labour shortages and unprecedented increases to material costs.¹
- 1.2. The Mayor of London, Sadiq Khan, is committed to addressing these challenges and has pledged to build more genuinely affordable homes in London. The GLA's Strategic Housing Market Assessment demonstrates a need for approximately 66,000 additional homes each year. Through the new London Plan 2021, the Mayor set a target to deliver 52,000 homes annually, with at least half of these homes to be genuinely affordable.² Building the right number and the right mix of new homes is central to the Mayor's vision for good growth in the capital. The Mayor recognises that all parts of London's homebuilding sector need to be fully mobilised to deliver the number of homes that Londoners need.
- 1.3. The Mayor's London Housing Strategy prioritises identifying and bringing forward more land for housing.³ Building on this, the Mayor's 2021 election manifesto pledged to build more homes on surplus public land and to maximise the number of

¹ Greater London Authority, [Housing in London 2021](#), October 2021

² Greater London Authority, [The London Plan](#), March 2021

³ Greater London Authority, [London Housing Strategy](#), May 2018

homes built on GLA-owned land. Land Registry data shows that the Mayor holds more than 2,750 hectares of land in freehold ownership across the GLA Group organisations.⁴ This is equivalent to approximately 20 Hyde Parks. Mayoral Land is used for a range of important purposes including transport infrastructure and vital public services, accordingly not all Mayoral land is suitable for development. In London, land prices are significantly higher than other parts of the country and developable land is a finite resource. The GLA has an opportunity to leverage its powers and resources (including land holdings) to increase overall delivery of affordable housing in London.

- 1.4. The Mayor's 2021 election manifesto included commitments to 'commission an independent review to streamline housing development across the GLA Group'. The Mayor's manifesto also included commitments to 'pilot a new City Hall developer to start directly building the low-cost homes Londoners need'. This report delivers against these manifesto commitments. In doing so, it sets out how the Mayor should streamline housing delivery across the GLA Group organisations to achieve better housing outcomes for Londoners.

Objectives of the review

- 1.5. The overall objective of this review is to identify ways to maximise the supply of housing – particularly genuinely affordable housing – on GLA Group land in London. Within this wider objective, and in line with the Terms of Reference set by the Mayor, this review:
 - provides a high-level review of housing delivery across the GLA Group, identifying the number of homes delivered and the different routes to delivery employed by the GLA Group (which includes the GLA, its functional bodies, Mayoral Development Corporations (MDCs) and subsidiary companies)
 - identifies opportunities for closer working across the GLA Group to streamline in-house housing development and consider the potential for efficiencies
 - identifies opportunities and challenges of realigning the group to focus land disposals on maximising housing delivery, in particular affordable housing. In doing so, the review acknowledges that several GLA Group organisations have recently adopted or are in the process of drafting estate strategies
 - identifies the staffing and governance structures that would need to be in place to maximise housing delivery across the GLA Group. In particular, the

⁴ Land Registry data (November 2021) – includes land owned by the GLA, TfL, LFC, MOPAC, and LLDC. There are reporting inconsistencies in the Land Registry dataset, so the figure presented above is an estimate rather than an exact reflection of current GLA land holdings.

review considers how these structures could maximise delivery of affordable housing, within identified constraints

- considers how to maximise housing development in London through better use of surplus GLA Group land, using the tools and powers held by all the functional bodies
- explores how the above considerations should inform the GLA's approach to piloting a City Hall developer. In doing so, the review considers the potential for a City Hall developer to draw on expertise and land supply from across the GLA Group, as well as identifying what most appropriate delivery model
- identifies the opportunities and challenges arising from the London Legacy Development Corporation (LLDC) transition, including by recommending the future transition of the LLDC in a way that retains talent.

Guiding principles of the review

1.6. The review is underpinned by a set of guiding principles. These principles apply to GLA Group delivery of housing as a whole – rather than to the individual practices of individual GLA Group teams or organisations – and are as follows:

- Delivery of housing across the GLA Group should accelerate the supply of additional genuinely affordable housing in London, with a wider objective of reducing inequalities across the capital.
- GLA Group land disposals should maximise confidence that the Mayor's London Plan policy, requiring public sector landowners to deliver at least 50 per cent affordable housing, will be achieved.
- GLA Group housing delivery should be interventionist – housing delivery should involve active development and land interventions, moving beyond the GLA's existing planning and funding functions. This principle recognises that each of the GLA Group organisations vary in terms of capacity and expertise. It also recognises that some teams may be better placed to undertake more interventionist approaches than others.
- GLA Group housing delivery should prioritise collaboration across the different organisations, with an effort to streamline delivery efforts.
- GLA Group housing delivery should recognise its operation within a mixed market of other affordable housing developers (most notably, councils, registered providers, and private developers). Any GLA Group housing

delivery should operate in a way that is complementary to – rather than competing with – this existing sector.

- In line with the Mayor’s manifesto commitments, GLA Group housing delivery should champion the Mayor’s vision for good growth as set out in his London Plan. This vision includes delivering homes that meet the highest design, environmental sustainability, building safety and placemaking standards.
- In line with the Mayor’s manifesto commitments, GLA Group housing delivery should place an expectation that the GLA retains the freehold or an interest in the land. This expectation will enable Londoners to retain a long-term stake in public land that is developed on their behalf.

Structure of the report

1.7. This review is structured in the following way:

- **Section one** (this section) outlines the objectives and the guiding principles of this review, including the Terms of Reference as set by the Mayor.
- **Section two** provides an overview of current GLA Group housing delivery in London, including a summary of the Mayor’s legal powers, housing policy objectives, governance arrangements and funding structures.
- **Section three** summarises the approach to housing delivery adopted by each of the GLA Group organisations. This summary includes an analysis of housing delivery and performance to date, alongside staffing structures, land holdings and future appetite for development.
- **Section four** presents the challenges and opportunities to the current GLA Group housing delivery models, illustrated via a range of case studies. The case studies show the GLA Group could benefit from more a collaborative approach to housing delivery.
- **Section five** sets out recommendations to be considered by the Mayor, including recommendations that relate to piloting a City Hall developer. The recommendations are centred around interventions that the Mayor and the GLA Group should take forward to enhance and expand in-house delivery of housing in London.

1.8. The findings and recommendations of this review have been informed by significant engagement with representatives from across the GLA Group and London’s affordable housing sector. I thank these individuals and groups for their contributions to this work.

- 1.9. This review is independent. The findings and recommendations set out in this report do not necessarily reflect the views of the Mayor, the GLA or the wider GLA Group. Further detail about the methodology of this review, including a comprehensive list of organisations consulted, is outlined at Appendix 2.

2. Overview of the GLA Group

GLA Group organisations

- 2.1. The GLA is the strategic authority for London comprising of the Mayor and the London Assembly. The Mayor has an executive role, setting an overall vision for London and defining clear strategies on a range of issues. These issues include air quality, spatial development, culture and tourism, economic development, transport, and waste as well as housing delivery. The role of London Assembly members is to scrutinise the actions of the Mayor.
- 2.2. The GLA Group comprises internal GLA teams, including the Mayor's Housing and Land (H&L) and Good Growth directorates. In addition, the GLA Group comprises the following functional bodies, Mayoral Development Corporations (MDCs) and subsidiary organisations:
 - 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)⁵
 - Old Oak and Park Royal Development Corporation (OPDC)
 - Transport for London (TfL), which includes a subsidiary company that has been established to deliver housing and other developments to generate long-term revenue streams – TTL Properties Limited (TTLP).
- 2.3. A diagram setting out the relationship between these functional bodies, MDCs and subsidiary groups is outlined at [Appendix 3](#).

Legal powers governing GLA housing delivery

- 2.4. The GLA is a distinct legal entity and has its own statutory framework under the Greater London Authority Act 1999. Its powers in respect of housing delivery are distinct from those conferred on local authorities, Mayoral combined authorities, and Homes England. GLA Group functional bodies and MDCs are also governed by

⁵ MOPAC is responsible for ensuring that the Metropolitan Police Service (MPS) is efficient and effective, including by holding the Commissioner of Police for the Metropolis to account for the exercise of their functions.

distinct statutory frameworks, meaning the legal framework governing housing delivery across the GLA Group is not uniform.

2.5. The GLA has a broad range of legal duties and powers that relate to housing delivery. Some key powers and duties include:

- The GLA has a legal power to carry out housing investment activities, including the provision of grant funding. These activities were previously carried out by the Homes and Communities Agency and are carried out by Homes England for the delivery of homes outside of London.
- The Mayor has a statutory duty to publish a London Housing Strategy.
- The Mayor has a statutory duty to create a spatial development strategy for London, via the London Plan. This London Plan includes housing policies for London and which local authority planning authorities must conform with.
- Major planning applications that include housing are referable to the Mayor. In these circumstances, the Mayor can influence the type of housing delivered in these schemes, including affordable housing levels.⁶
- The GLA has powers to purchase and dispose of land for housing purposes, including using compulsory purchase powers.⁷
- The Mayor may establish MDCs within London to deliver housing. The primary objective of a MDC is to secure the regeneration of its area.

2.6. When the GLA, LFC and the MDCs sell their land for housing and regeneration, they must sell this land for 'best consideration'. Best consideration is a statutory duty to obtain the maximum value when disposing of land. However, the GLA does have General Consent to dispose of land at an undervalue within certain parameters. Relevant planning policies (including minimum affordable housing requirements) must be factored into this valuation process. The GLA is also bound by other statutory rules that relate to land transfers, land valuation and other considerations relevant to housing delivery.

2.7. TfL and MOPAC do not have express statutory obligations to obtain best consideration when disposing of their sites. However, they are bound by broader public law principles to obtain value for money or 'best value'. In practice, best

⁶ Referable developments include those that meet the criteria set out in the Mayor of London Order (2008). This definition includes developments of 150 residential units or more; developments over 30 metres in height (outside of the City of London) and developments on Green Belt or Metropolitan Open Land.

⁷ The GLA has powers to purchase and dispose of land. However, when carrying out land transactions with a view to make a profit, this must be undertaken through a taxable subsidiary (such as GLAP or TTPL).

consideration, value for money and best value operate in similar ways. In all instances when GLA Group organisations sell or develop land, that public land is required by London Plan policy to deliver 50 per cent affordable housing. This should be factored into valuation, including in the context of land disposals.

- 2.8. The Mayor has power to issue directions to TfL, LFC and the MDCs as to the manner in which those functional bodies should exercise their functions. The Mayor may issue general or specific directions to functional bodies on how they should exercise their functions, including in relation to housing delivery, which the functional body must comply with.
- 2.9. The person who is the occupant of the office of Mayor is also the occupant of MOPAC and its ultimate decision maker. The Mayor does not have powers to issue directions to MOPAC. Further detail about the legal framework governing the Mayor and the GLA Group's powers in relation to housing delivery is set out in [Appendix 4](#).

The GLA's current approach to housing delivery

- 2.10. The Mayor currently enables the delivery of affordable housing in London through two main ways – planning and funding. These planning and funding powers are explained in further detail below.

Planning

- 2.11. The Mayor's London Plan sets a strategic target for 50 per cent of all new homes built in London to be genuinely affordable. As noted above, the London Plan requires public sector land to deliver at least 50 per cent affordable housing. This requirement applies to every public land site but can also be considered across a portfolio by agreement with the Mayor. On public sector land, the initial 35 per cent of affordable housing must provide a tenure compliant split. A tenure compliant split provides a minimum of 30 per cent low-cost rented homes and a minimum of 30 per cent intermediate homes. The remaining 40 per cent (or otherwise remaining proportion) is determined by the borough based on local housing need. This policy applies to the GLA Group, in their role as public sector landowners.
- 2.12. In 2017, the Mayor introduced the 'threshold approach' to affordable housing, which allows for development proposals that provide 35 per cent affordable housing (or 50 per cent on public and industrial land) – and that meet tenure, affordability, and other relevant requirements – to follow the 'Fast Track Route'.⁸ The Fast Track Route enables developments to progress through the planning system without submitting detailed viability information or being subject to late review mechanisms.

⁸ Greater London Authority, [Affordable Housing & Viability: Supplementary Planning Guidance](#), August 2017

- 2.13. In 2018, the Mayor introduced a practice note on the threshold approach to affordable housing on public land.⁹ This practice note confirms the definition of public land. This practice note also confirms the threshold level of affordable housing on public land and sets out that public landowners should deliver 50 per cent affordable housing. Where this is not possible to achieve (including where delivering or re-providing infrastructure on a site), public landowners are required to submit detailed viability evidence. The practice note also states the threshold cannot be avoided through the transfer of land or through disposal of the land, where this policy still applies. This approach has now been incorporated into the London Plan, which was formally adopted in March 2021.
- 2.14. The threshold approach incentivises developers to deliver higher levels of affordable housing and has been effective. Between 2016 and 2020, the proportion of affordable homes in developments approved by the Mayor almost doubled.¹⁰ Over the same period, the average proportion of affordable homes on public land sites increased from 22 per cent in 2016 up to 46 per cent in 2020. In 2020, 60 per cent of public land schemes followed the Fast Track Route. In addition, 86 per cent of public land schemes provided 35 per cent affordable housing or more.¹¹

Funding

- 2.15. The Mayor is responsible for administering and overseeing government capital grant funding to a range of investment partners across London, primarily through the Affordable Homes Programmes (AHP). These investment partners typically comprise registered providers of social housing (including for-profit providers), councils (including council-owned housing companies), and community-led groups. Councils and registered provider investment partners typically retain a landlord function following the successful delivery of these homes.
- 2.16. The Mayor's current AHP budget is £8.8bn across ten years, subject to any future negotiations with government. Through these programmes, the Mayor has contributed to the delivery of more than 72,000 affordable homes since 2016 in London. The Mayor intends to support a further 79,000 affordable housing starts by 2026.
- 2.17. As well as the AHP, the Mayor administers and oversees other housing funding programmes in London. These programmes can typically be accessed by the GLA Group to support delivery of their housing programmes and include:

⁹ Greater London Authority, [Threshold Approach to Affordable Housing on Public Land](#), July 2018

¹⁰ Greater London Authority, [Affordable Housing Planning Analysis: Referable Applications](#), March 2021. This figure only includes referable developments so is undercounted.

¹¹ The public land figures include some schemes which are part public and part private land, which means that a blended threshold between 35 per cent and 50 per cent is used. The average affordable housing percentage on wholly public land sites is higher.

- **The Homes for Londoners (HfL) Land Fund:** The first iteration of the HfL Land Fund was established in 2017 to enable the GLA to be more active in the land market. The HfL Land Fund supports proactive identification of land and investment in infrastructure to unlock the delivery of new and affordable homes. The fund comprises £736m in revolving debt and equity finance. This includes £486m of DLUHC funds and £250m of GLA corporate cash balances, the latter of which needs to be invested according to a commercial risk and return profile. One strand of the fund has been allocated for recoverable investments, including buying and preparing land for onward sale and development. The strands funded from government resources may be deployed either as grant or as recoverable investments. This approach allows the GLA to reinvest receipts to unlock further opportunities in London. The GLA is currently exploring the potential creation of a new Land Fund. Work carried out by PwC identifies potential public and private co-investment of circa £1bn that could deliver 20,000 homes.¹² Further detail about the HfL Land Fund is outlined at [Appendix 5](#).
- **The Mayor's Small Sites Small Builders programme:** The Mayor's Small Sites Small Builders (SSSB) programme was set up by the GLA in 2017 to address the lack of small sites available for housing delivery, alongside a significant fall in the number of small builders operating in London. The purpose of the SSSB programme is to reduce barriers faced by public landowners and small builders in efforts to develop small sites for housing. The SSSB programme provides an online portal for public landowners to bring small sites to the market. The portal enables SME builders and developers to sign up for notifications when sites are available. Landowners can specify development requirements when marketing sites, including requirements for sites to be delivered with 100 per cent affordable housing. The SSSB programme also offers capital funding to help unlock sites through demolition, utilities or infrastructure works. The SSSB programme is currently under review. Further detail about the Mayor's SSSB programme is outlined at [Appendix 6](#).

Governance and oversight of GLA Group housing delivery

- 2.18. There are several internal forums and governance structures that currently oversee GLA Group housing delivery, as outlined below.
- 2.19. The HfL Board is the primary oversight group for GLA Group housing delivery. It is chaired by the Mayor and brings together expertise from the GLA, TfL and local authorities. Membership also includes representatives from London's largest

¹² London First and PwC, [Land Fund #2: how the GLA could attract co-investment to help build more homes](#), March 2021

registered providers and the property industry. The HfL Board meets quarterly and has oversight of:

- overall housing delivery across London
- the statutory implementation of the London Housing Strategy
- housing, planning, and infrastructure coordination
- delivering housing investment programmes
- land held by the Mayor and other public bodies
- a task-and-finish work programme for policy development and innovation.

- 2.20. The HfL Board is non-decision making and monitors the delivery of new and affordable homes across London. The HfL Board has a particular focus on GLA Group land, the wider public sector and key development areas (including MDCs). The HfL Board also receives quarterly reports from across the GLA Group for programmes and major projects, although not all GLA Group members are represented as board members.
- 2.21. The Corporate Investment Board (CIB) is chaired by the Mayor's Chief of Staff and includes Mayoral Directors, Deputy Mayors, Executive Directors and GLA Finance representatives. Whilst CIB is not a decision-making body, it provides a forum for senior political and operational leaders in the GLA to review decisions on funding and finance and other novel, contentious or repercussive decisions, including those relating to housing. CIB oversees decisions related to GLA, MOPAC and LFC responsibilities – these three being the GLA Group organisations without a statutory board.
- 2.22. The GLA Group Collaboration Board is chaired by the Mayor's Chief of Staff and brings together senior leaders from across the group to improve strategic and operational co-ordination. It has commissioned two housing related projects; the first considered how oversight of property and development across the group could be streamlined and the second explored greater collaboration on policy. The board accepts that greater collaboration and foresight of joint pipelines is required.
- 2.23. The Deputy Mayor for Housing and Residential Development meets quarterly with the Deputy Mayor for Policing and Crime, the Deputy Mayor for Fire and Resilience, and the Deputy Mayor for Transport. The Deputy Mayor for Housing and Residential Development also meets regularly with senior leaders from GLA Group housing delivery teams. The purpose of these meetings is to monitor housing delivery at a programme-level and to work collaboratively to resolve issues. Officers from across the GLA Group also meet regularly in a range of forums to monitor project-level issues.
- 2.24. The GLA Group also engages constructively with central government on issues relating to housing delivery, through formal and informal forums. One such forum is

the London Housing Board (LHB), which was established in May 2020 to bring together senior officials from the Department for Levelling Up, Housing, and Communities (DLUHC), Homes England and the GLA to better understand the impact of Covid-19 on housing delivery in London. The LHB meets quarterly and is co-chaired by the GLA's Executive Director for Housing and Land and DLUHC's Director for Housing Strategy and Delivery. The LHB provides a forum to discuss strategic issues and agrees appropriate escalation of issues to government ministers and the Mayor. The LHB does not have decision-making powers over London's devolved powers or programmes.

- 2.25. Another forum for the GLA Group engaging with central government is via One Public Estate (OPE). OPE is a joint programme funded by the Cabinet Office, DLUHC, and the Local Government Association. OPE funding includes the Land Release Fund as well as revenue funding. OPE's London programme is built on a series of local authority partnerships, with a total of 14 partners covering 29 boroughs. OPE works closely with some parts of the GLA Group – including the GLA, MOPAC and TfL – and is in discussions to build on this.
- 2.26. Individual GLA Group organisations each have distinct internal governance arrangements, some of which are outlined in [Section 3](#) below.

GLA finance

- 2.27. The GLA has a central finance team that provides oversight of GLA Group finances and spending decisions. This team oversees the budgets for all the GLA Group. The GLA also provides treasury functions for all the GLA Group, except for TfL, which has its own treasury management function.
- 2.28. The GLA can borrow from the Public Works Loan Board (PWLB) to fund housing delivery and can do this on behalf of the GLA Group. The GLA can also provide loans or grants from GLA reserves to its functional bodies. Like local authorities, in its financing activities the GLA must have regard to the Prudential Code for capital finance.
- 2.29. The GLA inherited £300m of Olympic debt when the London Development Agency was incorporated into it. The GLA's debt exposure has also increased through borrowing to fund Crossrail and the Northern line extension. This existing debt sets the context for future debt the GLA can carry prudentially.
- 2.30. Unlike local authorities, the GLA is not bound by General Fund and Housing Revenue Account accounting rules. This means the GLA is bound by less complex accounting rules that govern financing for housing delivery when compared to local authorities.

3. Review of GLA Group housing delivery

Overview

- 3.1. This section provides an overview of the housing delivery approach that has been adopted by each of the organisations in the GLA Group. This section includes commentary about each organisation's land holdings, staffing structures, housing delivery model, housing delivery performance and future appetite for development. This section also analyses the relative success of each approach.
- 3.2. To describe the housing delivery models adopted by the GLA Group, this report recognises eight key stages of development. These stages include:
- strategy and scoping (including provision of an estate strategy)
 - land identification and intervention
 - funding and investment
 - design
 - planning
 - procurement
 - construction
 - occupation.
- 3.3. Further explanation about these development stages is outlined at [Appendix 7](#).

GLA Land and Property

- 3.4. GLAP is a 100 per cent owned subsidiary company of the GLA. GLAP was established in 2012, originally to manage the land assets that were inherited by the GLA as set out in the Localism Act 2011. It now operates as a housing development arm within the GLA, reporting to its Board of Directors, and administered within the Housing and Land directorate. GLAP also develop employment space and to a lesser degree, infrastructure.

Land holdings

- 3.5. In 2012, at the time of its establishment, GLAP inherited land and property assets from the London Development Agency, London Thames Gateway Development Corporation and the former Homes and Communities Agency. In total, 635 hectares of land was transferred to the GLA. Nearly all the developable land the GLA inherited has either been developed, is in the course of being developed, or is subject to a disposal process.
-

- 3.6. Most of GLAP's current land holdings are subject to a development agreement. GLAP's land holdings include large regeneration projects such as the Royal Docks, Greenwich Peninsula, and London Riverside across Barking and Dagenham, Newham, and Havering.

Staffing

- 3.7. The GLA's Strategic Projects and Property (SPP) team is responsible for developing land held in GLAP ownership. The SPP housing delivery team comprises 13 full time equivalent (FTE) posts. This team includes five FTE posts that report into the Royal Docks Programme Director and eight FTE posts that report to the Assistant Director of SPP. The GLA employs the SPP housing delivery team and staffing costs are recharged to GLAP as a development cost.
- 3.8. The SPP team also draws from resource across the GLA's wider Housing and Land team (particularly investment and operations expertise). SPP also uses client services from the wider TfL Estates Management, which is commissioned through a GLA shared service. SPP also comprises a small team of two additional FTE staff focused on wider public sector housing delivery, which supports the GLA Group.
- 3.9. The GLA also works closely with the London Estates Delivery Unit (LEDU). LEDU is jointly funded by the NHS and GLA. It helps to identify sites from the NHS portfolio, supports NHS trusts to prepare business cases for development, and helps with planning and project management activities.

Housing delivery model

- 3.10. The GLA manages several development activities in-house, including through the provision of an estates strategy. The GLA has experience acquiring land, including through successful use of Compulsory Purchase Orders (CPO) with support from TfL. The GLA also has experience of directly delivering specific infrastructure projects.
- 3.11. For land in GLAP ownership, the GLA's primary housing delivery approach is to develop housing through a development agreement model, with partners procured through the GLA's London Development Panel 2 (LDP2). The LDP2 is a framework of 29 developers, homebuilders, contractors, and Registered Providers (RPs). It can be used by public landowners – including the GLA Group – to develop sites in London. Typically, these assets are disposed of on a freehold basis following the completion of the development. There are some strategic circumstances where the GLA retains a long-term freehold interest in the project.
- 3.12. The GLA has also used the development management model to deliver housing on behalf of MOPAC. In this arrangement, where the GLA develops land on behalf of

another GLA Group member, the land does not need to be purchased or formally transferred across the group.

Housing delivery performance

3.13. As set out in Table 1 below, the GLA started a total of 13,454 homes over the past five years. Of these homes, 36 per cent were delivered as affordable housing.

3.14. Table 2 below shows the GLA team forecast an additional 43,600 housing starts from 2022-23 onwards. This forecast includes housing delivery on GLAP land (primarily delivered via development agreements) and other homes brought forward through joint ventures, such as Barking Riverside.

Table 1: GLA starts on site between 2016-17 and 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*	Total
All tenures	766	3,653	1,363	3,833	2,339	1,500	13,454
Affordable housing	96	856	671	1,527	824	870	4,844

* Table 1 figures for 2021-22 include actual and forecast delivery (starts on site).

Table 2: GLA forecast starts on site from 2022-23 onwards

	2022-23	2023-24	2024-25 onwards	Total forecast
All tenures	2,000	1,500	40,111	43,611
Affordable housing	800	800	14,203	15,803

Appetite for future development

3.15. As noted above, most land in GLAP ownership is either developed or subject to development. Therefore, any future programme of work for the GLA will need to involve greater collaboration with the GLA Group. Alternatively, future GLAP

development could be enabled by increased acquisition of land outside of the GLA Group. Challenges to a successful future land acquisition programme include:

- buy-in among senior internal stakeholders
- funding, recognising that the GLA has a limited overall budget and is seeking to deliver a range of other political objectives
- willingness to use CPO powers.

- 3.16. The GLA development management model is efficient, both in terms of securing development partners and securing market value for the site. However, there is a risk the wider GLA Group may be reluctant to adopt an approach where the GLA leads on the delivery of housing sites. In addition, decision-making processes about how to take forward GLA Group land (or to acquire new land) are currently fragmented, and risk being duplicated.
- 3.17. Beyond the filling of current vacancies, the GLA team would require scaling up if it were to expand its current development activities. This expanded team would benefit from in-house legal, procurement, and financial support.

Analysis of current delivery approach

- 3.18. The GLA has delivered a significant number of homes on GLAP land with a small team, by adopting a development management and joint venture approach to housing delivery. The GLA's development management model has generally been successful in delivering positive social outcomes, at pace, and with a satisfactory commercial return. The GLA has particularly demonstrated its ability and value added in delivering large-scale regeneration and industrial projects.
- 3.19. LDP2 has provided an effective framework for both the GLA Group and panel members themselves. By participating in the panel, members explicitly understand and accept the Mayor's affordable housing policy requirements and can recognise the security of investing in countercyclical products. However, LDP2 members have strongly expressed the view that the LDP2 needs to be more rapid and flexible to be more effective for all parties.
- 3.20. The delivery of larger schemes such as Silvertown Quays – a partnership between the GLA, Lendlease, and Starwood – has been challenging. In the case of Silvertown Quays, a joint venture approach with a single partner was adopted by the previous Mayor. This meant the GLA was unable to share risk as widely as if it had adopted multiple partners on a strategic site. Whilst there have been some delays to delivery of this project, key issues have been resolved and this project is now moving towards a positive outcome. This joint venture approach does not reflect GLAP's more commonly and more successfully used development management model to housing delivery.

Transport for London

- 3.21. TfL is a GLA Group functional body and is responsible for implementing and facilitating the Mayor's transport duty – to promote safe, integrated, efficient, and economic transport facilities and services to, from and within London. TfL does not have a statutory responsibility to deliver housing, although it has powers to develop its land for this purpose.
- 3.22. TfL's housing delivery is supported by TTL Properties Limited (TTLP), TfL's dedicated property company. A Commercial Development Advisory Group also provides external commercial advice to TfL in relation to housing.

Land holdings

- 3.23. TfL holds 2,215 hectares of land in freehold ownership and a further 163 hectares of leasehold land. This equates to 1.5 per cent of London's total land, although a significant portion of this land is on the Green Belt or is otherwise not developable. TfL's Estates Management team has identified that approximately 317 hectares of TfL owned land could be developed (14 per cent of its total holdings).

Staffing

- 3.24. TfL has a property development team of 79 FTE staff, including three consultants. The TfL development team operates in three distinct areas – residential, build to rent and major projects. The property development team also includes a commercial arm, that will be developing a commercial office portfolio.
- 3.25. TfL also employs several supporting teams – including finance, legal, project management, programme management, planning and design, property management, engineering, construction skills and sustainability. Several of the TfL supporting teams are formally accessed by other GLA Group organisations to support their housing delivery programmes through shared service agreements. TfL also employs two dedicated GLA planning officers to support its planning programme. These officers are employed by the GLA and provide support to TfL.
- 3.26. TfL's construction skills team has worked closely with LLDC to address current and future skills shortages in the construction industry. Examples of such collaboration include the delivery of targeted training for new entrants and sharing best practice on education initiatives and upskilling programmes. TfL's partnership with LLDC was established as part of the Mayor's Construction Academy Hub. Through this partnership, LLDC acts as a core partner in delivery activities, including the setup of Build East.

Housing delivery model

- 3.27. The TfL housing delivery model includes a broad range of in-house functions. TfL's delivery is guided by an estates strategy, which is largely focused on how affordable homes can be delivered in combination with TfL's capital and wider operational needs. TfL's in-house commercial development team identifies land and oversees development management activities (including setting design briefs and securing planning). The TfL commercial team retains oversight (and in some instances, ownership) of housing stock once complete. TfL also has a specialist team responsible for land acquisition, including via CPO. However, these powers are only to unlock transport infrastructure rather than solely affordable housing projects.
- 3.28. For larger sites in TfL ownership, the primary housing delivery model is through joint ventures. The most notable joint venture partners are Delancey and APG, with whom TfL is developing Earls Court, and Grainger, who are delivering an extensive Build to Rent portfolio. Through this model, partners are procured through bespoke arrangements or the TfL Property Partnership Framework (PPF) – and TfL takes a minority interest in the site. TfL also accesses the GLA's LDP2 framework to secure partners for these ventures. The TfL commercial team also oversee delivery through development agreements.
- 3.29. For smaller sites in TfL ownership, the primary housing delivery model is to dispose of the sites freehold. In the past, small sites held by TfL have been released through the GLA's Small Sites Small Builder portal with successful outcomes in terms of delivery of affordable housing.
- 3.30. TfL has funded its schemes through investment from TfL Group and GLA grant (including AHP and HfL Land Fund). The investment from TfL Group has not been possible during the pandemic due to the financial pressures on TfL. In joint venture projects, the joint venture partner is responsible for raising debt to fund its activities.

Housing delivery performance

- 3.31. In 2016, TfL set an ambitious target to start 10,000 homes by March 2020 from a standing start.¹³ Table 3 shows that TfL has delivered 1,778 homes against this target since 2016-17, of which 47 per cent are affordable.
- 3.32. Table 4 shows that TfL is seeking to significantly increase its housing targets in the future. TfL notes there are 6,300 homes with planning approval that are likely to start over the next 24 months.

¹³ The target of starting on site 10,000 homes was initially reforecast to March 2021. In 2020, TfL confirmed it will not achieve its target by March 2021.

Table 3: TfL starts on site between 2016-17 and 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*	Total
All tenures	180	86	46	1,077	178	211	1,778
Affordable housing	92	0	46	533	86	80	837

* Table 3 figures for 2021-22 include actual and forecast delivery (starts on site).

Table 4: TfL forecast starts on site from 2022-23 onwards

	2022-23	2023-24	2024-25 onwards	Total forecast
All tenures	4,655	5,724	8,010	18,389
Affordable housing	2,541	2,167	3,095	7,803

Appetite for future development

3.33. TfL has an ambition to significantly increase housing delivery in London. Most of this expanded programme will be delivered via its subsidiary company, TTLP. TTLP has the following two overarching objectives:

- Deliver 20,000 homes on TfL land over the next 10 years, with 50 per cent of these homes to be affordable.
- Deliver housing and other developments to generate long-term revenue streams to re-invest into transport.

3.34. As part of a recent settlement agreement with government, TTLP is undergoing an overhaul of finance, governance, and staffing structures. The new TTLP model will enable greater borrowing capacity by leveraging financing from the private sector. The initial agreement would raise up to £200m of unsecured corporate debt.

3.35. The new TTLP model will be governed by a fully formed commercial strategy and will be overseen by the Land and Property Committee of the TfL Board. The TTLP model will also be supported by an upscaled staff resource. From April 2022 TTLP will be a self-funding entity, funded through commercial income from TfL properties,

that is responsible for building homes on TfL land. TTLP is expected to eventually deliver a dividend back to TfL for investment in transport.

- 3.36. To deliver against this ambition, TfL's future focus is the delivery of larger sites and town centres. TfL has confirmed the delivery of small sites does not form a core priority of its future housing delivery programme.

Analysis of current delivery approach

- 3.37. TfL's housing delivery performance has, to date, fallen significantly short of its agreed housing delivery targets – despite employing a large, dedicated in-house housing delivery team. As set out above, a total of 1,778 starts have been delivered against TfL's stated ambition to deliver 10,000 homes. 47 per cent of the homes started by TfL to date are affordable housing, representing the highest proportion of affordable housing delivered by the GLA Group. Since 2016, TfL has delivered above 50 per cent affordable housing on schemes brought forward and TfL expects to maintain this level on its future projects.
- 3.38. It is recognised that TfL's sites are generally complex. For example, several TfL sites are on contaminated or reclaimed land, which require expensive infrastructure and enabling costs to be suitable for housing delivery. Many TfL sites involve the loss of car parks and the development of tall buildings. Although the schemes address housing need, some have been met with local and political resistance.
- 3.39. TfL's current housing delivery model relies on generated receipts from rental income and open market and affordable housing sales. This model requires up-front development finance. To date, TfL has not been able to borrow from the PWLB for housing development. Instead, funding and finance has been generated internally or via joint venture agreements. The pandemic has made access to this type of finance more challenging.
- 3.40. The new TTLP model, as set out in the Secretary of State's funding letter of 1 June 2021, will seek to address some of these funding challenges. The new model offers a relatively short-term funding strategy. This provides less certainty to TfL's housing delivery in the longer-term. It may also undermine the Mayor's power to direct or influence TfL housing delivery functions, including as part of increasing collaboration across the wider GLA Group.
- 3.41. However, housing delivery issues go beyond these practical challenges and, in some instances, point to poor engagement with local authorities and communities. TfL and its experienced development partners have attempted to progress schemes that are perceived as inappropriate to the local context by some parties. Some schemes have been challenged by local planning authorities, despite being in line with strategic London Plan priorities and being recommended for approval by local

planning officers. Feedback suggests there is insufficient early dialogue between GLA and TfL colleagues on planning and affordable housing grant, which may help the progression of schemes.

London Fire Commissioner

- 3.42. LFC is a functional body of the GLA. Its primary statutory function is to operate as the fire and rescue authority for Greater London. In doing so, LFC is responsible for ensuring that the London Fire Brigade is efficient and effective. The LFC does not have any housing functions, although it has power to dispose of land. The London Fire Brigade (LFB) is the operational body responsible for providing fire and rescue services for Greater London and reports to the LFC.

Land holdings

- 3.43. The LFC estate comprises 102 fire stations, as well as the Lambeth River station. The fire stations are of varying sizes, although have a limited footprint overall. Most LFC sites are operational and fire stations must be closed to be declared as 'surplus' (that is, to be considered for disposal or housing development).
- 3.44. LFC has an out-of-date Asset Management Plan, although expects to develop a more strategic Estates Strategy one over the next 18 months. Despite the absence of this strategy, LFC reports that there may be a few surplus sites within their portfolio that could become available for housing development in the short-term. This LFC land primarily comprises small sites, with potentially some larger sites becoming available over the longer term.

Staffing

- 3.45. LFC has a small asset management team comprised of three FTE posts. The team includes the Head of Property and two asset management posts, both of which are presently vacant. Senior roles in the LFC property team (when filled) operate across both estate management and development functions. LFC procures external development consultants to deliver a broad range of housing development activities on behalf of the team.

Housing delivery model

- 3.46. LFC's priority in releasing land is to receive capital receipts to fund its fire and rescue operations. In line with this objective, LFC's primary housing delivery model is to dispose of freehold sites unconditionally on the open market to raise capital receipts. As part of this delivery model, LFC's approach is to undertake initial design and pre-application discussions before then marketing the site for sale, with support from external consultants.

Housing delivery performance

3.47. LFC does not set strategic targets for housing development – rather, LFC takes an opportunistic approach in disposing of sites, as reflected in the delivery statistics below. Table 5 shows that LFC has disposed of sites that have yielded 363 homes since 2016-17 – of which 24 per cent have been affordable housing.

Table 5: LFC starts on site between 2016-17 and 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*	Total
All tenures	61	85	217	0	0	0	363
Affordable housing	17	68	2	0	0	0	87

* Table 5 figures for 2021-22 include actual and forecast delivery (starts on site).

Table 6: LFC forecast starts on site from 2022-23 onwards

	2022-23	2023-24	2024-25 onwards	Total forecast
All tenures	0	49	443	492
Affordable housing	0	0	172	172

Appetite for future development

3.48. Forecast housing delivery, shown in Table 6, is located across three sites. Forecast housing delivery is comprised of an estimated 492 homes (subject to future review) at 8 Albert Embankment and the former Clerkenwell and Mitcham fire stations.

3.49. LFC has identified opportunities for future housing delivery beyond forecast delivery. LFC has identified possible opportunities for co-location as one way to release land from other public sector bodies for affordable housing delivery. LFC notes this co-location approach could occur inside and outside the GLA Group, and especially with London Ambulance Service. This rationalisation could maximise

revenue receipts from LFC land holdings through rental arrangements but would not realise additional capital.

- 3.50. LFC is interested to explore adopting a more interventionist development management model for housing delivery. This model would require technical support outside of the LFC's property team. It would also involve bringing in additional support to take forward schemes (either from within the GLA or externally). LFC is amenable to other GLA teams supporting with the disposal of small sites, which may become non-operational over the longer-term.

Analysis of current delivery approach

- 3.51. LFC's housing delivery approach is effective in terms of generating a quick capital receipt that can be used to fund LFC operational services. However, the current model does not allow for close control of outcomes – particularly in terms of levels of affordable housing, as evidenced in Table 5 above. This is because LFC does not stipulate affordable housing percentages in the disposal process.
- 3.52. LFC accepts the London Plan 2021 requirement to deliver 50 per cent affordable housing on public land. However, it reports that this policy is difficult to achieve due to viability challenges, particularly where fire stations are re-provided or where there are other infrastructure contributions. LFC sites have historically delivered less than 50 per cent affordable housing once developed. It is worth highlighting these land disposals commenced prior to May 2016 (prior to the implementation of the London Plan policies) and the schemes identified in Table 5 were delivered prior to the formal adoption of the London Plan. Despite this, LFC's forecast delivery of affordable housing is still expected to fall short of the 50 per cent requirement.
- 3.53. LFC notes that its primary statutory duty is to ensure the efficiency and effectiveness of LFB. LFC is also obliged to obtain best consideration for disposals. Therefore, LFC's priority when bringing forward land for development is to raise receipts to fund fire services, rather than to deliver 50 per cent affordable housing. However, best consideration is dependent on the policy context in which land is valued. Where land is being developed for residential use, the London Plan establishes that this policy applies equally to all public sector landowners in London. As such, this does not justify under-delivery against the Mayor's 50 per cent affordable housing policy.
- 3.54. LFC has faced significant challenges in delivering larger and more complex sites. A key example of this is LFC's experience with 8 Albert Embankment, where delivery has stalled (see [Case Study 2](#) in Section Four for further detail about this scheme). This delivery challenge partly reflects issues with the external consultants employed. However, it also emphasises that the LFC has insufficient expertise in-house to deliver large and complex schemes of this nature.

Mayor's Office for Policing and Crime

3.55. MOPAC is a GLA functional body, and the strategic oversight body tasked with devising the Police and Crime Plan and ensuring that it is delivered. Its functions are to secure the maintenance of the Metropolitan Police Service ('MPS') and its efficiency and effectiveness. In so doing, it also sets the budget for the MPS and holds the MPS to account. MOPAC has no housing functions. MOPAC has power to acquire and dispose of land.

Land holdings

3.56. MOPAC and the wider MPS estate comprises 249 operational sites across London. MOPAC is in the process of finalising an estates strategy. Once published, the strategy will identify which buildings within its portfolio will be retained and which will be surplus by the end of 2025. Some of these surplus buildings may be suitable for housing development.

3.57. It is unlikely that any large MOPAC sites will become available over the next 10 years. The forthcoming estates strategy will identify opportunities to improve and intensify the use of existing estates. The estates strategy will also identify a portfolio of smaller sites, which may become surplus over the next 10 years.

Staffing

3.58. MPS employs a small asset management and property disposal team, comprising four FTE staff. The MPS property team is split broadly into four areas: facilities and asset management; construction and development; engagement and estate management; and specialist surveying. The MPS property team is principally responsible for property maintenance, refurbishment, and disposals. Most development activities (including design and site preparatory work) are externally contracted.

3.59. MOPAC has some experience formally collaborating with other GLA Group teams to deliver housing, including with the GLA and TfL to dispose [the Hendon site](#) via the LDP2. In this instance, the GLA team offered in-house consultancy services to manage the partner procurement process. MOPAC has also collaborated with LFC on a project to explore co-location of police and fire staff within the same operational building.

Housing delivery model

3.60. MOPAC adopts a similar housing delivery model to LFC, whereby the primary approach is to dispose of freehold sites unconditionally on the open market.

MOPAC cites the following reasons for disposing of sites on the open market, rather than retaining sites and engaging in direct delivery (beyond capacity constraints):

- MOPAC has a statutory duty to achieve value for money to deliver efficient and effective policing. MOPAC does not have the social, economic, or environmental purposes that the GLA has. Therefore, MOPAC cannot take those factors into account when making decisions on the sale of its land. Instead, MOPAC's decisions on the sale of its land must focus on ensuring the value for money is achieved with the legal purpose of delivering 'efficient and effective policing'.
- Operational requirements to generate receipts quickly and reduce operational costs mean that MOPAC will often seek a quick disposal and exit from the scheme.
- Possible reputational risks mean that MOPAC is reluctant to maintain an ongoing interest in housing development, through engaging in direct delivery, in case the development presents future issues. For example, delays to the development programme could mean that buildings that are perceived to be of community value are left underutilised or inappropriately occupied.
- There are financial incentives to freehold disposal because of the holding costs for maintaining an empty building, in terms of property management and rates. Property management is not a primary function of MPS. In addition, freehold disposal (as opposed to engaging in direct delivery) may provide a faster capital receipt, which can reduce borrowing costs in annual revenue budgets.

3.61. When disposing of sites for residential development, MOPAC asks bidders to acknowledge that when making an offer they must have regard to relevant planning policies. This includes existing local authority policies on minimum affordable housing requirements, the Mayor's London Plan, and relevant London Plan Guidance. Bidders are also encouraged to review the GLA capital funding available for the provision of affordable housing, primarily through the Mayor's AHP.

Housing delivery performance

3.62. Like LFC, MOPAC does not set strategic housing delivery targets and housing opportunities arise through disposals where sites are identified as surplus. Table 7 below shows that, since 2016, MOPAC has disposed of land that has delivered 561 homes – of which 28 per cent have been affordable.

3.63. Table 8 below outlines MOPAC's future housing forecasts. Forecast delivery is across 30 sites. The largest of these sites is the Hendon site in Colindale, which

accounts for 800 homes (including 480 affordable homes). The forecast figures are uncertain, as the future use of these sites and buildings are yet to be determined. Further, the third-party delivery partner will ultimately have control of the delivery outcomes, which will potentially impact the number of affordable homes delivered.

Table 7: MOPAC starts on site between 2016-17 and 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*	Total**
All tenures	268	129	24	50	59	31	561
Affordable housing	10	103	1	26	13	4	157

* Table 7 figures for 2021-22 include actual and forecast delivery (starts on site).

** Table 7 start on site figures do not include housing delivery at New Scotland Yard, the land disposal for which commenced prior to May 2016.

Table 8: MOPAC forecast starts on site from 2022-23 onwards

	2022-23	2023-24	2024-25 onwards	Total forecast
All tenures	929	1,324	299	2,552
Affordable housing	373	735	146	1,254

Appetite for future development

3.64. MOPAC's primary interest is to release surplus land to the open market to generate capital receipts to fund operational services. Beyond this, MOPAC identifies two key opportunities for future housing delivery.

- First, MOPAC reports that there is a portfolio of small sites that is likely to come forward for disposal over the next 10 years. These sites are generally disposed of on an individual basis. However, there is an opportunity for an alternative development vehicle (including the GLA) to assist with disposals on a portfolio basis.

- Second, where larger sites become available in the longer-term, there may be an opportunity to adopt a development management model including with support from the wider GLA Group.

3.65. The value added from the GLA's involvement in both opportunities would be contingent on land valuations being agreed and underwritten by the GLA. The value added would also be contingent on delivery timescales and decision-making being optimised.

Analysis of current delivery approach

- 3.66. As with LFC, MOPAC's housing delivery model is to dispose of freehold sites unconditionally on the open market. This enables a relatively quick financial return and reduces the cost of empty buildings being held by MOPAC for a long time. However, this model does not enable development objectives to be controlled – including the proportion of affordable housing that is delivered. This approach also means that the GLA Group loses a long-term interest in its publicly owned land.
- 3.67. MOPAC acknowledges the Mayor's 50 per cent affordable housing policy requirement on public land – including where that land is being disposed. However, MOPAC's view is that the responsibility to achieve policy compliant levels of affordable housing rests with the local authority post-sale. MOPAC does not think that it, or its development partners, have a responsibility to achieve this objective following disposal. This is partly because MOPAC does not retain any legal interest in the land. Even if MOPAC were to develop the land, MOPAC's view is that it is the for the local planning authority to secure the 50 per cent affordable housing.
- 3.68. MOPAC's statutory duty is to achieve value for money to deliver efficient and effective policing. MOPAC does not have social, economic, or environmental statutory purposes and so cannot take those factors into account when making decisions on the sale of its land. This means that social objectives, such as affordable housing delivery, cannot be used to justify a sale of its land at an undervalue. This also means that MOPAC cannot prioritise zero carbon. However, there is no evidence to suggest that value for money to deliver effective and efficient policy cannot be achieved alongside social objectives, including affordable housing. Indeed, an agreed approach to portfolio and site valuations, delivered through a development management model, has proven to deliver against both MOPAC and the Mayor's objectives.
- 3.69. MOPAC's land disposal and housing delivery model relies heavily on external consultants. This arguably does not make the best use of the GLA's in-house resources, particularly where other parts of the GLA Group have specialist expertise. As evidenced by the record of homes delivered on sites disposed of by

MOPAC, external consultants are also not incentivised to maximise levels of affordable housing on a scheme.

London Legacy Development Corporation

- 3.70. LLDC is a MDC, established in 2012. LLDC is responsible for the managing Queen Elizabeth Olympic Park and delivering development and regeneration projects within this MDC area.
- 3.71. As with all MDCs, the primary aim of LLDC is to secure the regeneration of its area. LLDC has significant powers to acquire, develop, own, manage and sell land to achieve this. As a MDC, LLDC is also the planning authority for the area. LLDC, as the planning authority, leads on the preparation of local plans and the determination of planning applications in its area.

Land holdings

- 3.72. LLDC owns and is responsible for the management of the Queen Elizabeth Olympic Park Estate and the venues within the park. LLDC defines its land holdings in the following four categories:
- Legacy community sites, which includes 2,730 homes on site at two neighbourhoods (Chobham Manor, and East Wick and Sweetwater).
 - Portfolio sites, which includes three sites for development with masterplanning and procurement underway.
 - Neighbourhood sites, which include two sites with a developer identified for one and the second being retained to support infrastructure delivery in the short-term and then to dispose.
 - Feasibility sites, which include two sites anticipated for disposal.

Staffing

- 3.73. LLDC employs an in-house development team. The LLDC housing delivery team is separate to LLDC's planning function and comprises 49 FTE posts, including the following roles and expertise:
- 27 FTE staff in the development and East Bank Stratford Waterfront team
 - 15 FTE staff providing design consultancy services
 - 7 FTE staff providing planning consultancy services

Housing delivery model

- 3.74. LLDC's housing delivery model is underpinned by an estates strategy and is implemented via an in-house team that leads on masterplanning, site appraisals,

and partnering. LLDC's development functions combine with the in-house related functions of planning and design.

- 3.75. LLDC does not typically intervene in the land market to acquire sites, given LLDC's inherited landholdings and the specific mandate to develop these sites. When developing sites, LLDC typically retains the freehold of land and disposes long leasehold interest to the market. In these circumstances, LLDC does not charge ground rents but a fixed estate charge to contribute to the upkeep and management of the estate and venues.
- 3.76. LLDC funds its development through central government grants and debt finance secured from the GLA. LLDC primarily uses development agreements or joint venture agreements with commercial developers to deliver housing and wider regeneration projects. Partners have been procured using a bespoke framework and LLDC has recently used the LDP2 framework on a smaller site. LLDC has stated that this framework is not appropriate for more complex schemes where joint venture partnership is required to procure development partners.
- 3.77. LLDC notes the management of rented homes – both affordable and Build to Rent – generally sits with a Registered Provider (RP) in the neighbourhood. LLDC retains an interest in a percentage of the Built to Rent homes; the RP manages on their behalf and passes the rental income to LLDC.

Housing delivery performance

- 3.78. Across the MDC, as a planning authority, LLDC has a target to deliver 33,000 new homes by 2036. By March 2021, 11,519 homes have been built across the MDC supported by LLDC's planning functions, including 23 per cent affordable housing.
- 3.79. On land owned by LLDC, there is a target to deliver 5,774 homes by 2032. Between 2016-17 to 2021-22 LLDC has delivered 923 homes on its own land, including 39 per cent affordable housing.

Table 9: LLDC starts on site between 2016-17 and 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*	Total
All tenures	207	0	716	0	0	0	923
Affordable housing	38	0	321	0	0	0	359

* Table 9 figures for 2021-22 include actual and forecast delivery (starts on site).

Table 10: LLDC forecast starts on site from 2022-23 onwards

	2022-23	2023-24	2024-25 onwards	Total forecast
All tenures	406	411	3,857	4,674
Affordable housing	127	119	1,657	1,903

Appetite for future development

3.80. The Mayor is currently reviewing arrangements for the ongoing operation and oversight of Queen Elizabeth Olympic Park. It has been agreed that town planning powers will be returned to respective local authorities by December 2024. The legal structure and governance of LLDC's successor organisation is currently under active consideration. One option that it is understood to be considered is for LLDC to retain the current legal MDC status beyond 2024 but operate as a reconfigured, smaller successor organisation.

3.81. In addition to decisions around the future legal structure of LLDC, there are several further decisions yet to be determined with respect to its transition:

- **Governance:** LLDC will retain local borough representation on the successor body's board, but the exact board structure and wider governance arrangements are still to be determined.
- **Land:** LLDC expect to have all its developable land in contract by the end of 2024. This land is presently owned by LLDC and a decision will need to be made about future ownership arrangements. It is likely that land will remain in the ownership of the successor body, to mitigate land transfer costs and to ensure unity of the parkland.
- **Development functions:** A development team will need to have an ongoing role to manage development agreements and joint ventures in the long-term. This team could be retained within the successor body or sit elsewhere in the GLA Group.
- **Property and estates management:** A property management team will need to be retained to oversee the work of the registered providers and manage rental incomes. An estates team will also need to remain engaged

to manage the parkland and wider estate. As above, these teams could be retained within the successor body or sit elsewhere in the GLA.

- 3.82. Any decisions around staffing need to be managed sensitively to ensure the professional development of staff is prioritised. Decisions around staffing should also ensure expertise is retained within the GLA Group and, where possible, within LLDC for the duration of the transition. Decisions will also need to be mindful of employment law obligations, particularly surrounding consultation.
- 3.83. LLDC's objective is to secure outline planning and contract all remaining schemes in its ownership before 2024. That is to ensure that East Bank, neighbourhoods, and the Mayor's 50 per cent affordable housing policy is achieved. This will involve concluding existing joint ventures and securing new joint ventures for future sites. LLDC also reports an appetite for direct development. However, to date, LLDC has not been able to pursue this, citing limits on lending capacity provided by the GLA.

Analysis of current delivery approach

- 3.84. LLDC will receive more than £500m funding from GLA cash reserves in the form of a repayable loan. The financial model for LLDC assumes a positive return from LLDC, with returns forecast to continue into future years up until the 2050s.
- 3.85. The LLDC housing delivery team is well resourced, but housing delivery numbers are modest. LLDC has reported issues with chosen development partners, in terms of underperformance on delivery of large-scale regeneration schemes. Notably, these partners are not included on the GLA's LDP2.
- 3.86. LLDC is in the process of selecting partners for its final schemes. As noted above, a development function will need to remain in place after the transition to manage existing development agreements. Current LLDC staff are best placed to do this, given their knowledge of the area and existing agreements. However, there is the opportunity with transfer of the planning powers to combine the land and development function with that in the GLA.
- 3.87. The transition of LLDC in 2024 presents an obvious opportunity to streamline and consolidate existing LLDC housing delivery functions into a single City Hall developer model.

Old Oak and Park Royal Development Corporation

- 3.88. OPDC is a MDC, established in 2015 by the previous Mayor of London. OPDC's area spans parts of three London boroughs – Ealing, Brent, and Hammersmith and Fulham.

3.89. As with all MDCs, the primary aim of OPDC is to secure the regeneration of its area. OPDC has wide and express powers to acquire, develop, own, manage and sell land. OPDC is also the planning authority for its area and leads on preparing local plans and determining planning applications in its area.

Land holdings

3.90. OPDC does not own land in the OPDC area. Government is the single largest owner of land in the Old Oak area through the Department for Transport's control of Network Rail and High Speed Two (HS2). OPDC's core development area comprises around 80 hectares, of which around 50 hectares are in government control.

3.91. OPDC has a Memorandum of Understanding with the Department for Transport, dating back to 2015, that offers OPDC a right to acquire surplus sites in Network Rail and HS2 control. OPDC also has CPO powers which may be helpful in underpinning an acquisition strategy for third party sites where necessary.

Staffing

3.92. The OPDC housing delivery team (separate to the planning function) comprises seven FTE staff. OPDC is seeking to expand the housing delivery team to 13 FTE posts in anticipation of future work. The current team is carrying vacancies but typically includes:

- Planning and design (1 FTE)
- HfL Land Fund delivery (2 FTE)
- CPO and Land Assembly (0.2 FTE)
- Infrastructure (1.8 FTE)

Housing delivery model

3.93. OPDC's housing delivery model is dependent on securing the transfer of major public sector development sites into a single co-ordinated programme, as envisaged in the 2015 MoU, together with a funding strategy to unlock infrastructure and support additional land assembly. OPDC has been working closely with officials at the Department for Transport (DfT), DLUHC and Homes England on the preparation of a strategic business case to support this approach.

3.94. OPDC's primary role is to identify, optimise and co-ordinate housing delivery to deliver long-term sustainable 'place-making' at a strategic scale. To achieve this, OPDC's delivery model involves assembling public land and relevant third-party sites. This is to enable the procurement of one or more master developer joint venture partners. The partnership(s) will bring forward a detailed masterplan. OPDC

will deliver infrastructure to unlock and improve connectivity to development sites, to enable delivery of housing development on development sites. OPDC anticipates that major development and joint venture agreements will be managed in-house. OPDC will potentially take a direct delivery approach for small scale initiatives and early infrastructure provision, with support from TfL procurement.

- 3.95. OPDC do not intend to manage or retain ownership of the homes – this function will be undertaken by developers.

Housing delivery performance

- 3.96. Across the MDC, as a planning authority, OPDC has a ten-year London Plan target to deliver 13,600 homes and a long-term target to deliver 25,500 new homes. By March 2021, 3,032 homes have been started across the MDC supported by OPDC's planning functions, including 430 student homes.
- 3.97. OPDC has supported a range of early housing developments in its role as a local planning authority and promoter. However, OPDC has not delivered any housing directly or in a joint venture through its development functions to date. OPDC also does not have formal targets for future housing delivery using its development functions.
- 3.98. The figures in Table 11 and Table 12 show housing delivery across the MDC area supported through OPDC's planning functions, as opposed to housing delivery using OPDC's development functions. Affordable housing provision is not yet known for schemes at pre application stage forecast to start in 2022-23 and 2023-24 and for schemes forecast to start from 2024-25 onwards (shown in Table 12).

Table 11: OPDC (planning function) starts on site between 2016-17 and 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*	Total
All tenures	0	1,659	904	105	364	622	3,654
Affordable housing	0	505	199	33	120	207	1,064

* Table 11 figures for 2021-22 include actual and forecast delivery (starts on site).

Table 12: OPDC (planning function) forecast starts on site from 2022-23 onwards

	2022-23	2023-24	2024-25 onwards	Total forecast
All tenures	2,041	1,633	13,809	18,672
Affordable housing*	472	133	0	605

Appetite for future development

- 3.99. A key enabler for the regeneration of the area will be the adoption of the OPDC Local Plan which is expected to be adopted in the first half of 2022.
- 3.100. OPDC's current delivery plan focuses on the '[Western Lands](#)' core development area. The main future development sites are in public ownership across the Department for Transport, HS2 and Network Rail. The Western Lands has the potential to deliver more than 9,000 new homes by 2032. These new homes will include 46 per cent or more affordable housing. Housing delivery will be achieved through collaboration between OPDC's development functions and the open market. OPDC will deliver early infrastructure, to unlock sites and increase connectivity for early sites.
- 3.101. In the short-term, some sites in private ownership are available for early development. The expectation is that these early sites will either come forward via the market or may be acquired by OPDC using the HfL Land Fund. This will support OPDC's preferred delivery approach of combining these sites with publicly owned development sites to procure one or more master development partners to drive forward OPDC's wider housing and regeneration strategy. OPDC has had assurances from the GLA that, subject to delivery within the relevant timeline, funding will be available from the Mayor's AHP.
- 3.102. Over the longer term, up to 2032, OPDC's preferred delivery approach is to gain control of publicly owned land from government. The delivery of homes in the Western Lands is reliant on agreeing an appropriate arrangement for the transfer of these sites into a single agency. Subject to an appropriate arrangement for the transfer of these sites into a single agency arrangement, acting as master developer, OPDC would then procure a selection of partners and work with delivery partners to develop a masterplan for the Western Lands.

3.103. OPDC presently does not own any land or capital. This is being addressed by OPDC. OPDC is currently progressing a bid to the HfL Land Fund for early site acquisitions and will shortly be submitting a strategic business case to government. OPDC's intention is to secure funding allocations that can be tied to a return on subsequent land and capital assets. A transfer of public land from government and its agencies offers an opportunity for a long-term investment approach. This would enable shorter-term costs of infrastructure and enabling funding to be set against early receipts in favour of longer-term returns.

Analysis of current delivery approach

3.104. OPDC presents a unique opportunity to intervene in land assembly and housing delivery to ensure cohesive development and drive outcomes. The value added from public intervention – in terms of speed and scale – could be significant.

3.105. The biggest challenge for OPDC is assembling land, especially key sites owned by the Department for Transport, Network Rail and HS2. To enable delivery plans to progress, and to give certainty to OPDC's future role, the existing MoU with DfT will need to be formalised. Ideally the MoU would be formalised with a legally binding agreement on the terms of transfer. Further information about the complexities with land assembly are outlined in [Section Four](#).

3.106. The financing of OPDC is challenging, given the scale of funding required. The GLA finance team recognises that a significant amount of development funding and finance, beyond that associated with the HfL Land Fund and AHP, is needed from central government for OPDC to progress. In addition to any development funding secured centrally, the government is likely to look for a contribution towards development funding from the GLA. OPDC could also consider borrowing if there was an identifiable income stream to borrow against. For example, OPDC could leverage borrowing against business rates growth from within the three boroughs.

3.107. As noted above, OPDC is progressing a bid to the HfL Land Fund, which is under active consideration. However, OPDC has reported that the process for securing borrowing from the HfL Land Fund can be cumbersome. OPDC notes the assessment criteria are not always aligned with its strategic priorities.

Summary of GLA Group approach to housing delivery

3.108. The GLA Group makes a significant contribution to housing delivery in London. Since 2016, the group has started construction on more than 17,000 homes on GLA Group land – of which over 6,200 homes have been affordable. A further 69,700 homes are forecast for delivery on GLA Group land from 2022-23 onwards, including more than 26,900 affordable homes.

- 3.109. Since 2016, TfL has delivered the highest proportion of affordable housing amongst the GLA Group (46 per cent) albeit on a smaller number of homes. To date, the GLA has delivered the highest number of homes overall and the highest number of affordable homes. The GLA also makes up the biggest proportion of forecast housing delivery – with almost two thirds of the forecast homes expected to be delivered on GLAP land. LFC and MOPAC are the smallest contributors to residential development on GLA Group land. This largely reflects that these organisations have less surplus land that is suitable for residential development.
- 3.110. The housing development approach adopted across the GLA Group varies. Some organisations (GLA, TfL, LLDC, and OPDC) are set up to take a more involved approach to delivery. These organisations maintain long-term involvement in projects to direct and enforce development obligations to drive outcomes. Other parts of the group (most notably, MOPAC and LFC) are more removed from the delivery process. These GLA Group organisations typically dispose of freehold land on an unconditional basis to realise a capital receipt. The GLA Group does not typically undertake direct development activities or have capacity to do so. However, TfL is trialling small-scale direct delivery on one site. This diversity in approach is underpinned by differing statutory functions, as well as varying levels of staffing capacity and expertise. This diversity in approach also emerges from institutional cultures and historical preferences.
- 3.111. The GLA Group employs separate development teams for each organisation. The way each team is resourced reflects the differences in delivery approach explored above. For example, LFC and MOPAC treat development as part of asset management whereas the GLA, TfL, OPDC and LLDC have distinct development teams (or subsidiary companies). While there is evidence of positive collaboration across the group, there is clear duplication of work and roles.
- 3.112. The land portfolios of the GLA Group organisations are diverse and there is currently no consolidated group position on long-term land supply. Not all parts of the GLA Group are aware of land opportunities or future site disposals being led by different functional bodies, which minimises opportunities for strategic collaboration. The way in which sites are identified for development varies and is driven by differing objectives and misaligned timescales. The opportunities for taking sites to market are influenced by organisational drivers – such as speed at which the asset needs to be disposed.
- 3.113. Currently, transfer of land within the group can be inefficient due to factors outside Mayoral control, such as transactional costs. However, it is not critical for land to be transferred across the group for other parts of the GLA to support its development. This has been evidenced through the GLA development management approach to the MOPAC Hendon site. Indeed, a development management approach (where land is not transferred) can promote collaboration and enable efficient and cost-

effective housing delivery. This is provided land valuations are agreed by all parties in advance and decision-making processes are streamlined.

- 3.114. All GLA Group organisations are required to deliver 50 per cent affordable housing and this requirement was made explicit through the adoption of the London Plan 2021. GLA Group organisations do not have a uniform understanding about how best consideration and affordable housing requirements interact. In addition, in practice, they accept differing levels of responsibility to achieve 50 per cent affordable housing on their sites. This can impact affordable housing provision across the GLA Group.
- 3.115. Of note, no GLA Group organisations directly employ a construction or manufacturing arm to support their housing delivery functions. Within the GLA Group, only TfL has some small-scale experience of overseeing direct delivery. GLA Group organisations, overall, do not operate as a landlord for housing stock once it is built. They typically enter into agreements with local authorities or RPs to manage properties on completion.

4. Strengths, challenges, and opportunities for future expansion

4.1. This section of the report sets out:

- The strengths and challenges of the GLA Group's current approach to housing delivery, illustrated by case studies. This analysis shows that current housing delivery arrangements are fragmented, warranting greater collaboration and streamlining of approaches across the group.
- An explanation as to why the GLA should take a more interventionist role in affordable housing delivery in the future and the long-term benefits this will bring to London. This section sets out opportunities for an expanded City Hall developer function, including demonstrating where the GLA could add most value to London's existing affordable housing market.

Assessment of GLA Group housing delivery approach

Organisational structure and leadership

4.2. The GLA Group has many roles – as a funder, a planning authority, a landowner, and a developer – however, these responsibilities are not always joined up. In delivering housing, operations across the group are fragmented in the following ways:

- **Staffing:** staff resources and associated salary structures differ across the GLA Group. There is no unified approach to induction, training, career development, or expertise sharing, and secondments take place on an ad-hoc basis. Some organisations have more commercial salary packages (including bonuses), and others employ private sector practitioners through external consultancies. This fragmented approach hinders strategic collaboration and the sharing of expertise among staff across different GLA Group organisations. It also minimises opportunities for career progression across the group.
- **Strategic objectives:** some GLA Group organisations (TfL, LFC, MOPAC) deliver housing to generate receipts to fund operational services, in line with their statutory requirements and organisational objectives. These organisations – particularly LFC and MOPAC – are not delivering against the

Mayor's affordable housing requirements. However, GLA, OPDC and LLDC are more aligned with the Mayor's affordable housing objectives. These differing strategic objectives are reflected in the distinct delivery models adopted by each body and make it challenging to align delivery under a single unified approach. To some extent, these different strategic objectives are related to the statutory roles and functions of the different organisations – despite this, there is scope for greater strategic alignment.

- **Governance:** The Mayor's HfL Board is the only forum that formally oversees overall GLA Group housing delivery. GLA Group functional bodies are required to provide information about their housing delivery performance to the HfL Board. However, the depth of information provided by each member varies and the HfL Board does not manage performance or coordinate specific projects. This level of oversight is insufficient for the GLA Group. Beyond the Mayor and the HfL Board, there is no single authority that provides oversight across the group. Leadership and oversight of housing delivery can be siloed across each of the organisations. A crucial gap, referred to by several interviewees, was a process whereby the future pipeline of schemes for each GLA Group organisation could be shared and discussed. However, strengthening of leadership and oversight, should be distinguished from the micro-managing of individual schemes.

- 4.3. This fragmented approach reduces the ability for the GLA Group to deliver housing efficiently and at pace. Boroughs have commented that this fragmentation makes it challenging for London's wider housing sector to collaborate or engage constructively with the GLA Group as a development partner. There have been recent efforts to rectify this fragmentation – most notably through work carried out under a new GLA Group Collaboration Board. However, the current impact of these efforts – particularly on housing delivery – has been limited.
- 4.4. In addition, the GLA is generally corporately risk averse. It is unclear whether expanded (and direct) delivery of affordable housing is a political priority for all parts of the organisation. Further, the current Mayor is seeking to deliver a broad political mandate and views its existing budget as exposed and overstretched. In practice, these considerations can temper ambitions to increase GLA Group housing delivery and to take a more interventionist approach.
- 4.5. Individual GLA Group decision-making processes can be lengthy and there is no clear governance framework in place to guide GLA Group decision-making. It is important that the GLA Group – as a government body – follows proper decision-making processes. However, decisions could be made more quickly if the GLA Group had a more consolidated governance structure (including delegated powers). Decisions could also be made more quickly if the GLA Group had a more unified vision for housing delivery, set at the highest level of the organisation. A clear,

senior, cross-group professional lead could also ensure greater consistency and unblock problems across the group where they occur.

Collaboration and sharing of expertise

- 4.6. As noted above, current GLA Group organisational structures are not geared towards collaboration or sharing of expertise. However, collaboration that has occurred to date is positive. Some examples worth highlighting include:
- There are examples of GLA Group organisations successfully using the Mayor's housing programmes to achieve positive affordable housing outcomes. This includes accessing the Mayor's AHP, the HfL Land Fund, and the [SSSB portal](#). One example of good practice is the St Ann's scheme in Haringey ([Case Study 1](#)). A further relevant example is TfL's use of the SSSB portal to dispose of London Mews, which is a small site at Beechwood Avenue in Barnet ([Case Study 4](#)).
 - The GLA Group organisations can access shared resources across the group through shared services arrangements. For example, TfL legal and procurement services are accessed by a range of teams across the group.
 - There are some examples of shared training and secondments across the group. While these examples are limited, they have been reflected on positively by all participating parties. All GLA Group stakeholders have reported a desire to work more closely with others across the group, including through more formalised arrangements.
- 4.7. Notwithstanding these positive examples, there is no routine sharing of in-house technical development expertise. For example, there is no routine sharing of in-house expertise in design, planning, and infrastructure. This, in some instances, leads to duplication in work across the group. There is also currently no cross-group peer-review function. More collaboration and sharing of expertise on technical development areas will streamline housing delivery across the group. In particular, a shared planning service could ensure a more consistent approach and help to overcome some of the issues faced on schemes delivered by the group.

Case study 1: St Ann's in Haringey – GLAP land acquisition

In 2018, GLAP purchased a site at St Ann's Hospital from Barnet, Enfield, and Haringey Mental Health NHS Trust. The objective of GLAP's intervention was to support the delivery of affordable housing and wider community benefits. This was the first time the HfL Land Fund was used by the Mayor to purchase a site.

NHS Property was looking to pay for state-of-the-art facilities to meet the health needs of the local community through the consolidation of this estate. The initial plans for the development of the site would have delivered only 14 per cent affordable homes.

The GLA used the HfL Land Fund, to acquire the site with an intention from the Mayor to deliver 60 per cent affordable housing. The procurement of a development partner prioritised design quality to mitigate the impact of increasing the density on the site. The GLA tendered for a development partner through LDP2. Catalyst was selected to deliver more than 900 new homes. This includes 60 per cent of homes ringfenced as genuinely affordable and a minimum of 50 community-led homes. The breakdown of affordable homes is: 60 per cent London Affordable Rent (LAR), 20 per cent Shared Ownership, and 20 per cent London Living Rent. Half of the LAR Homes will be sold to the local council at a specified price for use as council homes.

The GLA and Catalyst have worked closely with the local community to identify shared priorities. This scheme will provide community-led housing, a new and enlarged Peace Garden, improved streets, as well as new retail and affordable workspaces. The GLA secured permission from the Secretary of State to dispose of land to Catalyst at less than best consideration and outside of the parameters of General Consent. In part, due to the delivery of considerable community benefits, GLAP is making a loss on the project and this model will require additional funding to be sustainable long-term.

St Ann's Hospital was the LEDU's first pilot of working in partnership with the GLA to support local and NHS trust estate expertise, planning, and delivery capability. The up-front payment enabled the NHS to create necessary new facilities, whilst delivering on the Mayor's aims to increase the supply of new affordable homes.

The construction of new homes is expected to commence in early 2023.

Mayoral policy alignment

- 4.8. London Plan 2021 policy confirms that residential development on public land must deliver 50 per cent affordable housing. This applies to all public landowners, including GLA Group organisations. This applies equally to residential schemes delivered, or land disposed of, by the GLA Group. GLA Group organisations should be exemplars in meeting – or, indeed, going further than – this policy requirement.
- 4.9. The organisations in the GLA Group recognise and accept that, as public sector landowners, this policy requirement applies to their development programmes. However, GLA Group organisations do not have a uniform understanding about how best consideration and affordable housing requirements interact. In addition, in practice, they accept differing levels of responsibility to achieve 50 per cent affordable housing on their sites.
- 4.10. Some GLA Group organisations were of the view that the provision of 50 per cent affordable housing presents a challenge to achieving best consideration with a residential scheme. However, this planning policy requirement does not contradict duties to achieve best consideration or best value when disposing of sites. Rather, when bringing forward land for housing, public landowners must secure best consideration in the context of delivering 50 per cent affordable housing. This policy has been re-stated through the adoption of the London Plan 2021. The GLA Group should continue to implement this policy effectively and clearly. This will confirm the baseline expectation is that these planning policy requirements should be factored into all public land valuations that comprise residential development.
- 4.11. Some GLA Group organisations do not have housing functions or powers. Some GLA Group organisations have a statutory obligation to achieve value for money and are focused on maximising capital receipts to be invested into operational services. Best value and best consideration may be achieved by developing land for residential, including residential land that provides 50 per cent affordable housing. In some cases, other uses may derive a greater land value.
- 4.12. The different development models employed across the group also impact affordable housing provision. Levels of affordable housing can be negotiated down where freehold sites are disposed of unconditionally on the open market. In these circumstances, control of development outcomes is lost to third party purchasers. Reductions in affordable housing can also occur where external consultants do not understand the strategic priorities of the GLA Group. In these circumstances, external consultants may seek to minimise affordable housing to maximise the generation of receipts. To ensure the Mayor's affordable housing requirements are upheld, GLA Group organisations should formalise affordable housing requirements in development agreements. GLA Group organisations should prioritise the use of in-house expertise (including in-house consultancy services) to develop their sites.

- 4.13. There will be some limited circumstances where the requirement to provide 50 per cent affordable housing will conflict with other delivery priorities to make a site unviable. For example, where GLA Group organisations deliver significant infrastructure contributions. In these circumstances, the GLA should consider whether the use of grant can aid viability while also delivering 50 per cent affordable housing. In some instances, site-specific viability challenges can be mitigated by adopting a wider portfolio approach. This involves applying the 50 per cent threshold across a GLA Group body's portfolio (or a strategic selection of sites) and sequencing the delivery of tenures to maximise cashflow. However, it is important to recognise that the GLA Group will benefit from the delivery of this infrastructure and should exemplify affordable housing delivery. The development of public land should only be considered unviable if the appraisal outturns a negative financial return with a land value set at or below Existing Use Value.
- 4.14. Some interviewees, including London Assembly members, suggested GLA Group organisations should potentially go further than the 50 per cent affordable housing requirement. This would need to be agreed by all parties and would likely require additional funding or a portfolio approach to support this. St Ann's ([Case study 1](#)) and Hendon ([Case Study 3](#)) will both deliver 60 per cent affordable housing. In the case of Hendon, the provision of affordable housing is enabled through a portfolio arrangement whereby 50 per cent affordable housing is delivered across two sites (Hendon and Paddington Green). It is the additional value generated through this portfolio arrangement that enables MOPAC to enter into such an agreement.

The GLA development management model

- 4.15. The GLA's development management model has proved to be successful in terms of supporting other GLA Group organisations to deliver sites on their behalf. The model can be used in circumstances where other GLA Group organisations may not have the in-house expertise or capacity to lead development themselves. This model was recently employed as part of a development agreement between GLA and MOPAC on the Hendon site, as presented in [Case Study 3](#).
- 4.16. The development management model involves underwriting and progressing GLA Group land for development. This means that GLA Group owned land can be retained in public ownership without the significant costs or administration associated with transfers of land across the group. The development management model also provides greater certainty that high levels of affordable housing can be secured. This can be more difficult to control through a disposal to the market or through a joint venture arrangement.
- 4.17. The GLA development management model relies on a procurement process (most commonly the LDP2) to secure a development partner. While the GLA development management model enables sites to be delivered at relative pace, feedback from

members of the LDP2 panel to the review was mixed. LDP2 panel members expressed concerns about the pace and flexibility with which the framework operated, even when considering the impact of public sector procurement rules and processes. Changes to procurement rules, along with learnings from a review of LDP2, will ensure any future panel is more agile.

Approach to small sites

- 4.18. The GLA oversees the existing SSSB programme and associated portal, which is currently under review (as set out in Section Two above). The portal is for public sector landowners and is aimed specifically towards smaller builders. GLA Group organisations (TfL and MOPAC) have used the portal to dispose of small sites to smaller developers. Other public landowners (including boroughs) have also brought sites to the portal with specific policy requirements attached. This includes requirements to deliver 100 per cent affordable housing and requirements to deliver self-build or community-led housing.
- 4.19. The portal has played an important role in progressing the Mayor's affordable housing objectives and identifying land opportunities for a more diverse range of homebuilders. An example of its success is provided in [Case Study 4](#) below. Engagement with stakeholders suggests that the SSSB programme – and, in particular, the SSSB portal – has been critical to the successful development of smaller sites. There is a clear case for the existing SSSB programme to be retained and expanded, particularly noting the benefits it can bring to small and medium housebuilders in London.

Land interventions

- 4.20. The GLA Group can intervene in the land market in several ways to support housing delivery. This includes leveraging influence where the GLA owns land, investing in site specific interventions through the HfL Land Fund, and the use of land assembly powers. However, the GLA's capacity to intervene more strongly in land consolidation, for example through using CPO powers, is underdeveloped. In addition, restrictions on funding and finance availability limit the extent to which the GLA Group can intervene. There is an opportunity to develop a robust CPO offering that better uses statutory powers vested in each organisation.
- 4.21. The GLA has proposed a Centre for Expertise – a forum through which the GLA could provide expert advice on partnering and land assembly. This forum could also offer the opportunity for the GLA to lead on CPO. If successful, the scope of this forum could be expanded to provide advice on other development expertise.

Case study 2: 8 Albert Embankment – Navigating the development process

In 2016, LFC entered a development agreement with U+I to redevelop a site at 8 Albert Embankment, a former LFC headquarters situated on the Thames. In 2019, U&I submitted a planning application for a mixed-use development – including 443 homes, of which 40 per cent would be affordable. The proposed scheme also included the restoration of heritage assets, a new fire station, a LFB museum, employment workspace, commercial floorspace, and public realm improvements.

While Lambeth Council recommended the application for approval, it received significant local opposition. The application was eventually called in by the then Secretary of State for Housing, Communities and local government. The Deputy Mayor for Planning then wrote to the Secretary of State agreeing that the application did not comply with the London Plan. In his letter, the Deputy Mayor suggested that specific remedies could be implemented to address these areas of non-compliance. The Secretary of State eventually refused planning permission in June 2021. This decision was appealed to the High Court, who upheld this decision.

LFC is currently in a live development agreement with U+I and will review options going forward. One option it is considering is exploring how to work more closely with the GLA (including by using in-house expertise). LFC has cited several key challenges to the successful delivery of the scheme. Key challenges include planning requirements, site constraints, and reprovision of the fire station. In addition, LFC cites time, resource and cost challenges associated with developing joint venture partnerships with developers. LFC cites challenges in setting agreements that both meet the LFC's statutory requirements to generate receipts, as well as the Mayor's policies relating to affordable housing delivery.

8 Albert Embankment demonstrates the types of challenges that LFC may encounter again in the future. These challenges relate primarily to the profile of the mixed-use site and the relatively limited in-house expertise to lead on the delivery of such complexity.

In this instance, increased collaboration with GLA Group organisations may have aided the success of the scheme. LFC could benefit from partnership with GLAP and use of the GLAP 'development management' model in this instance. This is particularly noting the GLA's experience in securing policy-compliant development agreements and in progressing more complex schemes through the planning process.

Future of TfL housing delivery

- 4.22. As set out in Section Three, TTLP is undergoing an overhaul of its finance, governance, and staffing structures. This is agreed with central government. The TTLP delivery model has the potential to accelerate housing development. The TTLP model will operate to deliver the Mayor's policies for affordable housing on public land, as well as placemaking and zero carbon.
- 4.23. The new funding and financing model also has the potential to grow TfL's asset base and provide additional revenues through build to rent income. The intention is to move away from the current TfL procurement framework to a more flexible model of procuring partners.
- 4.24. The new company structure and funding and financing model also present risks to TfL (and wider GLA) housing delivery. These challenges include:
- TTLP's initial funding model for housing delivery is short-term, based on non-recourse funding arrangements for three to five years. The model is dependent on resolving the availability and terms of a long-term funding with government.
 - The Land and Property Committee of the TfL Board is expected to oversee TTLP. As such, members will be approved by the Mayor in his role as Chair of the TfL Board. This will ensure that existing governance arrangements are integrated. Nevertheless, the creation of a separate entity risks fragmenting operations and a separate trading body will have its own identity. It will be important to define the structure and membership of the TTLP overseeing committee, and its relationship to GLA Group organisations. This framework is still under development.
 - Government has indicated to TfL that it would seek to place an observer on the TTLP oversight committee. Some increased oversight by DfT and DLUHC would support positive collaboration. This is particularly important in the context of the scale of TTLP's development programme and the regular interaction with Network Rail sites. However, undue government involvement would limit the influence TfL and the Mayor have over TTLP housing delivery. This could mean that TTLP becomes more fragmented from GLA Group housing delivery.
- 4.25. The revised TTLP structure will also reconfigure the team structure. The reconfiguration provides an opportunity to revisit the current TfL staffing model to align more closely to the GLA Group. It also provides an opportunity to explore a shared service for the planning function and increase the presence of GLA staff on secondment, including at senior level.

Case study 3: Hendon site – The GLA development management model

The GLA is collaborating with MOPAC to develop two sites at the former Peel Centre in Hendon. The scheme, when complete, will deliver over 800 homes across the two sites – 60 per cent of which will be affordable. This is part of a portfolio agreement whereby another site has a lower affordable housing requirement – the two sites together will deliver 50 per cent affordable housing.

The Hendon site was historically used as a training centre for the MPS on a site measuring 29 hectares. A new training centre has been developed for the MPS by consolidating 25 buildings into two buildings over a smaller site. This consolidation provided more space for housing. Part of the site was sold to Redrow for residential development. The remaining part of the site will be developed by the GLA on behalf of MOPAC (with construction expected to start in 2023).

The ‘development management’ approach adopted by the GLA and MOPAC on the Hendon site enables the GLA to provide MOPAC with technical expertise. The working arrangements between the GLA and MOPAC have been formalised in a collaboration agreement, which allows for the sharing of project costs and resources. This approach has ensured a positive and collaborative working relationship, with built-in opportunities for MOPAC to input on key matters.

The GLA is responsible for managing the process of procuring a development partner via the LDP2 and managing the subsequent development agreement. The GLA agreed to underwrite the open market value of the land to MOPAC, as agreed through a joint valuation, using Land Fund monies. In the event the LDP2 procurement does not generate a land receipt of equivalent value, the GLA will make a top up payment to MOPAC (subject to a cap). This ensures MOPAC receives open market value for the land and can satisfy best value duties.

This housing delivery model will be a crucial enabler, as MOPAC do not have the capacity or organisational remit to procure development partners in this way. The land disposal model adopted by MOPAC is typically driven by an objective to raise capital receipts in a short period of time. The GLA development management model will support the delivery of additional affordable housing across the GLA Group and wider public benefits, while also enabling receipts to be returned to MOPAC. This may otherwise not be possible due to competing statutory duties and capacity challenges.

Funding and finance

- 4.26. There are a range of funding and financing mechanisms available to support GLA Group housing delivery. The approach to accessing funding and financing resources for housing development, as opposed to land disposal, differs across the group. The funding and financing models include a combination of internal, central government and private market contributions. For example:
- GLAP finances its housing delivery model through investment by the GLA via GLA Holdings Limited. It also accesses funding and finance through joint venture agreements, and with HfL Land Fund and AHP grant. GLAP also receives income from the development of land and buildings.
 - LLDC funds its development activities through debt finance secured from the GLA. LLDC also funds its development activities through central government grant and capital raised through joint venture agreements. LLDC primarily uses development agreements or joint venture agreements with commercial developers to deliver housing and wider regeneration projects.
 - TfL's funding and financing model for housing delivery relies on capital raised through joint venture agreements. The model also includes generated receipts from rental income and open market and affordable housing sales. The MoU with central government will give permission for TTLP to borrow for housing development from the private sector against the TTLP property portfolio. TTLP is expected to be a self-funding entity over the longer-term.
 - OPDC has not yet secured development funding. However, OPDC is in advanced discussions internally, with the GLA, to obtain funding and finance from the HfL Land Fund and AHP. OPDC is also seeking to secure a significant amount of development funding and finance from central government.
- 4.27. The medium-term financial model for GLAP is in a projected cumulative surplus and there is scope for GLAP to be enhanced. The joint venture with LLDC also projects a cumulative surplus over the medium-term. However, GLAP, LLDC, OPDC and TfL all require further capital funding and financing to support an expanded housing delivery team, land acquisition programme, or direct development.
- 4.28. The existing debt exposure constrains the amount of external borrowing the GLA is currently willing to take on. Internal borrowing – including the option to borrow from GLA reserves – is possible, but also constrained. Given the pressures on the revenue budget, the GLA finance team is reluctant to support additional borrowing unless there is guaranteed funding to support the financing costs.

- 4.29. Whilst development costs can be rolled up, the returns are inevitably longer term and dependent on the financial success of the projects. In the absence of development funding, the GLA Group is reliant on capital support from central government or by partnering with a joint venture partner. In this context, and if the GLA is serious about expanding its housing delivery functions, the GLA must look to other creative funding solutions.

Case study 4: TfL London Mews site – Small Sites Small Builders portal

London Mews, Beechwood Avenue is a constrained, small site in Finchley by the North Circular Road. Before redevelopment, it was vacant and covered in dense vegetation. TfL marketed the site through the [SSSB portal](#) and has worked collaboratively with its chosen development partner. TfL and Kuropatwa have worked creatively to optimise the delivery of homes and maximise affordable housing. The site has delivered more than three times the estimated site capacity of a typical suburban density. The scheme includes 97 residential homes, including 51 per cent affordable homes, and two commercial units.

The scheme won ‘Best New Place to Live’ in the London Planning Awards and the New London Architecture Housing Award. The low-rise, street-based approach incorporates private front doors for almost all units. Barnet’s Principal Urban Design Officer describes it as ‘a pioneering, paradigm scheme that will be used in the future as a precedent for achieving high density in lower rise locations’.

It has been broadly recognised that the site’s success is, in part, a result of working with a flexible and creatively minded SME. Developers like Kuropatwa are showing a capacity and tolerance for atypical approaches and sites that would likely be deemed too difficult by the largest housebuilders.

The use of the SSSB programme has helped to maximise value, housing delivery, and exemplary design on this site. The SSSB portal has cemented a partnership and TfL is now working with Kuropatwa to deliver additional complex sites.



Opportunities for expanded GLA Group housing delivery

- 4.30. Historically, the GLA's predecessors – the London County Council (LCC) and the Greater London Council (GLC) – played a more interventionist role in unlocking housing delivery than the GLA Group delivers today. While the GLC held broadly similar powers for planning and development as the GLA holds today, it also acted as a direct developer. This function was enabled through significantly greater financial investment and levels of resource compared to the GLA's housing teams today. In 1965, the GLC housing department had 2,500 staff. The GLC also had a role as the landlord of the large housing stock inherited from the LCC. The ownership of this stock generated significant financial capacity for development. The framework governing subsidy rules at the time was also entirely different.
- 4.31. There are obvious benefits to the GLA Group playing a more active and interventionist role in London's housing market. A more interventionist approach would bring the following benefits:
- **Added capacity:** In 2021, London's housing need – particularly affordable housing need – remain acute. As London emerges from the initial economic shocks of the Covid-19 pandemic, the development sector is demonstrating a reduced capacity. In addition, the development sector is demonstrating a lower risk appetite to grow (and indeed maintain) existing affordable housing delivery portfolios. These capacity challenges are further exacerbated by increasing costs associated with important building remediation and net-zero requirements, including an increasing impetus to decarbonise existing housing stock. There is a clear case for the GLA to provide additional development capacity to the sector, to help to 'close the gap' on future housing supply. The Mayor employs a range of in-house experts and has unique powers in relation to housing delivery (including land assembly). These powers could be better harnessed to increase the number of homes built in London.
 - **Greater certainty:** An expanded in-house delivery model will improve certainty of outcomes for the Mayor's objectives in terms of the scale, pace and types of housing being delivered. Closer proximity to the Mayor could also allow for social objectives (including those relating to affordable housing) to be firmly prioritised. The Mayor can also provide greater certainty to development partners, including registered providers and councils, through enhanced partnership models and risk-sharing arrangements.
 - **Benefits associated with retention of public land:** Public land interventions, such as land assembly and land remediation, bring about wider benefits and can unlock sites that enable other organisations to deliver. Development on land that the GLA owns, or has acquired, also means that

the Mayor can benefit from the generation of any associated receipts. These returns can be re-invested to provide further social benefits for Londoners in the longer-term.

- 4.32. A clear message from the consultation with developers, the G15 and London Councils was that the GLA needed to work in partnership with these groups. These groups expressed a willingness to work with the GLA Group to ensure that any housing delivery activities were complementary to their own. In considering how the GLA could add value, there was a clear consensus that the GLA could have a more proactive role in land assembly, compulsory purchase, and risk sharing. There was a clear view that these interventions would have more value to the sector, as opposed to increased direct development.

A City Hall developer

- 4.33. The Mayor's manifesto commits to 'pilot a new City Hall developer to start directly building the low-cost homes Londoners need'. This review has been asked to consider how this could operate effectively in the future.
- 4.34. It is important to first define the term 'direct delivery' or 'direct development'. In the context of this review, direct delivery is defined as an organisation directly procuring design and build contracts. In these circumstances, the organisation then employs contractors to construct these schemes (rather than procuring a developer to manage these activities). TfL is directly delivering homes at Fenwick Estate, in Lambeth. This scheme includes 46 new affordable homes in Fenwick South. TfL has expressed ambition to build longer-term direct development capacity.
- 4.35. To be cost effective, a direct delivery model requires a larger programme to achieve economies of scale. In this context, a larger programme is defined as comprising at least 500 homes per year, including a pipeline of 2,500 homes at any one time. A successful direct delivery model also requires a long-term business plan that sets out objectives and priorities. This business plan should set out an approach to finance and resourcing, which would undoubtedly require additional capital financing from the PWLB.
- 4.36. To successfully undertake direct development, a large GLA team comprising the following expertise would be required:
- A new business team to identify land opportunities
 - A new homes delivery team to procure design and build contracts
 - A quality team to monitor design and sustainability performance
 - External consultants to provide employers agent and project management support, as well as to help set up any new programme.

- 4.37. As set out in the Mayor's manifesto, there is political appetite to pilot direct delivery. However, under current arrangements, it will be difficult for the GLA to achieve a physical start on site by March 2024 on any scheme. The GLA Group, as currently set up, is not sufficiently resourced to do direct delivery successfully. Whilst it has clear objectives to deliver more genuinely affordable homes, it does not have a clear strategy to achieve the objectives through direct delivery. The GLA operates on political cycles that make it inherently challenging to set out long-term certainty of non-established functions, such as a new significantly expanded direct delivery function. These challenges present risks that are both reputational and political.
- 4.38. Beyond direct development, it is important to define the term 'City Hall developer' and to clarify the activities that fall within this. The definition should recognise that the GLA Group already engages in a range of development activities, including small-scale direct delivery. Development activities can encompass direct delivery (as set out above), as well as land acquisition, land assembly, development management and entering formalised partnership arrangements to deliver housing.
- 4.39. City Hall's historic role has been to develop inherited land. If a City Hall developer is serious about harnessing opportunities, the GLA's existing housing delivery model should be expanded and strengthened. If the GLA's housing delivery model is not expanded, its role will inevitably reduce due to dwindling land opportunities. This expanded function should include increased land acquisition and assembly, an expanded in-house development management function, a more unified approach to small sites delivery, and greater risk-sharing and genuine partnering with London's existing affordable housing sector. This expanded function will require additional resources and more access to finance to be successful.
- 4.40. To successfully deliver an expanded City Hall developer, it should first commit to:
- defining its objectives, including through a statement of shared policy that is mandated by the Mayor and which is agreed by all GLA Group organisations
 - adopting a mixed housing delivery approach, including land assembly, development management, joint ventures, and section 106 delivery
 - agreeing a small sites delivery approach, with sites either to be delivered by the GLA (where these sites form a portfolio) or released to SMEs (including community groups) through an enhanced SSSB portal.
- 4.41. The following sites in GLA Group ownership could provide an opportunity for this expanded City Hall developer to demonstrate its housing delivery capabilities. These sites could be delivered by an expanded City Hall developer using a more collaborative approach, such as a development management or joint venture

model. Any intervention in these sites by an expanded City Hall developer should meet the objectives of all parties and complement existing arrangements:

- North Middlesex University Hospital, owned by the GLA
- 8 Albert Embankment, owned by LFC
- The Limmo, owned by TfL, in the Royal Docks

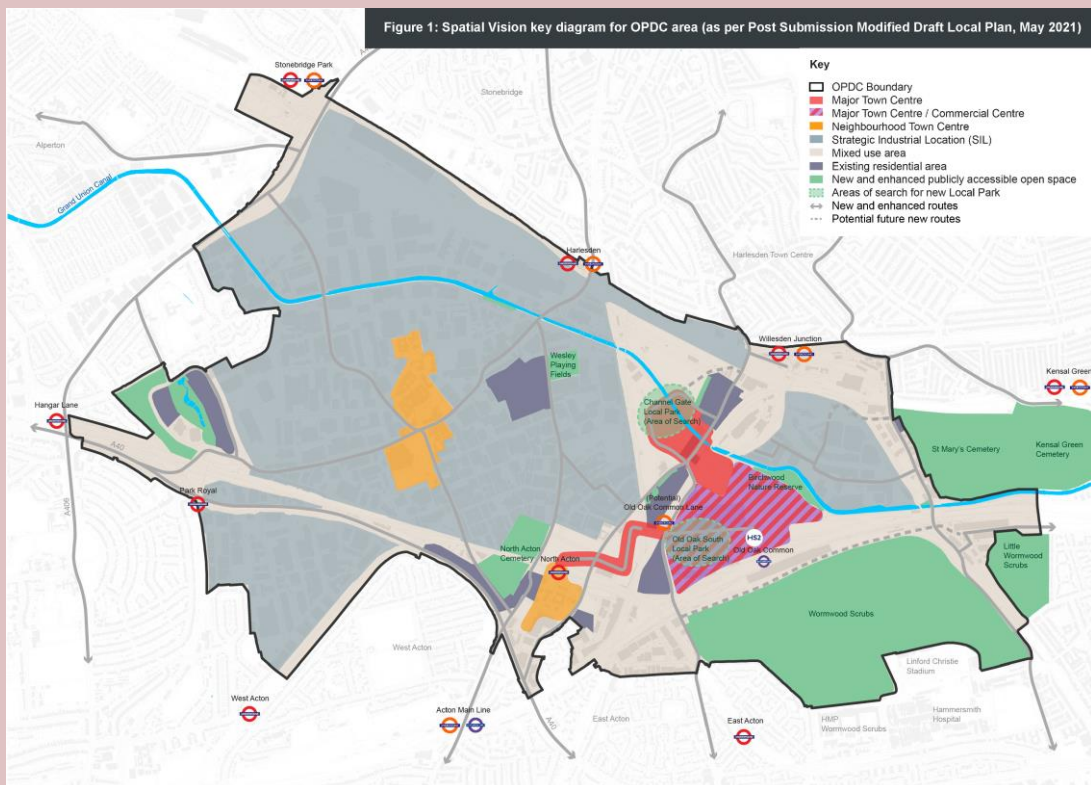
- 4.42. It is recommended that City Hall adopt this expanded facilitation model as part of an initial phase of expansion, rather than prioritise increased direct delivery in the current Mayoral term. Direct development will require significant investment and the initial focus for the GLA should be on expanding existing functions. These expanded functions should focus on more fully harnessing existing development powers that are currently underutilised (including CPO). In terms of direct delivery in the short-term, the GLA may wish to trial proof of concept through a single pilot scheme. However, significant additional investment and resource will be required to guarantee the success of even this small-scale pilot.
- 4.43. If deemed appropriate after a small-scale pilot and period of review, City Hall could eventually move towards direct delivery in the longer-term, as a second phase of expansion. This phase two expansion could include the potential establishment or employment of a Direct Labour Organisation (or similar direct manufacturing capacity).
- 4.44. It is not recommended that a City Hall developer takes on a RP or landlord function. This is because the GLA Group does not have the organisational capacity or expertise to provide this function. In addition, a City Hall developer is unlikely to deliver the scale of housing to make investing in developing this function worthwhile. Any homes developed by a City Hall developer should be transferred to a RP or local authority. The GLA should prioritise the transfer of any affordable housing stock on completion to an organisation that can ensure homes remain affordable in perpetuity.

Case study 5: OPDC Western Lands

OPDC’s emerging Local Plan sets a target of delivering 25,500 new homes and 56,000 jobs by 2052. This is part of the regeneration of Old Oak and the surrounding Park Royal area in north west London. The current housing delivery plan focuses on an area of Old Oak referred to as the ‘Western Lands’. The Western Lands area is predominantly within the direct ownership of government or its arms-length bodies, Network Rail and HS2. The Western Lands area is close to the new Old Oak Common HS2 station – where HS2, Great Western and Elizabeth Line services will interchange.

To deliver the Western Lands strategy, OPDC is focussing on the assembly of key future public sector development sites that will be released by HS2 and Network Rail. OPDC’s key challenge is to secure an agreement with government for the transfer of these land interests. If successful, OPDC will procure a master developer partner to bring forward detailed master planning, infrastructure delivery and plot developments.

OPDC is seeking an interest-free loan facility from the HfL Land Fund to support early up-front land acquisition and assembly of sites at Western Lands. This will accelerate the delivery of a minimum 1,100 homes and facilitate the delivery of affordable housing. This will unlock early sites and attract private sector investment. This will also align delivery with AHP 2021-26 funding requirements and demonstrate to government that the GLA and OPDC has sought to optimise the use of existing programmes.



5. Recommendations

- 5.1. This section sets out recommendations to be taken forward by the Mayor. The overarching aim of these recommendations is to bind together GLA Group teams, to streamline housing delivery across the GLA Group and to maximise affordable housing delivery in London.

Oversight of GLA Group housing delivery

- 5.2. **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.**
- 5.3. A statement of shared policy would reinforce that all GLA Group development is undertaken in accordance with the Mayor's policies on affordable housing and good growth. The policy statement should – at a minimum – include a commitment that GLA Group organisations will provide 50 per cent affordable housing on public land released for residential development. The shared policy statement should also include a commitment to deliver environmentally sustainable development, to align with the Mayor's vision for London to be a net zero-carbon city by 2030. The shared policy statement should recognise the value of portfolio agreements, as facilitated by the London Plan, to achieve these ambitions. The policy statement should also recognise that not all GLA Group land will be suitable for residential development and, in some cases, non-residential uses may be required to achieve best value.
- 5.4. A statement of shared policy would reinforce the commitment to collaboration across the GLA Group to support mutual and individual group objectives. This collaboration is particularly important where GLA Group schemes deliver more than 50 per cent affordable housing or significant infrastructure. The statement should emphasise the value of working together in a transparent and agile manner to deliver social value. The policy statement should include a commitment that the group work together to identify policy and funding solutions to enable schemes to be delivered. The statement should also include a commitment that all GLA Group organisations will actively share their pipeline of sites with each other to help achieve this objective.
- 5.5. A Mayoral Direction will be needed to provide the mandate and set the organisational framework for this approach. To be truly effective, the statement of shared policy must be supported by formal oversight processes and procedures (as

detailed below). The Mayor should also mandate and champion the statement of shared policy once agreed, including through its publication.

- 5.6. **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.**
- 5.7. An established senior professional lead would support the alignment of group objectives and uphold the GLA Group statement of shared policy for housing delivery. A senior professional lead would also be responsible for reviewing and aligning the approach to housing delivery across the GLA Group, with an objective to promote consistency in practice.
- 5.8. The senior professional lead would oversee programme and performance management across the GLA Group. This oversight would include management of pipeline land and housing opportunities, investment and procurement decisions, and strategic and project-level housing delivery performance across the group. The lead would also have responsibility for identifying opportunities for collaboration and compromise across the GLA Group portfolio, and to manage risks.
- 5.9. The senior professional lead would provide reassurance into the formal governance processes of individual organisations and support existing decision-making forums. The senior professional lead should have access to decision makers and stakeholders through board memberships and other forums, to facilitate the decision-making process. It should also be responsible for arbitration between the group where agreement is required. However, the senior professional lead should not be directive or seek to micro-manage practice.
- 5.10. The senior professional lead would provide oversight of – and be responsible for making recommendations to align – staff resourcing across the GLA Group. This includes oversight of roles and salaries, as well as shared services, for individual GLA Group organisations and across the group. The professional lead should also work with GLA Group HR teams to improve collaboration on induction, training, and expertise sharing, to reduce fragmentation across the group. This should build on existing GLA Group Collaboration Board work to establish internal shared services and professional communities.
- 5.11. There are different ways to introduce this new role into the structure. What is essential is that the role has sufficient authority, connection, and resources to be effective in the role. It is likely that the senior professional lead will need to sit above GLA Group organisations to arbitrate and deploy the Mayor’s mandate effectively.

- 5.12. **Recommendation 3: A new dedicated GLA Group housing delivery forum should be established to support effective oversight and delivery of housing objectives.**
- 5.13. The HfL Board does not effectively scrutinise GLA Group housing delivery or manage performance. A new GLA Group housing delivery sub-committee should be established, which reports into the HfL Board, with responsibility for overseeing the GLA Group housing delivery programme and future pipeline. The new sub-committee would interrogate housing delivery across the group and identify opportunities for collaboration within the group and beyond. An effective sub-committee would require GLA Group organisations to provide information on pipeline land and housing opportunities (including project initiation documents). It would also require GLA Group organisations to transparently share information on strategic and project-level housing delivery performance.
- 5.14. The new sub-committee should be chaired by the GLA's Deputy Mayor for Housing and Residential Development and vice-chaired by the nominated senior professional lead. Membership should include senior representatives from each of the GLA Group housing teams, as well as borough housing officers, and technical planning and development professionals from outside of the GLA Group. It is critical that the sub-committee operates in a commercially confident manner, to enable full transparency and closer scrutiny of housing delivery.

GLA Group collaboration on housing delivery

- 5.15. **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).**
- 5.16. Consistent role definitions, gradings, and salaries across the group would give clarity about career progression opportunities and support professional development across the GLA Group.
- 5.17. The GLA Group should develop a process for joint induction. The GLA should also develop a shared programme of professional development and training on technical development competencies. Furthermore, the GLA should develop a shared programme of secondments across the GLA Group. In developing a programme of secondments, the senior professional lead will need to be conscious of differing grading structures, salaries and remuneration packages across the group. Any changes to structures would require consultation with trade unions and employees.
- 5.18. If delivery is to be both ramped up and speeded up, there will also be a need to look at the capacity in the shared services for legal and procurement. There is a risk otherwise of bottlenecks occurring.

- 5.19. **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.**
- 5.20. GLA Group collaboration on housing delivery should involve transparent discussions about the pipeline of land and housing opportunities. GLA Group organisations should report information on long-term programme milestones and objectives to the group and to the sub-committee via the senior professional lead. This would enable proactive and strategic oversight of GLA Group housing delivery opportunities and challenges.
- 5.21. GLA Group collaboration on housing delivery should involve early conversations about individual projects. GLA Group organisations should produce project initiation documents, for land disposal or housing delivery. These should be shared with the group and with the sub-committee via the functional leader. This would give clarity on project objectives and enable the group to identify housing and planning policy requirements early. This would help the group to work together to identify support available within the GLA Group through funding, partnerships, technical advice, and stakeholder engagement.
- 5.22. GLA Group collaboration should involve peer-review of schemes drawing on existing expertise and using existing forums across the group. The approach to legal and procurement shared services across the group should be reviewed and rationalised. A new Centre for Expertise would provide a further forum through which to share expertise within the GLA Group. This forum could draw together expertise from across the group on technical issues such as housing and planning policy, design, investment, commercial, industrial, and health.
- 5.23. The GLA should introduce a new shared planning service. This in-house team should provide planning consultancy – rather than statutory planning – services to GLA Group development teams, to ensure a more consistent (and ideally more successful) approach to planning. Any shared service for planning will need to ensure a proper separation of the Mayor’s statutory planning functions and development activities and avoid conflicts of interest. This new shared service for planning will require additional GLA resource to be effective.

- 5.24. **Recommendation 6: The GLA Group should build stronger and more equal relationships with London local government as well as community, charity, and business stakeholders.**
- 5.25. External stakeholders consistently reported having productive and constructive relationships with the GLA, particularly at an officer level. GLA Group relationships with wider stakeholders should be strengthened through formal forums such as the HfL Board. Wider stakeholder relationships should also be strengthened through industry representative bodies such as London Councils, London First, and the G15. Closer collaboration with these stakeholders will diversify and increase support for GLA Group housing delivery, help deliver mutual social value objectives and charity needs, and build resilience.
- 5.26. GLA Group collaboration with wider stakeholders should be proactive and transparent. This should include sharing information and strengthening genuine partnership relationships with London local government, as well as wider stakeholders. This would enable closer working to identify solutions to support mutual objectives to deliver housing.
- 5.27. **Recommendation 7: The GLA Group should strengthen strategic relationships with central government and its agencies.**
- 5.28. The LHB currently operates as the primary engagement forum between the GLA and central government. The GLA should explore and identify appropriate forums to strengthen engagement with Government, including with HM Treasury. In addition, the Minister of State for Housing and the GLA's Deputy Mayor for Housing and Residential Development should establish quarterly, high-level meetings. These meetings should be used to discuss and resolve key issues that emerge at a strategic level.
- 5.29. GLA Group engagement with central government agencies should be strengthened through co-ordination of existing relationships by the GLA public land team. This includes building on existing relationships with OPE, DfT, the Department for Education, the Ministry of Defence, and the NHS. This engagement should recognise the GLA as central to all public land development in London. This engagement should also draw on the GLA's established, strategic relationships with public landowners and London boroughs.

City Hall developer

- 5.30. **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.**

- 5.31. The first stage of a consolidated and expanded City Hall developer should encompass the following development activities:
- increased land acquisition and assembly, including compulsory purchase
 - a formalised and expanded development management model of risk sharing through partnering and joint venture (including with other GLA Group organisations)
 - a more unified approach to small sites, including through expansion of the existing [SSSB programme](#).
- 5.32. This consolidated and expanded City Hall developer should have close links to the GLA's planning, policy, and investment functions. The City Hall developer should be led from within the GLA's Housing and Land directorate, via the established strategic professional lead.
- 5.33. A five-year rolling business plan should be produced to guide this first stage of expansion. This business plan should aim to deliver against political priorities and should be guided by long-term aspirations for London. This business plan will also need to reflect ongoing work to develop a GLAP business plan and other financial programmes, such as the [Land Fund 2](#).
- 5.34. Subject to the success of this initial expansion, and subject to significantly increased financial and resource investment, the GLA may be in a position to enter a second stage of expansion in the next Mayoral term. This second stage of expansion would involve direct delivery of housing to build a long-term pipeline of sites in London. This second stage expansion should be reviewed after the trial period of the first stage expansion has concluded.
- 5.35. **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.**
- 5.36. There is limited land in GLA Group ownership that is suitable for housing delivery. As such, a successful future programme of work for the initial phase of an expanded City Hall developer is reliant on further land aggregation and acquisition. This would need to be supported by increased GLA financing and funding. This would also need to be supported by increased resource and expertise, including in-house legal support. The use of CPO powers would require senior buy-in from GLA Group decision makers and governance procedures would need to be efficient.

- 5.37. An expanded City Hall developer should also support site preparation. This includes accessing revenue funding to unlock housing delivery and capital funding for site remediation and provision of infrastructure.
- 5.38. **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.**
- 5.39. The GLA development management model should be the default approach for suitable sites in GLAP, LFC and MOPAC ownership, as well as potential other GLA Group sites. The GLA Group statement of shared policy should confirm this commitment. This approach will be supported by a commitment for GLA Group organisations to proactively share their pipeline of sites with each other.
- 5.40. A City Hall developer should expand the existing GLA development management model to secure social value outcomes, and to build partnerships within and outside of the GLA Group. This would require an effective scheme of delegation for decision making on land, and more cohesive decision making across the group, to ensure the process is streamlined rather than duplicated. This would also require a City Hall developer to be sufficiently resourced, including provision of in-house legal and procurement support or as dedicated shared services.
- 5.41. **Recommendation 11: The GLA should review and enhance the existing London Development Panel 2 procurement framework.**
- 5.42. The GLA should review the existing LDP2 procurement framework. This review should consider whether it is appropriate to use the new dynamic purchasing system launched by Homes England for larger scale development opportunities.
- 5.43. The framework for procuring a partner should be agile and enable commercial negotiations to support the formation of streamlined, outcome-driven, risk-sharing, and diverse partnerships. The City Hall developer should prioritise establishing a suitable procurement framework for the identified programme of work.
- 5.44. **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.**
- 5.45. A City Hall developer should build on the existing [SSSB programme](#). This includes providing additional funding support to deliver small sites, as well as operating a marketing portal to facilitate the disposal of small sites. Any sites marketed through the portal should require policy compliant levels of affordable housing to be achieved. This enhanced SSSB offer would unlock housing delivery on small sites.

This would also provide development opportunities to parts of the sector that face unique delivery challenges, such as the supported and specialist accommodation and community-led housing sectors.

- 5.46. Where a portfolio of GLA Group small sites becomes available, a City Hall developer should consider how to take forward these sites in a more collaborative manner. This could include using the GLA development management model to underwrite the value of these sites. For a City Hall developer to underwrite a portfolio of small sites, funding would need to be identified and allocated. In these circumstances, the City Hall developer could use the LDP2 to procure a partner to purchase and deliver the portfolio.
- 5.47. **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.**
- 5.48. The GLA should retain oversight of the TfL property company through TTLP board membership. This would support alignment of group objectives and support consistency in practice across the GLA Group. TTLP should also feed into the established senior professional lead, to enable oversight of programme and performance management across the GLA Group.
- 5.49. A City Hall developer should collaborate closely with the TfL TTLP property company on operational matters. This collaboration should include a formal programme of secondments to share expertise across the group and to enable employees to progress within the group. This approach should also consider building on existing shared service arrangements across the GLA Group. This includes more formalised GLA planning consultancy services to support TTLP housing delivery. As stated above, the development of a shared planning service must uphold separation between statutory planning and development activities, to avoid conflicts of interest.

LLDC transition

- 5.50. **Recommendation 14: The transition of LLDC should prioritise collaboration, cost efficiencies, and the retention of key talent.**
- 5.51. The existing LLDC development team should remain engaged to manage development agreements and joint ventures over ten years and beyond. This team could be retained within the successor body or sit elsewhere in the GLA Group. Decisions on the transition of the LLDC development functions should recognise the opportunity for streamlining housing delivery across the group. Decisions should also recognise the value added from having a consolidated team under the expanded City Hall developer, including opportunities for collaboration and cost

efficiencies. Decisions should also prioritise the retention of key talent and provide opportunities for career progression across the GLA Group.

- 5.52. The existing LLDC estate management functions should remain engaged to manage the parkland and wider estate. Decisions on the transition of the LLDC estate management functions should consider opportunities for collaboration and cost efficiencies. This includes opportunities to build on existing shared service arrangements across the GLA Group.

Finance and funding

- 5.53. **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.**
- 5.54. As outlined in this report, the success of any expanded City Hall developer is contingent on the identification and provision of additional development funding. This presents a potential challenge, as the current GLA budget is stretched, and the organisation takes a cautious approach to borrowing, given its significant commitments relating to Crossrail, the Northern line extension and LLDC. Beyond affordable housing objectives, the Mayor is also seeking to deliver several other manifesto commitments and these activities compete for internal GLA funding.
- 5.55. This strategic review should establish the capacity and appetite for making further development funding and finance available to support housing delivery across the GLA Group. Internal capital funding (in addition to external funding support) is required to support an expanded housing delivery team, land acquisition, and direct development. Internal capital funding (in addition to external funding support) is also required to make credible steps forward on OPDC. Additional internal funding provided by the GLA would retain greater control over housing delivery and is likely to catalyse support from external investors.
- 5.56. This strategic review should look creatively at the options available to provide the development finance necessary to implement the five-year business plan referred to in Recommendation 8. A strategic review of funding and finance should also be supported by a review and rationalisation of commercial assets.
- 5.57. This strategic review should also consider opportunities for leveraging external finance, including through borrowing from the PWLB. The review should also consider ongoing work to diversify existing investment funds, including through using a commercial fund structure to introduce private sector capital to an enhanced Land Fund.

Appendix 1: Glossary of acronyms

AHP	Affordable Homes Programme
CIB	Corporate Investment Board
CPO	Compulsory Purchase Order
DfT	Department for Transport
DLUHC	Department of Levelling Up, Housing, and Communities
FTE	Full-time equivalent
GLA	Greater London Authority
GLAP	GLA Land and Property Limited
GLC	Greater London Council
H&L	Housing and Land
HfL	Homes for Londoners
HS2	High Speed 2
LAR	London Affordable Rent
LDP2	London Development Panel 2
LEDU	London Estates Delivery Unit
LFB	London Fire Brigade
LFC	London Fire Commissioner
LHB	London Housing Board
LLDC	London Legacy Development Corporation
LCC	London County Council

MDC	Mayoral Development Corporation
MPS	Metropolitan Police Service
MOPAC	Mayor's Office for Policing and Crime
MoU	Memorandum of Understanding
OPDC	Old Oak and Park Royal Development Corporation
OPE	One Public Estate
PPF	Property Partnership Framework
RP	Registered Provider of Social Housing
SPP	Strategic Projects and Property
SSSB	Small Sites Small Builders
TfL	Transport for London
TTLP	TTL Properties Limited

Appendix 2: Methodology and consultation

In October 2021, the Mayor commissioned Lord Kerlake to undertake a review of GLA Group housing delivery. The purpose of the review is to further improve and streamline housing development across the GLA Group and deliver more of the genuinely affordable homes Londoners need. The review examines housing delivery across the GLA Group in the context of working more effectively across the group and benefiting from the collective experience and expertise.

This review is independent of the Mayor and the GLA Group and had been chaired by Lord Kerlake. Staff resource (equivalent to one FTE) was provided from GLA Housing and Land to provide research and drafting support to Lord Kerlake. In addition, a steering group met fortnightly throughout the review composed of the Mayor's Chief of Staff and the Deputy Mayor for Housing and Residential Development.

The findings and recommendations of this review have been informed by significant engagement with representatives from across the GLA Group and London's development and affordable housing sector. The following organisations were consulted for this review:

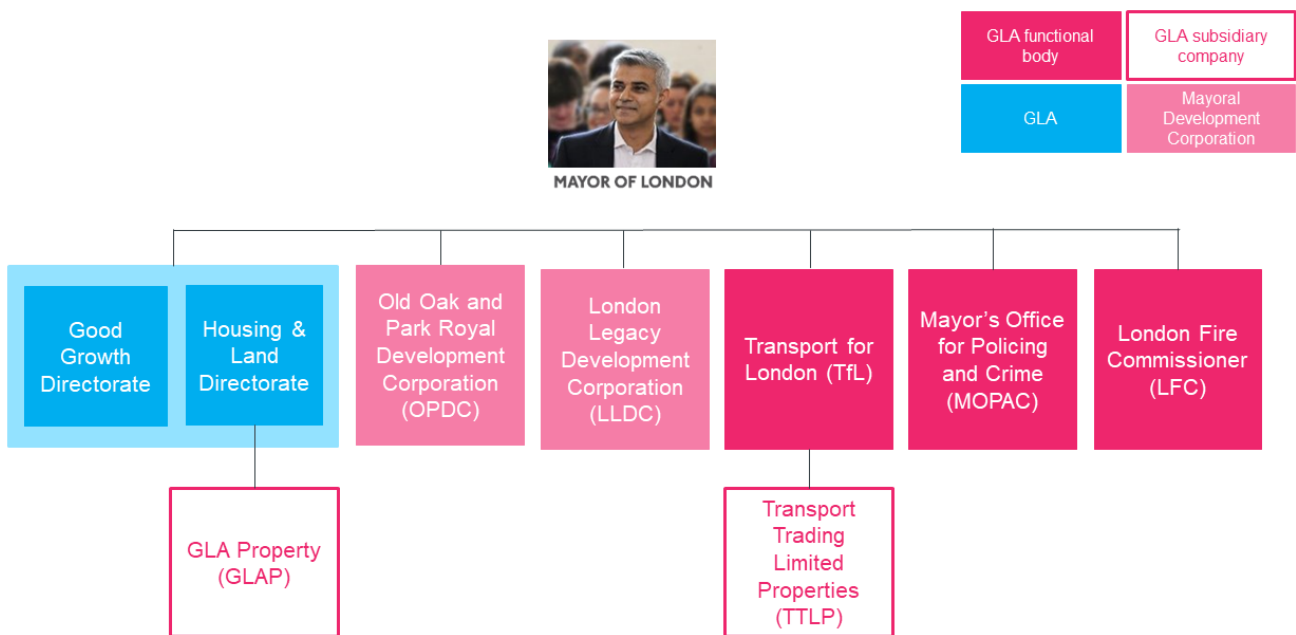
- Barratt London
- Catalyst Housing Group
- Countryside Properties
- Department of Levelling Up, Housing, and Communities
- G15
- GLA Finance
- GLA Good Growth directorate
- GLA Housing and Land directorate
- GLA Land and Property
- London Assembly
- London Councils
- London Estates Delivery Unit
- London Fire Commissioner
- London First
- London Legacy Development Corporation
- Mayor's Office for Policing and Crime
- Metropolitan Thames Valley Housing
- Notting Hill Housing Group
- Old Oak and Park Royal Development Corporation
- One Public Estate
- Optivo
- St Mungo's

- Telford Homes
- Transport for London
- Vistry Partnerships

It should be noted that, at the point of publication, no decisions have been made on any suggestions made in this report. This report sets out recommendations and options only. Should any of the recommendations or options be pursued further, it would be necessary to carry out a full impact analysis, consultation and employee engagement before any decisions are made.

Appendix 3: GLA Group organisations

The GLA is the strategic authority for London and supports the Mayor and the London Assembly in their respective responsibilities and functions, including housing delivery. The GLA Group comprises the following functional bodies, Mayoral Development Corporations, and associated organisations:



Appendix 4: GLA Group legal powers in relation to housing delivery

This note sets out the GLA's housing powers in high level terms. It outlines some of the differences between the GLA's housing powers compared to those of local authorities, Homes England, Metro Mayors (Mayoral Combined Authorities, MCAs) and other parts of the GLA group.

The initial questions raised were:

- Does the GLA have the same legal powers as a local authority in relation to housing delivery?
- How do these powers differ to MCAs and Homes England, and where does the Mayor have legal power to go further in relation to housing delivery?
- In practice, what do these legal powers confer and what are the barriers (if any)?
- If powers are equivalent to LAs, does the GLA face similar challenges in relation to funding and financing housing delivery as experienced by local authorities? For example, HRA vs. General Fund accounting rules; borrowing limited by prudential code; limitations in delivering market housing and non-affordable tenures).

Local authorities

Most local authorities in England (other than County Councils) are local housing authorities for the purposes of the Housing Act 1985 with wide powers in relation to housing.

Powers include legal powers to buy and sell land for housing, to build and develop housing and to own and directly manage housing stock.

Local housing authority granted tenancies are 'secure tenancies' and most tenants will have the right to buy their home.

Local authorities have a general 'power of competence'. This is a wide legal power, essentially, to do anything that an individual person can do so long as it complies with public law principles and is not prohibited by law. This enables local housing authorities to create housing companies and they in turn can create a wider class of tenancies

compared to a local housing authority (not just secure tenancies) and may be used to provide a wider type of housing generally, including building market housing.

Local authorities have a duty to get 'best consideration reasonably obtainable' when they sell land held outside the Housing Revenue Account (HRA). This means they must maximise the financial gain from the sale. However, they can ask for Secretary of State consent to sell at an undervalue and there is a general consent in place allowing them to do so without the necessity to obtain the Secretary of State's consent within certain parameters. This is particularly relevant if local authorities want to sell surplus non-HRA land for a less lucrative use, such as affordable housing, compared to market housing or other valuable uses.

Local authorities do not have to get 'best consideration' when selling land held within the HRA. However, they do need to get Secretary of State consent to those disposals. The 2013 General Consent requires the disposals to be at 'market value' (subject to various exceptions).

Under a separate statutory provision (which applies to both HRA and non-HRA land), local authorities are required to obtain consent from the Secretary of State to dispose of land at less than market value for the provision of privately let accommodation. Again, there are some General Consents including one which allows local authorities to dispose of vacant land to registered providers of social housing at less than market value. There is another which allows local authorities to dispose of vacant HRA land to private developers at less than market value (subject to certain conditions). Where consent to a disposal of land is given under this provision, no further consent of the Secretary of State to that disposal is required under other specified statutory provisions. This may assist local authorities in disposing of surplus HRA land for development as housing accommodation.

They have powers of compulsorily purchase and powers to override third party rights over land (for example, restrictive covenants and rights of way) which would otherwise inhibit development. For local authorities, this power to override third party rights can also be relied on by future owners and developers of land previously owned by a local authority for certain purposes.

Mayoral Combined Authorities (MCAs)

An MCA's legal powers depend on the specific statutory instrument which established that particular MCA, and the powers vary between MCAs.

Some MCAs have a general power of competence like local authorities which gives them power to carry out a wide range of housing activities.

MCAs do not directly manage their own housing stock.

Most MCAs can establish Mayoral Development Corporations.

Homes England (HE)

Homes England is a non-departmental public body and statutory corporation. Its statutory objects are to:

- improve the supply and quality of housing in England
- secure the regeneration or development of land or infrastructure in England
- support in other ways the creation, regeneration, or development of communities in England or their continued wellbeing
- contribute to the achievement of sustainable development and good design in England, with a view to meeting the needs of people living in England.

References to England do not include Greater London where HE's functions have been transferred to the GLA.

HE has an agreed set of strategic objectives devised to support the delivery of its statutory objects as well as the government's housing priorities. These are:

- Intervene in the market to ensure more homes are built in areas of greatest need, to improve affordability. Homes England will make this sustainable by creating a more resilient and diverse housing market.
- Unlock public and private land where the market will not, to get more homes built where they are needed.
- Ensure a range of investment products are available to support housebuilding and infrastructure, including more affordable housing and homes for rent, where the market is not acting.
- Improve construction productivity.
- Create a more resilient and competitive market including by promoting better design and higher quality homes.
- Offer expert support for priority locations, helping to create and deliver more ambitious plans to get more homes built.
- Effectively deliver home ownership products, providing an industry standard service to consumers.

If Homes England acquires, constructs, or converts any housing (or other land) for use as low-cost rental accommodation or it disposes of housing (or other land) or provides infrastructure or financial assistance to a person on condition that they provide low-cost rental accommodation, it must impose a condition ensuring that a registered provider of social housing is the landlord of the accommodation when it is made available for rent.

GLA

The GLA is not a local housing authority. Its general power is to do anything which it considers will further its principal purposes which are:

- Promoting economic development and wealth creation in Greater London.
- Promoting social development in Greater London.
- Promoting the improvement of the environment of Greater London.

Following the Localism Act 2011, the GLA is no longer prohibited from using its general Section 30 power to incur expenditure in providing housing and regeneration.

The GLA inherited the property (and rights to deal with that property) belonging to various predecessor public bodies in London, namely, London Thames Gateway Development Corporation, the London Development Agency and the Homes and Communities Agency (now Homes England (HE)).

The GLA does not have a HRA and so is not constrained by the same HRA/General Fund accounting rules as local authorities.

Although not a local housing authority, the GLA has various legal powers which together enable it to carry out housing activities. The main housing-related functions and powers are as follows:

- The GLA has power to carry out the housing investment activities (including grant funding) previously carried out by the Homes and Communities Agency in Greater London (now HE).
- The Mayor has a duty to publish the London Housing Strategy and local authorities' housing policies must be in general conformity with the Strategy.
- The GLA and the Regulator of Social Housing have various obligations to each other, including the duty to consult on certain housing matters.
- The Mayor publishes the London Plan which includes policies for housing in London. Local planning authorities' plans must be in general conformity with the London Plan and the Plan should generally be applied in planning decisions.
- Where major planning applications which include housing are referable to the Mayor, the Mayor can influence the type of housing to be delivered, including the amount of affordable housing.

- The GLA has power to purchase and dispose of land for housing purposes (including compulsory purchase powers). It also has other powers, for example, to override third party rights.

The GLA does not have the general power of competence. However, it has some general and facilitative powers to do anything (including acquiring or disposing of property) which is “calculated to facilitate or is conducive or incidental to” the exercise of the GLA’s functions. As Section 34 is an ‘ancillary’ power, it cannot be used as a standalone power on its own. It can only be used in conjunction with some other ‘primary’ power (which would include the promotion of its Principal Purposes).

GLA must sell its housing and regeneration land for ‘best consideration’ like local authorities and can also ask for Secretary of State consent to sell at an undervalue. There is a general consent which allows this within certain parameters.

When the GLA carries out certain specified activities (the management and exploitation of land) commercially with a view to making a profit, it must do so through a taxable subsidiary. This is why most of the GLA’s land is held by GLA Land and Property Ltd. This rule aims to achieve fairness in relation to direct taxation in the marketplace by ensuring that public bodies (who would otherwise be exempt from direct taxes such as corporation tax) are liable to pay tax on any profits they generate from carrying out commercial activities.

If the GLA acquires, constructs, or converts any housing (or other land) for use as low-cost rental accommodation or it disposes of housing (or other land) or provides infrastructure or financial assistance to a person on condition that they provide low-cost rental accommodation, the GLA must impose a condition ensuring that a registered provider of social housing is the landlord of the accommodation when it is made available for rent.

The GLA must also consult the Regulator for Social Housing about any proposals to give financial assistance on condition that the recipient provides low-cost home ownership accommodation.

The GLA is not subject to S164 of the GLA Act. However, as a matter of general public law, it cannot expand its legal powers and functions simply by carrying them out through a subsidiary legal entity.

The Mayor has a power to issue specific or general directions to some of its functional bodies (such as TfL) as to the exercise of their functions. If it were proposed that a functional body were to sell land for above planning policy levels of affordable housing so that it is not maximising financial returns from the sale or disposal of a site, the Mayor could consider issuing a direction to facilitate this. The impact of such a direction on the relevant body’s finances and budget and the ability to fulfil their statutory duties would need to be clearly set out as well as other relevant factors.

The GLA must also have regard to the Prudential Code for Capital Finance in Local Authorities, developed by the Chartered Institute of Public Finance Accountancy. This enshrines the principles of the prudential borrowing regime, in developing its borrowing plans.

TfL

TfL's principal duty is to implement and facilitate the Mayor's transport duty, which is the promotion and encouragement of safe, integrated, efficient, and economic transport facilities and services to, from and within Greater London.

It does not have statutory housing functions. However, it has power to 'turn its resources to account' and to dispose of and develop land.

When TfL disposes of or develops its land, it is obliged to do so "as if it were a company engaged in a commercial enterprise".

TfL does not have an express duty to get 'best consideration' when it sells its land. However, under general public law principles and given the duty to act as a company engaged in a commercial enterprise, in practice TfL cannot sell land at an undervalue for non-transport purposes and must get 'best value' (akin to 'best consideration') when it sells its land.

In many cases, selling or developing land for housing will be consistent with TfL's 'best value' duty, particularly selling or developing market housing. If the prevailing planning policy for a site requires affordable housing, then providing policy-compliant levels of affordable housing will also be consistent with TfL's best value duty.

When TfL carries out certain commercial activities with a view to making a profit, it must do so through a taxable subsidiary. As with the GLA, this rule aims to achieve fairness in relation to direct taxation in the market.

S164 of the GLA Act means that TfL's subsidiaries only have legal power to do the things that TfL can lawfully do. Establishing a subsidiary company does not therefore enable TfL to expand its legal powers and functions.

TfL does not have a general 'power of competence'.

TfL must also have regard to the Prudential Code for Capital Finance in Local Authorities, developed by the Chartered Institute of Public Finance Accountancy. This enshrines the principles of the prudential borrowing regime, in developing its borrowing plans.

Mayor's Office for Policing and Crime (MOPAC)

The Mayor is the occupant of the MOPAC and is required to produce a plan that explains how the police, community safety partners and other criminal justice agencies will work together to reduce crime. MOPAC is the strategic oversight body tasked with devising the Mayor's Police and Crime Plan and ensuring that it is delivered. The functions of MOPAC include the maintenance of the Metropolitan Police and to secure that the Metropolitan Police is efficient and effective. MOPAC must also hold the Commissioner of Police for the Metropolis to account for the exercise of the functions of the Commissioner. MOPAC must also hold the Commissioner of Police for the Metropolis to account for the functions of persons under the direction and control of the Commissioner.

MOPAC may also do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of MOPAC. This includes acquiring and disposing of property (including land) and borrowing money.

MOPAC has no express housing functions. MOPAC must have regard to the Policing Protocol, HM Treasury Managing Public Money, and the Home Office Financial Management Code of Practice. These documents provide that MOPAC (in common with other police and crime commissioners in England) have a responsibility to put in place proper arrangements to secure value for money in their use of resources. As the disposal of land is an incidental power to MOPAC's functions, in practice, MOPAC cannot sell its land at an undervalue.

In many cases, selling or developing land for housing will be consistent with MOPAC's 'best value' duty, particularly selling or developing market housing. If the prevailing planning policy for a site requires affordable housing, then providing policy-compliant levels of affordable housing will also be consistent with MOPAC's best value duty.

If MOPAC were to consider selling its land for above planning policy levels of affordable housing, and if this meant that MOPAC would not be selling its land in a way which would maximise financial returns, there is no power for the Mayor to direct MOPAC to do so.

Mayoral Development Corporations (MDCs)

The object of a MDC is to secure the regeneration of its area. MDCs are not local housing authorities (the provision of housing services remains with the London boroughs within the MDC).

A MDC may do anything it considers appropriate for the purposes of its objective or for purposes incidental to those purposes.

MDCs have wide express powers to acquire (including by compulsory purchase order), develop, own, manage and sell land. They also have powers relating to infrastructure, regeneration, land acquisitions (including compulsory purchase orders), streets, business, transport, and public realm improvements. MDCs are also the planning authority for their

area and lead on preparing the local plans, CIL and determining planning applications in their area.

MDCs are subject to the express obligation to get 'best consideration' when they dispose of their land. However, MDCs can sell land at an undervalue if the Mayor gives his consent.

London Fire Commissioner (LFC)

LFC is a functional body of the GLA. Its functions include the functions of the fire and rescue authority for Greater London under the Fire and Rescue Services Act 2004. LFC must secure that the London Fire and Rescue Service (the London Fire Brigade) is efficient and effective.

The LFC is not a local housing authority and has no local authority housing functions. The LFC has powers to dispose of property. However, any disposal must be in accordance with S123 of the Local Government Act 1972. The LFC is required to obtain best consideration. The LFC is also committed to the principles of achieving value for money.

The Mayor has power to issue specific or general directions to the LFC as to the manner in which the LFC is to exercise functions. Such directions can be issued in relation to the disposal of land. However, any direction to the LFC must consider the impact on the LFC's finances and budget and the ability to fulfil its statutory duties as well as other relevant factors.

Other general legal issues affecting public bodies

The GLA Group, local authorities, MCAs, and other public bodies are subject to general public law principles. For example, general public law principles such as having to act for proper purposes and within their legal powers.

They are subject to rules on public procurement and subsidy control (previously state aid).

Appendix 5: The Homes for Londoners Land Fund

The first iteration of the Homes for Londoners (HfL) Land Fund was established in 2017 to allow the GLA to be more interventionist in its approach to the land market. The fund comprises at least £736m, drawn from the GLA's Housing and Land resources alongside funds the Mayor has secured from the government.

Part of the fund has been allocated for recoverable investments, including buying and preparing land for onward sale and development. This allows the GLA to reinvest receipts to unlock further opportunities in London. The fund is unconstrained in respect of the type of investment (that is, debt or equity) that can be provided. The GLA considers a broad range of investment opportunities with partners including co-investment.

Background

The HfL Land Fund enables the GLA to identify and bring forward more land and invest in infrastructure for the delivery of new and genuinely affordable homes.

The HfL Land Fund comprises £736m with:

- £250m Mayor's Land Fund for land investments generating commercial returns
- £486m secured from the Department for Levelling Up, Housing and Communities (DLUHC) for accelerated construction, small sites, and land assembly.

The Mayor established the £250m Mayor's Land Fund in December 2017, to buy and prepare land for new and affordable housing. This fund is drawn from housing and land resources, and receipts from the GLA and GLAP. This fund is invested on a commercial basis.

The fund intends to recover the initial costs of acquisition as schemes are developed and to use the receipts to replenish the fund for further intervention. This approach intends to generate both early and longer-term delivery of new and affordable homes on a self-sustaining basis.

Additional funds totalling £486m were secured from DLUHC in December 2018. These funds were secured to fund land, infrastructure and enabling works where additional housing may be possible or where acceleration of delivery may be achieved with additional investment. The funds can be used for housing delivery directly commissioned by the GLA

or in partnership with external housing providers and landowners. This funding is comprised of three elements:

- Accelerated Construction Fund (ACF): £100m
- Small Sites Fund (SSF): £126m
- Land Assembly Fund (LAF): £260m.

A Memorandum of Understanding (MoU) set out the conditions upon which DLUHC will provide this funding to the GLA to boost housing supply across London. The MoU with DLUHC requires that the funds are deployed to unlock the delivery of up to 8,000 homes (of any tenure) in London by 2030. This housing target is not additional to those which the GLA is required to deliver through the main Affordable Homes Programmes.

The GLA through the MoU also accepts to support government departments who are working to release surplus land for housing in London. The MoU sets out that any investment through the Land Fund should be responding to a clear market failure to ensure additionality and justify public sector intervention.

The GLA can use these funds for site acquisition, development finance, infrastructure investment and/or land remediation. The GLA may retain any capital receipts generated from disposals of sites acquired with these resources for recycling into new projects/interventions. The GLA can also deliver the funds as grant.

Each of the three DLUHC Land Funds (ACF, SSF and LAF) is subject to a target trajectory for funding commitments and homes started. The four funds (the Mayor's Land Fund, ACF, SSF, and LAF) are collectively managed within the GLA as the 'Homes for Londoners Land Fund'.

Governance

The HfL Land Fund is reported corporately and for acquisitions or recoverable investments, overseen through the Land Fund Investment Committee. The Homes for Londoners Board also receives regular reports on the HfL Land Fund.

The HfL Board is chaired by the Mayor. The HfL Board brings together expertise from the GLA, London Councils, Transport for London, London's largest registered providers and representatives of London's property sector.

The board meets quarterly and has oversight of:

- overall housing delivery across London
- the statutory implementation of the London Housing Strategy
- housing, planning, and infrastructure coordination
- delivering housing investment programmes

- land held by the Mayor and other public bodies
- a task-and-finish work programme for policy development and innovation.

The Land Fund Investment Committee has been set up as a sub-committee of GLAP. The Land Fund Investment Committee provides leadership and direction for acquisitions or recoverable investments under the HfL Land Fund. Membership of the Land Fund Investment Committee comprises:

- Executive Director of H&L (who has overall responsibility for the committee).
- Chief Investment Officer
- Deputy Mayor for Housing and Residential Development
- Assistant Director of Strategic Projects and Property
- up to four external committee members - there are currently two external committee members in post
- overall programme and/or project leads, who attend when necessary.

The Land Fund Investment Committee is responsible for preparing a Land Fund investment plan to be presented to the Mayor for approval. The committee scrutinises proposals for Land Fund interventions and provides endorsement on asset acquisitions and disposals in accordance with the approved investment plan. These proposals may be subject to a Director Decision or a Mayoral Decision, as appropriate. The Mayor is updated on activity within the HfL Land Fund on an annual basis.

The HfL Land Fund follows six key approvals stages, as follows:

- **Land Fund initiation meeting** (every six weeks in first two quarters of the financial year and then monthly). The first stage is to discuss a potential intervention at a monthly progress meeting.
- **Land Fund Steering Group meeting** (every six weeks in first two quarters of the financial year and then monthly). Steering Group will review business cases for each intervention, provide further guidance and recommend whether these should be submitted to DMT.
- **Directorate Management Team (DMT)** (fortnightly). Proposals taken to this meeting will have their business cases reviewed. Recommendations will be made about whether Investment Committee approval is required. Typically, Land Fund investments will require Investment Committee approval. DMT will also advise whether interventions require a Director Decision or a Mayoral Decision (prior to committing funding).
- **Land Fund Investment Committee** (monthly). Following the endorsement of the business case by the Steering Group and DMT, a proposal is taken to the monthly Investment Committee meeting. The purpose of these meetings is to provide final

endorsement of each intervention’s business case. These meetings will also confirm the level of GLA resources available and to agree performance indicators and monitoring arrangements.

- **Director Decision (DD) or a Mayoral Decision (MD).** A MD is required if an intervention is novel, contentious, repercussive; or if the matter is one which the Mayor, by policy choice, does not wish to delegate.

Homes for Londoners Land Fund progress

The December 2021 report to the HfL Board updates on progress made towards deploying £736m across the four funds managed as the HfL Land Fund. The table below sets out number of schemes, commitments, and associated housing delivery.

	Number of schemes	Total homes	Number of affordable
In contract	12	9,892	4,631 (47%)
Committed	6	2,770	1,448 (52%)
Total	18	12,662	6,079 (48%)

The GLA is currently working on an active pipeline of 7,051 homes (approximately 47 per cent affordable).

Potential expansion of the Homes for Londoners Land Fund – Land Fund 2

In March 2021, London First and PwC published a report titled “Land Fund #2: how the GLA could attract co-investment to help build more homes”. The report established the principle of a fund of circa £1bn to deliver more than 20,000 homes through public and private sector co-investment.

GLA officers have engaged with London First, PwC and other fund managers to discuss ideas and structures which the GLA could create or enter into. It is currently clear that no existing fund is directly replicable, and that no existing fund meets Land Fund priorities: a purposely created Land Fund #2 would be required.

GLA officers have put forward a series of proposals internally which seek to align GLA strategic priorities with private sector interest. These proposals include a fund structure and expected focus points. For example, investments in industrial intensification to release

land for residential purposes in the medium term, development finance for SMEs, and a master development venture.

A commercial consultant is being procured to support GLA officers in the research, market testing and procurement of a fund manager as well as investors for this fund. Once the consultant is instructed, GLA officers will be focused on refining the proposals. This includes further internal briefings, before submitting a formal decision document in line with GLA governance requirements.

Appendix 6: The Mayor's Small Sites Small Builders programme

Background and context

The Small Sites Small Builders (SSSB) programme was set up by the GLA in 2017. The programme was set up as a response to the lack of supply of small sites available for housing delivery. The programme was also set up in recognition of a significant fall in the number of small builders operating in the UK. Small sites are identified in the London Plan as a critical source of development to meet an estimated 25 per cent of housing need in London.

The definition of "small sites" for the purpose of SSSB is not constrained by the London Plan definition of 0.25ha and 1-25 homes. Instead, the definition is indicative of sites that are in-fill, windfall or not of strategic importance. The size of site varies to some extent but tends to be fewer than 100 homes.

Programme objectives

The purpose of the SSSB is to reduce or mitigate barriers faced by public landowners and small builders in the development of small sites for housing. The two key programme objectives are:

- to encourage public landowners to bring small sites forward for residential-led development
- to invigorate new 'sources of supply', focussed particularly on small builders, registered providers of housing, and community-led housing groups.

These objectives remain valid and are underlined in the Mayor's recent manifesto commitments: to support fairer house building; protect, preserve, and create jobs; and support small businesses. The SSSB also supports several of the Mayor's Recovery Missions, through supporting the release of public land for housing and targeting the opportunities at Small and Medium-sized Enterprises (SMEs).

Funding

In 2017, the programme was allocated funding of £473,000 to cover an initial pilot programme. In response to its success, a further £12.9m was allocated for 2018-2021 to

carry the programme through a subsequent pilot delivery period. The funding allocated was substantially comprised of London Economic Action Partnership (LEAP) Growth Deal capital and revenue funding (£13.4m). The funding also included GLA Housing and Land (H&L) revenue funding to top up the programme (£1.8m). The programme is jointly supported by the H&L and Good Growth Directorates and its objectives speak to the priorities of both teams. The programme has been resourced by 1 FTE from H&L plus two additional 0.2 FTE – one from H&L and one from Good Growth. Additional senior management time is provided in support as required.

Delivery

Public landowners are supported to bring sites to the market through the Small Sites Small Builders portal. The portal is publicly accessible and linked to a direct mailing list of subscribers (more than 1,000) who wish to be notified of potential opportunities. Sites are offered subject to planning which makes the risk for SMEs less when bidding for a site and working up a proposal.

The SSSB is a marketing tool, rather than a procurement route, so there are no positive obligations on the bidders to build. However, public landowners can specify preferences and several boroughs have used the portal to promote 100 per cent affordable schemes to the market. It is not a requirement for public landowners to use the portal exclusively. For example, MOPAC has advertised sites through the portal that are also hosted on an agent's website.

Previously, funding from the programme has been offered to boroughs for:

- capital works to unlock sites through demolition, utilities, or infrastructure
- revenue costs to identify sites within boroughs' ownership that might be suitable for release
- revenue costs to compile the necessary due diligence to support the sale of the site.

SME builders can struggle to bid on sites if the level of information provided in sales particulars is insufficient to make robust offers. This is particularly an issue where development margins are smaller, which is often the case for SME builders. Therefore, by providing a full suite of due diligence, sites are more attractive to SMEs. Any site released through the portal is required to have a thorough information pack. Other sites can be advertised to the mailing list but are not formally part of the programme.

The programme has also supported capacity building in boroughs and in SMEs. This has been in the form of revenue funding for the site investigation work and through the engagement of the Senior Programme Manager with boroughs on an individual level. There has been some limited knowledge/best practice sharing opportunities and some

bidder feedback. This is one of the areas that was highlighted for expansion by the 2020 programme evaluation.

Delivery to date

To date more than 50 sites have been brought to the market by eight public landowners (including six London boroughs). Successful bids on the sites total over 600 homes with more than 65 per cent of those to be affordable. Work over the next quarter will need to review the translation of the sites from bid stage to start on site. This includes sites funded by the SSSB that are still to come forward. TfL has noted it continues to have a pipeline of sites that are suitable for the portal. The GLA is aware that LFC and MOPAC may also have some small sites coming forward over the short-term.

GLA Group collaboration

The programme has a joint board composed of senior staff from H&L and Good Growth. The joint Programme Board has been a positive focus for discussion and knowledge sharing. It has been a good example of cross-GLA collaboration that brings together the skills of both teams to deliver a programme that benefits from the support of two Directorates.

In addition to intra-GLA collaboration, the programme has offered the opportunity for intra-Group promotion. TfL sites formed the pilot round of the portal and TfL has consistently prepared sites for disposal through this route. MOPAC has advertised sites through the portal and used the mailing list to promote opportunities.

Furthermore, the MOD has used the SSSB mailing list to highlight opportunities to potential bidders. The sites were disposed of through an auction process, but the details were shared with the mailing list and contacts shared to promote engagement.

Resourcing and governance

Consultants, PRD, undertook an independent evaluation of the programme in 2020 and the outcome of this evaluation was positive. Despite this, there has been no substantive commitment to future resource and the future of the programme is currently under review. There is no confirmed resource to support bidding rounds, although an application is being prepared to secure Good Growth funding should it become available.

One of the ambitions of the joint Programme Board is that the capacity building element of the programme is developed further in the next iteration. In addition, the board has identified a priority should be to focus on knowledge sharing between public landowners.

Appendix 7: Housing development stages

The table below sets out the development stages which have been considered in the context of reviewing GLA Group housing delivery. The stages provide a broad and useful definition of the development process, whilst breaking down the preceding strategic stages required for the delivery of a wider municipal homebuilding project.

Stage		Potential activities and responsibilities
1	Strategy and scoping	<ul style="list-style-type: none"> • Provision of an estates or development strategy • Engagement with landowners, communities, and other stakeholders • Setting the vision and strategy for development of identified sites
2	Land	<ul style="list-style-type: none"> • Land identification (freehold or leasehold) • Land ownership and acquisition (freehold or leasehold) • Land aggregation and co-ordination (including compulsory purchase) • Servicing of land with infrastructure
3	Investment	<ul style="list-style-type: none"> • Receipt of grant funding • Raising finance through debt, including leveraging against assets • Raising finance through capitalisation of revenue streams • Deployment of section 106 or Community Infrastructure Levy monies
4	Design	<ul style="list-style-type: none"> • Strategic definition, preparation, and briefing • Design oversight (via design review or equivalent panel) • Technical design (including spatial co-ordination)
	Planning	<ul style="list-style-type: none"> • Statutory planning function (plan and/or decision making) • Undertaking pre-application discussions to agree planning brief • Securing planning permission (outline or detailed)
	Procurement	<ul style="list-style-type: none"> • Overseeing the development through a development agreement or joint venture arrangement • Appointing contractors via a procurement framework • Directly employing contractors, sub-contractors, and manufacturers • Directly manage construction via a direct labour organisation
5	Construction	<ul style="list-style-type: none"> • Construction and manufacture (including through adoption of Modern Methods of Construction) • Management of defects liability period (up to 12 months or beyond)
6	Occupation	<ul style="list-style-type: none"> • Retaining ownership of homes (freehold or leasehold) • Selling or letting of homes (to individual buyers or tenants) • Taking on a landlord or property management function (including responsibility for repairs and maintenance) • Maintenance of public realm and/or estate.

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