

MAYOR OF LONDON

---

# London's Housing Delivery Recovery Plan

THE FINAL REPORT OF THE COVID-19  
HOUSING DELIVERY TASKFORCE

JULY 2020



## **COPYRIGHT**

**Greater London Authority  
July 2020**

Published by  
Greater London Authority  
City Hall  
The Queen's Walk  
More London  
London SE1 2AA

enquiries 020 7983 4000  
minicom 020 7983 4458

Photographs © Greater London Authority

Copies of this report are available  
from [www.london.gov.uk](http://www.london.gov.uk)

## CONTENTS

1.	Foreword	5
2.	Executive Summary	7
	Impact of the pandemic	7
	Rebuilding a better housing market for London	8
	A housing delivery recovery plan	9
	Priority responses	10
3.	The housing delivery taskforce	13
4.	The challenge we face	16
	Implications of the pandemic	16
	Early government response	17
	Rebuilding a better housing market for London	18
	A housing delivery recovery plan	19
5.	Key challenge 1: Building resilience in construction	21
	Short-term actions	22
	Medium- to long-term actions	23
6.	Key challenge 2: Strengthening housing demand and increasing the supply of affordable homes	25
	Short-term actions	28
	Medium- to long-term actions	29
7.	Key challenge 3: Addressing development viability challenges	32
	Short-term actions	34
	Medium- to long-term actions	34
8.	Key challenge 4: Maintaining a healthy pipeline of implementable schemes	36
	Short-term actions	38
	Medium- to longer-term actions	39
9.	Key challenge 5: Building a pipeline of developable land	41
	Short-term actions	42
	Medium- to longer-term actions	44
10.	Our conclusions	46
11.	List of contributors	48
12.	Summary of actions	51

---





# 1. Foreword

Too many Londoners have died or been seriously ill as a result of the Covid-19 pandemic. Lives have been cut short, opportunities lost, and families changed forever. Jobs have been lost, and many Londoners may be worrying about how they will afford to pay the rent. Londoners will likely never take their health, or the freedom to move freely around the city, for granted for quite some time.

We have not all been affected equally. It is a great injustice that Black, Asian and Minority Ethnic (BAME) Londoners have been disproportionately impacted by the transmission of the virus, which has been attributed to BAME Londoners being more likely to live in overcrowded accommodation and intergenerational households, and to experience poverty. Across London there are unacceptable inequalities in the size and quality of housing available to people based on their age, ethnicity or socio-economic status. This disparity has clearly affected how we have all experienced the pandemic. The public health crisis did not create the structural problems London already faced, but it has highlighted them. It has also made even clearer the pressing need for more high-quality housing at social rent levels.

When the virus hit London, I was concerned that a serious economic shock would exacerbate the challenges already felt by Londoners. A recession could lead to developers in all parts of the sector downing tools and holding out for bluer skies. This would do nothing for those waiting for council, social rented and other genuinely affordable homes, those trapped in the poorer-quality parts of the private rental sector, or those who struggle to get a foothold on the housing ladder due to high prices and a legacy of under supply.

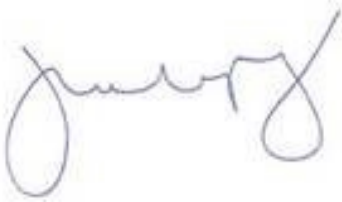
Despite these challenges London went into lockdown with a strong record on building social and genuinely affordable homes. Last year, more than 17,000 new genuinely affordable homes were started with support from the Mayor of London, more than at any time since records began in 2003, and more than 3,300 new council homes, the most in any year since 1985.

We cannot be complacent. It is vital that we maintain this momentum, and work in partnership with all involved so that we can continue to tackle the underlying socio-economic problems exposed by the pandemic. The housing market we had before did not work for most Londoners, and Covid-19 presents an opportunity to rebuild a model which works better for all.

To coordinate our efforts in London, I brought together representatives from the capital's councils, housing associations, the development and construction industries, and unions, to form a Covid-19 Housing Delivery Taskforce. We worked together for over three months

to agree a comprehensive recovery plan for the housing delivery sector in London. I am delighted to present that plan to you in the form of this report. I'd like to extend a big thank you to all of those who have given up their time to support us in this work.

We are ready and waiting to build on our existing efforts to transform the lives and opportunities of Londoners by building the new homes that are needed. Failure to do so will condemn all but the wealthiest among us to costly and poor-quality homes. We present this report to the wider housing sector, and to Government, as a blueprint for recovery. We call on Government to work with us, using the levers at its disposal to have the transformative impact Londoners really need.

A handwritten signature in blue ink, appearing to read 'Tom Copley', with a large loop at the end.

Tom Copley

**Deputy Mayor for Housing and Residential Development**

## 2. Executive Summary

- 2.1. From April to July 2020, Deputy Mayor for Housing and Residential Development Tom Copley convened a group of senior leaders in London's housing delivery sector to consider the challenges posed by the Covid-19 pandemic, and to plot a route to recovery. The Housing Delivery Taskforce represented the full diversity of the sector and this report summarises the group's findings. It sets out a comprehensive recovery plan which, if fully implemented, would build construction sector resilience, protect jobs, and support organisations that develop new homes to continue to address London's chronic levels of housing need.

### Impact of the pandemic

- 2.2. The Taskforce agreed that the pandemic raised several serious challenges which could slow-down the delivery of the homes London needs. Early macroeconomic indicators forecasted falls in construction output and suggested a serious economic shock was already affecting London, including a potential recession. As at July 2020, nearly 650,000 people across the UK lost their jobs between March and June 2020 – with unemployment rates expected to rise over the summer and as the government's furlough scheme winds down<sup>1</sup>.
- 2.3. The construction sector is relatively vulnerable to economic shocks and cycles in the housing market due to some firms, in particular small and medium sized enterprises (SMEs), operating on narrow profit margins. Because each part of the sector is interdependent, a failure in one area of the chain could have a profound impact on the rest of the sector – ultimately meaning the delivery of affordable housing could become significantly stalled.
- 2.4. The Taskforce also recognised that it is likely that there will be greater demand for affordable as a result of households' changed circumstances. The evidence shows that before the pandemic the need for social rented homes was already overwhelming<sup>2</sup>.
- 2.5. The pandemic has dented confidence among London's social and private homebuilders, who may be reluctant to start new homes in such an uncertain economic outlook. Dampened demand is expected from private buyers, due to uncertainty about price changes and job security. Banks and building societies have introduced more cautious lending criteria, restricting access to mortgage products

---

<sup>1</sup> ONS data reported in Telegraph 16 July 2020

<sup>2</sup> GLA, 2017 Strategic Housing Market Assessment.

for those purchasing at high loan to value ratios, which are most commonly used by first time buyers.

- 2.6. The ways in which existing and new development is funded could change rapidly as a result of this changing demand. It is important that developer cashflow is maintained, and that all opportunities to bear down on the costs of construction are explored, without compromising quality, safety and sustainability. There needs to be certainty that new infrastructure will be built to unlock sites across all areas of the city to address viability problems before they arise. Huge losses to Transport for London's fare revenue puts this at risk.
- 2.7. There is currently a healthy pipeline of schemes with implementable planning permission in London. The Taskforce agreed that this pipeline must be maintained, and new housing developments continue to be started, to grow demand across all parts of the construction industry and build market confidence. Without a flexible and responsive approach to securing new planning permissions, and implementing existing ones, there could be a 'cliff edge' in future delivery.
- 2.8. Finally, the Taskforce agreed on the importance of ensuring that a pipeline of developable land is brought forward over the short-, medium- and longer-term. Significant changes in costs and values could lead to land being mothballed, and suitable incentives are needed to ensure that developable land can be brought into use and reflect market circumstances. It is critical that this land is brought forward to support the significant need for new council and affordable housing.

### **Rebuilding a better housing market for London**

- 2.9. The Taskforce agreed that, while the impact of the pandemic on housing delivery could be profound, the housing market that the city had before the pandemic did not work for the vast majority of Londoners.
- 2.10. For many years the delivery of new homes in London has failed to keep up with rising numbers of jobs and population growth. This has left more and more people with little choice but to put up with less space and increased overcrowding. Those who have been disproportionately affected by London's housing crisis – including Black, Asian and other Londoners from ethnic minorities – have also been disproportionately impacted by Covid-19, with housing conditions attributable to the spread of the virus during the pandemic.
- 2.11. As well as developing a roadmap to recovery, the Taskforce wanted to agree how to rebuild a housing market which works better for every Londoner; including those that face spatial inequalities, and the affordability challenges that affect all but the wealthiest. These disparities can be structurally addressed by a major increase in the supply of new homes, particularly new social rented and other genuinely



affordable homes. A better functioning housing market would also contribute to a green recovery, achieving a dramatic and urgent shift in the sustainability of our new and future homes.

## A housing delivery recovery plan

- 2.12. The Taskforce recommends a comprehensive response is taken forward by the Mayor and the sector, in partnership with Government. The full report sets out a detailed action plan, which if fully implemented could put London on the road to recovery. The action plan's recommendations, which are the culmination of a cross-sector collaborative process, benefit from consultation with over 40 external experts and Greater London Authority (GLA) officers.
- 2.13. Underpinning the detailed recommendations, the Taskforce has issued six key principles that Government and the wider housing sector will need to embody to respond effectively to the challenge we face.
- First, the public sector should use its unique position to build supply chain confidence about the levels of effective demand – a package of **countercyclical funding** support is required to make this happen.
  - Second, **certainty and stability** in the policy and funding environment is needed to give confidence to developing organisations to make longer-term investment decisions. The recent confirmation of a one-year extension to the deadline of the Affordable Homes Programme is welcome, but much more can be done to strengthen confidence about the terms on which new developments can start.
  - Third, the unique circumstances of how new homes are built in London means that any recovery plan must recognise the **mixed economy** that underpins London's housing development, with many distinct yet interlinked types of development and funding sources each having a role to play.
  - Fourth, the taskforce agreed that there is an unprecedented opportunity for cross-sector **collaboration to promote innovation**. The sector and the Mayor are ready to work with Government to drive the modernisation of the housing sector to unlock these opportunities.
  - Fifth, a **skills-led recovery** can build resilience, support a response to chronic levels of housing need, and mitigate some of the worst economic impacts on individuals – particularly those at risk of job losses.

- Finally, changes to the **regulations and systems that govern land assembly** can incentivise and enable all actors in the sector to bring forward development that meets the high bar for quality, sustainability and connectivity that housing in London should deliver.

## Priority responses

2.14. The full report sets out a detailed list of actions that should be implemented, some with urgency, and some over the medium- to longer-term. Responsibility for these actions is shared between the Government, the Mayor, councils, and the housing and development sectors. However, a number of responses stood out as a priority.

- First, the Mayor and the Taskforce are calling on Government to issue a **£4.83bn recovery package** for London that can provide confidence in the short-term. The public sector is ready and waiting to build confidence and strengthen supply chain resilience by supporting development which is less reliant on a very buoyant private market, and protect construction jobs. This recovery package should comprise a £1.33bn programme to facilitate changes of tenure in the remaining three years of the Affordable Homes Programme, and a £3.5bn buyer of last resort scheme to give confidence to the private market to start new schemes rather than downing tools, by knowing that homes could be purchased for the affordable market at cost price if a buyer cannot be found. The £4.83bn recovery package would ensure that nearly 44,000 homes would continue to be built over the next three years.
- Second, the Taskforce calls for a recognition of the true cost of building affordable homes in London. For a decade housing associations and councils have been reliant on building private homes for sale to generate 'cross-subsidy' and plug the gap between revenues generated and the cost of construction. The subsidy gap for new social rented homes in London is now over three times the amount available in the 2016-2022 Affordable Homes Programme. The Taskforce calls on Government to **expand the next Affordable Homes Programme** from the £12bn nationally announced in March, and to recognise that to build the number of homes that truly responds to London's housing need, at the grant rates that are really required, would cost an average of £4.9bn a year in London alone.
- Third, the sector and Government should work together on a skills-led recovery. The Taskforce recommended that the Mayor and Government work together to lead a **major cross-sector careers campaign** to promote the construction sector as a career that can be considered by all, whether young people finishing their studies and entering the job market for the first time, people changing careers, or those whose jobs are at risk due to the economic impact of Covid-19.

- Fourth, the GLA and councils should work together to test the opportunities to procure **precision manufactured homes at greater scale** and in a more standardised way, building a pipeline of demand to support manufacturers, and giving confidence to new entrants to market. The Taskforce believes that this intervention would be enhanced by **concurrent direct investment** in the precision manufacturing market, from GLA and Government, to support businesses to expand their operations and develop new environmentally friendly products that can help all work towards a zero-carbon future.
- Finally, the Taskforce believes a **more streamlined land assembly system** will provide clarity and certainty for all parties in bringing forward land for housing. More powerful tools and incentives to coordinate investment costs, shape development and manage public sector land assets will create higher quality and more strategic developments, particularly if coupled with additional resources to re-invest into physical and social infrastructure.

2.15. This executive summary provides just a snapshot of the actions and recommendations that should feature in a recovery plan. If implemented, this plan will provide a robust response to the housing supply challenges that London faces and build a better housing market as a result.

2.16. Some of what is needed can be taken forward by the Mayor, local government, housing associations, and industry, in partnership together. But so much more can be achieved if Government recognises the scale and severity of the challenge and maximises the levers and funding at its disposal to form at least part of the solution.





### 3. The housing delivery taskforce

- 3.1. In April 2020 the GLA convened a dedicated taskforce to develop a cross-sector response to overcome immediate barriers to housing delivery and plot a route to post-crisis recovery. The overarching objective was to develop a recovery plan that ensures housing supply can continue at pace and scale, as well as delivering 'Good Growth', which is fair and sustainable, delivers more social rented and other genuinely affordable homes, and results in a more socially integrated city.
- 3.2. The taskforce was formed of senior representatives of local and regional government, and a range of membership bodies representing organisations directly involved in the delivery of new homes in London, spanning the public, private, and third sectors. Members of the taskforce were nominated on the basis of their expertise to comment on the 'nuts and bolts' of housing delivery, and their leadership capacity to mobilise larger groups of organisations around solutions.
- 3.3. The taskforce comprised the following core members:

Name	Organisation	Title
Tom Copley (Chair)	GLA	Deputy Mayor for Housing and Residential Development
Andy Donald	London Councils	London Councils CELC Lead Adviser Housing & Growth
Helen Evans	G15	Chair
Rokhsana Fiaz	London Borough of Newham	Mayor of Newham
Kate Henderson	National Housing Federation	Chief Executive
Laurie Heselden	Trade Union Congress	Regional Campaigns and Policy Officer
Jessica Levy	Federation of Master Builders	Director of Communications
David Lunts	GLA	Executive Director, Housing and Land
Suzannah Nichol	BuildUK	Chief Executive
David O'Leary	Homebuilders Federation	Policy Director
Jules Pipe	GLA	Deputy Mayor for Planning, Regeneration and Skills
Darren Rodwell	London Councils	Executive Member for Housing and Planning
Jonathan Seager	London First	Executive Director, Place
Lucinda Turner	Transport for London	Director of Spatial Planning

- 3.4. The core members of the taskforce met six times between April and July 2020 to evaluate and review a range of potential options that should appear in the recovery plan. These meetings explored five main themes:
- Building resilience in construction;
  - Strengthening housing demand and increasing supply of affordable homes;
  - Maintaining a healthy pipeline of implementable schemes;
  - Addressing development viability challenges; and
  - Building a pipeline of developable land.
- 3.5. Section 4 sets out more detail of why these themes were chosen and each intervention outlined in sections 5 to 10 responds to one of these issues.
- 3.6. The responses and conclusions included in this report have the support of the taskforce as a collective group. Despite each member of the taskforce coming to the table with very different priorities and backgrounds, clear areas of consensus emerged from this work. The Mayor and members of the taskforce view this collaborative approach as a strength.
- 3.7. The core membership of the taskforce was supported by an expert panel of representatives to advise on specific areas of enquiry. The expert panel members were drawn from across the housing delivery sector. The Deputy Mayor also invited a representative of the London Housing Panel (a group of voluntary and community sector organisations established to influence Mayoral housing policy) to join the expert panel. A full list of contributors to this work is included at section 11.



## 4. The challenge we face

- 4.1. In early 2020, the UK recorded exponential growth in the number of confirmed cases of the virus Covid-19, which tragically claimed the lives of thousands of Londoners. Due to the scale of the infection, the Government rightly introduced a range of important public health measures to suppress the spread of the virus by reducing the amount of person-to-person contact.

### Implications of the pandemic

- 4.2. These measures were – and at time of writing continue to be – critical to the public health response, but have nevertheless had an impact on the housing delivery sector. For a period of time during March and April 2020 many construction sites suspended activity. While most have now reopened, the vital need to maintain ongoing social distancing on site has changed the way that many contractors and developing organisations build homes, slowing delivery and creating delays in starting or completing new homes.
- 4.3. Productive capacity will be significantly suppressed by these challenges. While the precise impact of the pandemic on the health of the UK's macroeconomy is unknown, GLA Economics forecasts that construction output in London will fall by 34 per cent in 2020, only recovering to its 2019 level by 2022<sup>3</sup>. Early indicators showed a sharp drop in the UK Gross Domestic Product (GDP) of 20 per cent in April 2020 following a fall of six per cent in March. All of these indicators suggest that a serious economic shock, and the high likelihood of a recession, is already affecting London.
- 4.4. The global financial crisis of 2008, illustrates the risk posed to housing delivery in London. This underscored that each part of the sector is interdependent; failure in one area of housing delivery will have a domino effect across the sector. It is important to ensure that developers, lenders, construction firms and suppliers do not go bankrupt. As well as resulting in significant delays to the delivery of much needed new homes in London, lessons from previous recessions teach us that lost capacity can take a significant amount of time to rebuild.

---

<sup>3</sup> GLA, London's Economic Outlook, June 2020



- 4.5. Sentiment surveys have suggested that many in the industry expect a very challenging road ahead<sup>4</sup>. Potentially dampened demand from consumers is expected in the private market, as well as reluctance from the Boards of developing organisations to start new housing schemes.
- 4.6. In response to this economic uncertainty, banks and building societies have introduced more cautious lending criteria. The number of mortgage approvals in the UK fell from 66,500 in February to 9,900 in May. While some mortgage products have started to return in recent weeks, this has not proven to be the case for products serving those buying homes at the highest loan to value (LTV) ratios, such as first time buyers, with just 75 deals available at a 90 per cent LTV as of June 2020, according to Moneyfacts.co.uk. The mortgage industry rightly takes a prudent approach, to avoid a repetition of past issues such as the sub-prime mortgage lending crisis that prompted the global financial crash. Unless the macroeconomic trends outlined above start to reverse, or the possible impact on individuals' job losses are averted, it is hard to see lenders electing to bring these products back to the market.

### **Early government response**

- 4.7. During the early phase of the pandemic, the Government temporarily froze home moves to ensure compliance with "stay at home" guidance. Since liberalisation of the rules in May some indicators have shown an increase in interest among potential buyers, for example through online home searches. However sentiment surveys continue to demonstrate future impacts on demand, and will affect the confidence of organisations that develop to start new schemes.
- 4.8. The Government introduced a package of support for businesses and individuals who were adversely affected by the physical distancing measures and time-limited closures of certain industries such as retail and hospitality. This package included Coronavirus Business Interruption Loans (CBILs) to address the cashflow of some organisations, and income support schemes for furloughed employees and self-employed workers.
- 4.9. These important measures have mitigated the worst of the immediate economic impacts on individuals that we might have seen. However, the publication of statistics showing that in May 2020, 1.07 million Londoners were on furlough<sup>5</sup>, prompts considerable cause for concern about the prosperity and wellbeing of individuals when the scheme is closed in October 2020, as well as the wider health of the economy.

---

<sup>4</sup> RICS, UK Residential Market Survey – May 2020

<sup>5</sup> HMRC, Coronavirus Job Retention Scheme Official Statistics

## Rebuilding a better housing market for London

- 4.10. The impact of the pandemic on housing delivery in London could evidently be profound. But the housing market that the city had before the pandemic did not work for the vast majority of Londoners. Covid-19 creates the space and impetus for the housing sector to rebuild a model which works better for our city.
- 4.11. For many years the delivery of new homes in London has failed to keep up with rising numbers of jobs and population growth. This has left more and more people with little choice but to put up with less space and increased overcrowding. Homeownership has long been out of reach for all but the most affluent Londoners, with price to earnings ratios hitting 13:1 in 2019<sup>6</sup>. Between 2010 and 2018, average private rents in London rose more than twice as fast as average earnings<sup>7</sup>. As a result, around 30 per cent of privately renting households in London spend more than half of their income on rent<sup>8</sup>. Housing is least affordable for households in poverty in London compared to anywhere else in the country<sup>9</sup>.
- 4.12. London's success depends on people from a mix of incomes and backgrounds being able to live here, including the keyworkers who have kept the city going throughout the pandemic. Covid-19 – particularly the experience of lockdown measures and more time spent at home – has led many of us to reflect on what we truly need from our homes, where we want to live and how we might work differently.
- 4.13. While we may well see some structural changes as a consequence, it is too early to say with any certainty what these trends will be. And neither will they address the historic shortfalls in the supply of new, good quality homes that Londoners can afford - shortfalls which have for a number of years been felt in the form of high prices, and which are unlikely to change due to modest, short-term changes in demand.
- 4.14. Many more homes are needed, of all tenures. The evidence shows that the overwhelming need is for rented homes at social rent levels<sup>10</sup>. Any recovery that truly addresses the city's needs will have the development of a high level of social rented and other genuinely affordable homes at its heart.

---

<sup>6</sup> ONS, Housing affordability in England and Wales 2019 (ratio of median house price to median gross annual residence-based earnings)

<sup>7</sup> GLA, Housing in London 2019

<sup>8</sup> GLA analysis of Family Resources Survey data. In the three years 2016/17 to 2018/19 privately renting households in London spent an average of 30 per cent of their net household income on housing costs

<sup>9</sup> [Joseph Rowntree Foundation UK Poverty 2019/20](#)

<sup>10</sup> [The 2017 London Strategic Housing Market Assessment](#)

- 4.15. The housing crisis affects all Londoners, but not all are affected equally. Evidence collected prior to the pandemic showed that the housing crisis disproportionately affects those with protected characteristics, in particular on the basis of ethnicity. 40 per cent of Londoners identify as being from BAME backgrounds. BAME Londoners are more likely to live in social housing, and almost twice as likely to rent privately compared to White British people.
- 4.16. It is a terrible injustice that children from BAME groups are more likely to live in overcrowded accommodation than children in White households across all housing tenures. Londoners from BAME backgrounds are more likely to live in poverty than White British people, and 38 per cent of BAME Londoners were doing so in 2017/18<sup>11</sup>. People who identify as BAME are more likely to experience homelessness, comprising 74 per cent of homeless households assessed as owed a homelessness prevention or relief duty in 2018/19<sup>12</sup>.

### **A housing delivery recovery plan**

- 4.17. The conclusions presented in this report aim to set out a comprehensive and holistic plan for how the housing and development sector and all tiers of Government can work together to recover from what may prove to be one of the greatest economic shocks of modern history. But the Taskforce was clear, throughout the process, that it'll only be able to achieve that in a way that truly benefits Londoners if it strives to rebuild a housing market which works better for every resident of the city.
- 4.18. A better functioning housing market would address the spatial inequalities in London, and the affordability challenges that affect all but the wealthiest. These can only be addressed by a major increase in the supply of new homes, and in particular social rented and other genuinely affordable homes. A better functioning housing market would also strive for a green recovery from the pandemic, achieving a dramatic and urgent shift in the sustainability of our housing, both new and future homes.

---

<sup>11</sup> Trust for London, London's Poverty Profile 2020

<sup>12</sup> MHCLG, local authority level homelessness tables March 2019





## 5. Key challenge 1: Building resilience in construction

- 5.1. The construction sector is relatively vulnerable to economic shocks and cycles in the housing market, because many construction firms, in particular SMEs operate on narrow margins. Construction firms need to secure operational cashflow in order to avoid insolvency, which in turn will protect jobs and London's wider economy.
- 5.2. A relatively large proportion of the construction labour force is self-employed, and the sector includes a reasonably high proportion of SMEs. Nearly half of London's construction workers employed in the homebuilding sector were born in EU member states<sup>13</sup>, and a potential decline in London's attraction as a place of employment opportunities could exacerbate well-documented structural shortages in the availability of skilled labour that are likely to be further impacted by Brexit. Any change in the value of sterling against the euro and other currency will discourage workers from staying or returning to the city, as will the prospect of developers downing tools in the event of a serious downturn.
- 5.3. There is clearly an opportunity to attract many new people to enter the workforce, but it is equally important to retain the skills and trades we have at our disposal. Both are necessary to offset the challenge of an ageing workforce and forecasts that suggest a 20-25 per cent decline in the available labour force for construction within a decade<sup>14</sup>.
- 5.4. Constraints on construction site output - for example due to the delays in the pace of delivery, or developer responses to reduced demand in the private market - will affect the supply chain. This could encourage factories, materials suppliers and logistics firms to close their operations until they are more confident of demand for their products or services. It is important that pace is maintained, as construction capacity can be quickly lost but slow to rebuild and UK productivity is already poor compared to other countries<sup>15</sup>. Rebuilding this sector in a more efficient and productive manner is a potential opportunity for Government, the Mayor, and the housing sector.
- 5.5. The Taskforce welcomed the quick action of the Government to introduce the Coronavirus Business Interruption Loans. There is no doubt that these schemes

---

<sup>13</sup> GLA, Housing in London 2019

<sup>14</sup> [Modernise or Die: The Farmer Review of the UK Construction Labour Model](#)

<sup>15</sup> [ONS: International comparisons of UK productivity \(ICP\)](#)

provided a lifeline for many suppliers in their hour of need. This notwithstanding, there were cracks to the scheme that certain suppliers fell through. There is also a lack of information about the transitional arrangements for suppliers as they gradually return to sure financial footing.

- 5.6. Most construction sites have now reopened from lockdown. The Taskforce commends the Construction Leadership Council's quick response to the crisis in issuing construction site safety guidance. The Taskforce also supports the Government's decision to introduce measures to support developers to secure longer site operating hours in order to improve productivity, where impacts on local communities are mitigated.
- 5.7. The Taskforce believes that in the medium- to longer-term a strong and stable pipeline of workers must be secured by developing the skills and expertise of exiting workers, building on the successes of the Mayor's Construction Academy by training new construction workers through apprenticeship and training programmes, and ensuring London continues to be an attractive destination for skilled construction site workers from overseas.

### **Short-term actions**

- 5.8. The Taskforce recommends:
  - Employers should commit to follow CLC Site Operating Procedures for safe working, undertake site risk assessments and enable responsible and safe alternative modes of travel for construction site workers.
  - Local planning authorities should positively explore opportunities for amending planning conditions to increase site operating hours. However, judgement must be made on a case-by-case basis looking at the potential impact of extended hours on neighbouring amenity.
  - Where possible, private developers and housing associations should commit to implementing the same measures set out in PPN 02/20, which requires public authorities to pay suppliers on certain terms to ensure service continuity.
  - Government should work with industry to produce and publish development pipeline forecasts to inform producers' manufacturing output.
  - Government should provide a bolder package of funding to ensure sufficient levels of apprenticeship funding is available to rapidly build the pipeline of skilled workers.

- The Mayor, councils and the development industry should lead campaigns to encourage skilled construction workers to London, and for new entrants to join the workforce.

### **Medium- to long-term actions**

#### 5.9. The Taskforce recommends:

- Government, in consultation with the Mayor, councils, housing associations and the wider development industry, should develop a post-Brexit visa system for construction workers that works for London, including for skilled trades and providing a temporary self-employment route. Government should ensure SME developers do not face disproportionate costs (time and financial) in navigating the visa system.
- Government, councils and the Mayor should improve links between construction skills education and training providers and employers and strengthen pathways into apprenticeships and employment, including reskilling mid-career workers.
- Construction skills education and training providers should work with Government and the GLA to further modernise training and qualifications systems for construction to ensure it will support the delivery of the skills that the industry will need in future, including modern methods of construction such as precision manufactured housing.
- Government and the Mayor should strike a new devolution and funding deal to establish an integrated and properly funded skills and employment system that can meet the city's needs now, and in the future.
- Councils should proactively engage with local Community Land Trusts and identify opportunities to tap into additional labour that could be provided through the Community Land Trust members.





## 6. Key challenge 2: Strengthening housing demand and increasing the supply of affordable homes

- 6.1. Forecasts, including those undertaken by GLA Economics and Savills<sup>16,17</sup>, show a range of options for how market demand may be affected by the pandemic. Some early scenarios anticipated an initial dip in housing demand resulting from dampened market confidence, which could bounce back quite quickly. Others showed that the economic impacts on Londoners, resulting from reduced macroeconomic performance, widespread furloughing of private sector employees, and significant uncertainty for public sector finances, could be storing up serious challenges in late 2020. A deeper and longer lasting recession, akin to that experienced post-2008, would significantly suppress demand for market housing.
- 6.2. The London housing market is also characterised by a range of features that set it apart from the housing market in other regions of the UK, including:
- Many London housing schemes are capital intensive at the early stages of development and particularly reliant on securing forward sales. The London market is particularly exposed to sales risk, affecting delivery timescales due to constraints on the pace at which new homes can be absorbed into local markets.
  - Many London housing schemes are large-scale, multi-storey developments. For single-phased schemes, this limits opportunities to stall construction mid-development.
  - Many housing association-led schemes are highly dependent on cross-subsidy from the sale of market homes.
  - Many housing associations are investing in building safety works to their existing stock, and greater levels of cladding remediation are required than other parts of the country due to the greater number of high-density housing schemes. This diverts investment capital from the delivery of new homes.

---

<sup>16</sup> GLA Economics: internal forecasts

<sup>17</sup> Savills: [Coronavirus and the UK Housing Market](#)

- 6.3. It is likely that the need for affordable housing will grow as a result of households' changed circumstances. The evidence shows that before the pandemic the need for social rented homes was already overwhelming, due to overcrowding, poor affordability, and large waiting lists managed by councils<sup>18</sup>. Further demand for affordable homes, alongside a potential decrease in demand for market homes, will likely result in a need for the sector to respond counter-cyclically. Affordable housing output can fill the space where market housing output is constrained by dampened demand. Greater diversity of tenure can speed up development by reducing market risk and creating a more resilient housing market. A range of regulatory and policy changes which will be required, and are outlined in this report, to support councils and housing associations to deliver much more.
- 6.4. A significant proportion of affordable housing output is delivered through planning obligations on market-led schemes or underpinned by cross-subsidy from market sales on schemes brought forward by housing associations. Therefore, strong and sustained demand for market homes is important to support delivery, together with other measures. Improved certainty over market demand would further incentivise developers to maintain housing output at pace and scale. In periods of relative uncertainty, many developers would favour relatively small-scale developments with limited upfront investment that could potentially be ceased mid-programme.
- 6.5. An immediate challenge to the private housing market relates to the Help to Buy scheme. This provides interest free equity loans to purchasers for up to 40 per cent of the property value. A high proportion of new build home purchasers in London are currently supported by the Help to Buy scheme<sup>19</sup>. As such, the business plans of several developments that are in the delivery pipeline were predicated on the assumption that homes would be sold through the scheme. Help to Buy is scheduled to be scaled back in March 2021 and all developments that will be eligible for the scheme in its current guise must reach completion before 31 December 2020. Due to the lockdown measures, several developments that were previously on track will miss the milestone.
- 6.6. Further issues for the private housing market relate to the availability of finance for purchasers of new homes. This is primarily due to relative uncertainty in the mortgage market: lenders have not developed clear positions for how to respond to some mortgage applications, such as those from furloughed workers. There are serious operational issues for vendors in securing certifications around the safety of external wall systems, due to the shortages of qualified inspectors, which can act as

---

<sup>18</sup> GLA, 2017 Strategic Housing Market Assessment

<sup>19</sup> [GLA Housing Research Note 2018/02 Help to Buy in London](#)

a brake on the pace of transactions. The mortgage products serving those buying at high loan to value ratios have largely disappeared from the market. Combined, these indicators suggest a significant demand-side shock will be felt soon. This will discourage further investment in new housing schemes, as new developments are generally not started in a falling market - unless developers are confident they can find a buyer in the affordable housing sector.

- 6.7. A key priority for the Taskforce was to work with Government to articulate the sector's view that much more certainty and stability is necessary to build confidence in very challenging times. The Taskforce welcomes the 6 July announcement that the Affordable Homes Programme 2016-2022 deadlines for starting new homes on site has been extended by a year, as this was an urgent priority for Taskforce members.
- 6.8. Given the relatively high level of additional market uncertainty that some developments may be exposed to, it is predictable that some schemes that would otherwise have progressed at pace will be held back until developers have a surer expectation of profit, or at least avoidance of loss. There is a clear need for immediate market confidence.
- 6.9. The Taskforce considers this could be achieved through a new scheme, underpinned by a revolving fund of public money, to provide a guaranteed buyer for new homes. To justify such a scheme, any guaranteed purchases would need to be at cost price and for use as affordable housing. Analysis shows a £3.5bn programme could guarantee up to 9,204 homes at any one time. However, it is likely that the buyer of last resort will not be called upon in many cases as developers' primary incentive is to generate a profit. The buyer of last resort would only be triggered in cases where a developer cannot return a profit at cost on the open market, but would give confidence to the market to start development where that otherwise may not be the case.
- 6.10. Over recent years, many London boroughs have been undergoing a renaissance in council homebuilding and many councils have an appetite to do more. The Taskforce agreed that London's councils have untapped potential to deliver additional affordable homes that would not have been brought forward through private developer or housing association-led development. This is primarily due to councils' position as a significant landowner and their ability to bring additional investment in new housing. However, there are a range of challenges to expanding council homebuilding programmes relating to the availability of and access to finance, skills, capacity and land availability for development. It will be vital to overcome these if we are to see a step-change in delivery.
- 6.11. Finally, additional sources of capital and new ways of working will be essential to support development output to re-gear to a different housing market. Many classes

of investors are looking for secure, low risk long-term investments to guarantee a modest return. These are typically investors which cannot tolerate high risk investment, such as pension funds. Affordable housing is a very stable asset due to the high need for affordable housing, and as a consequence of policy choices which have meant affordable rents have tracked inflation. Currently, the potential benefits of private investment in affordable housing are not well understood. The Taskforce concluded that the potential role of private capital to enable additional affordable housing delivery should be explored.

## Short-term actions

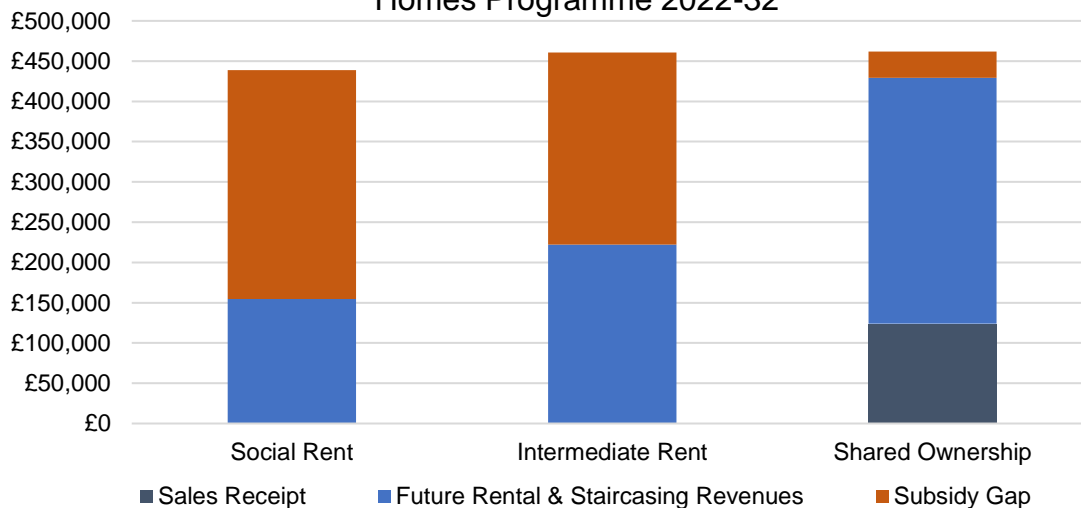
6.12. The Taskforce recommends:

- Government should make additional funding available to the Mayor to enable housing providers to switch shared ownership homes to homes at social rent levels (social rent or London Affordable Rent), where it is possible to do so. The Mayor should support housing providers to switch shared ownership homes to intermediate rented homes, including London Living Rent. A £1.33bn settlement could protect delivery of 34,597 homes at risk.
- Government should provide financial backing to housing associations and councils to act as a 'buyer of last resort' for bulk purchase of unsold market homes at cost where they deliver value for money. The terms of backstop disposal and quality of design and build should be agreed pre-commencement between the developer and potential backstop purchaser.
- Government should extend the Accelerated Construction Fund and Small Sites Fund which are currently administered by the GLA which also contribute to the efforts to increase the supply of new affordable homes, by one year and combine them into the Land Assembly Fund.
- Government should introduce a one-year unconditional extension to the current Help to Buy (HTB) scheme to support schemes that were delayed due to Covid-19 and will not complete by the 2021 deadline.
- Government should increase London's affordable housing grant settlement, and recognise that the true cost of delivering social rented housing in London far exceeds the grant rates that the Mayor can offer in the current Affordable Homes Programme. 2019 research provides a strong evidence base for the need for an average of £4.9bn per year in the next Affordable Homes Programme to truly respond to need in the capital, meeting the gaps between the costs of development and incomes generated. These gaps require subsidy (Chart 1). Government should seriously explore opportunities for an expansion of the next Affordable Homes Programme to respond to this need, support jobs, and underpin economic recovery.



- Mortgage lenders should clarify their approach to assessing applications from furloughed workers.
- The Royal Institute of Chartered Surveyors (RICS) should issue guidance to facilitate greater use of desktop valuations and to assist valuations where there are limited suitable comparable options owing to low transaction rates.
- The Mayor, in partnership with potential investors and stakeholders, should coordinate research to explore the potential opportunities and risks of leveraging alternative and additional sources of finance, including limited profit private sector investment, such as pension funds, to deliver additional affordable housing.

Chart 1. Average subsidy gap by tenure for the next Affordable Homes Programme 2022-32



20

## Medium- to long-term actions

6.13. The Taskforce recommends:

- The Mayor should explore the feasibility in the next Affordable Homes Programme of offering investment partners the opportunity to drawdown affordable housing grant earlier in the development process where they cannot already do so.
- The Mayor should explore innovative grant mechanisms in the next Affordable Homes Programme, and opportunities for the greater use of recoverable grant top-ups to strengthen scheme viability.

<sup>20</sup> GLA and G15: Affordable Housing Funding Requirement for London 2022-32

- Government, in partnership with the Mayor, should review the benefit cost ratio rules that apply to the Land Assembly Fund, to provide greater flexibility to apply funds effectively and strategically, based on a more balanced assessment of the benefits and costs of the deployment.
- Government should support registered providers and councils to limit capital expenditure on maintaining existing stock by fully funding building safety remediation works, both cladding and non-cladding, and programmes to retrofit buildings to meet environmental sustainability requirements.
- Government should provide longer-term certainty over future social and Affordable Rent levels and Local Housing Allowance rates to stimulate greater investment in new affordable homes.
- Government should provide additional revenue funding to councils to expand their in-house capacity, including training and developing of junior staff, specifically focussed on the skills required to build a pipeline of land that can be built out beyond the current Affordable Homes Programme.
- The Mayor should support partnerships between housing associations and councils, or private developers and councils, to enable skills sharing – for example, through rotation programmes.
- The Mayor and councils could consider entering into partnership, either through land deals or providing a bridging loan facility to developers that commit to high levels of affordable housing delivery and ambitious development output milestones. This would be particularly valuable for SME developers.
- Government should remove all restrictions<sup>21</sup> on the use of retained Right to Buy (RTB) receipts and return 100 per cent of the receipt to councils.
- Government should clarify mortgage lending requirements for EWS1 certificates on external wall systems on buildings below 18 metres in height.
- Government should improve the efficiency, speed and certainty of the conveyancing system in England. This may include maximising opportunities to digitise elements of the conveyancing process, requiring early exchange of contracts that bind purchasers and vendors to complete, and the use of reservation deposits.

---

<sup>21</sup> The time limit for using receipts should be removed or extended to five years at a minimum. Councils should be able to combine RTB receipts with other capital grant funding and other capital receipts held in their Housing Revenue Accounts (HRAs) and on public land. Councils should be able to transfer RTB receipts to their housing delivery companies to deliver new homes. Government should remove all interest payments on RTB receipts.



## 7. Key challenge 3: Addressing development viability challenges

- 7.1. The ways in which existing and new development is funded could change significantly and rapidly as a result of a changing profile of demand as outlined above. It is important that developer cashflow can be maintained, and all opportunities are explored for how the sector can bear down on the costs of construction, without any negative impact on organisations' capacity to build high quality, affordable, safe, and sustainable new homes.
- 7.2. Infrastructure investment is key to bringing forward land for housing, both hard infrastructure such as utilities, walking and cycling facilities, and public transport, as well as social infrastructure: the schools, GPs and other social amenities that are essential to supporting new and existing residents in a community. Good growth in London is dependent on substantial investment in infrastructure, with the lockdown period highlighting unacceptable spatial inequalities: for example, in standards of accommodation, access to, and quality of, public realm and open space.
- 7.3. The impact of Covid-19 on public resources has resulted in uncertainty over the pipeline of investments. The impact of the pandemic on Transport for London's fare revenue could present a biting constraint on future delivery of public transport in particular. Funding certainty on the existing pipeline and greater flexibility on the tools available are required to enable public and private partners to bring forward the investment needed. And the relationship between homes and infrastructure may need to be revisited, recognising the pressures on public funds and the crucial role of large and small infrastructure projects in unlocking capacity and development value.
- 7.4. Without a resolution to the funding constraints, including the major losses of Transport for London's fare revenue, and uncertainty about future housing infrastructure funding, many plots of land that would otherwise be suitable for development would generate an unacceptable strain on existing local transport and social infrastructure. This applies not only to large strategic infrastructure projects, but also to incremental improvements and smaller projects.
- 7.5. The Mayor's approach to viability in the planning process is set out in the new London Plan and his Affordable Housing and Viability Supplementary Planning Guidance. This includes the threshold approach which enables developers to follow the Fast Track Route where 35 per cent affordable housing is provided, or 50 per cent on public and industrial land where industrial floorspace capacity is not re-



provided. This approach has helped to speed up the planning process, while giving certainty to the market so that affordable housing requirements are reflected in land values. Affordable housing levels have also increased with the average affordable housing percentage in approved schemes that were referred to the Mayor increasing from 22 per cent in 2016 to 38 per cent in 2019.

- 7.6. Schemes that do not provide the relevant threshold level of affordable housing and meet other criteria follow the Viability Tested Route. This enables developments with genuine viability constraints to progress subject to robust assessment and review mechanisms to test whether a greater level of policy compliance can be achieved over the lifetime of the development.
- 7.7. Many aspects of the development process have evolved little over the last few decades and innovation in construction has tended to trail behind innovation in other sectors of the economy. A primary reason for this is that there are limited incentives for individual actors to become early adopters, because the upfront costs outweigh the value. Furthermore, individual actors have a natural aversion to risk and innovative approaches often entail greater risk than tried and tested techniques.
- 7.8. Cost savings are generally only realised when new innovations enjoy widespread adoption. For this reason, uptake of innovation requires public sector intervention and leadership.
- 7.9. Innovation in construction provides several opportunities to benefit London and the wider UK's recovery from any impending recession. As well as supporting the development of more energy efficient homes, there will be new jobs created in research and development, as well as more specialist and high-skilled construction sector jobs that provide safer working environments. Furthermore, innovation in construction can shorten build times, reduce construction impacts in the vicinity of the site, and ultimately increase the rate of housing supply.
- 7.10. It is important to note that achieving greater innovation in construction will be a gradual process and is not a silver bullet to productivity challenges. Innovative approaches to construction instead complement more traditional approaches. In many cases, a hybrid approach will be necessary. This is particularly the case where sites are particularly ill-suited to volumetric construction techniques.

## Short-term actions

7.11. The Taskforce recommends:

- Government should commit to fund key infrastructure that supports development sites, giving confidence to the market.
- Government should provide certainty on funding for TfL and the current pipeline of infrastructure projects, including the Housing Infrastructure Fund (HIF) programme.
- TfL and the GLA, working with Government, should consider the strategic benefits of different investments and prioritise those that will unlock the most homes and support sustainable neighbourhoods, including smaller-scale investments.
- Government should extend HIF Marginal Viability Funds by one year and issue a statement indicating that flexibility will be explored for HIF Forward Funding.
- To encourage uptake of modern homebuilding techniques, including 'PropTech', construction technology and precision-manufactured housing (PMH), all stakeholders should embrace consistent and mutually compatible approaches where possible.
- The Mayor should bring together a strategic alliance of London-based housing providers to support the bulk purchasing of innovative and conventional homebuilding components to help achieve economies of scale.
- Government, the GLA and industry should commit to disseminate best practice and lessons learnt from innovations adopted, as a way of raising awareness, especially with smaller firms.

## Medium- to long-term actions

7.12. The Taskforce recommends:

- TfL, working with the GLA, should undertake a capacity survey of the existing transport network to determine where additional housing could be delivered.
- Government should allow councils to raise funds for infrastructure investment by borrowing against future Community Infrastructure Levy (CIL) receipts.
- The GLA should consider the case for additional guidance and support to allow transport bodies to take advantage of Tax Increment Financing (TIF).

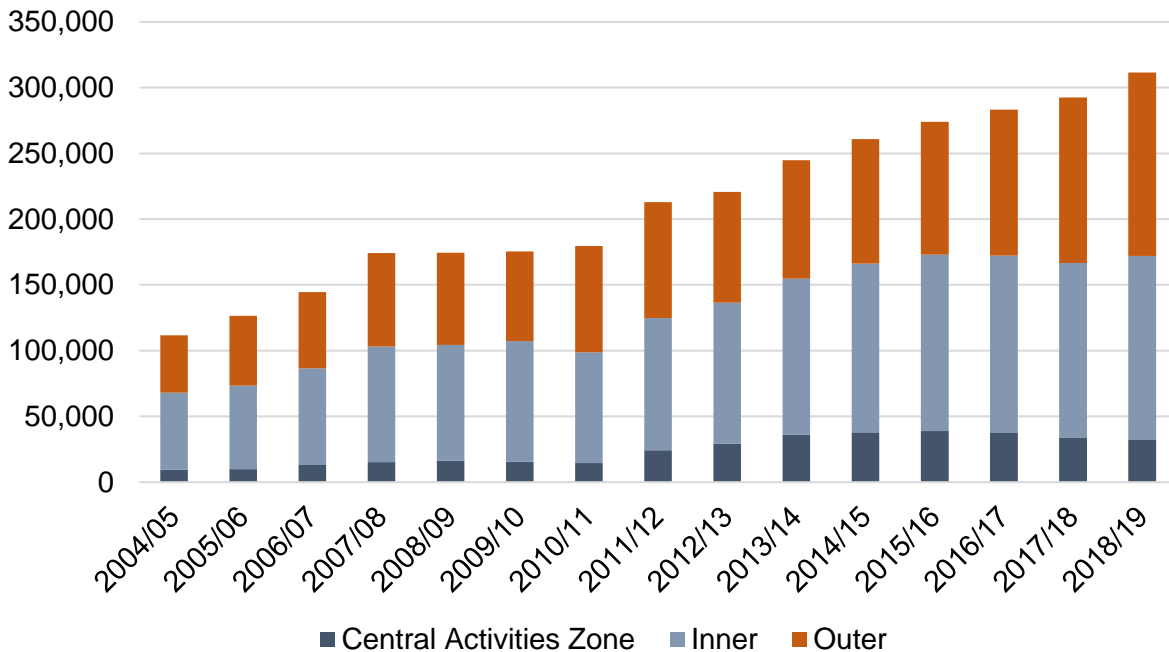
- 
- Government should expand the land programmes funding to support smaller scale investments and unlock sites.
  - Government and industry should commit to test and embed emerging innovations from the UK Research and Innovation (UKRI) Transforming Construction Challenge and Construction Innovation Hub in the delivery of projects and firm operations.
  - Government, the GLA and boroughs should incentivise Building Information Management (BIM) and digital project management on public tenders to engender adoption of digital technologies through the supply chain, to enable better data and information sharing across the built environment that will improve efficiency, productivity, sustainability and building safety. This may require the public sector to underwrite additional costs in the short-term.
  - The Mayor should actively consider direct public investment in a PMH factory in partnership with boroughs, housing associations and existing suppliers to engender market confidence and to support London's wider economic recovery.
  - The Mayor and Government should contribute to research studies to encourage uptake of PMH in housing delivery and to drive innovation in the UK's construction industry.

## 8. Key challenge 4: Maintaining a healthy pipeline of implementable schemes

- 8.1. London's pipeline of consented homes that are yet to complete currently stands at over 300,000. This is the highest pipeline figure since monitoring of the London Plan started and could deliver close to six years of London's housing delivery target. To meet London's housing need and to keep the housing delivery sector afloat, it is vital that as many of those consented homes as possible reach completion.
- 8.2. The pipeline of consented schemes is vulnerable to market risk in the immediate term, as the lockdown will have affected the delivery strategy of many individual developments. Measures to assist cashflow and reduce risk, such as bringing forward affordable housing and diversifying tenure, will help to overcome this. In view of this, the Taskforce recognises that, in some cases, changes to developments may be necessary to enable delivery of permitted schemes. It supports this where the changes will help to achieve good growth. The current procedures for dealing with minor material amendments were introduced as a short-term solution and should be reviewed, to introduce more effective and efficient procedures for applications for scheme amendments.
- 8.3. Reduced capacity and practical constraints will have placed some schemes at risk of missing planning milestones set out in individual decision notices, which creates a risk that individual planning permissions will become invalid. It is important that planning authorities are appropriately resourced and equipped to support a continuous pipeline of permissions and enable amendments to planning applications in a timely, cost-effective and appropriate way.
- 8.4. Local authorities and the GLA have quickly moved to virtual decision-making to maintain volume in the pipeline. Practical issues are now broadly resolved, although there are still crucial capacity issues. The Taskforce commends the swift action taken by London boroughs to implement immediate measures, including virtual arrangements such as virtual committees, to ensure planning applications could continue to be processed and determined from early in the lockdown period, but this momentum must be sustained and opportunities taken to strengthen the efficiency of the process.



Chart 2. Net conventional housing pipeline at year end (31st March) 2004/05 to 2018/19



- 8.5. Medium- to longer-term economic, demographic and behavioural changes shaped by coronavirus remain uncertain. However, it is anticipated that the wider spatial impacts of the pandemic will have implications for the use of street-space, design of homes and outdoor space, access to services and employment, changing working practices, and the resilience and use of town centres. It will be important to carefully monitor changes to the way in which space is used and changes to people's housing and non-housing spatial needs. This information will be essential to ensure the pipeline can effectively adapt to these changes.
- 8.6. Commercial property values could be significantly affected in the wake of the coronavirus, at least in the short term, and so it is essential that the longer-term sustainability of places is understood and protected. The Taskforce cautions that mechanisms including expanded permitted development rights could result in short-term thinking and the loss of valuable commercial spaces in town centres, undermining the long-term sustainability of mixed-use and commercial areas. Erosion of local high streets and town centres would also act against a possible desire for people to live and work more locally, which may arise after the pandemic.
- 8.7. Furthermore, homes that are brought through such mechanisms have tended to be substandard, and do not contribute towards delivering the affordable homes that are so acutely needed. The most successful town centres are those that are carefully managed by landowners and Business Improvement Districts (BIDs). While town centres and commercial conversions are a good source of housing, those managing town centres need to have control of the mix and type of housing coming forward, to ensure the economic success of commercial areas.

- 8.8. Purpose-built rented housing, known as Build to Rent (BTR), is a growing part of the housing market in London with increasing investor interest. Like affordable housing, BTR provides an opportunity to accelerate housing delivery because it taps into a parallel market to market sale and is not subject to the same market absorption constraints. For example, the Letwin Review of housing build-out rates found that the market absorption levels of BTR schemes in Wembley Park were approximately 25 homes let per month. This contrasts with a rate of one private sale home sold per month in the same location.<sup>22</sup>
- 8.9. It is anticipated that market rents are likely to remain relatively stable over the short to medium-term. BTR therefore may prove to be a more predictable lower risk investment. Notwithstanding the strong support for BTR development enshrined within the London Plan, there are further opportunities to support new BTR developments.

### Short-term actions

8.10. The Taskforce recommends:

- Government should act on its review of planning fees and provide boroughs with autonomy to set planning fees, to ensure that their costs are fully recovered, including for new recently announced duties.
- Government should issue best practice guidance on delegation of planning powers to reduce inconsistencies between authorities.
- Government should work with the GLA, boroughs and the sector to establish a single application process for all scheme amendments, building on work undertaken by the Planning Officers' Society. This should include developing guidance for applicants and boroughs, setting out requirements for appropriate public consultation on scheme changes, and ensuring that fees provide sufficient resources for boroughs to consider and monitor scheme changes (which can be complex).
- The Mayor should consider publishing planning guidance to advise applicants and boroughs on appropriate approaches to support delivery through, for example, re-phasing or remodelling phases; reducing market exposure by increasing and/or early delivery of affordable housing and infrastructure; promoting diversity of affordable and market tenures including homes at social rent levels, London Living Rent and BTR; and processes for determining scheme/design enhancements.
- The Mayor should incentivise and support all boroughs to rapidly implement the 'threshold approach' to affordable housing, i.e., 'Fast Track' and 'Viability

---

<sup>22</sup> Source: MHCLG, Independent Review of Build Out: Draft Analysis, Annexes, 2018

Tested' Routes, to provide greater certainty and speed up the planning process.

- Government should consider a suspension of all permitted development rights from commercial to residential, and thoroughly review and publish the evidence of emerging trends showing the impact of these rights.
- Government should provide boroughs the power to enact localised suspension of the General Permitted Development Order, with localised permitted development rights established through statutory Town Centre plans.
- The GLA should review messaging to the development industry to incentivise more BTR investment. In particular, the GLA could provide resources for a 'Build to Rent Champion' to work with BTR providers and boroughs, to act as a convener and broker of investment opportunities and to identify and help achieve joint objectives.
- Government, the Mayor and councils should explore and pursue opportunities to support bulk disposal of homes for sale to institutional investors for private rent.

### **Medium- to longer-term actions**

8.11. The Taskforce recommends:

- Government, the GLA and boroughs should monitor drivers of change, impacts and emerging trends relating to longer-term economic growth, demographic and behavioural change and implications for London's spatial development, the provision of infrastructure and services, and the type and form of new development. The GLA should coordinate and disseminate emerging learning.
- The GLA should undertake research to understand investment models for BTR and, potentially, publish recommendations and practical guidance for how BTR development can be further supported.
- The GLA, Government and boroughs could bring forward BTR schemes as commercial investments.





## 9. Key challenge 5: Building a pipeline of developable land

- 9.1. Much of the work undertaken by the taskforce has focussed on short- and medium-term challenges, but the need to ensure that a pipeline of land comes forward for development that is pressing now will remain so into the long term. Significant changes in costs and values could lead to land being mothballed or held back from development. Suitable incentives are needed to reflect market circumstances, as well as the significant need for new affordable housing, to ensure that developable land can be brought into use.
- 9.2. There is an opportunity for SME developers to play a much greater role in meeting housing needs through development on small sites, which can contribute to overall housing output. London has historically been heavily reliant on very large approved schemes to meet its housing requirements. These can take a number of years to complete due to size, complexity, phasing, site constraints, infrastructure delivery timescales and market absorption issues.
- 9.3. Small sites can be delivered relatively quickly, often without large upfront capital investment. They can therefore make a significant cumulative contribution to overall annual housing completions, helping to supplement the increasing rates of housing delivery on large sites. Small sites are often idiosyncratic in shape or context and consequently of less interest to volume builders. Small sites help diversify the sources of housing supply and increase competition within the housebuilding industry. They can also support suburban town centre economies.
- 9.4. The new London Plan and the London Housing Strategy seek to provide an enabling environment for small sites. This is now particularly urgent as smaller developments provide an opportunity to diversify the market and deliver additional homes at a time when volume housebuilders may scale back their output.
- 9.5. Surplus public sector land can also play an important role in meeting affordable housing need: in 2019, 15 per cent of completions in London were on public sector land<sup>23</sup>. This has been recognised by Government, which committed to 'fast-track' building of affordable homes on publicly owned land in 2016<sup>24</sup>. In 2017 public land was highlighted as an important part of the Government's plans to boost the supply

---

<sup>23</sup> [London.gov.uk Mayor's Question Time 2020/1703](https://www.london.gov.uk/press-releases/mayor/question-time/2020/1703)

<sup>24</sup> [PM: Government will directly build affordable homes](https://www.gov.uk/government/news/pm-government-will-directly-build-affordable-homes)



of new homes<sup>25</sup>, including affordable homes, to 300,000 new homes a year by the mid-2020s.

- 9.6. Moreover, public land presents an opportunity for the public sector to hold a stake in development, thereby securing benefits for local communities in perpetuity, as well as delivering the tenures and public benefits that are most needed for the long term.
- 9.7. Improved mapping and identification of surplus public sector sites, or those where operational uses could be intensified, could enable a more strategic approach to unlocking these sites and bringing them forward for new housing. However, there is a risk of placing unrealistic expectations on the contribution that public land can make to housing delivery. There are limitations in the location of surplus public land, and public landowners face competing priorities in managing their land assets to deliver housing, with councils facing particular financial pressures from loss of income as a result of the Covid-19 crisis.
- 9.8. There is an important role for the public sector, and councils in particular, in unlocking sites for housing in a constrained land market, but importantly the public and private sector need to work together to assemble the land. However, public bodies are under-resourced in their ability to take on land assembly. This is compounded by the lack of resources and capacity to deliver the infrastructure and planning policies that underpin a proactive approach. The lengthy, costly and complex compulsory purchase process serves as a deterrent to pursuing land assembly interventions where sellers are unwilling to part with their land voluntarily.
- 9.9. The longer-term regulatory change that is needed to improve the effectiveness of approaches to land assembly will generate results in several years' time, but the groundwork needs to be commenced now to make those improvements a reality.

### Short-term actions

9.10. The Taskforce recommends:

- Government, the Mayor and councils should proactively support small-scale developments through identification of suitable sites and greater planning certainty and flexibility.
- Government should provide additional revenue funding for councils to undertake this work, including a second tranche of Homebuilding Capacity Fund funding.
- Boroughs should establish SME liaison groups to improve relationships between SME developers and boroughs.

---

<sup>25</sup> [Government public land for housing programme 2015 to 2020 annual report](#)

- The GLA should build on the success of the Mayor's Small Sites Small Builders programme to bring smaller public land sites to market, through re-committed revenue funding from Government.
- Government should incentivise public landowners to dispose of surplus public sector land for affordable housing-led development and act on the findings of the previous review of best consideration rules, which currently incentivise selling land to the highest bidder without taking into account public benefits. This should be done by:
  - disposing of sites at values that reflect affordable housing delivery and contribution to other priorities;
  - introducing for councils a New Homes Bonus top-up payment on transfers of surplus land held in General Funds to HRAs, which would enable councils to deliver more homes;
  - extending the existing relief on Stamp Duty Land Tax to cover cases where a public body acquires publicly owned land for the purposes of development; and
  - streamlining the process local authorities need to go through to dispose of surplus school land.
- Government, the Mayor, and councils should engage early on public sector site disposals. Government should give the Mayor the same right of first refusal over public land sales as Homes England has in the rest of the country.
- Government should expand and streamline the One Public Estate Programme, supporting councils to identify opportunities for new homes on public sites.
- The Mayor and councils should explore opportunities to bring forward additional surplus public sector land for redevelopment, or intensification of existing uses. This could include nomination rights for a proportion of the affordable homes developed to be retained by the public sector landowner.
- The GLA should build on its existing success in coordinating public bodies to deliver housing, that is working with the NHS to explore development opportunities on hospital sites, sharing best practice on flexible approaches to how public land holdings can be managed, and supporting public landowners to develop asset management strategies that identify genuinely surplus land.

## Medium- to longer-term actions

9.11. The Taskforce recommends:

- Government to commit to long-term revenue funding to ensure councils are adequately resourced to prepare targeted spatial planning documents that underpin proactive land assembly interventions, including compulsory purchase of land.
- The GLA should build on the success of the Land Fund to support more site assembly and acquisition through an expanded land funding programme.
- The GLA should continue its role in supporting councils to assemble sites and acquire land, and explore how a Centre for Expertise for Land Assembly could expand this function.
- Government should consider the introduction of a new Compulsory Selling Order (CSO), which would enable councils to bring forward developable land that is not released for development, without the time and cost implications of a Compulsory Purchase Order (CPO). This would enable councils to promote the development of unused sites in their areas, where they may not wish to hold these sites for direct development of new council homes. It could have other uses – for example, dealing with abandoned shops in town centres - that may impact wider regeneration.
- Government should provide additional funding to ensure the compulsory purchase process is adequately resourced and ensure more rapid processing of CPOs.
- Government should provide all acquiring authorities more flexibility in compulsory purchase by reforming the CPO process, including by allowing for compensation for compulsory purchase at, or close to, existing use values, enabling uplifts in land values to be captured.



## 10. Our conclusions

- 10.1. A comprehensive and holistic response is needed to fully address the serious threat to housing delivery in London posed by the Covid-19 pandemic and the likely economic shock in later 2020. Avoiding the worst consequences of a recession is central to meeting housing need. The detail of what this response should look like is set out in this recovery plan. These recommendations, which are the culmination of a cross-sector collaborative process, benefit from consultation with over 40 external experts as well as a range of input from GLA officers.
- 10.2. Underpinning the detailed recommendations, the Taskforce has issued six key principles that Government and the wider housing sector will need to exemplify to respond effectively to the challenge we face.
- First, the public sector should use its unique position to build supply chain confidence about the levels of effective demand – a package of **countercyclical funding** support is required to make it happen.
  - Second, **certainty and stability** in the policy and funding environment are needed to give confidence to developing organisations to make longer-term investment decisions.
  - Third, the unique circumstances of how new homes are built in London mean that any recovery plan needs to recognise that housing development in the city represents a **mixed economy**, with many interlinked types of development and different funding sources, each having a role to play.
  - Fourth, the Taskforce agreed that there is an unprecedented opportunity for cross-sector **collaboration to promote innovation**. The sector and the Mayor are ready to work with Government to drive the modernisation of the housing sector.
  - Fifth, a **skills-led recovery** can build resilience, support a response to chronic levels of housing need, and mitigate some of the worst economic impacts on individuals at risk of job loss.
  - Finally, changes in the **regulations and systems that govern land assembly** could incentivise and enable all actors in the sector to bring forward development that meets the high bar for quality, sustainability and connectivity that housing in London should deliver.



- 10.3. Many of these actions can be taken forward by the Mayor, local government, housing associations, and industry, in partnership. But so much more can be achieved if Government recognises the scale and severity of the challenge, and accepts that the much greater levers and funding at Government's disposal must be at least a part of the solution.

## 11. List of contributors

Thank you to all of the individuals who contributed their time and energy to this work.

### Taskforce core membership

Name	Organisation	Title
Tom Copley (Chair)	GLA	Deputy Mayor for Housing and Residential Development
Andy Donald	LB of Redbridge	Chief Executive
Helen Evans	G15	Chair
Rokhsana Fiaz	LB of Newham	Mayor of Newham
Kate Henderson	National Housing Federation	Chief Executive
Laurie Heselden	Trade Union Congress	Regional Campaigns and Policy Officer
Jessica Levy	Federation of Master Builders	Director of Communications
David Lunts	GLA	Executive Director
Suzannah Nichol	BuildUK	Chief Executive
David O'Leary	Homebuilders Federation	Policy Director
Jules Pipe	GLA	Deputy Mayor for Planning, Regeneration and Skills
Darren Rodwell	London Councils	Executive Member for Housing and Planning
Jonathan Seager	London First	Executive Director, Place
Lucinda Turner	Transport for London	Director of Spatial Planning

### Other taskforce contributors

Name	Organisation	Title
Brian Berry	Federation of Master Builders	Chief Executive
Jamie Carswell	London Councils	London Housing Directors Group Co-Chair
Ravi Govindia	LB of Wandsworth	Leader
Sam Gurney	Trade Union Congress	Regional Secretary
Lawrence Morris	National Housing Federation	Policy Officer
Claire Norton	G320	Chair
Jackie Odunoye	London Councils	London Housing Directors Group Co-Chair
Catherine Ryder	National Housing Federation	Director of Policy and Research
Eloise Shepherd	London Councils	Strategic Lead – Housing and Planning

Expert panel

Name	Organisation	Title
Brett Amphlett	Builders Merchants' Federation	Policy and Public Affairs
Stephen Ashworth	Dentons	Partner
Yolande Barnes	Bartlett Real Estate Institute	Chair
John Bibby	Shelter	Policy Manager
Rory Brooke	Savills	Head of Economics, Planning
Hugh Bullock	Gerald Eve	Non Executive Advisor
Alastair Butcher	Barratt Homes	Head of Development
Matt Calladine	Barratt Developments	Regional Managing Director
Karen Cooper	G320	Chair
Jonathan Cornelius	TfL	Head of Property Development
Neil Crosby	University of Reading	Professor of Real Estate and Planning
Jon Di-Stefano	Telford Homes	Chief Executive
Peter Elliot	TfL	Senior Property Development Manager
Gary Ennis	Barratt Developments	Regional Managing Director (London and Southern)
Stuart Gibbons	Lovell Partnerships Ltd (part of Morgan Sindall Group)	Managing Director for London and Southern
Matthew Haycox	JLL	Director, Affordable Housing
Daniel Hill	LB of Newham	Director of Community Wealth Building
Mike Hobday	Construction Industry Training Board (CITB)	Head of Policy
Will Jeffwitz	National Housing Federation	Head of Policy
Richard Jones	Arcadis	Partner
David Joyce	LB of Camden	Director of Regeneration and Planning
Danny Kaye	Sheridan Development Management	Managing Director
Anna Kear	Tonic Housing Association (representative of London Housing Panel)	Chief Executive
Michael Keaveney	Grainger	Director of Land and Development
Mike Kiely	Planning Officers Society	Chair
Rebecca Larkin	Construction Products Association	Senior Economist
Anthony Lee	BNP Paribas Real Estate	Head of UK Development Consultancy
John Marr	UK Finance	Principal, Devolved Government and Social Housing

Name	Organisation	Title
Neil Martin	Lendlease	Chief Executive
Lawrence Morris	National Housing Federation	Policy Officer
Jon Neale	JLL	Head of Research
Jackie Odunoye	London Councils	London Housing Directors Group Co-Chair
Steve Partridge	Savills	Director – Housing Consultancy
Emma Peters	Inner Circle	Director
Richard Petty	JLL	Lead Director – Living Advisory
Jamie Ratcliff	Network Homes	Executive Director of Business Performance and Partnerships
Pete Redman	Gresham House	Head of Housing Management
Andrew Saunderson	Grainger	Investment Director
Vicky Savage	G15	Chair of the Development Directors Group
Steve Skuse	Catalyst Housing	Director of Land and Partnerships
Rupesh Varsani	London Community Land Trust	Chair of Development Committee
Katy Warrick	Savills	Head of London Residential Development Research
Dennis Watson	Barclays	Head of Real Estate, Corporate Banking
Fergus Wigan	TradeRisks	Senior Associate
Rico Wojtulewicz	House Builders Association	Head of Housing and Planning Policy

#### Taskforce secretariat

Francesca Lewis  
Philip Waters

#### GLA contributors

Louise McGough  
John Wachter  
Lisa Fairmaner  
Beth Penwarden  
Georgie Cosh  
James Gleeson  
Alexis Harris  
Daniella Dávila Aquije  
James Hall  
David Halliwell  
Darren Richards  
Gerard Burgess  
Shadi Brazell

## 12. Summary of actions

Timeframe	Stakeholder	Theme	Action
Short-term	Sector	Building resilience in construction	Employers should commit to follow CLC Site Operating Procedures for safe working, undertake site risk assessments and enable responsible and safe alternative modes of travel for construction site workers.
Short-term	Sector	Building resilience in construction	Where possible, private developers and housing associations should commit to implementing the same measures set out in PPN 02/20, which requires public authorities to pay suppliers on certain terms to ensure service continuity.
Short-term	Sector	Strengthening housing demand and increasing the supply of affordable homes	Mortgage lenders should clarify their approach to assessing applications from furloughed workers.
Short-term	Sector	Strengthening housing demand and increasing the supply of affordable homes	RICS should issue guidance to facilitate greater use of desktop valuations and to assist valuations where there are limited suitable comparables, owing to low transaction rates.
Medium- and long-term	Sector	Building resilience in construction	Construction skills education and training providers should work with Government and the GLA to further modernise training and qualifications systems for construction, to ensure it will support the delivery of the skills that the industry will need in future, including modern methods of construction such as PMH.
Short-term	Local authorities	Building resilience in construction	Local planning authorities should positively explore opportunities for amending planning conditions to increase site operating hours. However, judgement must be made on a case-by-case basis, looking at the potential impact of extended hours on neighbouring amenity.
Short-term	Local authorities	Building a pipeline of developable land	Boroughs should establish SME liaison groups to improve relationships between SME developers and boroughs.
Medium- and long-term	Local authorities	Building resilience in construction	Councils should proactively engage with local Community Land Trusts and identify opportunities to tap into additional workforce that could be provided through the Community Land Trust members.
Short-term	Mayor	Building resilience in construction	The Mayor, councils and the development industry should lead campaigns to encourage skilled construction workers to London, and for new entrants to join the workforce.



Timeframe	Stakeholder	Theme	Action
Short-term	Mayor	Strengthening housing demand and increasing the supply of affordable homes	The Mayor, in partnership with potential investors and stakeholders, should coordinate research to explore the potential opportunities and risks of leveraging alternative and additional sources of finance, including limited profit private sector investment, such as pension funds, to deliver additional affordable housing.
Short-term	Mayor	Addressing development viability challenges	The Mayor should bring together a strategic alliance of London-based housing providers to support the bulk-purchasing of innovative and conventional homebuilding components to help achieve economies of scale.
Short-term	Mayor	Maintaining a healthy pipeline of implementable schemes	The Mayor should consider publishing planning guidance to advise applicants and boroughs on appropriate approaches to support delivery through, for example, re-phasing or remodelling phases; reducing market exposure by increasing and/or early delivery of affordable housing and infrastructure; promoting diversity of affordable and market tenures, including homes at social rent levels, London Living Rent and BTR; and processes for determining scheme/design enhancements.
Short-term	Mayor	Maintaining a healthy pipeline of implementable schemes	The Mayor should incentivise and support all boroughs to rapidly implement the 'threshold approach' to affordable housing, i.e., 'Fast Track' and 'Viability Tested' Routes, to provide greater certainty and speed up the planning process.
Short-term	Mayor	Maintaining a healthy pipeline of implementable schemes	The GLA should review messaging to the development industry to incentivise more BTR investment. In particular, the GLA could provide resources for a 'Build to Rent Champion' to work with BTR providers and boroughs, to act as a convener and broker of investment opportunities and to identify and help achieve joint objectives.
Short-term	Mayor	Building a pipeline of developable land	The GLA should build on the success of the Mayor's Small Sites Small Builders programme to bring smaller public land sites to market, through re-committed revenue funding from Government.
Short-term	Mayor	Building a pipeline of developable land	The Mayor and councils should explore opportunities to bring forward additional surplus public sector land for redevelopment. This could include nomination rights for a proportion of the affordable homes developed to be retained by the public sector landowner.
Short-term	Mayor	Building a pipeline of developable land	The GLA should build on its existing success in coordinating public bodies to deliver housing, which includes working with the NHS to explore development

Timeframe	Stakeholder	Theme	Action
			opportunities on hospital sites, sharing best practice on flexible approaches to how public land holdings can be managed, and supporting public landowners to develop asset management strategies that identify genuinely surplus land.
Medium- and long-term	Mayor	Strengthening housing demand and increasing the supply of affordable homes	The Mayor should explore the feasibility in the next Affordable Homes Programme of offering investment partners the opportunity to drawdown affordable housing grant earlier in the development process where they cannot already do so.
Medium- and long-term	Mayor	Strengthening housing demand and increasing the supply of affordable homes	The Mayor should explore innovative grant mechanisms and opportunities for the greater use of recoverable grant top-ups to strengthen scheme viability, in the next Affordable Homes Programme.
Medium- and long-term	Mayor	Strengthening housing demand and increasing the supply of affordable homes	The Mayor should support partnerships between housing associations and councils, or private developers and councils, to enable skills sharing – for example, through rotation programmes.
Medium- and long-term	Mayor	Strengthening housing demand and increasing the supply of affordable homes	The Mayor and councils could consider entering into partnership, either through land deals or providing a bridging loan facility to developers that commit to high levels of affordable housing delivery and ambitious development output milestones. This will be particularly valuable for SME developers.
Medium- and long-term	Mayor	Addressing development viability challenges	TfL, working with GLA, should undertake a capacity survey of the existing transport network to determine where additional housing could be delivered.
Medium- and long-term	Mayor	Addressing development viability challenges	GLA to consider the case for additional guidance and support to allow transport bodies to take advantage of Tax Increment Financing (TIF).
Medium- and long-term	Mayor	Addressing development viability challenges	The Mayor should actively consider direct public investment in a PMH factory in partnership with boroughs, housing associations and existing suppliers, to engender market confidence and to support London's wider economic recovery.
Medium- and long-term	Mayor	Addressing development viability challenges	The Mayor and Government should contribute to research studies to encourage uptake in PMH in housing delivery and to drive innovation in the UK's construction industry.
Medium- and long-term	Mayor	Maintaining a healthy pipeline of implementable schemes	The GLA should undertake research to understand investment models for BTR and, potentially, publish recommendations and practical guidance for how BTR development can be further supported.
Medium- and long-term	Mayor	Building a pipeline of developable land	The GLA should build on the success of the Land Fund to support more site

Timeframe	Stakeholder	Theme	Action
			assembly and acquisition through an expanded land funding programme.
Medium- and long-term	Mayor	Building a pipeline of developable land	The GLA should continue its role in supporting councils to assemble sites and acquire land, and explore how a Centre for Expertise for Land Assembly could expand this function.
Short-term	All	Addressing development viability challenges	TfL and the GLA, working with Government, should consider the strategic benefits of different investments and prioritise those that will unlock the most homes and support sustainable neighbourhoods, including smaller-scale investments.
Short-term	All	Addressing development viability challenges	To encourage uptake of modern homebuilding techniques, including 'PropTech', construction technology, and PMH, all stakeholders should embrace consistent and mutually compatible approaches where possible.
Short-term	All	Addressing development viability challenges	Government, the GLA and industry should commit to disseminate best practice and lessons learnt on innovations adopted, as a way of raising awareness, especially with smaller firms.
Short-term	All	Maintaining a healthy pipeline of implementable schemes	Government should work with the GLA, boroughs and the sector to establish a single application process for all scheme amendments, building on work undertaken by the Planning Officers' Society. This should include developing guidance for applicants and boroughs, setting out requirements for appropriate public consultation on scheme changes and ensuring that fees provide sufficient resources for boroughs to consider and monitor schemes changes (which can be complex).
Short-term	All	Building a pipeline of developable land	Government, the Mayor and councils should proactively support small-scale developments through identification of suitable sites and greater planning certainty and flexibility.
Short-term	All	Building a pipeline of developable land	Government, the Mayor, and councils should engage early on public sector site disposals. Government should give the Mayor the same right of first refusal over public land sales as Homes England in the rest of the country.
Short-term	All	Building a pipeline of developable land	Government should expand and streamline the One Public Estate Programme supporting councils to identify opportunities for new homes on public sites.
Medium- and long-term	All	Building resilience in construction	Government, in consultation with the Mayor, councils, housing associations and the wider development industry, should develop a post-Brexit visa system for construction workers that works for London, including for skilled trades and

Timeframe	Stakeholder	Theme	Action
			providing a temporary self-employment route. Government should ensure SME developers do not face disproportionate costs (time and financial) in navigating the visa system.
Medium- and long-term	All	Building resilience in construction	Government, councils and the Mayor should improve links between construction skills education and training providers and employers and strengthen pathways into apprenticeships and employment, including reskilling mid-career workers.
Medium- and long-term	All	Addressing development viability challenges	Government, the GLA and boroughs should incentivise Building Information Management (BIM) and digital project management on public tenders to engender adoption of digital technologies through the supply chain, to enable better data and information sharing across the built environment that will improve efficiency, productivity, sustainability and building safety. This may require the public sector to underwrite additional costs in the short term.
Medium- and long-term	All	Maintaining a healthy pipeline of implementable schemes	Government, the GLA and boroughs should monitor drivers of change, impacts and emerging trends relating to longer term economic growth, demographic and behavioural change and implications for London's spatial development, the provision of infrastructure and services and the type and form of new development. The GLA should coordinate and disseminate emerging learning.
Medium- and long-term	All	Maintaining a healthy pipeline of implementable schemes	The GLA, Government and boroughs could bring forward BTR schemes as commercial investments.
Medium- and long-term	All	Maintaining a healthy pipeline of implementable schemes	Government, the Mayor and councils should explore and pursue opportunities to support bulk disposal of homes for sale to institutional investors for private rent.
Short-term	Government	Building resilience in construction	Government should work with industry to produce and publish development pipeline forecasts to inform producers' manufacturing output.
Short-term	Government	Building resilience in construction	Government should provide a bolder package of funding to ensure sufficient levels of apprenticeship funding are available to rapidly build the pipeline of skilled workers.
Short-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should make additional funding available to the Mayor to enable housing providers to switch shared ownership homes to homes at social rent levels (social rent or London Affordable Rent), where it is possible to do so. The Mayor should support housing providers to switch shared ownership homes to intermediate rented homes, including

Timeframe	Stakeholder	Theme	Action
			London Living Rent. A £1.33bn settlement could protect delivery of 34,597 homes at risk.
Short-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should provide financial backing to housing associations and councils to act as a 'buyer of last resort' for bulk purchase of unsold market homes at cost, where they deliver value for money. The terms of backstop disposal and quality of design and build should be agreed pre-commencement between the developer and potential backstop purchaser.
Short-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should extend the Accelerated Construction Fund and Small Sites Fund, currently administered by the GLA, which also contribute to the efforts to increase the supply of new affordable homes, by one year and combine them into Land Assembly Fund.
Short-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should introduce a one-year unconditional extension to the current HTB scheme to support schemes that were delayed due to the coronavirus and will not complete by the 2021 deadline.
Short-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should increase London's affordable housing grant settlement, and recognise that the true cost of delivering social rented housing in London far exceeds the grant rates that the Mayor can offer in the current Affordable Homes Programme. 2019 research provides a strong evidence base for the need for an average of £4.9bn per year in the next Affordable Homes Programme to truly respond to need in the capital, meeting the gaps between the costs of development and incomes generated. These gaps require subsidy (Chart 1). Government should seriously explore opportunities for an expansion of the next Affordable Homes Programme to respond to this need, support jobs, and underpin economic recovery.
Short-term	Government	Addressing development viability challenges	Government should commit to fund key infrastructure that supports development sites, giving confidence to the market.
Short-term	Government	Addressing development viability challenges	Government should provide certainty on funding for TfL and the current pipeline of infrastructure projects, including the Housing Infrastructure Fund (HIF) programme.
Short-term	Government	Addressing development viability challenges	Government should extend HIF Marginal Viability Funds by one year and issue a statement indicating that flexibility will be explored for HIF Forward Funding.
Short-term	Government	Maintaining a healthy pipeline of implementable schemes	Government should act on its review of planning fees and provide boroughs with autonomy to set planning fees, to ensure



Timeframe	Stakeholder	Theme	Action
			that their costs are fully recovered, including for new, recently-announced duties.
Short-term	Government	Maintaining a healthy pipeline of implementable schemes	Government should issue best practice guidance on delegation of planning powers to reduce inconsistencies between authorities.
Short-term	Government	Maintaining a healthy pipeline of implementable schemes	Government should consider a suspension of all permitted development rights from commercial to residential, and thoroughly review and publish the evidence of emerging trends showing the impact of these rights.
Short-term	Government	Maintaining a healthy pipeline of implementable schemes	Government should provide boroughs the power to enact localised suspension of the General Permitted Development Order, with localised permitted development rights established through statutory Town Centre plans.
Short-term	Government	Building a pipeline of developable land	Government should provide additional revenue funding for councils to undertake this work, including a second tranche of Homebuilding Capacity Fund funding.
Short-term	Government	Building a pipeline of developable land	Government should incentivise public landowners to dispose of surplus public sector land for affordable housing-led development and act on the findings of the previous review of best consideration rules, which currently incentivise selling land to the highest bidder without taking into account public benefits.
Short-term	Government	Building a pipeline of developable land	Government should enable greater flexibility and opportunity for coordination for land assembly (detailed recommendations included in main body of report).
Medium- and long-term	Government	Building resilience in construction	Government and the Mayor should strike a new devolution and funding deal to establish an integrated and properly funded skills and employment system that can meet the city's needs now and in the future.
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government, in partnership with the Mayor, should review the benefit cost ratio rules that apply to the Land Assembly Fund to provide greater flexibility to apply funds effectively and strategically, based on a more balanced assessment of the benefits and costs of the deployment.
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should support registered providers and councils to limit capital expenditure on maintaining existing stock by fully funding building safety remediation works, both cladding and non-cladding, and programmes to retrofit buildings to meet environmental sustainability requirements.

Timeframe	Stakeholder	Theme	Action
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should provide longer-term certainty over future social and affordable rent levels and Local Housing Allowance rates to stimulate greater investment in new affordable homes.
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should provide additional revenue funding to councils to expand their in-house capacity, including training and development of junior staff, specifically focussed on the skills needed to build a pipeline of land that can be built out beyond the current Affordable Homes Programme.
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should remove all restrictions on the use of retained RTB receipts and return 100 per cent of the receipt to councils.
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should clarify mortgage lending requirements for ESW1 certificates on buildings below 18 metres in height.
Medium- and long-term	Government	Strengthening housing demand and increasing the supply of affordable homes	Government should improve the efficiency, speed and certainty of the conveyancing system in England. This may include maximising opportunities to digitise elements of the conveyancing process, requiring early exchange of contracts that bind purchasers and vendors to complete, and the use of reservation deposits.
Medium- and long-term	Government	Addressing development viability challenges	Government should allow councils to raise funds for infrastructure investment by borrowing against future Community Infrastructure Levy (CIL) receipts.
Medium- and long-term	Government	Addressing development viability challenges	Government should expand the land programmes funding to support smaller scale investments and unlock sites.
Medium- and long-term	Government	Addressing development viability challenges	Government and industry should commit to test and embed emerging innovations from the UKRI Transforming Construction Challenge and Construction Innovation Hub in the delivery of projects and firm operations.
Medium- and long-term	Government	Building a pipeline of developable land	Government to commit to long-term revenue funding to ensure councils are adequately resourced to prepare targeted spatial planning documents that underpin proactive land assembly interventions, including compulsory purchase of land.
Medium- and long-term	Government	Building a pipeline of developable land	Government should consider the introduction of a new Compulsory Selling Order (CSO) which would enable councils to bring forward developable land that is not released for development, without the time and cost implications of a CPO. This would enable councils to promote the development of unused sites in their areas, where they may not wish to hold the site for direct development of new council homes.

Timeframe	Stakeholder	Theme	Action
Medium- and long-term	Government	Building a pipeline of developable land	Government should provide additional funding to ensure the compulsory purchase process is adequately resourced and ensure a more rapid processing of CPOs.
Medium- and long-term	Government	Building a pipeline of developable land	Government should provide all acquiring authorities more flexibility in compulsory purchase by reforming the CPO process, including by allowing for compensation for compulsory purchase at, or close to, existing use values, enabling uplifts in land values to be captured.

## **Other formats and languages**

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

Greater London Authority  
City Hall  
The Queen's Walk  
More London  
London SE1 2AA

Telephone **020 7983 4000**  
**[www.london.gov.uk](http://www.london.gov.uk)**

You will need to supply your name, your postal address and state the format and title of the publication you require.

If you would like a summary of this document in your language, please phone the number or contact us at the address above.