

The Mayor of London's Housing Zone Programme

Briefing for the Rainham & Wennington and South Hornchurch Working Party

1. Introduction: The London Housing Strategy

The Mayor of London has a responsibility for providing an overall strategic plan for housing in the capital. A key part of this is the development of new affordable housing.

The draft London Housing Strategy published in April 2014 identifies the housing pressures being faced in every part of London, including the outer boroughs such as Havering. The numbers are large:

- in the last six years, London has grown by 600,000 people
- by 2020, the total population is estimated to top 9 million
- there is a need to build at least 42,000 homes a year in London.

While Havering shares many characteristics with areas outside of the M25, and the low density and green environment is to be treasured, it is absolutely clear that the Greater London Authority, which enacts the Mayor's policies, and developers alike see Havering as an area for growth. It is vital the Council plays a role in guiding this growth to maximise the benefits for local people.

2. Recognising the important role of the London Boroughs: Housing Zones

The draft London Housing Strategy recognises that the London Boroughs have very legitimate concerns about the character and scale of local development. The Boroughs clearly have a dual role in enabling new development opportunities to come forward while at the same time promoting the highest quality of new housing to meet local need.

It is to be welcomed that the Mayor, in the draft London Housing Strategy, is clearly in tune with Havering Council's emphasis on high quality homes which add to the fabric of the borough and are in keeping with the locality. The Strategy states, *'We also have to ensure that the new homes we build are inspiring for current and future residents, that they are set in attractive neighbourhoods and vibrant town centres, and are well connected to jobs... [They should be] high quality homes that perform well for their occupants, that stand the test of time and that complement London's rich architectural history'*.

The London Housing Strategy includes what is arguably the most significant opportunity in a generation for London Boroughs to pro-actively participate to such a large degree in the shaping and development of their neighbourhoods through the development of new housing. This is the Housing Zone programme.

3. What are Housing Zones?

Housing Zones, heralded in the London Housing Strategy, were formally launched on the 30 June 2014 with the publication of the Housing Zones Prospectus inviting bids from London Boroughs.

Housing Zones are areas where home building will be accelerated by close partnership working between boroughs, land owners, investors and builders. They should be a designated part of a borough in which investment could spur on the development of at least 1,000 new homes on brownfield land. The time taken to get new schemes going is recognised, but the Mayor would definitely like to see new homes becoming available during the 2015-18 period.

The Prospectus is crystal clear that a Housing Zone can only proceed where the local borough is driving the programme and is putting in its own resources, in the form of, say, land holdings, capital investment and staff time. In return, the Greater London Authority, GLA, will look to provide grant for new affordable housing, repayable loans to speed up housing delivery, investment in infrastructure and more streamlined working between the different parts of the 'GLA family', for instance, GLA planners and Transport for London.

The primary aim of a Housing Zone must be the maximisation of new housing supply. Resources are not available for improvement of existing council housing stock. That said, the Prospectus recognises that Housing Zones should focus on place-shaping and creating a high quality environment for new residents, thus funding will in all probability be required for schools, community facilities, transport and energy infrastructure. Resources made available by the GLA through the Housing Zones programme *could* contribute towards these so long as the investment directly unlocks housing supply.

4. Investment available

In total, 20 Housing Zones will be selected across London. The Mayor is making £400m available across the 20 successful Housing Zones; broadly speaking, this consists of £200m grant funding for new affordable housing, and £200m repayable investment funding.

The uses of financial support could include:

- affordable housing delivery – subsidising the building of new affordable homes, including Havering Council building and owning them
- supporting home ownership – investing in shared ownership homes and other forms of low cost home ownership that enable local people to buy a home
- land remediation and site preparation – where, for example, providing upfront funding for decontaminating land would enable building to start far more quickly

- infrastructure / gap funding – where, for example, providing new and/or improved transport or other infrastructure could unlock a site.

5. The potential for the land along the A1306 and surrounding area to form a Housing Zone

The GLA has identified the land between the southern side of A1306 and the railway line as part of the wider London Riverside Opportunity Area, that is, it is underused brownfield land on which new homes could be built. Some of this land is in the GLA's ownership. The GLA sees Opportunity Areas as prime locations for Housing Zones, but approval of a Housing Zone is not automatic and boroughs must still bid.

The Housing Zones programme provides the Council with the opportunity to be the key driver of development in the area rather than leaving it to the market to build something dramatically out-of-step with local needs and aspirations. This is potentially important as it is known that very high density schemes have proposed by developers in the past.

While building row after row of medium and high rise flats would not be in-keeping with the local community's needs and preferences, developing just semi-detached and detached houses alone would not be financially viable. Havering Council's stewardship of a Housing Zone in the area would afford the Borough a higher degree of control over what is built, by whom and for whom, ensuring a mix of houses and flats, and affordable and market properties. In addition, the Council could develop and own council homes for rent.

A Housing Zone for the area would bring funding to ensure the viability of housing development; as noted above, it is believed that this funding could be used for social infrastructure, road improvements, decontamination of sites and the strengthening of planning regimes.

6. Bidding deadline

London Boroughs wishing to bid for a Housing Zone in their area must submit a bid to the GLA by no later than 30 September 2014.

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