



## CABINET

**Subject Heading:**

Bid to the Greater London Authority for a funding programme under the Homebuilding Capacity Fund

**Cabinet Member:**

Councillor Damian White, Leader of the Council

**SLT Lead:**

Neil Stubbings – Director of Regeneration Programmes

**Report Author and contact details:**

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**Policy context:**

Havering Housing Strategy 2014-2017  
HRA Business Plan 2017-2047  
National Planning Policy Framework 2012  
Draft London Plan 2017  
Havering Local Development Framework and Romford Area Action Plan 2008  
Romford Development Framework 2015  
Emerging Havering Local Plan 2017

**Financial summary:**

Additional revenue support designed for Councils to deliver new approaches to increasing housing delivery, by building capacity and developing skills and expertise.

**Is this a Key Decision?**

Yes

Expenditure or saving (including anticipated income) of £500,000 or more

**When should this matter be reviewed?**

Not applicable

**Reviewing OSC:**

Towns and Communities OSC

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

## **SUMMARY**

- 1.1 The report is seeking approval to enable the Council to submit a bid to obtain grant funding under the Greater London Authority (GLA) Homebuilding Capacity Fund. The scheme is to develop capacity, skills and expertise to develop new affordable housing. The approval to progress any or initiatives and commit Council funding will be sought separately in accordance with the Councils constitution. The deadline for bid submission is 25 January 2019.

## **RECOMMENDATIONS**

- That cabinet **APPROVE** the submission of a bid of £940,000 as set out in this report to the GLA for the Homebuilding Capacity Fund.

## **REPORT DETAIL**

- 2.1 The Mayor is making up to £10 million of revenue funding available for councils to deliver new approaches to increasing housing delivery, by building capacity and developing skills and expertise. The draft London Plan sets a target of 65,000 new homes per year in London over the next 10 years. In recognition that council budgets for planning and development are under pressure, this new fund is designed to support councils to increase housing supply, both in their role as Local Planning Authorities and as homebuilders.
- 2.2 The Homebuilding Capacity Fund offers councils the opportunity to bid for revenue funding for 2019/20 and 2020/21 to build skills and capacity across their housing and planning teams. The objectives of the programme are to:
- develop a sustainable increase in the capacity and skills of both housing and planning departments within councils;
  - promote the Mayor's good growth principles in housing delivery across London;
  - maximise the level of social rented and other genuinely affordable homes being built;
  - diversify the range of homebuilders, housing development models and housing sites in London; and
  - support the delivery of housing targets set out in the draft London Plan, the London Housing Strategy and the Mayor's council housing programme, Building Council Homes for Londoners.

**Cabinet, 16 January 2019**

2.3 The Homebuilding Capacity Fund complements existing capital funding programmes including the Affordable Homes Programme 2016-21 and Building Council Homes for Londoners, by offering councils the chance to bid for funding to access expertise, obtain skills and/or undertake work to support an increase in housing supply. It is intended to support proposals that councils are unable to resource through alternative means. It is also designed to enable councils to start gearing up to implementing the draft London Plan in advance of its adoption.

2.4 The Mayor published his Homebuilding Capacity Fund prospectus for the programme in October 2018. The prospectus sets out the 4 key areas where councils can bid for support. These are:

- delivering a new generation of council homes
- increasing housing supply by supporting the development of small sites
- proactive planning in areas with significant growth potential
- ensuring optimal density of new residential developments

2.5 Guidance from the GLA has identified the maximum grant available for a single local authority is set at £750,000. The proposed bid of £940,000 is for the resources and outcomes identified in the table below. There is an expectation from the GLA some funding from the bidding local authority would be identified. The additional £190,000 over the maximum bid level is the proposed contribution from the Council, the difference between the grant received and the costs of the staff will be met from existing service budgets.

	Current Estimates (additional funding will be subject to further approvals) – 2 years
Increasing skills and capacity within the Urban Design service to support and guide key projects relating to unlocking small site development and development/enhancement of key town centres.	£240,000 3 x posts to produce a design quality guide and produce Special Planning Guides associated with regeneration and development.
Increasing skills and capacity in land referencing and acquisition to support bringing forward brownfield and mixed retail/commercial/residential developments.	£200,000 2 x posts land and development advisors to unlock site potential across Councils land holdings to support and increase Local Plan proposed housing numbers.
Developing skills in house to delivery outline feasibility and capacity studies of potential development localities.	£100,000 1x post for architectural and space planning to produce capacity studies in house. This will bring this function and planning compliance sooner into projects.
Increasing skills and capacity within project management functions to ensure delivery of new initiatives especially associated with small sites and key town centres.	£400,000 3 x posts for senior project managers to deliver the small sites programme, town centre reviews, locality master plans and the projects associated with the Thames Estuary.

	£940,000
Gap to potential grant available.	-£190,000

## REASONS AND OPTIONS

### **Reasons for the decision:**

- 3.1 The funding is revenue funding for additional staff for a period of 2 years. These staff will have the levels of skills and experience needed to deliver good quality affordable housing and enhanced place shaping. This will also build expertise and skills for a lasting improvement in delivery. The approval to progress schemes and commit Council funding will be sought separately in accordance with the Councils constitution.

### **Other options considered:**

- 3.2 Other options considered and rejected are:
- a) Not to Bid – **REJECTED** as this would mean the Council would not be able to benefit from the programme to support the delivery of local housing priorities and regeneration activities

## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

- 4.1 The Homebuilding Capacity Fund offers councils the opportunity to bid for revenue funding for 2019/20 and 2020/21 up to a maximum of £750,000. The grant is specifically to build skills and capacity across the housing and planning teams. This report has identified that required resources will cost £940,000. The difference between the grant received and the costs of the staff will be met from existing service budgets.
- 4.2 The submission of the proposed bid does not specifically create a financial commitment for the Council. However, in the event the schemes are not progressed, any secured funding would have to be returned to the GLA, exposing the Council to reputational risk.

### **Legal implications and risks:**

- 5.1 The Council is the local housing authority and has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation. These duties can be coupled with the Council's general power of

competence under Section 1 of the Localism Act 2011, which gives the power to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power.

- 5.2 Should the bid be successful, a further report will be submitted seeking approval to enter into the funding agreement(s) and that report will outline any further legal implications.

**Human Resources implications and risks:**

- 6.1 There are no specific HR implications or risks on the question of submitting a bid under this programme.

**Equalities implications and risks:**

- 7.1 There are no specific equalities or social inclusion implications or risks on the question of submitting a bid under this programme.

**BACKGROUND PAPERS**

None