

Report for: Housing and Regeneration Scrutiny Panel – 15 November 2018

Title: Building Council Homes for Londoners

Report authorised by : Helen Fisher, Director of Housing, Regeneration & Planning

Lead Officer: Alan Benson, Head of Housing Strategy & Commissioning

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

- 1.1 The Mayor announced the allocations for the Building Council Homes for Londoners Funding on 23 October 2018. This allocated £1,029m grant for 14,724 homes of which 11,154 are Social Rent/London Affordable Rent and 3,120 are Shared Ownership/London Living Rent.
- 1.2 Haringey was allocated £62.8m (against its bid of £72m) for 848 homes, of which 567 are Social Rent and 281 are Shared Ownership/London Living Rent.

2. Recommendations

- 2.1 The Panel is asked to note the briefing.

3. Allocations to boroughs

- 3.1 Advice from the GLA is that the programme was very significantly overbid, ie by well over double. The exact figures should emerge over time. This was advantageous, because it helps the Mayor make the case to Government that there would be appetite among London boroughs to deliver more, if more funding was available. The GLA has calculated that £2.7bn is needed every year to deliver the affordable homes the capital needs and the Mayor's press release made clear that the lifting of the HRA borrowing caps will not of itself enable more affordable homes without additional grant funding.
- 3.2 The borough allocations are set out in the appendix. Full detail on individual boroughs' bids is not available (and may never be) but some conclusions can be drawn from what is in the public domain:
 - 26 boroughs and the City were awarded grant funding. The six that received none were Bexley, Bromley, Lambeth, Merton, Redbridge and Westminster.
 - Some of these boroughs did not bid, for example Westminster has publicly stated that it did not bid because it did not wish to be tied to the Mayor's guidance on ballots on estate regeneration schemes.

- Some of these boroughs made a bid but were awarded nothing because they failed to meet the bid criteria. No detail is publicly available on which boroughs did and did not bid or for how much they bid. But most boroughs had their bids reduced, some very significantly.
- It is not known exactly what mix of homes will be delivered overall as the Mayor elides Social Rent with London Affordable Rent, while the mix of Shared Ownership or London Living Rent can remain flexible up to the point of completion.
- However, many boroughs will be delivering London Affordable Rent rather than Social Rent (eg in Newham's bid all the rented homes are London Affordable Rent not Social Rent) so it is quite possible that Haringey may have the biggest programme of Social Rent.

4. Haringey's allocation

- 4.1 Haringey was allocated £62.8m for 848 homes. This was the sixth largest allocation in terms of funding in London and the fifth largest allocation in terms of the number of homes. Coming from a position where the borough only delivered 32 homes in the last four years it would be the largest increase in delivery in London. And as it was against a bid of £72m, the proportion funded to bid was much higher than the London average.
- 4.2 The 848 homes include 567 at Social Rent, 281 at London Living Rent levels (without the sales element)/Shared Ownership. The GLA is entirely content for all boroughs to switch homes between Shared Ownership and London Living Rent as the programme develops. The GLA is also content for boroughs to remove and substitute schemes within the bid, but these must be agreed in each case with them.
- 4.3 It is not possible to discuss in public all the schemes in the bid, beyond the six identified in the November Cabinet report, because many of these are at an early stage and there has not yet been the statutory consultation with affected residents and local Members. But the following can be said:
- No indicative bids (ie bids without named sites) were funded. For Haringey these were primarily potential 106 acquisitions that were speculative at this stage or schemes where we did not have enough information to submit a detailed bid.
 - Three sites in the bid were not funded, which are all planned to start on site late in the programme. The GLA prioritised bids that had earlier starts on site.
- 4.4 This does not mean these schemes cannot be funded. If they can be brought forward earlier they can come into the programme. This could be by substituting them for other schemes in our programme, or in other Boroughs' programmes, which do not come forward or by bidding to the next funding round, which is all but inevitable before the end of this funding period.

5. Next steps

- 5.1 The next step is the GLA issuing Haringey a formal offer, which they will do in the next few weeks. Cabinet approval to accept this offer will be sought at the 13 November Cabinet meeting. There are then standard grant conditions which are in the GLA's Capital Funding Guide and are identical for every grant recipient. There will be no immediate transfer of funding, the grant is paid on a scheme by scheme basis when we achieve start on site.
- 5.2 Haringey also made a bid to the GLA for additional HRA borrowing as part of this process. But as the borrowing cap was lifted on 29 October this part of the bid is no longer relevant.

6. Appendices

Appendix A Borough breakdown

7. Local Government (Access to Information) Act 1985

N/A

APPENDIX A - BOROUGH BREAKDOWN

London Borough	No of Homes	£ Allocation
Barking & Dagenham	565	25,338,000
Barnet	87	8,700,000
Brent	817	65,610,000
Camden	308	30,800,000
City of London	156	14,880,000
Croydon	888	61,288,000
Ealing	1,138	99,352,000
Enfield	571	18,108,000
Greenwich	588	32,600,000
Hackney	949	45,556,000
Hammersmith & Fulham	251	15,308,000
Haringey	848	62,858,000
Harrow	618	32,144,000
Havering	282	24,046,000
Hillingdon	347	11,678,000
Hounslow	741	63,252,000
Islington	465	24,200,000
Kensington & Chelsea	336	33,600,000
Kingston upon Thames	713	67,844,000
Lewisham	384	37,700,000
Newham	1,123	107,476,000
Redbridge	400	0
Southwark	926	89,494,138
Sutton	81	6,500,000
Tower Hamlets	675	13,000,000
Waltham Forest	293	25,518,000
Wandsworth	174	12,452,000
Total	14,724	1,029,302,138