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| <b>Committee(s)</b><br>Policy and Resources                  | <b>Dated:</b><br>24 September 2015 |
| <b>Subject:</b><br>PIF Proposal: Housing & Finance Institute | <b>Public</b>                      |
| <b>Report of:</b><br>Town Clerk                              | <b>For Decision</b>                |

### Summary

The Housing & Finance Institute (HFi) is an accelerator hub designed to increase both the speed and number of new homes built across all tenures in the UK. It aims to achieve this through working with local authorities and the private sector to define their housing ambitions and strategies, develop networks of professional and financial advisers to assist the delivery of housing projects, and to showcase examples of successful housing delivery partnerships. The HFi is completing its start-up phase and requires core-funding to become fully operational. It is in this context that it has requested funding from the City of London Corporation.

### Recommendation(s)

Members agree that,

- The City of London Corporation become a Founding Member of the Housing & Finance Institute (HFi) at the cost of £40,000 per annum for 2015/16, 2016/17 and 2017/18, to be allocated to the *New Areas of Work* section of the Policy Initiatives Fund and charged to City's Cash.
- Authority be delegated to the Town Clerk, under Standing Order 41, to enter into membership of the HFi on such terms as he considers appropriate.

### Main Report

#### Background

1. During the previous Parliament the then-Coalition Government launched a review into the role that local authorities play in housing supply. The report – *From Statutory Provider to Housing Delivery Enabler: Review into the local authority role in housing supply* – was published in January 2015 and is commonly referred to as the [Elphicke-House Report](#). Common issues identified by the report included the facts that new housing projects took between 3-5 years to deliver new homes and secure finance, and that businesses found they had between 300-400 meetings across different local authorities to secure a single contract. Moreover new businesses were sometimes struggling to access the tools, resources and contacts to help deliver new homes.
2. The report's recommendations included the establishment of the Housing & Finance Institute (HFi), an accelerator hub to increase the speed and number of

new homes financed and built across all tenures of housing. The intention to implement this recommendation was announced in the March 2015 Budget and was formally adopted following the May 2015 General Election.

### **Housing & Finance Institute**

3. The HFi ([www.thehfi.com](http://www.thehfi.com)) was launched in Guildhall in June 2015 and is currently raising its core funding. It is a company limited by guarantee (No. 96554497) in the form of a not-for-profit member organisation overseen by board drawn from the public sector and the housing and finance industries. The HFi Board will be responsible for overseeing the HFi work programme and monitoring the effectiveness of its membership and business engagement.
4. The HFi consists of a staff of Chief Executive, full-time Programme Director and part-time Communications Assistant. The Chief Executive is Natalie Elphicke, co-author of the Elphicke-House Report, a qualified barrister with expertise in housing finance, and co-founder and Chairman of Million Homes, Million Lives.
5. As an accelerator hub the HFi will seek to increase the speed and number of new homes financed nation-wide through three main areas of activity. First and foremost the HFi will through a *Housing Business Ready* programme help local authority partners define their housing ambitions and strategies, assist them in evaluating and understanding risk, as well as assessing options for the funding and delivery of homes. The first cohort of local authorities commenced the *Housing Business Ready* programme in September 2015. Secondly, *HFi Plus* will develop a network of professional and financial advisers who will provide local authority partners with project-specific feedback. Third, *HFi Celebrate* will showcase examples of innovation and delivery in financing, partnerships and homebuilding.

### **Invitation to be Founding Member**

6. The City of London Corporation has been invited to join the board of the HFi as a Founding Member. Founding Members provide core funding or benefits-in-kind to the HFi, with core funding used to finance its set-up and salary costs. The City Corporation has been asked to provide the HFi with £120,000 over three years (£40k per annum). Current Founding Members include Pinnacle PSG (housing management regeneration) KeepMoat (homebuilding) and Local Partnerships (a national delivery body jointly owned by HM Treasury and the Local Government Association).
7. Founder Members sit on the HFi Board and provide strategic guidance on the HFi work programme, membership and business engagement.
8. Should the City Corporation choose to join the HFi as a Founding Member, the HFi will provide the City Corporation with a demonstrable role and profile in the delivery of housing and housing finance at both the London and national level. City Corporation support for the HFi would be consistent with both principles of

'housing delivery' and 'unlocking partnerships' outlined in the City of London Corporation housing policy document elsewhere on the agenda.

9. Furthermore, having established that the HFi has the full support of the Government and that it accords with the City Corporation's own housing objectives, the Policy Chairman has agreed to chair the HFi Board. This role is not dependent on the Policy Committee's decision regarding core funding.
10. The HFi receives additional funding and resources from corporate (non-founding) members including Laing O'Rourke (major housing association based in north east of England) Home Group (midsized housing association based in northwest of England). The Royal Bank of Scotland plus two further institutional investors have pledged corporate subscriptions.

### **Corporate & Strategic Implications**

11. The Chamberlain, Comptroller & City Solicitor and the Director of Community and Children's Services have been consulted on this report and their comments incorporated.
12. It is proposed that the sum of £40,000 per annum for three years (2015/16, 2016/17 and 2017/18) be allocated from your Committee's Policy Initiatives Fund for those years categorised under the *New Areas of Work* section of the Fund and charged to City's Cash. The current uncommitted balance available within your Committee's Policy Initiatives Fund 2015/16 amounts to £389,000, for 2016/17 £472,000 and for 2017/18 sufficient funds will be available prior to any allowance being made for other proposals on today's agenda.

### **Conclusion**

13. The HFi has been established in order to facilitate faster and more efficient delivery of new housing across all tenures through working with local authorities and private sector partners to define housing ambition, develop contacts and relationships, and celebrate best practice. The HFi has requested some core funding from the City of London Corporation in order to become fully operational. Given the aims of the HFi match the principles expressed in the City of London Corporation's housing policy it is recommended that members agree the allocation of £40,000 per annum for three years in core funding to the HFi.

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