

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2230

### Title: Receipt of funding for Homes for NHS Staff, London Pilot

#### Executive Summary:

Studies and surveys indicate that difficulty in accessing housing that is affordable is a barrier to recruitment and retention of NHS staff. The draft Housing Strategy recognises the issue and supports the provision of a proportion of homes for key workers, such as health professionals on public land. This issue was also recognised by the Sir Robert Naylor review of NHS property and estates ("**Naylor Review**") and the Government has accepted the recommendations from the Naylor Review that relates to this issue.

The issue was identified as particularly acute in London and the South East in the Naylor Review and therefore One Public Estate (which is jointly funded by Cabinet Office and Local Government Association) has proposed a London pilot to produce a toolkit and program manage delivery of affordable housing for NHS staff on pilot sites, with funding from the Cabinet Office. One Public Estate has proposed that this pilot is led by the GLA given its strategic role. This decision seeks approval for receipt and expenditure of £150,000 funding from Cabinet Office to GLA to deliver the London pilot.

#### Decision:

That the Executive Director of Housing and Land approves:

1. Receipt of a grant of £150,000 revenue funding from Cabinet Office to deliver a Homes for NHS Staff London pilot;
2. Expenditure of up to £100,000 on the recruitment of a project lead for the Homes for NHS Staff London pilot; and
3. Expenditure of up to £50,000 for the development of the delivery toolkit.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** David Lunts

**Position:** Executive Director, Housing & Land

**Signature:**



**Date:**

21.3.18

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 Research, surveys and evidence from NHS Trusts has indicated that difficulty in accessing housing that is affordable is an increasing problem for recruitment and retention of NHS staff. Analysis by the Department of Health and Social Care (DH&SC) has highlighted that the need for affordable accommodation for NHS staff is likely to be concentrated in London and the South East, for example mortgage payments on an average house in London or Oxford would represent 90% of a newly qualified Band 5's salary. The Royal College of Nursing has found that 40% of nurses were considering leaving London in the next five years due to pressure of housing costs, of these 75% would be more likely to stay in London if their housing needs were met.
- 1.2 The Mayor's Manifesto included a commitment that Homes for Londoners would drive up homebuilding by *"Building new homes on land owned by the Mayor, including Transport for London land, and bidding to develop other public-sector land - with a proportion of homes on the capital's NHS sites aimed at health service workers"*. Since then the GLA has been working with Department of Health and NHS partners to explore opportunities to deliver homes for health service workers on NHS sites. The draft Housing Strategy supports approaches that set aside a proportion of homes on land owned by Government departments and agencies for key workers, such as health and educational professional in addition to these sites providing genuinely affordable homes.
- 1.3 One of the recommendations from the review of NHS Property and Estates by Sir Robert Naylor ("**Naylor Review**") was that land vacated by the NHS should be prioritised for the development of homes for NHS staff, where there is a need. The Government has accepted this recommendation, agreeing that in some areas it would be beneficial for the NHS to use surplus land to provide housing for staff. The Government's response to the Naylor Review noted that in October 2017 it had announced that NHS workers will be given first refusal on affordable homes built on land sold by the NHS.
- 1.4 The issue of affordability of market housing for NHS staff is particularly acute in London and the South East and therefore One Public Estate (OPE) (which is jointly funded by Cabinet Office and Local Government Association) has proposed a London pilot to focus on development of a delivery toolkit as a resource for NHS landowners and program management of delivery of affordable housing for NHS staff on pilot sites (the "**London Pilot**"). The London Pilot would be embedded within the work of the London Estates Board (LEB) and London Estates Delivery Unit (LEDU), which lead on NHS estate and property matters within and for the London health system.
- 1.5 OPE has proposed grant funding from the Cabinet Office, under Section 31 of the Local Government Act 2003, to provide the GLA with a grant of £150,000 revenue funding for the London Pilot. It is proposed the funding is paid to the GLA given its strategic role for housing and health in London and best placed to manage the expenditure.
- 1.6 From the £150,000 funding from Cabinet Office, approximately £100,000 would be used by the GLA for recruitment a project lead and £50,000 for the development of the delivery toolkit. The project lead, working as part of LEDU, would be responsible for production of the delivery toolkit, management of the London Pilot project and engagement with NHS, London boroughs and registered providers. The project lead may be procured on a consultancy basis.
- 1.7 The London Pilot will be governed by a Memorandum of Understanding between the GLA and the Local Government Association and Government Property Unit (as joint sponsors of OPE), which will

cover appointment of the project lead, agreement of project brief and appointments for delivery of the toolkit, establishment of a project board (comprised of GLA, OPE, Department of Health and Social Care, Cabinet Office and LEB), establishment of a steering group to oversee the London Pilot projects and reporting procedures.

## **2. Objectives and expected outcomes**

2.1 Recruitment/procuring of a project lead to manage the overall rollout of the London Pilot, oversee development of a Homes for NHS Staff Delivery Toolkit, including assessing and confirming demand for and type of affordable accommodation for NHS staff and developing a planning strategy with GLA and relevant London Boroughs, supporting exemplar projects to accelerate delivery and reporting progress to the Project Board and engaging with registered providers and private sector developers to test approaches and grow the supply market.

2.2 The objectives of the London Pilot are:

- Production of a Homes for NHS Staff Delivery Toolkit; a step by step guide for NHS landowners from initial scoping to delivery of housing, addressing the key questions at each stage and ensuring all key issues are considered.
- Managing exemplar projects (which will be funded directly by OPE).
- Market development – working with registered providers and other potential development partners to soft market test development options and promote deliverable concepts to NHS landowners.

## **3. Equality comments**

3.1 Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the need to:

- eliminate unlawful discrimination, harassment and victimisation; and
- advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

3.2 The London Pilot will manage the exemplar projects, which will deliver affordable housing for NHS Staff. It will also provide a Delivery Toolkit, which will enable London NHS landowners deliver affordable housing on their sites for general needs, as well as NHS staff. It is considered that the London Pilot is likely to benefit many of those with protected equality characteristics, as many of these groups are disproportionately represented among those in need of affordable housing. This is in part because they are more likely to experience homelessness or overcrowding, or to have low incomes that make it difficult for them to afford market housing. In addition, some people with protected equality characteristics may be less likely to be able to afford the homes which will support households into home ownership.

3.3 The London Pilot will be devised with the Public Sector Equality Duty firmly in mind, in particular when assessing the demand for and type of affordable housing that is needed and how this is accessed.

## **4. Other considerations**

4.1 The London Pilot links to the draft Housing Strategy, which supports approaches that set aside a proportion of homes on land owned by Government departments and agencies for key workers, such as health and educational professional (noting that this should be in addition to these sites providing genuinely affordable homes).

#### 4.2 Risks include:

- Producing the Delivery Toolkit to time and budget - managed using good project management
- Lack of stakeholder engagement and buy-in – mitigated by building on the stakeholder relationships established by the LEB, OPE and GLA
- Lack of progress on exemplar schemes – mitigated by good project management
- Planning policy conflicts at a local and London level – mitigated through development of the toolkit and constructive dialogue with relevant parties.

### 5. Financial comments

- 5.1 This decision requests approval for the receipt and expenditure of a revenue grant of £150,000 from Cabinet Office to deliver Homes for NHS Staff London pilot, including preparation of a delivery toolkit as well as delivery of a pilot programme.
- 5.2 The grant is envisaged to be received in 2017/18 financial year, however, the corresponding expenditure (up-to £100,000 would be used by the GLA for a project lead and the remaining amount for the development of a delivery toolkit) will be expended in 2018/19.
- 5.3 Appropriate financial adjustments will be made at the end of the financial year to carry forward the funds to the next financial year (2018/19) to enable the completion of this work.

### 6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- (a) the decisions requested of the director concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and
  - (b) in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
    - pay due regard to the principle that there should be equality of opportunity for all people;
    - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
    - consult with appropriate bodies.
- 6.2 In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.
- 6.3 Officers must ensure that they are content that the GLA can comply with any conditions to which the Cabinet Office funding is subject and in any event no reliance should be placed upon such funding until there is a legally binding commitment from Cabinet Office to provide the same.

- 6.4 The services required to deliver the London Pilot must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code.
- 6.5 Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of any services.
- 6.6 To the extent that the funding received is to be used to award funding to third parties, officers must ensure that any funding is distributed fairly, transparently, in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code.
- 6.7 Officers must ensure that an appropriate funding agreement is put in place between and executed by the GLA and recipient before any commitment to fund is made.
- 6.8 In the event that the project lead is procured on a consultancy basis, officers must ensure that the services are procured and appropriate contract for services documentation is put in place with support from TfL Procurement in accordance with paragraphs 6.4 and 6.5 above. Alternatively, if the project lead is recruited as a member of staff, officers must ensure such recruitment is in line with GLA's HR protocols including obtaining permission from the Head of Paid Services as appropriate.

## 7. Planned delivery approach and next steps

Activity	Timeline
Receipt of funds	Mar 18
Announcement of project	May 18
Appointment of project lead	May 18
Engagement with exemplar projects and stakeholders	May 18
Procurement of toolkit advice	Jun 18
Completion of toolkit	Nov 18
Selection of delivery partner for exemplar projects	Oct 18
Planning permission secured for exemplar projects	Feb 19
Project evaluation	Mar 19
Project Closure	Mar 19

### Appendices and supporting papers:

None

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:****Is the publication of Part 1 of this approval to be deferred? Yes**

To enable public announcement after local elections

Until what date: 28 May 2018

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Justin Carr has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 19 March 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

*M. D. Allge*

Date

*20.3.18*