

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2103

Title: Homes for Londoners Property Portal

Executive Summary:

This decision approves the proposed procurement of a London-wide property portal on London.gov.uk to advertise affordable homes to buy (including shared ownership and London Living Rent properties) and rent (including properties at discounted market or London Living Rent levels managed by 'build-to-rent' providers). It will also support boroughs who have established social lettings agencies by offering them the opportunity to advertise their properties. The portal will be procured through a competitive process from a commercial partner at nil cost to the GLA and the contract awarded through to 2023.

Decision:

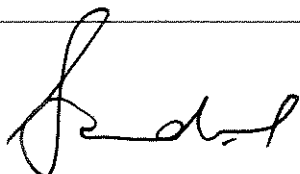
That the Mayor approves commencement of a competitive procurement process to identify a private sector partner to deliver and manage a web-based property portal on London.gov.uk, from 1 April 2018 until 31 March 2023.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

24/4/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. A property portal was established in 2013 to provide a pan-London website for Londoners on low to middle incomes seeking access to shared ownership and other forms of affordable home ownership.
- 1.2. The current website - <https://www.sharetobuy.com/firststeps> - will remain live until 31 March 2018, although there is contingency in the contract to extend to 30 June 2018 if necessary. The service is provided at nil-cost to the GLA and to housing providers advertising their properties. The service is funded by fees accumulated from additional marketing activities, including featured properties and property shows, offered by Share to Buy to such providers.
- 1.3. Since its launch, over 188,000 users have registered on the website. In the period between 1 October 2016 and 31 December 2016, there were over 13,000 new registrations and 35,700 property enquiries. In order to supplement the service, Share to Buy have held very successful bi-annual Home Show events where home seekers interested in shared ownership and other intermediate forms of affordable housing are provided the opportunity to meet with housing providers, discuss their needs and register their interest in properties. On average 5,000 people attend each Home Show.
- 1.4. A single portal brings many advantages to consumers, who only need to search one website instead of potentially over a hundred (if searching in all London boroughs and all developing partners). However, officers consider that the functionality could be improved and that bringing it onto London.gov.uk would offer an improved, more accessible and more widely-used service to Londoners.

2. Objectives and expected outcomes

- 2.1. The objective of this project is to design, build and implement a single, user-friendly, web-based property portal for Londoners. The organisation chosen through the procurement process outlined in this MD will also provide technical and back office support for partners advertising properties. In summary the portal will:
 - provide information to advise Londoners on their housing options;
 - bring together all of the affordable home ownership offers for Londoners into one place;
 - allow housing providers to upload properties to the portal with the required information;
 - allow build-to-rent providers to advertise properties for discounted rent;
 - allow London boroughs' social lettings agencies to advertise their properties.
- 2.2. The property portal will be integrated with London.gov.uk to provide a clear user journey for Londoners and reduce the number of microsites in the GLA's web portfolio.
- 2.3. A detailed technical specification will be drawn up before procurement commences, setting out the key minimum requirements of the portal. The specification will be produced by GLA Housing & Land and Digital officers working with an experienced Business Analyst. This will leave scope for bidding organisations to innovate in terms of customer journey and approach as it is expected that they will have a greater understanding of how people search for properties online than GLA officers. The portal will be fully integrated into London.gov.uk but it is expected to carry the logo of the successful organisation at the bottom of the page, e.g. with text saying "powered by xxxx".
- 2.4. Bidding organisations will be required to clearly demonstrate the technical capability to produce the portal and, once appointed, work closely with the GLA through the development of the portal.

- 2.5. The successful organisation will be required to charge no fee to the GLA or to housing providers advertising homes specified by the GLA. In return, such a company can take on commercial opportunities to create a revenue return through mechanisms such as featured property adverts, premium property listings, email alerts and will be able to specify other suggested ways in which they could commercialise the service. They will not be permitted to sell third party advertising on the portal. The GLA would not bear any commercial risk to such activities of the successful organisation. As well as representing good value for money this approach will leverage the experiences of the successful organisation to ensure the portal optimises the customer experience for Londoners.
- 2.6. Through the Homes for Londoners: Affordable Homes Programme 2016-21 the GLA expects to fund starts for at least 58,500 affordable homes to buy in the period to 2021, including those for shared ownership and those for London Living Rent (as a route to saving a deposit for shared ownership). Given that completions will continue until at least 2023 it is recommended that the portal is kept in place until at least March 2023.
- 2.7. Alongside making homeownership more affordable, the Mayor is also committed to tackling the cost of renting in the capital by building more new and affordable homes to rent, and by reducing the transaction costs of renting including letting agent fees. Early plans for the portal included proposals to advertise rental properties on a zero letting fee basis, including those offered by build-to-rent providers or by other landlords using social lettings agencies. Since these early plans begun, the policy context has changed following lobbying by the Mayor and others that lead to the government announcing at the Autumn Statement 2016 its intention to ban lettings fees for renters entirely.
- 2.8. In the context of letting fees being banned, the portal being procured through this MD will focus on advertising discounted market rent properties (including those at London Living Rent levels) offered by build-to-rent providers. This will enable Londoners more easily to find those affordable properties in build-to-rent developments.
- 2.9. In addition, the Mayor is committed to building on the work that councils have started by setting up social lettings agencies. Although no longer needed to tackle letting fees as described above, the portal will support boroughs who are able to operate viable social letting agencies that may be attractive to tenants who are interested in renting through a quality-assured letting agent. The portal will therefore offer London boroughs' social lettings agencies the opportunity to advertise their properties to prospective tenants.
- 2.10. The proposed method for the delivery of this initiative is to undertake a transparent competitive procurement exercise for an external partner to deliver and manage the portal. In delivering the portal through this method the GLA would procure a property company to deliver the portal and manage it externally on behalf of the GLA. This would require that the website is integrated with London.gov.uk and is designed in accordance with the Mayor of London brand guidelines and the London.gov.uk style tile.
- 2.11. Informal soft market testing has revealed a number of organisations that are interested in bidding to operate the portal including current portal providers, marketing agents and mortgage brokers.
- 2.12. The appointed organisation will be required to manage the portal throughout its lifecycle, managing content with GLA officers, responding to queries, maintaining the functionality and performance, and continuously improving the portal to ensure that it provides a best-in-class user experience for Londoners.
- 2.13. This project is being jointly run by the GLA's Housing & Land and Digital teams who will sign off the specification, conduct the assessment of bids and manage the development of the portal. Once the portal is operational the contract is expected to be primarily managed from within Housing & Land but with ongoing engagement from the Digital team.

3. Equality comments

- 3.1. The public sector equality duty requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation).
- 3.2. The Authority's equality duty has been taken into account ahead of commencing procuring a partner.
- 3.3. The new portal will be a single website offering guidance on housing options and advertising homes to buy or rent for all Londoners, which takes into account the need of accessibility for all, including persons with a disability and those with any other protected characteristic.

4. Other considerations

4.1. Key risks and issues

The principal risks are as follows:

- Possible delays to the competitive tender exercise and the portal development therefore not being delivered and live by 1st April 2018. This has been mitigated by GLA officers and Share to Buy agreeing a three month extension on the First Steps website to 30 June 2018. This is a fall-back position and is not expected to be utilised.
- The GLA Investment Partners are familiar with the First Steps website and protocol of advertising shared ownership properties on it. To ensure IPs advertise on the new property portal and there are a high volume of properties available for users at launch, a strong communication plan with partners will be required along with general promotion of the property portal to the public.
- A principle goal of many social lettings agencies (SLAs) has been to offer prospective tenants the chance to avoid letting fees. Given the government's decision to ban fees, this may undermine some of the SLAs' attractiveness. However there is no financial risk to the GLA should SLAs be unable to offer properties, and the portal is not dependant on them for its viability.

4.2. Links to Mayoral strategies and priorities

- In November 2016, the Mayor of London published funding guidance for the '*Homes for Londoners: Affordable Homes Programme 2016-21*' to help start building at least 90,000 affordable homes by 2021 with over £3bn of funding which will help Londoners who would otherwise struggle to rent or buy. The funding guidance sets the expectation that GLA Investment Partners should advertise London Shared Ownership and London Living Rent properties on the London property portal.
- The Mayor's Draft Affordable Housing and Viability Supplementary Planning Guidance (SPG), published November 2016, stipulates that build-to-rent developments will be expected to include affordable homes for discounted market rent and that properties must be advertised on the GLA's London-wide property portal.

4.3. Impact assessments and consultations

- There was an alternative option of delivering the portal in-house. Initial investigations suggested that the building of the portal itself would cost at least £150,000, but this figure would only be firmed up through further detailed analysis. More significant was considered the scope of providing a direct service unlike anything else the GLA does. It was estimated to require at least two full-time members of staff to operate, which would bring potential issues of resilience in the event of sickness, absence or other problems. With the staffing costs estimated at £100,000 per year, combined with the cost of building the portal it would cost the GLA at least £650,000 through to 2021. This does not feature in current budgets. Despite the greater control that in-house delivery would offer this option was discounted due to the greater cost and risk to service delivery and customer experience from taking on an entirely new function.

5. Financial comments

- 5.1. This decision requests approval to commence a procurement exercise for the delivery of a single web based London property portal to market a range of homes in London. The aim is to procure a commercial partner (between 1 April 2018 and 31 March 2023) who will build and manage the portal, which will be fully integrated into London.gov.uk, at nil cost to the GLA.
- 5.2. Under the terms of the contract the successful organisation will not be able to charge any fees either to the GLA or to housing providers. However, they will be receiving reputational/marketing benefits from the relationship and be able to propose the ways in which they could commercialise the service. GLA officers, in Housing & Land department, will be closely monitoring the development as well as the delivery of this project.

6. Legal comments

- 6.1. Sections 1 – 4 of this report indicate that the decisions requested of the Mayor in accordance with the GLA's Contracts and Funding Code fall 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 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. The GLA's operation of a London Property Portal falls within the principal purposes of the Authority as it promotes social and economic development in London by providing those on low and modest incomes the opportunity to access intermediate housing in London. The re-configuration of the services is being undertaken with the view to update services to reflect general market practice and to secure value for money, which is in accordance with the GLA's Contracts and Funding Code.
- 6.3. The services required 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. 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 the services.

7. Planned delivery approach and next steps

Activity	Timeline
Commence procurement of portal	15 May 2017
Appoint preferred partner	17 July 2017
Enter contract with partner	31 July 2017
Announcement [if applicable]	31 July 2017
Delivery Start Date	7 August 2017
Delivery End Date	19 March 2018
Property portal launch	1 April 2018
Project Closure	31 March 2023

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

Announcement on 26 April 2017.

Until what date: 26 April 2017

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:

Eleanor Byrne has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 10 April 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Bell

Date

12.4.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

20/4/2017

