

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1388

### Title: Homelessness Change and Platform for Life Fund

#### Executive Summary:

This Mayoral Decision confirms acceptance of £15.5m, London's proportionate share of the Homelessness Change and Platform for Life Fund, directly allocated from the Department of Health and the Department for Communities and Local Government. Approval is also sought for an additional £15.0m of funding to be added to the funding provided by DoH and DCLG. The Housing and Land Directorate wish to publish a prospectus which will invite organisations to bid for £30.5m of funding to enhance existing and/or develop new hostel accommodation across the capital. The fund will be administered over 4 years commencing in 2014/15.

#### Decision:

That the Mayor approves:

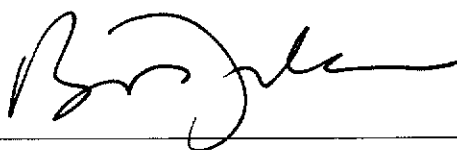
1. The receipt by the GLA of £15.5m of funding for the Homelessness Change and Platform for Life fund.
2. Capital expenditure of up to £30.5 million for the Mayor's Housing Covenant - Homelessness Change and Platform for Life Fund.
3. The principles and practices set out in the Memorandum of Understanding with the Department of Health and the draft Mayor's Housing Covenant - Homelessness Change and Platform for Life Fund Prospectus.

#### 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:

15/8/14

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

### **Decision required – supporting report**

#### **1. Introduction and background**

The Treasury Spending statement published in June 2013 included an announcement that funding would be made available to provide new and refurbished hostel accommodation aimed at improving the health of rough sleepers.

The Department of Health (DoH) has awarded £15.0m of capital funding to London and negotiations have been taking place with GLA staff for this fund to be administered by the Mayor. A further £0.5m has been awarded to London by DCLG in order to fund schemes where a start can be achieved in 2014/15. The final allocation for London is subject to formal ministerial sign off which is expected later this year. Outside of London a separate fund will be administered by the HCA.

The comprehensive spending review for 2015-18 secures £1.25bn for affordable housing delivery in London with £1.07bn grant funding for the 2015-18 programme alongside £180m agreed for London through the Affordable Homes Guarantee. The GLA will allocate £15.0m of this funding to increase the potential Homelessness Change and Platform for Life Programme up to £30.5m.

This funding will be aimed at two forms of hostel provision the first being traditional hostel provision and the second aimed at young adults who are in employment and or further education. It is intended that this will be one programme of funding called The Mayors Homelessness Change and Platform for Life funds (HC&PLF)

The Mayor will publish a funding prospectus and bidding guidance which will invite bids for capital grant to fund the enhancement of existing schemes as well as the provision of new hostels.

The Mayor will draw down capital from the DoH in 14/15 and 15/16 and will use this to administer a grant funding programme completing by March 2018.

The Department of Health have agreed to fund the GLA's legal expenses for the delivery of this programme up to a maximum cost of £42,000.

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

The overarching aims of this funding are twofold: to provide hostel accommodation to improve the physical and mental health outcomes for rough sleepers, and to provide stable accommodation for homeless young people where they engage with work and education. In order to meet these aims the funding will be split into two core elements; Homelessness Change and Platform for Life.

Homelessness Change funding will provide new and improved hostel accommodation with facilities for the provision of healthcare, training or education for rough sleepers with the aim of helping them off the streets, into independent living and transforming their lives.

As tackling Homelessness is a priority for the Mayor and over recent years the numbers of people homeless in London is increasing, the Mayor has decided to increase the funding pot available by £15m and so the total funding available for this programme will be £30.5m.

The majority of capital funding will be available for schemes that can start on site in 2015/16. Whilst priority will be given to bids that can complete early all schemes need to be complete by 31st March 2018 when the fund ends.

### **3. Equality comments**

The new and refurbished hostel accommodation that will be provided by this programme will be available for use by any adult persons who are homeless or who are at threat of homelessness. It will also provide accommodation for younger adults and enable them to achieve improved equal life chances.

This programme will help meet the Mayors Equality Objectives for housing (as stated in the GLA's Equal Life Chances for All publication - June 14), and in particular Objective 4 "Tackle housing need". It will achieve this by ensuring that nobody will live on the streets of London and nobody arriving on the streets will sleep out for a second night.

The measure of this success will be by monitoring the numbers of rough sleepers in London sleeping out only once and by monitoring the number of BAEM people among acceptances

Issues around rough sleeping were considered as part of the draft revised London Housing Strategy, published for consultation in December 2011, which was subject to an Integrated Impact Assessment ("IIA"), including an Equalities Impact Assessment. These are referred to in the IIA (published in January 2014) of the draft 2013 London Housing Strategy

### **4. Other considerations**

#### **a) Key risks and issues**

- There is a risk that the funding could be under-subscribed, leaving un-allocated funding. This risk is considered unlikely due to the feedback from local authorities and investment partners with regards to demand.
- There is a risk that the fund is not promoted widely enough within the sector. This will be mitigated by looking to update all forums and ensure the launch of the prospectus gets sufficient coverage.
- There is a risk that through this fund the Mayor could be seen as prioritising hostel accommodation over and above other much needed provision; however this fund was transferred with the explicit purpose to delivery additional hostel accommodation.

#### **b) links to Mayoral strategies and priorities**

In 2008, the Mayor of London set London's first ever target to eradicate rough sleeping in the city. Since then he has been working closely with the Government, local authorities and other organisations to ensure that no one lives on London's streets and no one arriving there sleeps rough for a second night.

Issues around rough sleeping were considered as part of the draft revised London Housing Strategy, published for consultation in December 2011. Mayoral policy 35 (contained in the (Draft) London Housing Strategy – Integrated Impact Assessment) states that "The Mayor will work with boroughs

and other partners to ensure no one new to the streets sleeps rough for a second night and no-one lives on the streets of London”.

This work has yielded considerable progress however the flow of new rough sleepers onto the streets has increased and therefore the Mayor’s 2014 draft London Housing Strategy (which, it is anticipated, is soon to become the final statutory London Housing Strategy) includes a new strategic commitment to minimise the numbers of people living on the street.

The No Second Night Out initiative has important benefits by preventing people entering rough sleeping and experiencing the associated health risks and dangers to their safety.

Policies 35 – 36 of the 2014 draft London Housing Strategy concern tackling rough sleeping and addressing statutory homelessness.

The Homelessness Change and Platform for life fund provides capital funding to build new and improved hostel accommodation which directly complements the mayor’s revenues funded initiatives to reduce rough sleeping such as the “No Second Night Out” and “No First Night Out” initiatives.

#### **c) Impact assessment.**

The impact of this funding initiative will be monitored by our management information systems. The IMS will monitor a wide range of site specific information including, among others, Grant rate, total scheme cost, units delivered, start on site date, completions date and quality thresholds achieved.

Issues around rough sleeping were considered as part of the draft revised London Housing Strategy, published for consultation in December 2011, which was subject to an Integrated Impact Assessment (“IIA”), including an Equalities Impact Assessment. These are referred to in the IIA (published in January 2014) of the draft 2013 London Housing Strategy. The January 2014 IIA concludes that the No Second Night Out initiative has important benefits by preventing people entering rough sleeping and experiencing the associated health risks and dangers to their safety. It concludes that the policy should be positive for health, and that it contributes to improving liveability and place by seeking to end rough sleeping, increasing access to hostels and supported housing.

#### **d) Consultation**

Detailed consultation was undertaken in relation to the London Housing Strategy (including boroughs, the public, and community groups) and these proposals are consistent with the London Housing Strategy.

### **5. Financial comments**

£15.5m of additional capital funding has been promised to enable delivery of this programme and a further £15m will be made available from the GLA’s 2015-18 affordable housing settlement, also capital, if the programme is to be administered by the GLA.

Administration of the project will be performed by existing GLA staff – there will therefore be no impact on revenue resources.

Bids will need to be assessed for financial risks as well as ensuring deliverability. Due diligence will be undertaken by Housing & Land with support from Financial Services where required.

The Housing and Land costs associated with obtaining specialist legal advice and drafting of the necessary legal documents are estimated to be up to £42,000. These costs will initially be paid from the Housing and Land legal costs budget and will then be repaid to GLA by DoH.

## 6. Legal comments

- 6.1 Under section 333ZE(2)(b) of the Greater London Authority Act 1999 (as amended), ("the GLA Act") the GLA may provide financial assistance, by way of grant (and other means) on condition that the recipient provides social housing. "*Social housing*" includes "low cost rental accommodation," which is accommodation that is made available for rent, below the market rate, and in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market.
- 6.2 Platform for Life is a programme for shared accommodation let at an Affordable Rent for young people aged 18-24, who are homeless or at risk of homelessness and are in housing need. Providing that eligibility criteria are articulated to ensure that this Affordable Rent accommodation is made available accordingly, the funding provided for Platform for Life will constitute social housing financial assistance under section 333ZE(2)(b) of the GLA Act.
- 6.3 Such financial assistance may be given on such terms and conditions as the GLA considers appropriate (including provision for repayment, with or without interest).
- 6.4 Under section 333ZE of the GLA Act, which applies section 31 of the Housing and Regeneration Act 2008 to the GLA with modifications, the GLA must ensure that a Registered Provider of Social Housing is the landlord of accommodation if the GLA is proposing to give financial assistance on condition that the recipient provides low cost rental, social housing, and accommodation. The bidding prospectus at Appendix 1 recognises that bidders will need to demonstrate that they are likely to achieve Registered Provider status as required.
- 6.5 Under section 333ZE(3) of the GLA Act, sums received by the GLA in respect of repayments of grants made by it for the purposes of social housing must be used by the Authority for social housing purposes.
- 6.6 Under section 30 of the GLA Act, the GLA has the power to do anything which it considers will further any one or more of its principal purposes of (i) promoting economic development and wealth creation (ii) promoting social development; and (iii) promoting the improvement of the environment in Greater London. The GLA is permitted to provide grant funding for Homeless Change and aspects of the Platform for Change project (which do not constitute social housing assistance) providing that it considers that doing so with further any one or more of its principal purposes; and providing that it is not prohibited from doing so by section 31, which prohibits the GLA from using its section 30 power to incur expenditure in providing any education services, any social services; or any health services in any case where the provision in question may be made by a London borough council, the Common Council or any other public body. However, section 31(6) does not prohibit the GLA from incurring expenditure in co-operating with, or facilitating or co-ordinating the activities, of those bodies.
- 6.7 The matters that the GLA appears to be proposing to fund, outside of the provision of social housing assistance, appear to fall within section 30 and do not appear to be prohibited by section 31 of the GLA Act.
- 6.8 In using the powers under section 30 of the GLA Act, the Mayor will need to comply with the requirements of section 30(4-5). These factors, relating to health and sustainable development, are taken into account in the bidding prospectus. In addition, under section 32 of the GLA Act the Mayor is empowered to use his section 30 powers after consultation with such bodies or persons as considered appropriate in each case; and must consider consulting with London borough councils, the Common Council and the bodies listed in section 32(3) of the GLA Act.

6.9 In making this decision, and any decision which is made further to bids received, due and meaningful regard with an open mind must be had 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).

6.10 Under section 38 of the GLA Act the Mayor has the power to delegate authority to any member of staff of the Authority. The General Delegation contained in the Mayor's Scheme of Delegation sets out the Mayor's general delegation to GLA staff.

## **7. Investment & Performance Board**

This proposal was reviewed at HIG 9<sup>th</sup> June. The recommendation from HIG was to approve the paper but with the condition that the prospectus is amended to include references to the GLA's existing homelessness initiatives and also for the GLA to provide an additional £15m of funding into the programme.

The prospectus has now been amended as requested

The provision for the additional £15m funding is included within this MD.

## **8. Planned delivery approach and next steps**

| <b>Activity</b>                                             | <b>Timeline</b>             |
|-------------------------------------------------------------|-----------------------------|
| Announcement of programme, prospectus and invitation to bid | July/August 2014            |
| Deadline for receipt of bids and start of bid assessment    | late Oct 2014               |
| Announcement of funding allocations                         | Dec 14                      |
| Contracting with investment partners                        | Jan to Mar 2015             |
| Delivery of programme                                       | Jan 14 to Mar 18            |
| Delivery End Date [for project proposals                    | 31 <sup>st</sup> March 2018 |

### **Appendices and supporting papers:**

1. Homelessness change and Platform for Life Fund prospectus
2. HIG Paper
3. MoU

**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**

If YES, for what reason:

Deferral of publication is requested until after the date of the formal Ministerial announcement regarding the Homelessness Change and Platform for Life fund.

Until what date: (Immediately after the formal Ministerial statement, the longstop date for this is 28<sup>th</sup> September 2014)

**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:**

Peter Fletcher has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

**Assistant Director/Head of Service:**

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

✓

**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:**

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*M Dille*

**Date**

*14.8.14*

**CHIEF OF STAFF:**

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

**Signature**

*Edmund Hill*

**Date**

*14.08.2014*

