

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2194

### Title: London Community-Led Housing Hub

#### Executive Summary:

The London Community-Led Housing Hub will be a central access and connection point for Londoners to help them develop their own genuinely affordable homes in the capital. The Hub will offer advice on how to access funding and unlock land, as well as offering technical support for projects and a base for information sharing and establishing delivery partnerships.

#### Decision:

The Mayor approves:

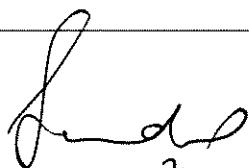
1. expenditure of £250,000 between November 2017 and 31 March 2020 to fund the set up and implementation of a hub for community-led housing in London
2. the receipt and expenditure of up to £500,000 from London boroughs or other sources, between November 2017 and 31 March 2020, to contribute to the implementation of the hub
3. a delegation to the Executive Director of Housing and Land to approve of any variation to the amount of funds received and spent from London boroughs or other sources
4. provision up to £750,000 of grant-funding to, and entering into an agreement with, CDS Co-Operatives, the organisation that will set up and implement the hub.

#### 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:

23/11/17

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 The GLA has engaged actively and broadly with the community-led housing sector and associated sectors since the summer of 2016 to identify barriers and opportunities for community-led housing. The lack of information, capacity building, technical support and partnership brokering emerged as key barriers throughout this engagement. A community-led housing hub, providing support to projects and organisations, has been identified as a solution - to unlock and support the sector in London to grow and deliver genuinely affordable housing that serves local needs at scale.
- 1.2 £250,000 of revenue funding has been allocated in the Mayor of London's budget to seed fund a London Community-Led Housing Hub. In addition, to date, eight boroughs have agreed to contribute all or part of funding they recently secured through the Department of Communities and Local Government's Community Housing Fund to the Hub (a total of c£277,000). There will be a formal agreement between the GLA and the contributing boroughs.
- 1.3 The GLA has engaged extensively with the community-led housing sector on delivery options for the hub. The model that has emerged is to have an organisation working in and supported by the sector to co-ordinate its development and delivery and host its staff, steered by a board of community-led housing organisations and the GLA. CDS has been identified as the only organisation that has the capacity, expertise and support of the sector to take the hub forward, and as well as match-funding and other resources, including staffing and marketing and communications input, to contribute to the project.
- 1.4 An alternative option that was considered was for the GLA to develop and run the Hub. This option was rejected for two reasons. First, because of the overwhelming view that emerged from consultation that the Hub should be embedded within the community-led housing sector. Second, because of the added value that an external community-led housing organisation could bring, in terms of expertise, match funding and in-kind support.
- 1.5 CDS Co-Operatives have procured a consultant to produce a five-year business plan and proposals for governance arrangements for the Hub. It is envisaged that the plan and governance arrangements will be finalised during November.

#### 2. Objectives and expected outcomes

- 2.1 The aim of the Hub is to facilitate the growth of the community-led housing sector in London, by providing:
  - **information:** a first point of contact via an online and physical presence for anyone interested in getting involved with community-led housing in London, including signposting and information sharing
  - **capacity building** for communities and connected sectors: Information sharing, peer-to-peer learning, site visits, knowledge building and sharing, technical skills training, facilitating CLH group formation and growth, and developing community housing leaders
  - **technical support** for projects, e.g. short bursts of free support from professionals and existing groups for community-led housing groups, surgeries, workshops, set number of days' access to technical experts
  - **partnership brokering** with funders, land owners, technical service providers, mortgage lenders, and others, providing further capacity building.
- 2.2 The Mayor's contribution will provide seed funding to CDS Co-Operatives for the Hub to be set up and run for three years. Additional funding from London boroughs, and potentially other sources, will enable the Hub to increase its scope and coverage. For example, it could be used to fund additional staff for the Hub or subsidise consultancy advice to community-led organisations seeking to develop a project, benefitting a larger number of organisations and providing a more in-depth service.

### 2.3 Key outcomes will include:

- a significant increase in the number of community-led homes started/built in London
- increased access to land and funding for community-led housing in London
- positive feedback about the hub as a resource for London communities, councils, landowners, funders, and others interested in making community led housing a mainstream housing option
- increased awareness of the potential for community-led housing in London, with increased enthusiasm and local community capacity to lead projects
- shared learning being embedded in organisations, so that the delivery of community-led housing becomes easier, faster, cheaper and more reliable over time
- the establishment of arrangements for the hub to be a long-term and self-financing body.

### 3. Equality comments

- 3.1 The Hub will provide a service available to all Londoners, and will seek to reach and empower a broad and diverse audience. This will be achieved through a range of communications channels, including a website, face-to-face activities, mail and phone access, and through providing enabling services.
- 3.2 In designing and formulating this project the GLA has complied with the public sector equality duty. GLA officers have had due regard to the need to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010; advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations between people who share a protected characteristic and those who do not.
- 3.3 There is a chronic shortage of affordable housing in London and those with protected characteristics are more likely to disproportionately suffer as a result of that shortage. Community-led housing generally produces decent affordable homes and is often designed to help particular groups of people and to meet community need.
- 3.4 By encouraging and facilitating community-led housing which meets local communities' needs, the GLA hopes to create a positive impact in equalities terms and to advance equality of opportunity for those with protected characteristics who are currently disadvantaged by the housing situation in London.
- 3.5 The GLA will continually monitor the projects and other outputs coming out of the Hub to ensure that its goal is being realised.

### 4. Other considerations

#### a) Key risks and issues

Risk description	Rating	Mitigating action
The Hub fails to deliver outputs, including becoming self-funding	Low risk	<p>A grant agreement between the GLA and CDS Co-Operatives will specify milestones and targets and monitoring and reporting arrangements.</p> <p>The Hub Director will have specific milestones and targets and the grant agreement will require CDS Co-Operatives to manage the Director to ensure that these are met. With regard to the Hub becoming self-funding, the grant agreement will require CDS Co-</p>

		<p>Operatives to ensure that sufficient funding is in place to run the Hub until this is achieved.</p> <p>A Hub Board will provide governance and oversight of the project. Membership of this group is likely to include GLA, CDS Co-operatives, National CLT Network, UK CO-Housing Network, Confederation of Co-operative Housing.</p>
London boroughs fail to make their anticipated contributions	Low risk	<p>Eight boroughs have committed to contributing a total c£277,000, and Department of Communities and Local Government's Community Housing Fund grant funding to them has been awarded on the basis that this sum is paid to the GLA. The GLA is currently seeking contributions from additional boroughs and other sources.</p> <p>However, the business model for the Hub is being developed with the flexibility to be able to deliver satisfactory outcomes with solely the Mayoral funding of £250k. This means that if funding received from boroughs is not forthcoming, the Hub outputs will be managed to take into account the lesser resource.</p>

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

- 4.1 Policy 5.3a of the Mayor's Draft London Housing Strategy, published in September 2017, includes the following proposals:

*'Working with councils and others, the Mayor will support Londoners to be involved in planning and delivering new homes. This will include:*

*i supporting the expansion of community-led housing schemes through a new Community-Led Housing Hub for London; and*

*ii investing in community-led housing schemes and lobbying Government for a share of the national Community Housing Fund.'*

## **c) Impact assessments and consultations**

- 4.2 GLA officers have worked with a range of community-led housing stakeholders on the development of the Hub. Several round tables have been held with representatives from a broad range of backgrounds, enabling a diverse range of voices to be heard. This includes national community-led housing bodies, central government, and various membership and interest organisations.

## **5. Financial comments**

- 5.1 This decision requests approval to commit up to £750k (£250k of GLA funding plus £500k contributions from London boroughs or other sources) of grant funding, as well as enter into an agreement with CDS Co-Operatives, the organisation that will set up and implement the London Community-Led Housing Hub.
- 5.2 GLA's funding (£250k) alongside borough/other contributions (up to £500k) will provide initial seed funding to enable the hub to be set up and run for three years (between 2017/18 to 2019/20), with the long-term aim of becoming self-sustainable, without the need for government grants.
- 5.3 It should be noted, however, that at this point, only around half of the borough contribution funding (£500k) has been secured. The Housing Programmes and Services unit in Housing and Land will

ensure that funding arrangements with CDS Co-Operatives include appropriate actions to mitigate the possibility of scaling down the services in case borough contributions fall short of the expected amount (as described in 'Key Risks and Issues' section above).

## **6. Legal comments**

- 6.1 Under section 30 of the Greater London Authority Act 1999 ('the Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment. Furthermore, section 34 of the Act allows the GLA to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the GLA proposes to provide grant funding to an organisation in order to set up a hub to facilitate community led housing. Accordingly, the funding may be viewed as being calculated to facilitate and be conducive and incidental to the promotion of economic and social development within Greater London.
- 6.2 The Power under s.30 is only exercisable after consultation with such bodies or persons as the authority may consider appropriate in the particular case. GLA officers have confirmed that it has consulted all bodies it considers appropriate.
- 6.3 The proposed grant funding to CDS may be viewed as a conditional gift rather than a contract for services and supplies. Paragraph 12.3 & 12.4 of the GLA's Contract and Funding Code requires that funding be distributed fairly, transparently and in accordance with the GLA's obligations regarding equality of opportunity. Whilst such awards are generally made following a competitive exercise, in this instance CDS are considered the only organisation capable of delivering the project as envisaged. Furthermore, officers must ensure that appropriate contractual agreements are put in place between the GLA, The London Borough and CDS before any commitment to fund is made.
- 6.4 External lawyers have been instructed to provide an opinion on any State Aid implication arising from the proposals. Any necessary action will be taken to ensure compliance with State Aid rules should such action be required.

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

- 7.1 It is envisaged that CDS Co-Operatives will be the lead organisation for the hub. They will host and employ all Hub staff and will be responsible for all aspects of the hub, including all associated databases and websites.

<b>Activity</b>	<b>Timeline</b>
Agree business plan and governance arrangements	November 2017
Enter into a grant agreement with CDS Co-Operatives	November 2017
Hub Project Director recruited	By early 2018
Funding received from the eight committed boroughs	By end of December 2017
Delivery start date	Early 2018
Final evaluation start and finish	April-June 2021
Delivery end date	31 March 2021

## **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**

If YES, for what reason:

Until initiative is announced by Deputy Mayor.

Until what date: (a date is required if deferring); Announcement planned for 27 November 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:**

Debra Levison has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

David Lunt 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 20 November 2017.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*M. J. Elce*

**Date**

20.11.17

**CHIEF OF STAFF:**

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

**Signature**

*D. Bellamy*

**Date**

20/11/2017