

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2219

Title: Legal Work for No Second Night Out Leases

Executive Summary:

The No Second Night Out (NSNO) service, funded and commissioned by the Mayor as part of his suite of rough sleeping services, has always operated out of temporary premises. Working in partnership with St Mungo's, the Mayor is developing two permanent assessment hubs and a staging post for NSNO.

MD 2193 authorised the execution of two leases and two 'agreements to enter into a lease' with St Mungo's for two No Second Night Out (NSNO) permanent hubs.

External legal advice including due diligence is required to enter into the leases and agreements. A Delegated Authority Record (DAR) for up to £10,000 plus VAT was approved on 16 February 2018. It is now clear that total costs will exceed £10,000 and are estimated to be up to £20,000. This ADD Form is seeking approval for this increased expenditure.

Decision:

That the Assistant Director – Housing, approves expenditure of up to £20,000 towards legal costs and due diligence required to enter into the two leases and 'agreements to enter into a lease' for the two No Second Night Out (NSNO) permanent hubs.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

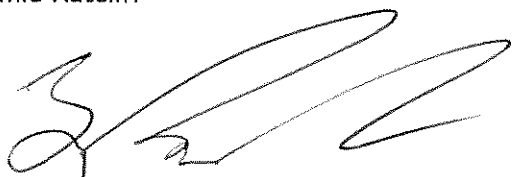
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Jamie Ratcliff

Position: Assistant Director – Housing

Signature:



Date:

3/5/18

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. NSNO is a service for new rough sleepers, providing them with a rapid single service offer to prevent them from spending a second night out and becoming entrenched. In 2016/17, 1,523 new rough sleepers were assisted by the service (30 per cent of the new arrivals onto the street), 84 per cent of whom were not seen rough sleeping again during that year.
- 1.2. NSNO currently comprises three assessment hubs plus two staging posts, for people whose rough sleeping cannot be resolved quickly and who therefore need short-term accommodation. Each hub currently has capacity for a maximum of 25 clients.
- 1.3. NSNO has operated from a series of temporary premises and, therefore, a position of some uncertainty. Also, finding premises has been extremely challenging and, as a result, none of the service's buildings have been ideal, in terms of internal layout and size. The service is continually at risk of losing its premises, posing a serious threat to the continuity of the service and considerable uncertainty over the cost of future premises.
- 1.4. In addition, under the current NSNO contract, it is the responsibility of the service provider to secure accommodation for the hubs and staging posts, and contract with accommodation providers where appropriate. Having the service and the accommodation inextricably linked in this way limits the market of potential service providers or could result in breaks in the service following a procurement exercise, while new providers find suitable premises.
- 1.5. Working in partnership with St Mungo's, the Mayor is developing two permanent assessment hubs and a staging post for NSNO. As well as being for the NSNO services, these premises will accommodate the GLA's Severe Weather Emergency Provision (SWEP) for rough sleepers. The staging post and one of the hubs will be in LB Lewisham and the other hub will be in Hackney. The Hackney hub was started on site in 2017 and the Lewisham development will start on site in 2018. Through his Homelessness Change programme, the Mayor has allocated around £5 million plus VAT to St Mungo's towards funding the project, with St Mungo's providing the remainder. Approval for this funding has been given by the Executive Director of Housing and Land, through the delegation approved in MD2085.
- 1.6. In addition to the funding agreement, a nominations agreement between the GLA and St Mungo's will give the GLA nomination rights to the staging post. It is proposed that the GLA enters into a lease for each of the assessment hubs. The duration for each lease would be 14 years and 11 months. There would be no cost for the leases themselves, but as the tenant the GLA would be required to make an annual contribution towards running costs, such as business rates, utilities, taxes and outgoings. This would be £13,500 per hub, increasing by RPI each year, for the duration of the leases.
- 1.7. Whichever organisation that the GLA commissions to run the NSNO service is contractually required to pay a contribution towards running costs (out of the funding that the GLA pays them for delivering the service). The current service provider is St Mungo's. Their contract runs from 1 April 2017 to 31 March 2019, with scope to extend by up to two years. The funding from the GLA to the NSNO service provider includes an element of funding for running costs. The NSNO service provider pays those running costs direct to the landlord of the accommodation. Approval was granted through MD2031 to procure and fund the NSNO service from 1 April 2017 to 31 March 2019. Running costs for the hubs were included in the funding approved through MD2031. This means that there is already approval for expenditure on these running costs up to 31 March 2019.

- 1.8. When the NSNO service is re-procured, while St Mungo's will continue to be responsible for the buildings, there could be a different organisation providing the service.
- 1.9. MD2913 approves the GLA entering into the two leases and the 'agreements to lease' with St Mungo's for two NSNO permanent hubs.
- 1.10. The total cost for the legal work and due diligence to enter into the leases and the 'agreements to lease' is expected to be up to £20,000 plus VAT. A DAR for £10,000 of the costs was approved on the 16 February 2018, but it has recently become apparent that costs will exceed this. Eversheds Sutherland was procured to undertake the work through the TFL Legal panel.

2. Objectives and expected outcomes

- 2.3 NSNO contributes to the following key corporate performance indicator: *'Each year, 85 per cent of individuals being supported by Mayoral programmes and services exit rough sleeping as a result of this support.'*
- 2.4 A key outcome for the NSNO service is that fewer than ten per cent of those leaving the hubs each quarter subsequently end up rough sleeping during that quarter.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and GLA are subject to a public sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (all except the last being "relevant" protected characteristics).
- 3.2 Of those seen rough sleeping in 2016/17:
 - 53 per cent were non-UK nationals
 - 47 per cent had a mental health need
 - 15 per cent were women
 - 56 per cent were in the 26-45 age group
 - nine per cent were under 26 years old
 - 11 per cent were over 55
 - four people were under 18.
- 3.3 As rough sleepers those with protected characteristics of race and disability are over-represented among rough sleepers, the proposals in this paper are likely to have positive impacts on these groups.

4. Other considerations

a) Key risks

Risk description	Rating	Mitigating action
There is no longer a need for the hubs	Low risk	Given the continuing high numbers of new rough sleepers in the capital, it is anticipated that there will be an ongoing need for NSNO for many years to come. However, should NSNO be discontinued, or its coverage reduced, either the

		hubs would be repurposed or the lease would be terminated. Each lease will contain a break clause of six months for the GLA.
The development of the hubs does not go ahead	Low risk	The funding is in place to develop both hubs and the GLA is working closely with St Mungo's to progress the development. Works on the Hackney hub are already underway.

b) Links to Mayoral strategies and priorities

- 4.1 The draft London Housing Strategy, published in September 2017, states that '*Rough sleepers should be supported off the streets as quickly and sustainably as possible. The Mayor's central aim will be to ensure there is a route off the streets for every single rough sleeper in London.*' (Policy 7.2). It further states that the Mayor will '*develop new services including a permanent base for the No Second Night Out service*'.

c) Impact assessments and consultations

- 4.2 St Mungo's have undertaken extensive local consultation on the development of both hubs, and have secured planning permission from LB Lewisham and LB Hackney.

5. Financial comments

- 5.1 The total cost is expected to be up to £20,000. A DAR for up to £10,000 plus VAT was approved on 16th February 2018. The actual spend in 2017/18 was £2,079 plus VAT. Expected spend is up to £17,921 plus VAT in 2018/19. The expenditure will be met from the Management and Consultancy budget.

6. Planned delivery approach and next steps

Activity	Timeline
Legal work, including due diligence, completed	Q1 2018/19
Agreement to enter into a lease signed by the GLA (for Hackney and Lewisham hubs)	Q1 2018/19
Hackney hub completes/lease signed*	Q1 2018/19
St Mungo's contractors start on site for the hub in Lewisham*	Q2 2018/19
Lewisham hub completes/lease signed*	Q1 2019/20
Hackney lease ends*	14 years and 11 months from completion/leases being signed
Lewisham lease ends*	

**indicative dates, subject to change*

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? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

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:**

Leanne Keltie has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 30 April 2018.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

01-05-18

