

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2270

Title: Future of London council-led housing forum

Executive Summary:

The Mayor's *Building Council Homes for Londoners* programme includes a commitment for the GLA to work with Future of London 2011 Ltd (FoL) to set up a dedicated forum to enable councils to share learning on building new council homes. FoL is a not-for-profit policy network, of which the GLA and most London boroughs are members. This decision seeks approval for expenditure of £75k over three years from 2018 to 2021 to enter into a contract with FoL for FoL to set up and run a new forum focused on council homebuilding. This will be funded from the Housing and Land Management and Consultancy Budget. The decision also seeks approval of an exemption from the requirements of section 9 of the GLA Contracts and Funding Code.

Decision:

That the Executive Director Resources approves:

1. Expenditure of £75k over three years (£25k per annum) from October 2018 to October 2021 as payment to FoL to enable it to set up and run a new council-led housing forum; and
2. A related exemption from the requirement of section 9 of the GLA Contracts and Funding Code to procure services competitively.

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: Martin Clarke

Position: Executive Director (Resources)

Signature:

M. D. Clarke

Date:

12.9.18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 In May 2018, the Mayor launched the *Building Council Homes for Londoners* programme which aims to support councils to increase their capacity to deliver new council homes. In recognition of the fact that many councils are at different stages in establishing their delivery teams, the programme also sets out measures to support councils to 'increase capacity, skills and expertise'.
- 1.2 A key commitment is for the GLA to 'work with Future of London to develop a dedicated forum to share best practice, review high-level technical content, undertake site visits and benefit from bespoke research all aimed specifically at assisting councils to build more homes'.
- 1.3 Future of London 2011 Ltd (FoL) is an independent not-for-profit policy network. The GLA is a member of the network, and has previously funded two similar initiatives, the Housing Zones Network (a network for public sector officers working on Housing Zones) and the London Housing Network (a broader network aimed at the wider housing sector). GLA funding for the Housing Zones Network was approved in 2015 by ADD367 (£15k) and renewed in 2016 by ADD2038 (£15k). Funding for the London Housing Network from September 2017 to September 2018 was approved by ADD2160 (£15k).
- 1.4 The GLA proposes that FoL be commissioned to set up a new forum which will have a more specific remit of supporting councils to develop their delivery teams. It will start in October 2018 and run for three years until October 2021. During this time FoL will deliver 10 bespoke training events per year. To monitor the success of the forum, FoL will produce annual reports and have annual review meetings with the GLA to reflect on progress and plan for the 12 months ahead.
- 1.5 The forum's programme of events has been informed by an advisory group consisting of stakeholders from councils, the GLA, housing associations and industry, and will cover a range of topics including:
- Securing buy-in (politically and across the organisation);
 - Legal, finance and procurement processes;
 - Building the right team;
 - Project management (prior to and following the start of onsite construction);
 - Management and maintenance; and
 - Sales and marketing.
- 1.6 This DD seeks approval of expenditure of £75k over three years (£25k per annum) for services required to establish and run the new forum from October 2018 to October 2021. This will replace the contract for FoL to run the London Housing Network which has been in place over the last two years (which had a value of £15k per annum, approved via ADD2160). The increased expenditure required for the new forum is in recognition that FoL needs to expand beyond its current remit, both in terms of content (which will be more technical and likely to involve commissioning external experts) and audience (for instance, targeting legal and finance as well as housing and planning teams), and will involve a wider suite of event formats. The expenditure would come from the Housing and Land Management and Consultancy Budget (GH.0940.006).

Exemption

- 1.7 Officers acknowledge that section 9 of the GLA's Contracts and Funding Code requires, where the expected value of a contract for services is between £10,000 and £150,000, that such services be procured competitively or called off from an accessible framework. Section 10 provides however, that an exemption from this requirement may be approved where the proposed contractor has had previous involvement in a project or is to continue existing work which cannot be separated from the new project/work.
- 1.8 Officers propose that FoL are contracted to provide the services as it represents work that cannot be separated from the recent services they have provided to the GLA through the London Housing Network. This is because the new forum is an extension of the London Housing Network which FoL have run for the last two years. FoL are therefore in a unique position to build on their membership and reputation to attract participants, as well as being able to mobilise quickly and ensure that the forum is able to be launched alongside the announcement of funding allocations as part of the Building Council Homes for Londoners programme. Furthermore, FoL has a membership that includes 27 London councils, which will enable them to ensure that the programme is shaped around, and responsive to, the needs of councils.
- 1.10 The alternative option of conducting an open tender for this purpose would mean a prospective supplier having to create a new forum from scratch to involve many of the same organisations that are already actively involved with FoL's other work. This would cause considerable delays to the formation of the network and would miss the opportunity to support councils at the beginning of their council homes programmes which would be particularly detrimental to those councils with little experience of development.
- 1.11 The GLA is confident that the contract with FoL to set up and run the new forum represents value for money. This is due to the reasons outlined above, which mean that awarding the contract to a new supplier would require time and resource to be spent in securing membership and building reputation. In addition, through the previous work with FoL on the Housing Zones Network, and the London Housing Network, the GLA is confident that FoL has the necessary skills, capability and resource to ensure that the forum will be of high quality and achieve the intended outcomes.

Declarations

- 1.12 It is noted that David Lunts, GLA Executive Directorate for Housing & Land, is a Future of London Board Member. Lucy Owen, Interim Executive Director for Development, Enterprise and Environment is shortly due to join the Board of Future of London.

2. Objectives and expected outcomes

- 2.1 The new council-led housing forum support councils to 'increase capacity, skills and expertise' in order to meet the Mayor's ambition of at least 10,000 new council and Right to Buy replacement home starts by 2022.
- 2.2 The forum will enable participants from councils to:
- Gain a more detailed understanding of the advantages and disadvantages of different housing delivery models;
 - Benefit from a 'safe space' to share best practice and lessons learned in setting up and running council-owned companies, as well as delivering in-house;
 - Be part of a structure providing ongoing peer support; and
 - Have access to an online resource of event summaries and research.

2.3 As a result, the expected outcomes are that participants and their organisations will:

- Be better equipped to deliver new council homes as quickly and efficiently as possible;
- Be more able to share successful ideas and practices, increasing the likelihood of avoiding mistakes and pitfalls experienced by other members of the forum;
- Feel supported by their peers and senior teams; and
- Promote housing delivery progress, successes and outcomes.

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 new forum seeks to support councils to build new council homes, particularly those for social rent, as part of the wider *Building Council Homes for Londoners* programme. This will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups¹ and women². The delivery of high-quality council housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health³.

3.3 Increasing the supply of affordable housing will help to alleviate poverty. Specific groups are more likely to experience poverty, including households headed by minority ethnic individuals, young people and disabled people, refugee and asylum seekers, travellers and gypsy groups, and workless households.⁴

3.4 In addition, this work forms part of the implementation of the Mayor's Housing Strategy priorities. The impact assessment for the Housing Strategy can be found here:
https://www.london.gov.uk/sites/default/files/2018_lhs_impact_assessment_fa.pdf

4. Other considerations

Risk	Mitigation Strategy	Lead
Low interest from councils	The forum is part of the wider <i>Building Council Homes for Londoners</i> programme, and Housing & Land officers have had initial feedback that there is significant interest from councils in bidding for funding from that programme. This suggests that there is likely to be a great deal of interest from councils in a forum directly supporting the delivery. GLA officers will promote the forum to councils who have been successful in their bids to encourage participation if necessary. The overall likelihood of this risk is considered low.	GLA
Objectives are not met or realised by individual members	The forum is being designed with the support of an advisory group which includes representatives from	FoL

¹ DCLG, Statutory Data On Homelessness, 2016

² *ibid*

³ Shelter People living in bad housing, 2013; Office of the Deputy Prime Minister, *The Impact Of Overcrowding On Health And Education*, 2004

⁴ Equality and Human Rights Commission, *Is England fair: the state of equalities and human rights*, 2016

	councils. This makes it more likely that the forum will meet the needs of councils and therefore that it will meet its overall objectives. In addition, FoL will produce annual reports and have an annual review meeting with the GLA to assess progress.	
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5. Financial comments

- 5.1 This decision requests approval to incur expenditure of £75k over three years (£25k per annum) from October 2018 to October 2021 as payment to FoL to enable it to set up and run a new council-led housing forum. This expenditure will be funded from Management and Consultancy budget within Housing & Land.

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 regards 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 and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion) 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 The GLA Contracts and Funding Code (the "**Code**") requires the GLA to either seek a call-off from a suitable framework or, if not, undertake a formal tender process which will be managed by TfL in respect of the services. However, the director may approve an exemption from this requirement under section 10 of the Code. The officers have set out at paragraphs 1.7 – 1.10 of this report the reasons why they believe this meets the exemption. On this basis the director may approve the proposed exemption if satisfied with the content of this report.
- 6.4 Officers must ensure that appropriate contract documentation is put in place and executed by the GLA and FoL before the commencement of the required services.

7. Planned delivery approach and next steps

Activity	Timeline
Sign contract with FoL	September 2018
Meeting of Advisory Group to agree initial programme activity	September 2018
Launch of network to coincide with announcement for outcome of <i>Building Council Homes for Londoners</i> programme	October 2018
Annual review of progress, including annual report	September 2019
Annual review of progress, including annual report	September 2020
Final review of network	September 2021

Appendices and supporting papers:

Single Source Request Form

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
to confirm the
following (✓)

Drafting officer:

Rebecca Reid has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Jamie Ratcliff 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 10 September 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Blc

Date

12.9.18

