

REQUEST FOR MAYORAL DECISION – MD1292

Title: Department of Health Care and Support Specialised Housing Fund - Update

Executive Summary:

This MD should be read in conjunction with MD1244 and further to that, this Mayoral Decision agrees that the GLA enter into contract with Viridian Housing Association for phase one of the Mayor's Care and Support Specialised Housing Fund to deliver specialised supported affordable housing

Decision:

That the Mayor approves:

1. As part of the Mayor's Care and Support Specialist Housing Fund Programme, the GLA entering into contract with Viridian Housing Association in place of the London Borough of Wandsworth for the scheme at Melody Road.

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:

28 March 2014

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

Decision required – supporting report

1. Introduction and background

Following the approval to administer the £40m Mayor's Care and Support Specialised Housing Fund (the Fund) over two phases and publish a bidding prospectus under MD1073, a Memorandum of Understanding (MoU) was signed and agreed between the Department of Health (DoH) and the GLA in February 2013 to govern the delivery of the programme. The MoU will be reviewed on an annual basis.

In order to build the programme for both phases the GLA required a decision from DoH as to the proportionate split between phase one and phase two of the Fund. Following a review of the level of bids received in phase one, in April 2013 the DoH requested a 75%/25% split between phase one and phase two respectively. This represents £30m for phase one for the provision of specialised supported affordable housing and £10m for phase two to help stimulate the private supported housing market.

MD1244 gave approval to enter into contract with the phase one successful bidders for up to a maximum of £30m.

2. Issues for Consideration

The London Borough of Wandsworth originally bid to deliver a scheme at Melody Road for 9 Homes with funding of £302,400. They bid to deliver this scheme independently. However after the allocation was awarded and further discussion with Wandsworth it transpired that they would not be the legal owner of the land and would therefore be unable to take the grant to deliver the scheme.

As the legal owners of the land, Viridian Housing Association will now deliver the scheme and therefore the GLA will enter into a MCSSHF contract with them. Viridian are an existing Investment partner of the GLA and are registered as a provider of affordable housing with the HCA.

Officers are satisfied that this scheme to be delivered by Viridian Housing Association satisfies the selection criteria for the award of the funding.

3. Other considerations

a) Key risks and issues

In order to recognise the £8m capital grant restriction per year, the profiled cash spend milestones at SOS and PC were manipulated. In most cases the milestones were moved from Q4 into the following financial year, in every case attention was paid to ensure March 2015 completions were maximised. The risk of successful partners not agreeing to a later milestone is low.

b) Links to Mayoral Strategies and priorities

In the revised London Housing Strategy, the Mayor has committed to working with London boroughs and development partners to ensure that they are meeting housing need in the capital by increasing the supply of housing, especially new affordable housing.

The draft London Housing Strategy indicates that although London is a relatively young city compared with the rest of the UK, 14 per cent of those who live in the capital, over a million, are

over retirement age. London is also home to 1.2 million disabled people just over a half of whom are older people.

Every year over a thousand of London's social tenants voluntarily choose to downsize, so releasing family sized housing for overcrowded households. Overcrowding is a blight on the lives of tens of thousands of London families, impacting on health, educational outcomes and general wellbeing.

There are positive links between the impact of downsizing and overcrowding in London. There is also a potential correlation between the average age of those households that would wish to downsize and the aspirations of the fund in promoting home ownership models for the elderly.

c) Impact assessment and consultations

Under the terms of the agreed contract, there will be the provision to Audit compliance check the development in line with the established compliance audit process as utilised under the Affordable Homes Programme (AHP). Compliance Audits are carried out to ensure that investment partners comply with the procedures, funding conditions and quality standards.

We will produce quarterly reports on performance against the delivery forecasts (outputs and spend) and oversee the budget available for the Care and Support Specialised Housing fund and delivery against indicative spend profiles for the programme.

A further MoU or an addendum added to the existing document will be prepared for the private housing element once phase two proposals have been progressed further.

4. Financial comments

- 4.1 This project is fully funded by the Department of Health. The GLA's contribution comprises staff time and associated overheads. The Viridian award is within the £30m Phase 1 approved by MD1244.

5. Legal comments

5.1 Section 30 of the Greater London Authority Act 1999 (as amended) ("GLA Act") gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA. The principal purposes, as set out in section 30(2), are:

- (a) promoting economic development and wealth creation in Greater London;
- (b) promoting social development in Greater London; and
- (c) promoting the improvement of the environment in Greater London.

In considering the allocations in respect of which a decision is sought the GLA must comply with its 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
- consider consulting with appropriate bodies.

5.2 Previously the GLA was prohibited from using this general power to incur expenditure in providing any housing. This prohibition was, however, removed by section 186 of the Localism Act 2011, which came into effect on 1 April 2012.

5.3 Given the above, section 34 of the GLA Act, which allows the Mayor to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any of his functions (including his functions under section 30); and the Mayor's powers (under section 38 of the GLA Act) to delegate to any GLA member of staff functions of the Authority that are exercisable by him – the Mayor has the power to agree to the Decisions set out above.

5.4 Solicitors Trowers & Hamlins have provided the legal documentation required for the Mayor's Care and Support Specialist Housing fund, including the appropriate documentation for the proposed deal with Viridian Housing Association. Sufficient comfort has been provided by Trowers & Hamlins that the administration of the fund is compliant with state aid.

5.5 The legal implications of the Specified Activities Order made under section 34A of the GLA Act have been considered. The agreement with Viridian Housing Association will not involve any loans secured by a legal charge and the agreements have been prepared on the basis of the GLA being the contracting entity.

5.6 Officers must ensure that no legally binding commitment to the award of funding is given until appropriate funding documentation is put in place between and executed by the GLA and recipients.

6. Investment & Performance Board

This proposal was considered by Housing Investment Group on 23 May 2013. The proposals were supported by HIG.

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 this approval to be deferred? No

If YES, for what reason:

Until what date:

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.
Not needed just need to coordinate announcements

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Claire Keeley 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

Date

CHIEF OF STAFF:

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

Signature

Date