

REQUEST FOR MAYORAL DECISION – MD1428

Title: Mayor’s Care and Support Specialised Housing Fund – additional Funding

Executive Summary:

This MD should be read in conjunction with MD1073, MD1244 and MD1379 regarding allocations under the Affordable Homes Programme 2015/18. This Mayoral Decision agrees that the GLA allocate the remaining £10m from the original £40m Mayor’s Care and Support Specialised Housing Fund (‘MCSSHF’) which was made available to the GLA by the Department of Health, previously held for the purpose of stimulating the private supported housing market, to instead deliver additional specialised supported affordable housing.

Decision:

That the Mayor:

1. Approves the allocation of £10m of Mayor’s Care and Support Specialised Housing Fund (MCSSHF) funding previously held for phase two of MCSSHF (pursuant to MD1244) for the delivery of further phase one specialised supported affordable housing.
2. Approves that the GLA enters into new contracts or varies existing MCSSHF contracts with the additional phase one successful bidders to be funded from the additional £10m allocated pursuant to this decision together with any remaining uncommitted funding from the original £30m phase one MCSSHF.
3. Approves the procurement of legal services in drafting and negotiating new contracts or variations to existing contracts for the additional phase one MCSSHF schemes.
4. Delegates any further decisions with regards to contracting, including variations, under phase one of the MCSSHF to the Executive Director of Housing and Land in consultation with the Deputy Mayor for Housing, Land and Property.

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:

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 ('MCSSHF') 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.

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 MCSSHF. 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 a £30m initial phase for the provision of specialised supported affordable housing and £10m for a second phase to help stimulate the private supported housing market. Subsequently, under MD1244 it was agreed that the GLA would enter into contracts with successful phase one bidders for up to £30m of the MCSSHF.

Since April 2013 and after further reviews of how DoH wish to deliver phase two of the programme it was agreed between DoH and GLA to allocate the 25% of the original £40m left for private supported housing under phase two for additional funding under the same terms as phase one as articulated in MD1244.

The Affordable Homes Programme ('AHP') 2015/18 prospectus asked for additional bids for older persons and disabled adults housing and identified that additional funding had been made available from DoH to fund these bids.

2. Objectives and expected outcomes

As set out in MD1379, it was proposed that approved AHP 2015/18 programme bids for supported housing schemes that met the criteria for funding through the MCSSHF programme would be funded by that programme.

As for the assessment of bids for the original £30m phase one of MCSSHF described in MD1244, all bids were considered and assessed against the agreed assessment methodology used to test eligibility. Bids were assessed against the main criteria of similar rounds of competitive affordable housing bidding (as per the original £30m MCSSHF); value for money, deliverability, strategic fit and design and quality. The MCSSHF prospectus referenced the HAPPI¹ design standards along with the London Housing Design Guide principles in providing supported housing.

It is proposed to allocate up to £10,270,665 to bids received during the AHP 2015/18 bidding process, utilising the existing small amount of programme headroom within the original phase one £30m MCSSHF allocation together with the £10m of MCSSHF which had originally been set aside for phase two private supported housing.

Under the proposed additional phase one allocations (as set out in Appendix 1) eight providers would deliver ten additional schemes delivering 294 additional homes for older persons and disabled adults up until the end of the five-year MCSSHF programme in March 2018, which also matches the long stop delivery dates under the AHP 2015/18.

¹ HAPPI – Housing Our Ageing Population: Panel for Innovation
MD Template May 2014

There have been subsequent announcements regarding additional DoH funds from the 2013 autumn statement regarding phase two. Phase two of the MCSSHF will be announced at a later date as DoH and HMT are still to agree the way the programme will be administered and on what commercial terms.

3. Equality comments

The additional funding for phase one will be directed at the following types of housing provision; Extra care, assisted living, dementia care, retirement housing, supported housing for disabled adults, wheelchair adapted homes and housing specifically designed for people with learning disabilities and autism.

4. Other considerations

a) Key risks and issues

The MCSSHF programme is continued to be managed within an £8m allocation drawn down by the GLA from DoH on an annual basis. This was agreed in the original MoU between DoH and GLA and does not change any of the financial arrangements. The programme is managed within these limits and the financial risk is managed from programme headroom.

b) Links to Mayoral Strategies and priorities

As per MD1244

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 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 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

As per MD1244

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.

The MoU will be reviewed on an annual basis and agree with the Parties any changes that are required. 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.

5. Financial comments

Funding has been secured from the Department of Health for the Care & Supported Specialised Housing Fund. This MD requests that the remaining unspent funds of up to £10m be diverted to support the delivery of Affordable Housing Programme. This change of use has been agreed with DoH and there is no further financial impact to the GLA as a result of this decision.

Any costs of delivering the programme are to be contained within existing GLA Housing and Land resources.

6. Legal comments

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), of the GLA Act are:

- (1) promoting economic development and wealth creation in Greater London;
- (2) promoting social development in Greater London; and
- (3) promoting the improvement of the environment in Greater London

and, in formulating the proposals in this report, officers confirm they have complied with the GLA'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
- consider consulting with appropriate bodies.

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.

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 GLA that are exercisable by him, the foregoing sections of this report indicate that the Mayor has the power to agree to the decisions set out above.

Specialist legal advice should be sought on the funding agreements that the GLA proposes to use to administer this funding.

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

7. Investment & Performance Board

The MCSSHF was first considered by Housing Investment Group on 14 September 2012 and then 23 May 2013. This current proposal to utilise the remaining funding from the initial £40m was considered and endorsed by the Housing Investment Group on 27 June 2013.

8. Planned delivery approach and next steps

Activity	Timeline
Mayoral Decision signed	December 14
Update Phase 1 contracts and enter into contract with Orbit.	December 14/ January 15

Appendices and supporting papers: Appendix 1

Appendix 1 – Additional allocations for the Mayor’s Care and Support Specialised Housing Fund

William Guy Gardens	Islington and Shoreditch Housing Association Ltd	Tower Hamlets	CSAFRENT	£ 432,000.00	16
William Guy Gardens	Islington and Shoreditch Housing Association Ltd	Tower Hamlets	CSAFHO	£ 20,000.00	1
Vic Johnson House	Islington and Shoreditch Housing Association Ltd	Tower Hamlets	CSAFRENT	£ 542,500.00	31
St Josephs- Primrose Road	Newlon Housing Trust	Waltham Forest	CSAFRENT	£ 500,000.00	10
St. Joseph's Primrose Road	Newlon Housing Trust	Waltham Forest	CSAFHO	£ 100,000.00	2
Pretoria Road	One Housing Group Limited	Haringey	CSAFRENT	£ 3,117,400.00	52
Rectory Court	London Borough of Hounslow	Hounslow	CSAFRENT	£ 2,160,000.00	36
Macbeth Street	Octavia Housing	Hammersmith and Fulham	CSAFRENT	£ 169,231.00	5
Emlyn Road	Octavia Housing	Hammersmith and Fulham	CSAFRENT	£ 227,500.00	7
CCHA Grace Court	Orbit Group Limited	Sutton	CSAFHO	£ 120,000.00	11
CCHA Grace Court	Orbit Group Limited	Sutton	CSAFRENT	£ 1,000,000.00	40
Bayton Court	Hanover Housing Association	Hackney	CSAFRENT	£ 375,000.00	15
The Lawnes	Hanover Housing Association	Hackney	CSAFRENT	£ 450,000.00	18
The Lawnes	Hanover Housing Association	Hackney	CSAFHO	£ 600,000.00	40
Greenwood Project	London Borough of Camden Council	Camden	CSAFRENT	£ 457,034.00	10
			Totals	£ 10,270,665.00	294

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:

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