

## PART 2 – CONFIDENTIAL FACTS AND ADVICE

MD Number	MD1242
MD Title	<b>Mayor’s Housing Covenant Building the Pipeline funding allocations</b>

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

### **This information is not for publication until the stated date because:**

The information contained within this document is commercially sensitive and its release could prejudice the commercial interests of the GLA and funding applicants, impacting adversely on:

- the GLA’s bargaining position with proposed recipients affecting its ability to efficiently manage allocations, due diligence processes and the finalisation of funding documentation and achieve the optimal outcome; and
- successful applicants’ ability to stimulate genuine competition for supplies, services and/or works required for efficient delivery of funded schemes; and
- unsuccessful bidders’ reputations, potentially inhibiting their ability to leverage future funding from third parties.

Following the completion of the contracting and due diligence process the GLA will publish selected information on allocations, ensuring that commercial confidentiality is not breached.

Information will cease to be confidential or the confidentiality should be reviewed: April 2016

*Once this form is fully authorised, this should be circulated with the Part 1 form*

### **Legal recommendation on the grounds of keeping the information confidential**

In the event of any request for access to the information contained in this document under section 1 of the Freedom of Information Act 2000 (“the Act”), it is considered that access can be denied on the basis that the disclosure of such information would prejudice the commercial interests of the funding applicants and the GLA impeding the securing of the best possible outcome, and therefore, is covered by the exemption under section 43 of the Act.

Section 1 of the Act creates the general right of access, which provides that any person making a request for information to a public authority is entitled:

- to be informed in writing by the public authority whether it holds information of the description specified in the request; and
- if that is the case, to have that information communicated to him/her.

Part II of the Act contains a number of exemptions from disclosure for certain classes of information. In

particular, section 43 of the Act provides that information is exempt information if its disclosure under the Act would, or would be likely to; prejudice the commercial interests of any person (including the public authority holding it). The paragraph above states that the information could be considered commercially sensitive, as its release could affect the interests of funding applicants and the GLA's ability to secure the best possible outcome, and therefore, is covered by the exemption under section 43 of the Act.

The Section 43 exemption is a qualified exemption and its valid use is therefore, subject to a public interest assessment.

### **Public Interest Assessment**

On balance it is considered that the public interest is best served if the information is not disclosed at this point. As noted above disclosure by the GLA could have a detrimental effect on:

- the GLA's bargaining position with proposed recipients affecting its ability to efficiently manage allocations, due diligence processes and the finalisation of funding documentation and achieve the optimal outcome; and
- successful applicants' ability to stimulate genuine competition for supplies, services and/or works required for efficient delivery of funded schemes; and
- unsuccessful bidders' reputations, potentially inhibiting their ability to leverage future funding from third parties.

As a result the effective delivery of the programme might be prejudiced exacerbating the issue that it aims to address and increasing the burden on what are already limited public resources.

For these reasons it is considered that the information below is exempt from publication in reliance upon the exclusions contained in section 43(2) (commercial interests) of the Freedom of Information Act and because the public interest in withholding the information outweighs the public interest in releasing it.

**Legal Advisor** - I make the above recommendations that this information should be considered confidential at this time

**Name:** Stephen Fernandes-Owen, Commercial Law, TfL Legal. **Date:** 10 July 2013

## **Confidential Decision and/or Advice:**

### **Funding**

Nationally, £450m of funding is being made available by DCLG through the Affordable Homes Guarantee programme to increase the supply of affordable housing. DCLG has agreed to initially make £160m of funding available to the GLA, £230m to the HCA and to hold back £60m for future decisions.

The DCLG funding is being made available on the expectation that the average grant per unit of outputs achieved will be £20k. As this current programme of allocations averages £22k per unit, GLA resources will be used to supplement DCLG resources to allocate the latter in line with DCLG requirements and to maximise take up of the new funding available. Officers will determine the blend and application of this funding in a way that meets both GLA and DCLG requirements.

In addition to the above, DCLG has also agreed to provide £13.2m of funding to bring 660 Empty Homes back into use, with a further £1m contingency held back if necessary to be agreed with DCLG. It is proposed below that £1.3m to bring 54 homes back into use is top-sliced for the community grant programme assessed by Tribal Ltd. The recommendations in this MD request £7.3m of funding to bring 336 empty homes back into use. A balance of £4.6m funding to bring 270 empty homes back remains unallocated at an average of approximately £17k per unit (increasing to £21k per unit if the £1m contingency is added).

### **Allocations**

The proposed allocations by partner for the affordable homes for rent and sale are listed in the table below.

**Table 1:** Summary of bidders and recommendation for Homes for Rent and Sale programme

Organisation Name	Recommended for approval		Recommended for rejection		Total	
	Homes	Funding Requested	Homes	Funding Requested	Homes	Funding Requested
<b>Fully Recommended:</b>						
AmicusHorizon Limited	30	£1,100,000			30	£1,100,000
Anchor House	25	£600,000			25	£600,000
Family Mosaic Housing	323	£9,008,000			323	£9,008,000
Habinteg Housing Association Limited	39	£1,095,900			39	£1,095,900
Hexagon Housing Association Limited	77	£2,845,920			77	£2,845,920
Islington Council	105	£3,535,000			105	£3,535,000
Lambeth & Southwark Housing Association Limited	9	£276,840			9	£276,840
Leicester Housing Association Limited	260	£6,360,000			260	£6,360,000
London Borough of Barking and Dagenham	76	£1,902,035			76	£1,902,035
London Borough of Camden Council	585	£15,210,000			585	£15,210,000
London Borough of Croydon	2	£60,000			2	£60,000
London Borough of Greenwich	84	£3,050,000			84	£3,050,000
London Borough of Havering Council	54	£1,620,000			54	£1,620,000
London Borough of Redbridge	40	£1,122,409			40	£1,122,409
London Borough of Wandsworth	13	£390,000			13	£390,000
Major Housing Association Limited	10	£150,000			10	£150,000
Paragon Community Housing Group Limited	12	£312,000			12	£312,000
Peabody Trust	131	£1,600,000			131	£1,600,000
Phoenix Community HA (Bellingham and Downham) Ltd	60	£2,601,830			60	£2,601,830
Poplar HARCA Limited	141	£1,725,000			141	£1,725,000
Romford YMCA	70	£1,600,000			70	£1,600,000
Telford Homes Plc	13	£408,500			13	£408,500
Thames Valley Housing Association Limited	22	£396,000			22	£396,000
The Guinness Trust	67	£1,550,000			67	£1,550,000
West London YMCA	82	£1,620,553			82	£1,620,553
<b>Partially Recommended :</b>						
A2Dominion London Limited	20	£74,200	199	£6,203,733	219	£6,277,933
Affinity Sutton Group Limited	440	£11,879,546	12	£0	452	£11,879,546
Circle Anglia Limited	112	£2,696,168	8	£325,784	120	£3,021,952
City YMCA, London	140	£2,924,600	6	£125,400	146	£3,050,000
East Thames Group Limited	242	£5,200,000	316	£8,688,000	558	£13,888,000
Forest Young Men's Christian Association of East London	68	£772,209	88	£1,929,122	156	£2,701,331
Home Group Limited	49	£0	154	£6,490,176	203	£6,490,176
LB Waltham Forest (URB)	7	£105,000	55	£4,310,000	62	£4,415,000
London Borough of Enfield	20	£500,000	6	£315,000	26	£815,000
London Borough of Hounslow	208	£3,319,396	26	£766,000	234	£4,085,396
London Borough of Tower Hamlets	65	£1,950,000	18	£540,000	83	£2,490,000
Moat Homes Limited	197	£5,506,770	31	£723,230	228	£6,230,000
Notting Hill Housing Trust	1,101	£16,810,000	357	£15,310,098	1,458	£32,120,098
Octavia Housing	109	£2,960,000	1	£75,000	110	£3,035,000
One Housing Group Limited	144	£4,130,000	170	£9,320,000	314	£13,450,000
Orbit Group Limited	50	£1,000,000	114	£5,700,000	164	£6,700,000
Paradigm Housing Group Limited	6	£280,000	87	£2,523,000	93	£2,803,000
Southern Housing Group Limited	75	£2,385,000	16	£440,000	91	£2,825,000
Southwark Council	23	£566,021	469	£21,697,176	492	£22,263,197
Viridian Housing	104	£396,000	0	£389,544	104	£785,544
YMCA London South West	197	£2,900,000	26	£0	223	£2,900,000
<b>Recommended for rejection:</b>						
Hanover Housing Association			10	£525,000	10	£525,000
Haringey London Borough Council			96	£3,200,000	96	£3,200,000
Islington and Shoreditch Housing Association Ltd			166	£6,891,452	166	£6,891,452
Joel Emanuel Almshouse Trust			12	£708,000	12	£708,000
Keniston Housing Association Limited			8	£480,000	8	£480,000
London Borough of Brent			17	£680,000	17	£680,000
London Borough of Ealing			74	£2,603,000	74	£2,603,000
London Borough of Lambeth			7	£624,000	7	£624,000
Network Housing Group Limited			147	£4,257,000	147	£4,257,000
Newlon Housing Trust			200	£8,382,000	200	£8,382,000
St Mungo Community Housing Association Limited			57	£3,927,500	57	£3,927,500
Swan Housing Association Limited			134	£5,388,189	134	£5,388,189
<b>Grand Total</b>	<b>5,707</b>	<b>£126,494,897</b>	<b>3,087</b>	<b>£123,537,404</b>	<b>8,794</b>	<b>£250,032,301</b>

The proposed allocations by partner for the empty homes programme are detailed in the table below.

**Table 2:** Proposals for the Empty Homes Programme

Organisation Name	Funding Requested	Total Homes
City YMCA, London	£285,600	24
Islington and Shoreditch Housing Association Ltd	£400,000	20
LB Bexley	£200,000	10
LB Waltham Forest (URB)	£686,000	49
London Borough of Barking and Dagenham	£180,000	10
London Borough of Croydon	£4,445,000	168
London Borough of Greenwich	£500,000	20
London Borough of Lewisham	£500,000	25
London Borough of Redbridge	£100,000	10
<b>Recommended for approval</b>	<b>£7,296,600</b>	<b>336</b>
Islington Council	£2,400,000	120
London Borough of Harrow	£100,000	15
London Borough of Havering Council	£250,000	10
<b>Recommended for rejection</b>	<b>£2,750,000</b>	<b>145</b>
<b>Grand Total</b>	<b>£10,046,600</b>	<b>481</b>

The proposed allocations by partner for the Empty Homes community grants programme, administered by Tribal Consulting Ltd are detailed in the table below. The £1.3m indicated in the table below will be top-sliced by DCLG from the agreed London allocation and passed directly to Tribal.

**Table 3:** Empty Homes Tribal assessment recommendations

Organisation	Funding Requested	Total Homes
Adcris CIC	£400,000	5
All People, All Places.	£93,000	10
Meanwhile Space	£430,000	24
Phases Social Enterprise	£300,000	4
Phoenix Community Housing Co-op	£41,400	4
St John of God Hospitaller Services.	£71,000	7
<b>Recommended for approval</b>	<b>£1,335,400</b>	<b>54</b>
CAYSH	£1,268,682	14
Mace Housing Cooperative Ltd	£608,000	8
Praxis Community Projects	£378,000	6
<b>Recommended for rejection</b>	<b>£2,254,682</b>	<b>28</b>
<b>Grand Total</b>	<b>£3,590,082</b>	<b>82</b>

The proposed allocations by partner for Tenants Incentive Scheme are detailed in the table below.

**Table 4:** Proposals for the Tenants Incentive Scheme:

Organisation Name	Funding Requested	Total Homes
East Thames Group	£224,000	28
London Borough of Harrow	£358,800	26
London Borough of Enfield	£500,000	20
L B Southwark	£266,000	19
<b>Recommended for approval</b>	<b>£1,348,800</b>	<b>93</b>
London Borough of Lambeth	£480,000	15
London Borough of Havering	£400,000	20
Islington and Shoreditch Housing	£150,000	5
Family Mosaic Housing	£1,142,500	50
<b>Recommended for rejection</b>	<b>£2,172,500</b>	<b>90</b>
<b>Grand Total</b>	<b>£3,521,300</b>	<b>183</b>

## Financial Comments

Approval is being sought for the following budgets and associated expenditure:

	DCLG	GLA *		DCLG	GLA
<b>MHC2: Building the Pipeline</b>	<b>£m</b>	<b>£m</b>	<b>Homes</b>	<b>Per home</b>	<b>Per home</b>
Affordable homes	160.0	12.4			
Empty homes	13.2				
Contingency	1.0				
<b>Available Budget</b>	<b>174.2</b>				
Allocated to affordable homes	(122.7)	(12.4)	6,136	£20,000	£2,021
Allocated to empty homes	(1.3)		54	£24,074	
<b>Total allocated</b>	<b>(124.0)</b>	<b>(12.4)</b>	<b>6,190</b>		
<b>Budget remaining</b>	<b>50.2</b>	<b>-</b>			

\* GLA funding transferred from MHC1

The impact upon MHC1 is:

<b>MHC1</b>	<b>£m</b>	<b>Homes</b>	<b>Per home</b>
<b>Available Budget</b>	<b>118.0</b>		
Transferred to MHC2	(12.4)		
Allocated to flexible product	(38.2)	1,325	£28,830
Allocated to other product	(32.4)	tbc	
<b>Total allocated</b>	<b>(83.0)</b>		
<b>Budget remaining</b>	<b>35.0</b>		

