

REQUEST FOR MAYORAL DECISION – MD1578

Title: Homelessness Change and Platform for Life Fund - 2015 - 18

Executive Summary:

The GLA opened a bidding round for the Mayor's Homelessness Change and Platform for Life programme (HC&PFL) following approval of capital expenditure up to £30.5m for this programme given in MD1388.

This Mayoral Decision approves the allocation of grant funding for the provision of new and refurbished hostel accommodation and the development of a new form of hostel accommodation called Platform for Life.

These allocations will be made through the Mayor's Homelessness Change and Platform for Life programme (HC&PFL). The HC&PFL programme is a jointly funded programme by the Department of Health (DoH) and the Mayor. The total funding available for the HC&PFL programme is now £30m, reduced from £30.5m, of which £15m is provided by the Department of Health (£0.5m of DoH funding is no longer available as it related to schemes where start on site could be achieved in 2014/15).

Decision:

That the Mayor:

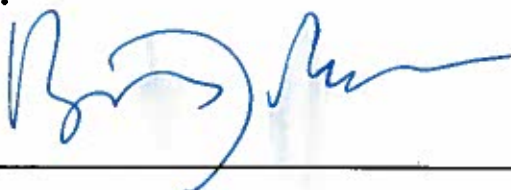
- Approves the allocation of up to £15,000,000 of GLA funding towards the Homelessness Change and Platform for Life programme (HC&PFL).
- Approves entry into funding contracts with the successful bidders to deliver the HC&PFL programme.
- Subject to confirmation that the Department of Health will allocate an additional £15,000,000 for the HC&PFL in London, the Mayor approves a further allocation of £3,519,810, and approves the use of continuous market engagement (CME) in order to allocate the remaining £11,480,190 HC&PFL funding.

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:

30.11.15

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

Decision required – supporting report

1. Introduction and background

The Treasury Spending statement published in June 2013 included an announcement that funding would be made available to provide new and refurbished hostel accommodation aimed at improving the health of rough sleepers. Following that announcement the Department of Health (DoH) has awarded £15.0m of capital funding to London to provide new and refurbished hostel accommodation aimed at improving the health of rough sleepers. It has been agreed with DoH that this fund will be administered, in London, by the Mayor.

The comprehensive spending review for 2015-18 secured £1.25bn for affordable housing delivery in London with £1.07bn grant funding for the 2015-18 programme alongside £180m agreed for London through the Affordable Homes Guarantee. The GLA will allocate £15.0m of this funding to increase the Homelessness Change and Platform for Life Programme up to £30.0m. The Mayor will draw down capital from the DoH in 15/16 and 16/17 and will use this to administer a grant funding programme completing by March 2018.

This funding will be aimed at two forms of hostel provision the first being traditional hostel provision and the second aimed at young adults who are in employment and or further education. This programme in London is called The Mayor's Homelessness Change and Platform for Life funds (HC&PLF).

The Mayor published a funding prospectus inviting eligible organisations to bid for grant funding towards the refurbishment and enhancement of existing hostels as well as the provision of new hostel accommodation. The bids received have been assessed for eligibility and value for money, and funding recommendations have been prepared.

2. Objectives and expected outcomes

The GLA will invest up to £30m in the period up to 31st March 2018 to improve the quality of hostel accommodation available to people who are homeless, as well as providing short term accommodation for younger adults who are struggling to maintain employment or access to further education due to the risk of homelessness.

This funding should help to improve the health and well-being of people using hostel accommodation and in turn reduce the pressure on Health budgets. It should also help younger adults maintain their employment, and access routes into employment and enable them to move into settled mainstream accommodation.

All bids received were considered and assessed against the agreed assessment criteria as detailed in the funding prospectus.

Recommended bids

Overall 14 bids have been assessed as eligible and recommended for funding. This includes 5 Platform for Life bids and 9 Homelessness Change bids, which are set out in Appendix 1. This initial allocation will deliver 527 hostel (new and refurbished) spaces for an allocation of £18,512,810 of grant. Further HC&PFL bids will be invited and future allocations may be made up to a maximum programme value of £30m.

The level of funding recommended exceeds the £15m funding made available by the Department of Health and will mean that GLA will need to use £3.52m of its own funding for the recommended programme to be fully funded.

As the programme funding period ends in March 2018 it is likely that before the end of the programme the GLA will receive additional requests for HC&PFL funding. It is therefore

recommended that the GLA uses continuing market engagement (CME) in order to assess and recommend appropriate bids, for future HC&PFL schemes. The Executive Director of Housing and Land in consultation with the Deputy Mayor for Housing Land and Property will approve allocations for any unused HC&PFL funding to those new and refurbished hostel accommodation schemes that offer good value for money. These continuous market engagement processes and governance procedures are used in other GLA affordable homes programmes.

The GLA's proposed allocations for grant funding have been forwarded to the DoH and officers there have provided them to the minister for formal sign off. When the minister will sign off the recommendations is not known yet; DoH officers anticipate that this will occur in November. There are no indications that the DoH will not approve the GLA's recommendations however this MD will likely predate the DoH announcement. In order to ensure that HC&PFL expenditure does not exceed the budget available the GLA will only enter into contracts up to the value of the budget available and if for any reason the DoH does not agree to provide their £15m of funding the HC&PFL budget will be capped at £15m and we will prioritise those organisations that can enter into contract early.

3. Other considerations

a) Key risks and issues

- The keys risks in this capital programme are non-delivery of enhancements and/or new build accommodation programmed to occur by March 18. The programme will be managed by the GLA to minimise the risk of slippage and to optimise the drawdown of resources by March 18.
- The DoH does not provide the £15m they have indicated they will give towards the HC&PFL programme in London. The impact of this would be that the current allocations of £18.5 would be in excess of the £15m budget provided by the GLA. To mitigate for this risk the GLA will only enter into contract with providers up to the amount of budget that is available. If DoH do not provide their £15m the HC&PFL programme would be capped at £15m.

b) Links to Mayoral strategies and priorities

As per MD 1388.

In 2008, the Mayor of London set London's first ever target to eradicate rough sleeping in the city. Since then he has been working closely with the Government, local authorities and other organisations to ensure that no one lives on London's streets and no one arriving there sleeps rough for a second night.

Issues around rough sleeping were considered in the London Housing Strategy, published in June 2014. Mayoral policy 39 states that "The Mayor will work with boroughs and other partners to ensure no one new to the streets sleeps rough for a second night, no-one lives on the streets of London and the flow of new rough sleepers onto the streets is minimised."

This work has yielded considerable progress however the flow of new rough sleepers onto the streets has increased and therefore the Mayor's 2014 London Housing Strategy) includes a new strategic commitment to minimise the numbers of people living on the street.

The No Second Night Out initiative has important benefits by preventing people entering rough sleeping and experiencing the associated health risks and dangers to their safety.

Policies 35 – 36 of the 2014 London Housing Strategy concern tackling rough sleeping and addressing statutory homelessness.

The Homelessness Change and Platform for Life fund provides capital funding to build new and improved hostel accommodation which directly complements the mayor's revenues funded initiatives to reduce rough sleeping such as the "No Second Night Out" and "No First Night Out" initiatives.

c) Impact assessment.

As per MD 1388

The impact of this funding initiative will be monitored by our management information systems. The IMS will monitor a wide range of site specific information including, among others, grant rate, total scheme cost, units delivered, start on site date, completions date and quality thresholds achieved.

Under the terms of the funding agreement there will be provision to audit compliance check the development in line with the established audit process as utilised under the Affordable Homes Programme (AHP 15/18). Compliance audits are carried out on a random sample basis to ensure that investment partners comply with the procedures, funding and quality standards.

GLA officers will produce quarterly reports on performance against the delivery forecasts (outputs and spend) and oversee the budget available for HC&PFL delivery against indicative spend profiles for the programme.

The measure of this success will be by monitoring the numbers of rough sleepers in London sleeping out only once and by monitoring the number of black and ethnic minority people among acceptances

d) Consultation

Detailed consultation was undertaken in relation to the London Housing Strategy (including boroughs, the public, and community groups) and these proposals are consistent with the London Housing Strategy.

4 Equality comments

As per MD 1388

The new and refurbished hostel accommodation that will be provided by this programme will be available for use by any adult person/s who are homeless or who are at threat of homelessness. It will also provide accommodation for younger adults and enable them to achieve improved equal life chances.

This programme will help meet the Mayor's Equality Objectives for housing (as stated in the GLA's Equal Life Chances for All publication - June 14), and in particular Objective 4 "Tackle housing need". It will achieve this by ensuring that nobody will live on the streets of London and nobody arriving on the streets will sleep out for a second night.

Issues around rough sleeping were considered as part of the June 2014 London Housing Strategy, which was subject to an Integrated Impact Assessment ("IIA"), including an Equalities Impact Assessment.

5. Financial comments

The GLA is funding £15m of the £18,519,810 recommended allocations, with the funding of the remainder being subject to receipt of DoH grant.

Bids have been assessed for financial risks as well as ensuring deliverability. Each successful bidder will be an Investment Partner with the GLA, with any additional due diligence required to be undertaken by Housing & Land with support from Financial Services.

All allocations are subject to the GLA grant recovery mechanisms.

6. Legal Comments

Under section 333ZE(2)(b) of the Greater London Authority Act 1999 (as amended), ("the GLA Act") the GLA may provide financial assistance, by way of grant (and other means) on condition that

the recipient provides social housing. "Social housing" includes "low cost rental accommodation," which is accommodation that is made available for rent, below the market rate, and in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market.

Platform for Life is a programme for shared accommodation let at an Affordable Rent for young people aged 18-24, who are homeless or at risk of homelessness and are in housing need. Homelessness Change will cover the capital costs of redeveloping and improving hostel accommodation for Affordable Rent, and facilities for the delivery of healthcare, training or education aimed at supporting rough sleepers, those at risk of sleeping rough, and other non-statutory homeless people. Providing that eligibility criteria are articulated to ensure that this Affordable Rent accommodation is made available accordingly, the funding provided for Homelessness Change and Platform for Life will constitute social housing financial assistance under section 333ZE(2)(b) of the GLA Act.

Such financial assistance may be given on such terms and conditions as the GLA considers appropriate (including provision for repayment, with or without interest).

Under section 333ZE of the GLA Act, which applies section 31 of the Housing and Regeneration Act 2008 to the GLA with modifications, the GLA must ensure that a Registered Provider of Social Housing is the landlord of accommodation if the GLA is proposing to give financial assistance on condition that the recipient provides low cost rental accommodation.

Under section 333ZE(3) of the GLA Act, any sums received by the GLA in respect of repayments of grants made by it for the purposes of social housing must be used by the Authority for social housing purposes.

Under section 30 of the GLA Act, the GLA has the power to do anything which it considers will further any one or more of its principal purposes of (i) promoting economic development and wealth creation (ii) promoting social development; and (iii) promoting the improvement of the environment in Greater London. The GLA is permitted to provide grant funding for those aspects of the Homelessness Change programme, which do not constitute social housing assistance, providing that it considers that doing so will further any one or more of its principal purposes; and providing that it is not prohibited from doing so by section 31, which prohibits the GLA from using its section 30 power to incur expenditure in providing any education services, any social services; or any health services in any case where the provision in question may be made by a London borough council, the Common Council or any other public body. However, section 31(6) does not prohibit the GLA from incurring expenditure in co-operating with, or facilitating or co-ordinating the activities, of those bodies.

Any such matters that the GLA proposes to fund, outside of the provision of social housing assistance, would appear to fall within section 30 and to not be prohibited by section 31 of the GLA Act.

In using the powers under section 30 of the GLA Act, the Mayor will need to comply with the requirements of section 30(4-5). These factors, relating to health and sustainable development, are taken into account in the bidding prospectus. In addition, under section 32 of the GLA Act the Mayor is empowered to use his section 30 powers after consultation with such bodies or persons as considered appropriate in each case; and must consider consulting with London borough councils, the Common Council and the bodies listed in section 32(3) of the GLA Act.

In making any decisions as to which bids to fund, due and meaningful regard with an open mind must be had 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 between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). GLA officers confirm that in assessing the bids received in respect of the HC&PFL programme to date they have given due and meaningful regard to this duty.

Legal advice should be sought in relation to the preparation of suitable contracts for the approved bids, and to ensure compliance with EU State Aid rules.

7 Investment & Performance Board

This proposal was reviewed at HIG 16th September 2015. The recommendation from HIG was to approve the paper and endorse the drafting of a Mayoral Decision authorising:

- The GLA to enter into funding contracts with the successful bidders to deliver the HC&PFL programme, and
- The use of Continuous Market Engagement to allocate unused HC&PFL, GLA, funding to deliver new and refurbished hostel accommodation.

8. Planned delivery approach and next steps

Activity	Timeline
Announcement of funding allocations	November 2015
Contracting with investment partners	Dec15 onwards
Delivery of programme	Jan 16 to Mar 18
Delivery End Date [for project proposals	31 st March 2018

Appendices and supporting papers:

1. Appendix 1 - List of successful bidders

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? Yes**

If YES, for what reason:

Deferral of publication is requested until after the date of the formal Ministerial and Mayoral announcement regarding the Homelessness Change and Platform for Life fund.

Until what date: Publication of this paper can be made immediately after the formal Ministerial statement, the forecast date for this is 31 December 2015.

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:

Peter Fletcher 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

M. J. Allen

Date

24.11.15

CHIEF OF STAFF:

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

Signature

Edward H. ...

Date

25.11.2015

Appendix 1

Homelessness Change and Platform for Life Fund – Proposed Allocations - 2015-18				
Bidder name and scheme address			Recommended bids	
Investment Partner	Scheme Name	London Borough	Offer Type	Allocation
City YMCA	Errol Street Hostel	Islington	Homelessness Change	£ 8,760,000
Islington and Shoreditch Housing Association	Edward Gibbons House	Tower Hamlets	Homelessness Change	£ 525,000
London Borough of Barking and Dagenham	Boundary Road Hostel	Barking and Dagenham	Homelessness Change	£ 656,250
Oasis Aquila HA	Cerise Road, Peckham	Lambeth	Homelessness Change	£ 395,265
Paradigm Housing Group	Leabridge Road Hostel	Waltham Forrest	Homelessness Change	£ 3,275,400
Passage	Montfort House	Westminster	Homelessness Change	£ 381,780
St Mungo's HA	Hilldrop Road 2015-18	Islington	Homelessness Change	£ 1,142,000
Thames Reach	Robertson Street Hostel	Lambeth	Homelessness Change	£ 1,160,646
Veterans Aid	New Belvedere House	Tower Hamlets	Homelessness Change	£1,632,000
Barnet Homes	West Hendon Broadway	Barnet	Platform for Life Programme	£ 90,000
Barnet Homes	Richmond Gardens	Barnet	Platform for Life Programme	£ 63,764
Birnbeck HA	Brunswick Park Gardens	Barnet	Platform for Life Programme	£ 168,000
London Borough of Ealing	Jersey Court	Ealing	Platform for Life Programme	£ 150,000
Octavia HA	Gilda Avenue	Enfield	Platform for Life Programme	£ 119,705
				£18,519,810

