

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD268

Title: Legal work on The Mayor's Housing Covenant 2015-18 Programme

Executive Summary:

The Mayor's Housing Covenant 2015-18 programme prospectus was launched in December 2013 inviting bids from housing providers to increase the supply of affordable housing across London through an initial bids round in March 2014 and further opportunities to bid through a continuous process.

The initial round of allocations was announced in July 2014 (MD 1379) and a continuous market engagement process was launched in November 2014 (MD 1411) contributing towards the affordable housing targets to deliver 45,000 homes in the 2015-18 period as set out in the draft London Housing Strategy.

This approval is for expenditure of up to £50,000 for the legal work necessary in preparing framework delivery agreements for The Mayor's Housing Covenant 2015-18 Programme and associated advice.

Decision:

The Head of Area approves expenditure of up to £50,000 for legal work required for the preparation of framework delivery agreements for The Mayor's Housing Covenant 2015-18 Programme and associated advice.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Lucy Owen

Position: Head of Area, South

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. In April 2012, under the terms of the Localism Act 2011, the statutory housing and regeneration powers of the Homes and Communities Agency were devolved to the Mayor in Greater London. This includes responsibility for the delivery and capital funding of affordable housing. This capital funding comes to the Mayor as a share of national funding for affordable housing allocated to the Department for Communities and Local Government (DCLG).
- 1.2. The Chancellor of the Exchequer delivered his Budget to Parliament on 20 March 2013. Within the detail of the budget there was a capital funding commitment of £957 million for each year from 2015-16 to 2017-18 to extend the Affordable Homes Programme. In London this will take the form of a new affordable housing programme to be launched by the Mayor. The London share of the funding and its related deliverables and outcomes were negotiated between the GLA and DCLG, and resulted in a London settlement of £1.25billion.
- 1.3. The GLA launch a bidding round for the new programme in December 2013 and the Mayor announced the successful bidders in July 2014 in MD 1379. A process of Continuous Market Engagement was launched in November 2014 in MD1411, for the remainder of the funding.
- 1.4. Officers engaged with the legal team on the broad scope of legal advice required and approached a specialist advisor for some initial thoughts on delivery options and modelling in November 2013. Lawyers were instructed to draft framework delivery agreements for the contracting parties, and a specialist advisor appointed to model delivery options and assessment criteria for the new programme.
- 1.5. It is now necessary to prepare framework delivery agreements for each successful bidder and for additional advice in relation to the agreements. Officers have engaged with Legal to utilise the same lawyers who drafted the agreements for this stage of the process. The estimate for this work is based on £36,000 for preparing agreements for all partners, £7,000 for drafting an additional agreement for a specialist provider, and £7,000 for additional advice and as a contingency. However it is expected that savings will be made through this piece of work and, through careful management of the instruction, the actual amount will be less.

2. Objectives and expected outcomes

- 2.1. The objective is to procure legal consultancy to prepare the necessary agreements so that all partners can be “in contract” when the programme commences.
- 2.2. Officers will engage with TfL Legal to procure the advice.

3. Equality comments

- 3.1. Allocations made through the Mayor’s housing programmes are implemented in accordance with the Mayor’s policies set out in the London Housing Strategy. In January 2014 the GLA published an integrated impact assessment (“IIA”), including an equalities impact assessment, of that strategy. The policies related to increasing housing supply, of which this paper relates, were covered by the Integrated Impact Assessment (IIA) for the Further Alterations to the London Plan.

- 3.2. The IIA concluded that updating housing projections and targets would support the delivery of sufficient housing and may help stabilise housing prices, supporting equal opportunities throughout communities. Furthermore, the provision of housing, including maximising the delivery of affordable housing would be in line with other policies of the Plan (e.g. Policy 3.5), ensuring that the needs of different groups are taken into account in the housing design.

4. Other considerations

a) Key risks

- 4.1. As with the appointment of any legal advisors there is a risk of non-delivery but this will be mitigated by setting out clear objectives and outcomes at the start of the contract, and through regular engagement.

b) Links to Mayoral strategies and priorities

- 4.2. The Mayor has a clear manifesto commitment to deliver affordable homes for low and middle income workers. The programme will also link to the Mayor's strategies for creation of jobs and sustainable growth.

c) Impact assessments and consultations

- 4.3. Consultation and impact assessment will be undertaken as part of the plan to set up the new programme.

5. Financial comments

- 5.1. This decision sets out the requirement for legal work necessary to prepare framework delivery agreements for the Mayor's Housing Covenant (MHC) 2015-18 Programme at a cost of £50,000.
- 5.2. This revenue expenditure can be contained within the 2014/15 and 2015/16 Management and Consultancy budgets in Housing and Land.
- 5.3. Allocations for the MHC 2015-18 Programme have been made from the capital budget available through MD1379.
- 5.4. The Programme, Policy and Services team in Housing and Land will be responsible for managing this spend.

6. Planned delivery approach and next steps

- 6.1. Following approval of this decision lawyers will be instructed to commence the preparation of agreements and other work required, to ensure that the bidders are in contract by the end of March 2015.

Appendices and supporting papers:

None

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:

Jonathan Goldstraw has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:

Date: