

Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix A and Appendix B are not available for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972.

They are exempt because they refer to: Information relating to the financial or business affairs of any particular person (including the authority holding that information); and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Subject Heading:	Agreement to bid for funding from the Mayors Care & Support Specialised Housing Fund via the Greater London Authority for the Mowbrays Close scheme
Decision Maker:	Councillor Ray Morgon – Leader of the Council
Cabinet Member:	Councillor Paul McGeary – Cabinet Member for Housing Councillor Graham Williamson – Cabinet Member for Development and Regeneration
SLT Lead:	Barbara Nicholls – Director of Adult Services
Report Author and contact details:	Chris Atkin – Senior Commissioner and Project Manager Chris.Atkin@Havering.gov.uk 01708 434480

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Policy context:	A successful grant bid will support delivery of Havering's Supported Housing Strategy 2022-2025
Financial summary:	<p>This report seeks approval to submit a bid for affordable grant funding from the Greater London Authority for a total of £720k to progress the completion of 6 units within one of Havering's Supported Living Schemes to support adults with disabilities.</p> <p>A capital budget adjustment of £861,000 is also requested to regularise the Mawneys and Mowbrays scheme budgets, which will be delivered under a single construction programme.</p>
Reason decision is Key	(a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	
Relevant OSC:	Towns and Communities
Is it an urgent decision?	No
Is this decision exempt from being called-in?	N/A

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

1.1 This report seeks approval from the Leader of the Council to submit a bid for funding to the Greater London Authority (GLA) as part of the Mayor's Care and Support Specialised Housing Fund. The overall detail of the funding request is set out in Exempt Appendix A, a financial overview of each development scheme, potential benefits and any risks associated with the bid for grant funding are outlined in the part-exempt financial implications section below.

1.4 The Leader of the Council is also asked to approve a capital budget adjustment of £861,000 from the budget titled "Adults learning disabilities - Mowbrays P3" to "Children's residential and semi-independent Mawneys P4". The two budgets are linked through the same construction programme, to be delivered by a single contractor. The budget adjustments will better align the budgets with current estimated costs.

AUTHORITY UNDER WHICH DECISION IS MADE

According to Part 2 of the Council's constitution "Powers of the Executive" – the Leader of the Council may choose to execute functions personally where the function is usually delegated to:

1. Cabinet
2. A committee of the Cabinet
3. Individual Cabinet Members
4. Staff
5. Joint Committees

In this instance, the submission of grant bids over £500,000 is usually delegated to Cabinet, as per "2.1 General functions of Cabinet".

(q) To approve applications for the submission of bids for grants and other financial assistance which require the provision of additional finance or match funding or are likely to lead to residual costs or implications for the Council or where the amount of the grant application exceeds £500,000.

Budget adjustments between £500,000 and £1,000,000 are required to be authorised by key decision by the relevant cabinet member. The Leader of the Council is authorised to take this decision under "2.1 General functions of Cabinet".

i) To exercise control over the Council's revenue and capital budgets (including the housing revenue account).

STATEMENT OF THE REASONS FOR THE DECISION

3.1 The funding is being provided through the Government's Care and Support Specialist Housing (CASSH) programme, which is administered in London by the GLA to develop homes for older Londoners with care needs and adults with physical and learning disabilities, autism and mental health needs. Funding for this programme comes directly from the Department of Health and Social Care and funds are distributed between the GLA and Homes England. The Council has recently contracted with the GLA for this programme to access funds for another housing development, the Solar Serena Sunrise retirement village, and the contract terms and conditions are the same.

3.2 A successful grant bid would support delivery of Havering's Supported Housing Strategy 2022-2025 with the primary aim of ensuring there is support available to young people and adults to maintain and increase their independence, enabling individuals to thrive, make a contribution to the local community and reduce reliance on statutory services.

3.3 The property at Mowbrays Close was designed to provide supported living services for young adults with learning disabilities. Further approval will be sought to carry out a procurement exercise to appoint a works contractor to undertake the Capital works needed and then an experienced care provider to manage the delivery of support services on behalf of the Council through a block contracting arrangement.

3.4 – The benefits of utilising property owned and let by Havering to those living with a Learning Disability include:

- Greater control over rent amount, ensuring that the units remain affordable
- Savings where residents would need to seek more costly accommodation
- Ensuring more residents remain in Havering and are not accommodated outside of the borough
- A successful grant funding bid to the GLA would save approximately £260,661.21 against the capital budget.

3.5 Since the completion of this business case and the resumption of business as usual Council functions post COVID-19, it has been recognised that the costs outlined for construction of the property have increased. The most notable factors for this include:

- Addition of land value to viability assessment (approximately 97k)
 - Cost for additional parking spaces following concerns raised by local residents during consultation (approximately 100k extra)
 - Increases in inflation (9.3% to November 2022¹)
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- Increases in the cost of manufacture and raw materials (15.5% to March 2022²), showing a steep rise when compared to 2020.
- Costs applicable to contractors hiring skilled workers as a result of Brexit.

Additional costs incurred as a result of the factors listed above will be covered by a successful grant bid, capital budgets will be better aligned with costs following the capital budget adjustment of £861,000 from the Mowbrays scheme budget to the Mawneys scheme budget.

3.5 The GLA have set out requirements in order for the Council to be considered for funding, most notably:

- The scheme design and client group to align with GLA CASSH guidelines
- Start of construction to occur before March 2024
- Regular monitoring of progress to the GLA
- Accurate records maintained in the GLA-OPS system and to enable future audit
- Properties let at under benchmark rental rate applicable to that financial year
- Advise the GLA of any risks and or/issues that may impact delivery of the scheme or the Council's status as an Approved Provider
- Specifications of buildings constructed under the grant programme to meet GLA safety and quality standards

3.6 Note that acceptance of any funding offered by the GLA, as a result of this bid, will be subject to a further detailed report and agreement from the Council's Section 151 Officer.

3.7 Note that the Council reserves the right to review funding arrangements, unit numbers and tenures for any sites where GLA funding is not provided in full. (Full funding requests are as set out in EXEMPT Appendix A).

For the reasons set out in this report and its appendices the Leader is recommended to agree the grant bid to the GLA Mayor's Care and Support Specialised Housing Fund and budget adjustment between the Mawney Close and Mowbrays Close supported housing development schemes.

OTHER OPTIONS CONSIDERED AND REJECTED

4.1 Do nothing – by not submitting a bid for grant funding, the Council is missing an opportunity to secure external funding to deliver the obligations as set out in the Supported Housing Strategy.

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Grant funding is required to cover the scheme's costs. Not applying for grant funding may result in the necessity of approaching Cabinet to request additional capital funding, which would likely be funded from borrowing.

This could either result in a delay to the programme, leading to an extended period of additional revenue spend to meet the needs of residents that could otherwise be supported in the property proposed or the cancellation of the project, which increases general fund revenue costs in the longer term.

PRE-DECISION CONSULTATION

N/A

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Chris Atkin

Designation: Senior Commissioner and Project Manager, Joint Commissioning Unit

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

6.1 The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

6.2 Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do. The recommendations in this report are in keeping with this power and the Council has the power to bid for grant funding.

6.3 Appendix B to this report sets out the draft terms of the GLA Grant Agreement including the circumstances for clawback (see clause 18.2). As part of entering into the agreement and throughout the agreement, the Council will be required to provide a number of warranties, including around ability to meet the delivery timescales. In the event the Council is unable to comply, clawback provisions may apply. Officers will ensure they are cognisant of the funding conditions associated to with the grant and agree the Council is able to accept and perform its obligations as to the scheme.

A further report/s will detail the grant acceptance where successful, including approvals for procurement of works and operator contracts at the relevant time.

FINANCIAL IMPLICATIONS AND RISKS

The financial estimates with regard to the proposed build at Mowbrays Close is c£2.509m, within it construction costs estimated at c£2.130m;

The benefits of the scheme are :

- Greater control over rent amount, ensuring that the units remain affordable
- Savings where residents would need to seek more costly accommodation
- Ensuring more residents remain in Havering and are not accommodated outside of the borough
- A successful grant funding bid to the GLA would save approximately £260,661.21 against the capital budget.

6.5 Payment of Grant - Note that the Council is able to claim percentages of the grant funding at set milestones for start on site and practical completion. The GLA will pay 50% of the grant funding once construction work starts and the Council has confirmed on the GLA Open Project System (OPS) that the relevant milestone has been achieved. The remaining 50% of the funding is claimable at practical completion, which is expected to be September 2024.

Financial Risks

6.6 Bid rejected/reduced allocation of funding – should the application be rejected or the amount allocated not covered within the scope of project cost, a change in funding

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route would need to be addressed which may result in significant delays or the project being cancelled.

6.7 Clawback Provision / Return of Grant Funding for Non-Delivery

Should the Council be unable to fulfil its delivery obligations, the GLA are able to instruct the return of any grant funding paid. This is set out in clause 18.2 in the grant agreement in Appendix B.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

7.1 There are no human resource implications arising from the proposals in this report

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

8.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

8.2 Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

8.3 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

8.4 The acceptance of the grant funding set out in this report would benefit local residents by providing funding to build suitable affordable housing for individuals with additional support needs. The decision aligns with the Council's current Supported Housing Strategy.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Havering council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing.

Inadequate or poorly designed housing is associated with increased risk of ill health including cardiovascular and respiratory diseases, depression and anxiety as well as risk of physical injury from accidents.

A successful grant bid will support Havering's ambitions to provide more good quality, genuinely affordable homes for local people, through the development of 6 affordable homes specifically earmarked for young adults with learning disabilities.

This will impact positively on residents with additional needs by increasing access to the number of affordable, local quality homes which are designed specifically for their needs. This in turn, reduces risk of ill health and improves their quality of life whilst keeping them closer to established support networks in the borough.

Health & Wellbeing Risks:

The proposals to increase grant funding for this project do not give rise to any health and wellbeing risks.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The report does not give rise to any environmental or climate change implications or risks.

The Mowbrays Close development will enable the council to build 6 new affordable homes that will be targeted at high levels of energy performance for individual studio flats. The new development's design carefully considers energy requirements, the surrounding environment and animal habitats.

The site incorporates green roof and provides a sensory garden and communal garden with growing bed for soft planting, sitting area, wind chimes and shrubs.

Bat boxes, bird boxes and insect hotels will also be provided within the scheme to create safe animal habitats. The scheme is aligned with the Havering Biodiversity Action Plan.

BACKGROUND PAPERS

1 CPI, ONS, <https://www.ons.gov.uk/economy/inflationandpriceindices>

2 Monthly Statistics of Building Materials and Components, Department for Business, Energy & Industrial Strategy, [Monthly Statistics of Building Material and Components \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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APPENDICIES

EXEMPT Appendix A – Set out the scheme’s costs and how the grant funding helps make the scheme work financially (a simple table, costs vs. grant income & council funding)

EXEMPT Appendix B – The draft GLA grant contract

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____