Public Document Pack



Cabinet

Tuesday 15 November 2016 at 7.00 pm

Board Rooms 3, 4 & 5 - Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ

Membership:

Lead Member Portfolio Councillors:

Butt (Chair) Leader of the Council

McLennan (Vice-Chair) Deputy Leader

Farah Lead Member for Housing

Hirani Lead Member for Community Wellbeing

Mashari Lead Member for Regeneration, Growth, Employment

and Skills

Miller Lead Member for Stronger Communities
W Mitchell Murray Lead Member for Children and Young People

Southwood Lead Member for Environment

For further information contact: Thomas Cattermole, Head of Executive and Member Services; 020 8937 5446; thomas.cattermole@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: **democracy.brent.gov.uk**

The press and public are welcome to attend this meeting



Agenda

Introductions, if appropriate.

Apologies for absence.

Item Page

1 Declarations of interests

Members are invited to declare at this stage of the meeting, any relevant personal and prejudicial interests and discloseable pecuniary interests in any matter to be considered at this meeting.

2 Minutes of the previous meeting

1 - 10

- 3 Matters arising
- 4 Petitions (if any)

Chief Executive's reports

5 Scrutiny Task Group Report on Housing Associations

11 - 56

This report sets out the recommendations agreed by the Community and Wellbeing Scrutiny Committee which have been developed as a result of a scrutiny task group set up to look at the future of Brent's housing associations.

Ward Affected:

All Wards

Lead Member: Lead Member for Housing and Welfare Reform (Councillor Harbi Farah) Contact Officer: Pascoe Sawyers, Head of

Strategy and Partnerships

020 8937 1045

Pascoe.sawyers@brent.gov.uk

Community Wellbeing reports

6 Housing Management Options for Council Stock

57 - 274

This report sets out the results of a review of options to provide housing management services to the Council's tenants and leaseholders undertaken over the past four months.

Ward Affected: Lead Member: Lead Member for Housing and

All Wards Welfare Reform (Councillor Harbi Farah)

Contact Officer: Phil Porter, Strategic Director,

Community Well-being

Tel: 020 8937 5937 phil.porter@brent.gov.uk

7 Authority to Participate in the Joint Procurement of Community 275 - Equipment and Services with the London Boroughs of Harrow and 284 Barnet

Brent's current community equipment and services contract is due to expire on 31st March 2017 and in order to address the risk of not having a new contract (and community equipment service in place) at the expiry of the current contract, Barnet Council have agreed to lead on an accelerated tender procurement process for the establishment of a framework for community equipment and services, in collaboration with the London Boroughs of Harrow and Brent. Approval is therefore sought to take part in this collaborative procurement, as required under the Council's Contract Standing Order 85.

Ward Affected: Lead Member: Lead Member for Community

All Wards Wellbeing (Councillor Krupesh Hirani)

Contact Officer: Amy Jones, Head of

Commissioning and Quality

Tel: 020 8937 4061 amy.jones@brent.gov.uk

8 Authority to enter into partnership arrangements under section 75 of 285 - the National Health Service Act 2006 302

This report seeks approval for the Council to enter into three separate partnership arrangements under Section 75 of the National Health Service Act 2006 in respect of: the delivery of the approved Better Care Fund Plan with NHS Brent Clinical Commissioning Group (Brent CCG);the provision of Brent's Integrated Community Equipment Services (BICES) with Brent CCG and the delivery of adult mental health social care with Central North West London NHS Foundation Trust (CNWL).

Ward Affected: Lead Member: Lead Member for Community

All Wards Wellbeing (Councillor Krupesh Hirani)

Contact Officer: Phil Porter, Strategic Director,

Community Well-being

Tel: 020 8937 5937 phil.porter@brent.gov.uk

Regeneration and Environment reports

9 South Kilburn Regeneration Programme - Carlton & Granville 303 - Centres Site - Development Options 346

This report provides an update to the 25 July 2016 Cabinet report – Carlton and Granville Centres, Granville Road, NW6 5RA – redevelopment and investment proposals and provides Members with feedback from the public consultation which has been carried out in respect of the site. This report also details feedback from the

engagement events conducted by officers with the current occupiers of the Carlton & Granville Centres. Approval is sought to progress with Phase 1 of the redevelopment and the procurement of a Design Team to progress Phase 2.

Ward Affected: Lead Member: Lead Member for Regeneration,

Kilburn Growth, Employment and Skills (Councillor

Roxanne Mashari)

Contact Officer: Richard Barrett, Head of

Estate Regeneration

Tel: 020 8937 1334 richard.barrett@brent.gov.uk

10 On Street Parking Management Review

347 -364

This report sets out the approach for a review of the management of onstreet parking in the borough. It provides detail of how the review will be scoped and how operational changes to parking management will be implemented.

Ward Affected: Lead Member: Lead Member for Environment

All Wards (Councillor Eleanor Southwood)

Contact Officer: Tony Kennedy, Head of

Highways and Infrastructure

Tel: 020 8937 5151 tony.kennedy@brent.gov.uk

11 Development Management Policies Local Plan: Consideration of the 365 - Planning Inspector's Final Report and Proposed Adoption of the 480 Plan.

This report explains that the Council has received an Inspector's report into the Examination of the Development Management Policies Local Plan. The Inspector has found the document 'sound' subject to recommended 'main' modifications being made. Cabinet is being apprised of the modifications and outline of the next stages. Cabinet is recommended to recommend to Full Council that the Development Management Policies Local Plan incorporating modifications is adopted.

Ward Affected: Lead Member: Lead Member for Environment

All Wards (Councillor Eleanor Southwood)

Contact Officer: Paul Lewin, Planning, Policy

and Projects

Tel: 020 8937 6710 paul.lewin@brent.gov.uk

12 Safer Brent - MetPatrol Plus Scheme

481 -

492

This paper considers what objectives the MetPatrol Plus scheme could meet, and the contributions Safer Brent Partners (SBP) could provide.

Ward Affected:

Lead Member: Leader (Councillor Muhammed

All Wards

Butt)

Contact Officer: Karina Wane, Head of

Community Protection

Karina.Wane@brent.gov.uk

Resources reports

13 Council Tax Support Scheme

493 -

538

This report reviews whether changes should be considered to the provision of the localised Council Tax Support Scheme for 2017/18 and makes recommendations accordingly.

Ward Affected: Lead Member: Deputy Leader (Councillor

All Wards Margaret McLennan)

Contact Officer: Margaret Read, Director,

Customer Services Tel: 020 8937 1521

margaret.read@brent.gov.uk

14 Treasury Management Mid-Year Report

539 -

546

This report updates Members on recent treasury activity. Cabinet is asked to note the 2016/17 mid-year Treasury report, which has already been reviewed by the Audit Committee and is to be forwarded to the Council.

Ward Affected: Lead Member: Deputy Leader (Councillor

All Wards Margaret McLennan)

Contact Officer: Conrad Hall, Chief Finance

Officer

Tel: 020 8937 6528 conrad.hall@brent.gov.uk

15 Wholly Owned Investment Company and Subsidiaries

547 -

628

Cabinet approved Brent's investment strategy at its meeting of 11 April 2016. This report focuses on how establishing a Wholly Owned Company (WOC) will help deliver the Council's targets for the development of new affordable homes and why establishing a Company will offer the Council flexibility to intervene strategically to ensure that new housing development can contribute fully to strategic priorities. The report also sets out more broadly the various options for the Council to establish an investment vehicle to be operated as a Wholly Owned Company (WOC).

Ward Affected: Lead Member: Deputy Leader (Councillor

All Wards Margaret McLennan)

Contact Officer: Conrad Hall, Chief Finance

Officer

Tel: 020 8937 6528 conrad.hall@brent.gov.uk

16 Church End Car Park, Acquisition of additional Land

629 -644

Cabinet approval was granted on 20 January 2016, for the redevelopment of the Church End car park site in Brent Council's ownership to provide 34 homes, in conjunction with Catalyst Housing Group, who would develop 65 homes on adjacent land in their ownership bringing the total number of units between both sites to 99 new homes. An opportunity has arisen for Brent Council to purchase Catalyst's freehold interest in their site, to enable Brent to deliver the entire scheme of 99 homes.

Ward Affected: Lead Member: Leader (Councillor Muhammed

Harlesden Butt)

Contact Officer: Sarah Chaudhry, Head of

Strategic Property Tel: 020 8937 1705

sarah.chaudhry@brent.gov.uk

17 National Non Domestic Rates – Review of Discretionary Rate Relief 645 - Scheme and Applications for Relief 654

The Council has the discretion to award rate relief to charities or non-profit making bodies. It also has the discretion to remit an individual National Non-Domestic Rate (NNDR) liability in whole or in part on the grounds of hardship. The award of relief is based on policy and criteria last agreed by Cabinet on 16 September 2013, this taking effect from 1 April 2014. It was agreed at the meeting to review the scheme every 3 years, it is therefore necessary to undertake a review.

Ward Affected: Lead Member: Deputy Leader (Councillor

All Wards Margaret McLennan)

Contact Officer: Margaret Read, Director, Brent

Customer Services Tel: 020 8937 1521

margaret.read@brent.gov.uk

18 Future Options for Oracle ERP Hosting and Support

655 -696

This document sets out proposals for the future options for the One Oracle system support and hosting arrangements upon expiration of the current contract in July 2018.

Ward Affected: Lead Member: Deputy Leader (Councillor

All Wards Margaret McLennan)

Contact Officer: Prod Sarigianis, Head of Digital

Services

Tel: 020 8937 6080

prod.sarigianis@brent.gov.uk

19 Leasing of 8th Floor North Wing

697 -704

This report is to consider the vacant office accommodation at the Civic Centre and approve the occupation on a lease.

Ward Affected: Lead Member: Leader (Councillor Muhammed

Tokyngton Butt

Contact Officer: Sarah Chaudhry, Head of

Strategic Property Tel: 020 8937 1705

sarah.chaudhry@brent.gov.uk

20 Exclusion of Press and Public

The following item(s) is/are not for publication as it/they relate to the following category of exempt information as specified in the Local Government Act 1972 namely: Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding the information).

Not for publication:

- Church End Car Park, Acquisition of Additional Land Appendix 3
- Future Options for Oracle ERP Hosting and Support Appendix 1
- Leasing of the 8th Floor North Wing Appendix 1

21 Reference of item considered by Scrutiny Committees (if any)

22 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Head of Executive and Member Services or his representative before the meeting in accordance with Standing Order 64.

Date of the next meeting: Monday 12 December 2016



Please remember to set your mobile phone to silent during the meeting.

• The meeting room is accessible by lift and seats will be provided for members of the public.





LONDON BOROUGH OF BRENT

MINUTES OF THE CABINET Monday 24 October 2016 at 7.00 pm

PRESENT: Councillor Butt (Chair), Councillor McLennan (Vice-Chair) and Councillors Farah, Hirani, Mashari, W Mitchell Murray and Southwood

Also Present: Councillors Chohan, S Choudhary, Colacicco, Mahmood and Ketan Sheth

1. Declarations of Interests

There were no interests declared.

2. **Petitions (if any)**

None.

3. Minutes of the Previous Meeting

RESOLVED:-

that the minutes of the previous meeting held on 13 September be approved as an accurate record of the meeting.

4. Matters arising

There were no matters arising.

5. Community and Wellbeing Scrutiny Committee Recommendations

Councillor Ketan Sheth, Chair of the Community and Wellbeing Scrutiny Committee, introduced the report stating that, in July, the Committee had reviewed Brent's existing landlord licensing schemes.

The Committee had concluded that the mandatory, selective and additional licensing schemes are very important for a borough where around a third of households are living in the private rented sector, and there has been a lot of interest from members about how well they have been performing.

Councillor Ketan Sheth stated that he had accompanied officers who were carrying out checks on properties they believed to be unlicensed to witness the work they do, the types of housing conditions people are living in and the challenges faced. Councillor Ketan Sheth paid tribute to the officers for their work and dedication in helping to improve and regulate the private rented sector in the borough.

Councillor Ketan Sheth stated that the Committee has made a number of recommendations about landlord licensing. Members had discussed the importance of communications and how reaching out to tenants and residents could be made more effective.

Councillor Ketan Sheth stated that the Committee had also discussed how the council is working with estate agents and letting agents in the borough and recommended that a strategy be put in place for collaborative working with estate agents and letting agents to ensure they are fully aware of what they need to do as part of the licensing schemes.

The Committee had noted the data about the introduction of the selective licensing scheme in the three wards of Harlesden, Wembley Central and Willesden Green, and that the number of privately rented homes in those wards has exceeded the initial estimates.

Councillor Ketan Sheth reported that at committee it had been said that it seems that a great advantage of selective licensing is the simplicity of its message – *if you rent a room, flat or house you need a licence.* So, on balance, Councillor Ketan Sheth, stated that Committee Members had thought that it would be good to have more selective licensing in the borough, and therefore it was recommended that a borough-wide extension is something that should be considered.

Councillor Ketan Sheth referred to a second report his Committee had discussed at the same meeting in July. He reminded Members that the Cabinet had agreed over a year ago to set up an Ethical Lettings Agency to be operated by Brent Housing Partnership. The Committee had also reviewed the implementation of this scheme and expressed concerned about the limited progress which has been made with it so far.

He reminded Cabinet Members that one of the recommendations is for a proper assessment of other local authority schemes and their respective outcomes.

Councillor Ketan Sheth outlined the number of recommendations for Cabinet on both these schemes, as featured in the report.

With the permission of the Chair, Jacky Peacock OBE, Director, Advice4renters, addressed the meeting. Ms Peacock stated that the recommendations from the Scrutiny Committee support property licensing and the extension of selective licensing across the borough.

Ms Peacock outlined her organisation's support for licensing too, but pointed out that the way it operates at present is increasing homelessness in the borough. There is reference to collaborative working with estate agents and letting agents but there is no reference to the need to work collaboratively with voluntary sector advice agencies such as ourselves. Ms Peacock informed Members about the recent review of licensing, which included a public consultation.

Ms Peacock outlined her organisation's proposal for a review of licence fees to include the provision of Tenant Liaison Officers working alongside Licensing enforcement officers.

Councillor Butt thanked Ms Peacock for her contribution.

RESOLVED:-

1. Cabinet noted the recommendations as set out in Appendix A.

6. **Budget Proposals 2017/18 – 2018/19**

Councillor Margaret McLennan, Deputy Leader, introduced the report. She stated that the report sets out draft budget proposals for 2017/18 and 2018/19.

Councillor McLennan reiterated that subject to the results of consultation it is envisaged that these would then form the basis of the budget to be agreed at the Full Council meeting of February 2017.

Councillor McLennan stated that the process following this cabinet meeting would be as follows:

- These proposals, together with any changes made by cabinet, will form the basis of a consultation between November and January with local residents, businesses and other stakeholders;
- The two scrutiny committees will review the budget proposals and report accordingly;
- General purposes committee will review the calculation of the council tax base:
- In December, Cabinet will receive a paper on the Collection fund surplus which is a technical report on the distribution of estimated surplus on collection of council tax and NDR; and
- After consultation, a budget paper will be presented for Cabinet to recommend a final budget and council tax to the February 2017 Council meeting.

Councillor Roxanne Mashari, Cabinet Member for Employment, Skills, Regeneration and Growth, urged Cabinet Members and Senior Officers to review the equalities impact assessments on each proposed saving in order to avoid negative impact on any particular group.

Councillor Muhammed Butt, Leader of the Council, outlined the comprehensive communications and engagement plan to support the budget setting process.

RESOLVED:-

- 1. Cabinet noted the overall financial position.
- 2. Cabinet endorsed the savings previously agreed, as set out in Appendix One.
- 3. Cabinet agreed to consult on new draft policy options, as summarised in Appendix two and detailed in Appendix Three.

- 4. Cabinet agreed to consult on council tax increases of 3.99% in each of 2017/18 and 2018/19.
- 5. Cabinet endorsed the technical assumptions underpinning the budget as set out throughout the report.
- 6. Cabinet authorised the drawdown of further capital resources to support delivery of the temporary accommodation reform plan, as set out on paragraph 6.7.

7. Sustainability and Transformation Plan

Councillor Krupesh Hirani, Cabinet Member for Community Wellbeing, introduced the report stating that NHS England has published the Five Year Forward View (FYFV), setting out a vision for the future of the NHS.

He stated that planning guidance released in December 2015 set out the requirement for local areas to develop a Sustainability and Transformation Plan (STP) to help local organisations plan how to deliver a better health service that will address the FYFV 'Triple Aims' of improving people's health and wellbeing, address the quality of care which people receive and to address the financial gap.

Councillor Hirani informed Members that this is a new approach across health and social care to ensure that health and care services are planned over the next 5 years and focus on the needs of the place where people live, rather than individual organisations.

It was noted that there are tangible benefits for areas with good STPs through the newly established Sustainability and Transformation Fund (STF).

Councillor Hirani stated that at North West London level, the Strategic Planning Group has been responsible for developing the joint proposals and planning at the system level.

This has included bringing together local plans into the Sustainability and Transformation Plan for North West London. The STP describes plans at different levels of 'place' – across the whole system in North West London, from the local to the sub-regional, as appropriate.

In parallel to the NW London SPG, a local Brent STP Planning Group was established, comprising the Council, CCG, acute, community and mental health provider, Health watch and Brent CVS representatives to develop a local STP. Brent continues to evolve and contribute to the completion of the full NW London STP whilst working to implement Brent specific priorities aligned to the NW London STP. The local version of the STP focusses on how Brent will achieve the triple aim locally. The Brent STP therefore represents Brent's overarching 5-year strategy and implementation plans to improve health and well-being, the quality of services provided, and achieves financial sustainability. It is a triangulation of existing plans, plus new initiatives where gaps in existing plans have been identified, and where we believe a different approach to joint working can make a real difference to people in Brent.

Councillor Hirani stated that it is proposed that the Brent STP will be the overarching strategic plan for Brent. The STP has to reflect and respond to three gaps: Health and Wellbeing, Care and Quality and Finance and Efficiency.

Therefore, it makes sense that these sections reflect updated health and wellbeing priorities and Better Care Fund (primarily focused on Care and Quality) priorities. However, it is important to note that this is an evolving process. The NW London and Brent STP priorities are designed to accelerate the pace of integration through strengthening collaboration between commissioners, providers and partners to address the triple aims of the Five Year Forward View.

Councillor Hirani stated that the partnership nature of STP requires that the responsibility for overseeing the development and implementation of the STP priorities and deliverables is through the Brent Health and Well Being Board locally. To this end, the Health and Well Being Board has recently reviewed and extended its membership to include key partners such as London North West Hospitals Trust and Central and North West London Foundation Trust to ensure effective governance arrangements underpinning the STP.

This report sets out the North West London STP priorities, how they align with the Brent STP priorities, the approach to delivering these and the financial implications associated with the proposals.

RESOLVED:-

- 1. Cabinet noted the STP submission for North West London.
- Cabinet welcomed the principles adopted within the STP of prevention, out
 of hospital care, dealing with the social care funding gap and the need to
 work across the public sector to maximise benefits from changes to the NHS
 and other public sector estate.
- 3. Cabinet noted that the STP will need formal sign off by the end of December and that between October and December the following issues need to be clarified both within the submission and through other NHS processes, in order for the council to give full support for the plan:
 - a. That the IMBC on which delivery area 5 is based is released, debated and understood;
 - b. That the flow of monies from acute to out of hospital settings are clarified:
 - That the specification for out of hospital settings, in particular social care, are clarified based on an agreed model of out of hospital care;
 - d. That a full risk assessment for the plan and relevant mitigations are included.

8. Annual Complaints Report 2015/2016

Councillor Margaret McLennan, Deputy Leader, introduced the report stating that the report provides an overview of the complaints received by the Council during the period April 2015 to March 2016.

She stated that high level data for the past 3 years has been included where available for the purpose of comparison. She stated that departmental/service area analysis has been provided for the 2015 – 2016 operational year (based on the current structure).

She informed Members that complaints concerning the Adult Social Care and Children and Young People departments come under separate statutory complaint procedures and are therefore provided as separate analysis reports in appendices A and B respectively.

Members noted and welcomed the positive feedback about Brent staff in the report.

Councillor McLennan encouraged Cabinet Members to attend the Member Learning and Development session the following day on *Improving Residents' Experience*.

RESOLVED:-

- 1. Cabinet noted and considered the Council's performance in managing and resolving complaints.
- 2. Cabinet noted the actions being taken to improve response times to complaints and reduce the number of complaints which escalate to stage 2 (final review).
- 3. Cabinet noted the ongoing measures to improve services as a results of complaints and improve the customer experience

9. Advice Small Grant Approval

Councillor Margaret McLennan, Deputy Leader, introduced the report stating that the procurement and award of Brent's Local Advice and Guidance Service contracts were considered by Cabinet on 16 November 2015 and 8 February 2016.

She stated that one of the contracts awarded to Brent Citizen's Advice Bureau was the Brent Advice Partnership contract.

This contract included administration of a small advice grants programme of £242,000 per year to include recommending to Officers the award of small advice grants of up to £10,000 using delegated powers.

A recommendation from Brent Advice Partnership's Advice Fund Grant's Panel has now been received to award a grant in the sum of £18,500 and as a result Cabinet approval is sought to permit such award.

RESOLVED:-

- 1. Cabinet noted Chief Officers' powers to make grants as set out in paragraph 3.5.
- 2. Cabinet noted the making of Round 1 Brent Advice Partnership's Advice Fund grants using delegated powers as set out in Figure 1 at paragraph 3.8.
- 3. Cabinet approved the making of a Brent Advice Partnership's Advice Fund grant of £18,500 to Advice4Renters for the period of 1 year for the reasons detailed in paragraphs 3.09 3.12.

10. Visitor Permit Pricing

Councillor Eleanor Southwood, Cabinet Member for Environment, introduced the report stating that the report summarises the outcome of the formal consultation on the proposed change to the structure of visitor parking permits in Brent, and the associated price increases for stays of more than two hours.

This follows Cabinet agreement on 27 June 2016: to proceed to formal consultation on these changes, informed by the results of extensive informal consultation; and to a coherent set of linked proposals for reform.

Councillor Southwood stated that the report also notifies Cabinet of the contents of an online public petition relating to this issue (see paragraph 6.11) which has received 312 signatures.

RESOLVED:-

- 1. Cabinet noted the petition referred to in paragraph 6.11 of the report.
- 2. Cabinet agreed to introduce new visitor parking charges in all Controlled Parking Zone (CPZ) areas, with a £1.50 charge for up to 2 hours, a £3 charge for up to 4 hours, and a £4.50 charge for 'all-day' visitor parking of more than 4 hours.
- 3. Cabinet agreed to implement the charging structure and price changes, including amendment of the relevant Traffic Management Orders, to be effective from 08th November 2016 or a later date to be set by the Strategic Director for Regeneration and Environment in consultation with the Lead Member for Environment

11. The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016

Councillor Eleanor Southwood, Cabinet for Environment, introduced the report stated that from 9 May 2016, local authorities in England have been give the power to issue Fixed Penalty Notices (FPN's) for small-scale fly-tipping.

She stated that the legislation provides for a default payment level of £200- or £120 for early payment; whilst allowing the opportunity for Councils to set their own levels of charges between £150 and £400.

Councillor Southwood stated that the Enviro-Crime Enforcement Team is currently using this new power and applying the default payment level. This report seeks authority to set a higher level of charge within Brent.

RESOLVED:-

1. Cabinet approved the proposal to set the upper payment level for fly tipping Fixed Penalty Notices to the maximum of £400 with an early payment charge of £350.

12. School Led Building Projects at Roe Green Infant School and Our Lady of Grace Catholic Infant School – Approval to Procure Works

Councillor Muhammed Butt, Leader of the Council, introduced the report stating that Roe Green Infant School and Our Lady of Grace Catholic Infant School both wish to expand existing nursery provision in order to offer 30 hours free education and childcare to families from September 2017 in line with Government policy. In order to do this both schools require additional accommodation.

Councillor Butt stated that the report seeks Cabinet approval for each school to procure a works contract for its own proposed nursery extension building works. Schools are required to abide by the LA's financial regulations and standing orders in purchasing, tendering and contracting matters. Officers are therefore facilitating the schools fulfilling these responsibilities.

Councillor Butt also stated that Cabinet is asked to delegate authority to award high value works contracts to a relevant Officer in order for the schools project programmes to be maintained ready for September 2017.

RESOLVED:-

- 1. Cabinet approved the recommendation to invite tenders on the basis of the pre-tender considerations set out in paragraph 3.9.
- In respect of paragraph 2.1 above, Cabinet approved the evaluation of tenders on the basis of the evaluation criteria set out in paragraph 3.9 of the report.
- Cabinet agreed to delegate authority to award these high value works contracts to the Strategic Director of Regeneration and Environment in consultation with the Chief Finance Officer and Chief Legal Officer.

13. Award of a Contract for Postal Services

Councillor Margaret McLennan, Deputy Leader, introduced the report stating that the Council has a need for mail services, whereby outgoing post is collected from Council buildings and delivered to individual addressees. Whilst an increasing amount of communication from the Council is in digital only format, there are still large volumes of hard copy correspondence that need to be delivered.

The Council's mail is currently collected and delivered by Royal Mail under a contract that was awarded following a pan-London procurement in 2013. The contract is used by the digital post room and spend is from the centralised budget for postal services. This contract expired on 10th September 2016 and there is a need to put a new contract in place. Upon expiry of the contract, the Council continued to use Royal Mail as the default national provider, and Royal Mail have agreed to continue to apply the previous contract rates in the interim period until the new contract commences.

RESOLVED:-

- 1. Cabinet noted the Council's participation in a collaborative procurement under a framework agreement for a contract for postal services.
- Cabinet approved the award of a contract for Collection and Delivery of Mail to Royal Mail Group Limited, for a period of two years and 319 days from 1st November 2016 to 15th September 2019 with an option to extend for a further year to 15th September 2020.

14.	Reference of item	considered by	Scrutiny	Committees	(if any)

None.

15. Exclusion of Press and Public

None.

16. Any other urgent business

None.

The meeting ended at 20:03pm.

COUNCILLOR MUHAMMED BUTT Chair





Cabinet 15 November 2016

Report from the Director of Policy, Performance and Partnerships

Wards affected: ALL

Scrutiny Task Group: Brent's Housing Associations

1.0 Summary

1.1 This report sets out the recommendations agreed by the Community and Wellbeing Scrutiny Committee which have been developed as a result of a scrutiny task group set up to look at the future of Brent's housing associations.

2.0 Recommendations

- 2.1 Cabinet is asked to note the recommendations agreed by the committee as set out in Appendix A.
- 2.2 Cabinet is asked to note the findings of the scrutiny task group's report in Appendix B.

3.0 Detail

- 3.1 The former Scrutiny Committee set up a task group in March 2016 with a remit to examine the future of housing associations in Brent because of concerns about the impact of the Welfare Reform and Work Act 2016, and the Housing and Planning Bill, which was being debated in Parliament. The Bill received royal assent on 12 May 2016, and is now the Housing and Planning Act 2016.
- 3.2 The objective for the task group, which was chaired by Councillor Tom Miller, was to gather evidence to develop a set of recommendations for the Cabinet. Rather than reviewing all the wide-ranging legislation, the task group's scope was limited to five areas: the Right to Buy extension, social housing supply, 1% social rent reduction, Pay to Stay, and partnerships with housing associations.
- 3.3 As part of their evidence gathering, members spoke to chief executives and senior officers of a number of housing associations operating in Brent including

Apna Ghar, Genesis, Innisfree, Metropolitan, Network Homes and Origin. They also met with the then Cabinet Member for Housing and Development, Strategic Director Community Wellbeing, Operational Director Housing and Culture, and the Head of Housing Policy. To be able to understand the issues from different perspectives the task group members also spoke to the representatives from two tenants' organisations, the chief executive of a housing co-operative, the chair of a resident-managed housing association as well as two experts in housing policy.

- 3.4 Members also looked at data such as existing patterns of Right to Buy to better understand what the effects of proposed parts of the legislation could be, and asked housing associations for any modelling they had done on the Right to Buy. They also looked at limited data from a pilot of the Right to Buy scheme. Members of the scrutiny task group also considered Brent's existing 2014-19 Housing Strategy, and the implications for it of specific parts of the legislation and the Bill. Although the Right to Buy extension for housing association tenants is not in statute, the task group considered the voluntary agreement for implementation. It should be noted that to date, no specific starting date has been given for the start of the Right to Buy extension and the details of the final scheme are still being developed between the Government and National Housing Federation.
- 3.5 The task group's report was presented to the Community and Wellbeing Scrutiny Committee by Councillor Tom Miller on 20 July 2016. Members of the committee discussed the findings and recommendations in the report with the Cabinet Member for Housing, Strategic Director Community Wellbeing, and the Operational Director Housing and Culture and as a result some of the final report's recommendations were amended and agreed as set out in Appendix A.
- 3.6 A key finding was that the task group did not believe Right to Buy will be taken up in significant numbers by housing association tenants in the borough. One large housing association estimated that about 1% of its properties will be sold each year, and initial data from the pilot in London suggested a low take-up. Furthermore, there is a commitment to one-to-one replacement of properties. However, that doesn't mean it won't present problems for housing associations, and consequently Brent Council's ambitions for the provision of social housing. Even if housing is replaced, there is uncertainty about the type of product and tenure that would replace it, where it will be built, and there could be a time lag between loss and replacement of homes. The task group was also concerned that if scarce housing stock such as family-sized homes is sold it will be harder to replace, and recommended that the local authority sets out a common position to all registered providers that it would like specific stock exempted. The task group also made recommendations on other possible problems from the new Right to Buy such as fraud, and stock ending up in the private rented sector.
- 3.7 The task group's view was that the local authority could do more to increase the supply of social housing such as joint development with registered providers which maximises the amount of social housing retained in the borough.

Members of the task group also made recommendations which could stimulate growth in other models of social housing in Brent such as housing cooperatives, community housing, self and custom build and community land trusts. This would be very small-scale, but it might diversify the portfolio of social housing existing in the borough.

- 3.8 Members of the task group looked at the possible consequences of the 1% social rent reduction and other measures of welfare reform for housing associations and tenants. It recommended that the council works closely with social landlords to mitigate any effects that these changes could have.
- 3.9 On Pay to Stay there was some concern about what could happen if it was implemented by housing associations and the task group recommended that the Cabinet Member for Housing requests housing associations to update the council if they are considering implementing Pay to Stay. Again, Pay to Stay is a voluntary measure for housing associations and is not in the legislation.
- 3.10 The task group felt that the demands of the legislation means Brent Council will also need to rethink its existing partnerships with housing associations, and the relationships between them. In particular, recommendations were made that partnership working could be more focused on specific issues and an annual housing summit could take place each year for all registered providers in Brent. The task group's view was that partnership working should involve the local authority sharing the expertise it has as a way of building relationships and similarly, the knowledge which the larger housing associations have accumulated could be shared with the smaller registered providers in Brent. Members also felt that tenants and their representatives could be brought more into partnership working and that their needs to be a renewed effort to encourage tenant participation and representation within registered providers.

4.0 Financial Implications

- 4.1 None
- 5.0 Legal Implications
- 5.1 None

6.0 Equality Implications

- 6.1 It is anticipated that the recommendations put forward in this report will help achieve better outcomes for some of the most vulnerable residents such as:
 - older residents and disabled people, and
 - individuals / groups experiencing socio-economic disadvantage, including but not limited to homeless people, low income households, lone parents, large families, people who are subject to unlawful eviction, residents living in poor conditions and/or fuel poverty.

Background Papers

Brent's Housing Associations: Scrutiny Task Group Report, July 2016

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APPENDIX A

Scrutiny Task Group: Brent's Housing Associations

Recommendations Agreed at Community and Wellbeing Scrutiny Committee

20 July 2016

Theme 1: Right to Buy

- 1. Strategic Director Community Wellbeing uses strategic forums with registered providers to monitor the impact of Right to Buy in Brent and helps to mitigate any potential problems which are caused.
- 2. Cabinet Member for Housing sets out a common position to all registered providers operating in Brent that the local authority would like homes of four bedrooms or more, specially adapted housing, and older people's housing exempted from the Right to Buy.
- 3. Strategic Director Community Wellbeing and Cabinet Member for Housing develop agreements with housing associations and the Greater London Authority which maximise the number homes replaced in Brent, including four-bedroom properties, as well as homes for social rent.
- 4. Strategic Director Community Wellbeing invites housing associations operating in Brent to fund jointly an anti-fraud investigator for a time-limited period to help housing associations' investigations into Right to Buy fraud and offer free training for staff on fraud and speculative buying practices.
- 5. Director of Policy, Performance and Partnership to consider integrating Right to Buy into Brent's financial inclusion strategy so that tenants are better informed about interest rates, mortgages, cost of major works, responsibility for repairs, and the operation of companies who encourage purchasing of homes under Right to Buy.
- 6. Cabinet Member for Housing requests that housing associations advise tenants of their financial options, and inform them of the wider responsibilities of becoming a leaseholder as part of the purchasing process for Right to Buy.
- 7. Cabinet Member for Housing promotes strategic forums with registered providers to share information and expertise about properties going into the private rented sector as a result of the Right to Buy extension.

Theme 2: Social Housing Supply

- 8. The Strategic Director Community Wellbeing and Lead Member for Housing to initiate further discussions with other London local authorities about collaborative arrangement for provision of social housing in the future.
- 9. Brent's Cabinet Member for Housing to use strategic forums to enable smaller housing associations to be able to gain expertise and knowledge in business planning and other areas from the larger registered providers operating in Brent.
- 10. Cabinet Member for Housing and Strategic Director Community Wellbeing put in place mechanisms to signpost residents to information about the Community Land Trust Network and Federation Confederation of Cooperative Housing and self and custom-build networks and organises a one-off event to stimulate interest in developing other social housing models.
- 11. The Strategic Director for Community Wellbeing commissions a feasibility study about developing affordable Self-Build on marginal areas of council owned-land which is not suitable for its own house building programme.
- 12. Brent Council to update its Housing Strategy 2014-19 to weight available councilowned land not intended for the council's own house-building programme towards housing association or partnership developments with them which house social tenants and vulnerable people in line with the council's political commitments.

Theme 3: Social Rent Reduction

13. Brent Council to continue to work closely with social landlords in the borough to evaluate the effects of welfare reform, in particular the overall benefit cap, and to develop appropriate processes and procedures that facilitate the achievement of this.

Theme 4: Pay to Stay

14. Cabinet Member for Housing to request that housing associations operating in Brent report regularly to the council outlining any progress they are considering in implementing Pay to Stay.

Theme 5: Partnerships

- 15. Cabinet Member for Housing organises more frequent forums around specific issues such as rents, welfare reform and employment as well as linking with London-wide housing groups so there can be a useful exchange of information and expertise.
- 16. The Strategic Director of Community Wellbeing organises a housing summit each year to bring together all the registered providers in the borough in addition to the regular quarterly forum meetings.
- 17. In collaboration with housing associations, Brent Council develops mechanisms that will enable housing association tenants to share their concerns and service priorities.
- 18. Cabinet Member for Housing to write to housing associations to encourage tenants' representation at the board level of housing associations by bottom-up elections.
- 19. Cabinet Member for Housing to develop a partnership model which is more weighted towards those providing in-demand tenures and housing and with an emphasis on quality.





BRENT'S HOUSING ASSOCIATIONS

SCRUTINY TASK GROUP REPORT

JULY 2016

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Chair's Foreword



The 1980 Housing Act was a landmark piece of legislation and a turning point in housing policy because it introduced a statutory Right to Buy for local authority tenants. This task group examined two new pieces of legislation which could prove as important for housing policy – the Housing and Planning Act 2016 and the Welfare Reform and Work Act 2016 – to help identify their impact on Brent's housing associations.

Housing associations have always been extremely important to meeting housing need in Brent. Some housing associations have their origins in small organisations set up in the 1960s and 1970s to meet the demand for low-cost housing and to

counter discrimination and poor quality standards in the private rental market. Other housing associations operating in Brent today are even older and can trace their roots to philanthropists and social reformers of the 19th century who wanted to improve the housing conditions of the time.

Today, housing associations are needed more than ever. Brent has a housing crisis: rents are rising, homelessness is growing and many residents are struggling to buy their own home as the demand for housing greatly outstrips supply. Social housing is part of the answer to addressing this crisis. We shouldn't forget as well the role they play in providing older people's housing, temporary accommodation and their vital work in helping residents with welfare advice, employment and training.

The task group has talked to housing associations large and small, tenants, local authority officers and housing policy experts in order to examine these challenges from different perspectives and to examine the problems or opportunities realistically.

What's clear is that there are many challenges for housing associations as a result of the Housing and Planning Act 2016 and the Welfare Reform and Work Act 2016. For all, it will test their ability to balance their values and commercial objectives and maintain their historic social mission. The difficulties for housing associations also present challenges for Brent Council because they are vital partners in meeting our own goals and ambitions for housing. This means we will need to reconsider fundamentally our own existing housing policies.

Listening to the different views and perspectives has been fascinating, and I would like to thank everyone who has contributed to this timely and important scrutiny task group report.

Councillor Tom Miller

Chair, Brent's Housing Associations Scrutiny Task Group

July 2016

Executive Summary

The task group looked at the effects of the Housing and Planning Act 2016 and the Welfare Reform and Work Act 2016 in five key areas: Right to Buy, social housing supply, 1% social rent cut, a voluntary Pay to Stay, and partnerships with the council.

This task group supports increasing home ownership and is not opposed to the principle of giving tenants the opportunity to buy their own home; however, that can only work if homes sold under the Right to Buy are replaced at least one-for-one in Brent and that social and genuinely affordable housing still continues to be provided across all tenures in the borough.

Although the task group does not believe Right to Buy will be taken up in significant numbers, it could exacerbate the borough's existing housing crisis by further reducing social housing stock. Even if social housing is replaced, there is uncertainty about the type of product that would replace it and there could be a time lag between loss and replacement. This will be made worse if already scarce housing stock is sold. Therefore, the local authority should insist on explicit exemptions of four-bedroom family-sized homes, supported housing and specially adapted housing which if it is sold under the extended Right to Buy will be extremely difficult to replace.

Brent Council also needs to consider other supply-side measures it can take such as joint development with registered providers which maximises the amount of social housing retained in the borough, and stimulating growth in other models of social housing in Brent such as housing co-operatives, community housing, self and custom build and community land trusts.

The demands of the legislation means Brent Council will also need to rethink its existing partnerships with housing associations, and the relationships between them. More of the knowledge and expertise which the local authority has could be shared as a way of building more effective partnerships. Similarly, the expertise which large housing associations have accumulated could be shared with the smaller registered providers in the borough.

The task group believes it may no longer be realistic for one local authority to be able to negotiate on equal terms with such large organisations. Therefore, the task group calls for far greater cross-London working as a counter-balance, and for a recognition of the important niche services that smaller housing associations offer to tenants and residents in Brent.

Finally, the importance of tenants' voices and listening to their concerns needs to be remembered and this important perspective should be better integrated into partnership working.

Recommendations

After considering its findings the task group has made the following recommendations.

Theme 1: Right to Buy

- 1. Strategic Director Community Wellbeing convenes a working party dedicated to Right to Buy with registered providers which meets to monitor the impact of the policy in Brent and helps to mitigate any potential problems which are caused.
- 2. Cabinet Member for Housing sets out a common position to all registered providers operating in Brent that the local authority would like homes of four bedrooms or more, specially adapted housing, and older people's housing exempted from the Right to Buy.
- 3. Strategic Director Community Wellbeing and Cabinet Member for Housing develop agreements with housing associations and the Greater London Authority which maximise the number homes replaced in Brent, including four-bedroom properties, as well as homes for social rent.
- 4. Strategic Director Community Wellbeing invites housing associations operating in Brent to fund jointly an anti-fraud investigator for a time-limited period to help housing associations' investigations into Right to Buy fraud and offer free training for staff on fraud and speculative buying practices.
- 5. Director of Policy, Performance and Partnership to consider integrating Right to Buy into Brent's financial inclusion strategy so that tenants are better informed about interest rates, mortgages, cost of major works, responsibility for repairs, and the operation of companies who encourage purchasing of homes under Right to Buy.
- 6. Cabinet Member for Housing requests that housing associations advise tenants of their financial options, and inform them of the wider responsibilities of becoming a leaseholder as part of the purchasing process for Right to Buy.
- 7. Cabinet Member for Housing ensures a working party of registered providers convened around the Right to Buy extension shares information and expertise about properties going into the private rented sector.

Theme 2: Social housing supply

- 8. The Strategic Director Community Wellbeing and Lead Member for Housing to initiate further discussions with other London local authorities about collaborative arrangements for the provision of social housing in the future.
- 9. Brent's Cabinet Member for Housing to consider setting up a forum for smaller housing associations to be able to gain expertise and knowledge in business planning and other areas from the larger registered providers operating in Brent.

- 10. Cabinet Member for Housing and Strategic Director Community Wellbeing put in place mechanisms to signpost residents to information about the Community Land Trust Network and Federation Confederation of Cooperative Housing and self and custom-build networks and organises a one-off event to stimulate interest in developing other social housing models.
- 11. The Strategic Director for Community Wellbeing commissions a feasibility study about developing affordable self-build on marginal areas of council owned-land which is not suitable for its own house building programme.
- 12. Brent Council to update its Housing Strategy 2014-19 to weight available councilowned land not intended for the council's own house-building programme towards housing association or partnership developments which house social tenants and vulnerable people in line with the council's political commitments.

Theme 3: Social rent reduction

13. Brent Council to continue to work closely with social landlords in the borough to evaluate the effects of welfare reform, in particular the overall benefit cap, and to develop appropriate processes and procedures that facilitate the achievement of this.

Theme 4: Pay to Stay

14. Cabinet Member for Housing to request that housing associations operating in Brent report regularly to the council outlining any progress they are considering in implementing Pay to Stay.

Theme 5: Partnerships

- 15. Cabinet Member for Housing organises more frequent forums around specific issues such as rents, welfare reform and employment as well as linking with London-wide housing groups so there can be a useful exchange of information and expertise.
- 16. The Strategic Director of Community Wellbeing organises a housing summit each year to bring together all the registered providers in the borough in addition to the regular quarterly forum meetings.
- 17. In collaboration with housing associations, Brent Council develops mechanisms that will enable housing association tenants to share their concerns and service priorities.
- 18. Cabinet Member for Housing to write to housing associations to encourage tenants' representation at the board level of housing associations by bottom-up elections.

19. Cabinet Member for Housing to develop a partnership model weighted towards those providing in-demand tenures and housing.	which	is more

1.0 Objectives and scope

The task group was started because of concerns about the future of housing associations and their continued ability to provide affordable housing as a result of the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016.

The objective of the group was to come up with policy recommendations for Brent Council's Cabinet by looking at the impact of the legislation on housing associations and the implications it had for Brent's existing housing strategy. Its scope included:

- 1. The effects on the ability of housing associations to provide affordable housing and meet future demand and the impact on the tenants of housing associations.
- 2. How the role and social purpose of housing associations in providing affordable housing in the future could be affected by the legislation.
- 3. Brent Council's strategic relationship with housing associations and how it can mitigate negative effects, develop opportunities and help prepare for policy changes.

The task group has considered the impact of the legislation on all registered providers in the borough, including housing co-operatives as well as housing associations. Because the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016 were such wide-ranging pieces of legislation the task group decided to narrow down what it would look at to five key areas: the Right to Buy extension, social housing supply, the 1% social rent cut, voluntary Pay to Stay, and partnerships.

Inevitably, this meant some areas were out of scope. Although Brent Housing Partnership is a registered provider it was not looked at by the task group. Also out of scope were housing management issues for registered providers and obligations in the Act for the local authority to pay a levy on higher value homes, Starter Homes and planning considerations.

2.0 Methodology

The task group collected quantitative and qualitative data as part of its work, including:

Quantitative: Data was collected about sales under the statutory Right to Buy.

Qualitative: Face-to-face discussion meetings with representatives of housing associations, tenants' organisations, housing policy experts and senior council officers and the Cabinet Member for Housing and Development. The housing associations were representative of large, medium and small registered providers, and the task group felt it would gather better data by holding in-depth themed meetings with a limited number of registered providers rather than sending a questionnaire to all.

There was also qualitative secondary research such as desktop-based collation of existing pieces of policy literature on the subject and policy development elsewhere.

3.0 Policy context

During much of the task group's work the Housing and Planning Bill was being debated in Parliament and there was uncertainty about which of its sections would become law. The final Bill did not receive Royal Assent until as late as 12 May 2016. However, not all its measures will immediately come into effect and the timeline for many of its changes is unknown. In addition the Act's regulations are still as yet to be published.

3.1 Housing and Planning Act 2016

The Act will enable a voluntary and non-statutory agreement between the Government and National Housing Federation – the corporate body for housing associations – to implement the Right to Buy by providing the resources to pay discounts to tenants. The Act allows the government to estimate the amount of money they would expect each individual local authority to receive, in each financial year, from sales of higher value homes, and councils will then be required to pay this amount to the Treasury.

Originally, during discussion of the Bill, the proposal by the government was that councils were expected to sell off any high-value homes that became vacant. This was changed slightly to a higher-value levy based on an estimate of the high-value empty stock which councils own. This means that higher value is defined in relation to the council's own stock, rather than a comparison with other local authorities. The thresholds for doing this have not been announced. The Act also allows the government to publish the home ownership criteria – a set of rules for the extension of Right to Buy – and to direct the Homes and Communities Agency to monitor associations' compliance with this criteria set out for the Right to Buy.

During the discussion of the legislation, the proposals to introduce Pay to Stay for housing associations were dropped and it will now only apply in law to local authorities. Pay to Stay means charging tenants on higher incomes a higher rent. For London, a taper of 15 pence for every pound over the £40,000 threshold will be introduced and only tenants' taxable income will be assessed. Some tenants on benefit will be exempt. The threshold of £40,000 in London will be reviewed annually by the Government and uprated in line with inflation using the Consumer Price Inflation index. Housing associations are exempt from they Pay to Stay, but if they do choose to implement it then they will be subject to controls to access HMRC data about their tenants' income.

Generally, the Act's provisions will mean the regulation of housing associations will weaken. The Government has also said that it wants the Office of National Statistics to reclassify them as private rather than public bodies. ¹

¹ 'Housing Associations and the Right to Buy' LGIU Policy Briefing, 3 March 2016; 'What You Need to Know

3.2 Right to Buy voluntary agreement

The voluntary Right to Buy agreement for housing association tenants was the result of negotiations which took place last year between the Department of Communities and Local Government and the National Housing Federation. It is not set in statute.

The exact details of how the voluntary Right to Buy will work in practice are still being developed by a Sounding Board made up of registered providers, the Department for Communities and Local Government and the Homes and Communities Agency. At present there is no fixed date for when the extension of Right to Buy to housing association tenants will start. ²

To replace homes lost, housing associations will be able reinvest the receipts from Right to Buy sales in new housing supply, and the properties sold will be replaced at least one-for-one. New homes must be delivered within three years, but the target will be two years, however it doesn't stipulate that the homes lost in a local authority area must be replaced in that locality or homes of a particular type or tenure must be replaced like-for-like.

In short, registered providers will have flexibility over the type, tenure and location of replacements so they can respond to local conditions and market pressures. Instead of a requirement for replacement by tenure type they can replace any of the homes sold with Starter Homes, shared ownership or part-buy and part-rent housing if they choose.

The size of any discount has not yet been agreed. However, at present there are pilot schemes across England, including one with L&Q in the London boroughs of Croydon, Enfield, Greenwich, Haringey, Lambeth, Lewisham, Newham and Southwark, where the Right to Buy is available to those residents who have been tenants for 10 years or more, at a discount of up to £100,000.

The voluntary agreement allows registered providers to have discretion about what stock they want to have excluded and there will also be a portable discount for tenants who if they are not allowed to buy their own property can transfer a discount. If a housing association chooses to decline a sale, an alternative property will be offered to the tenant, and if a tenant is unhappy with that property offered, or with the time taken to process a sale, they will be allowed to appeal to the Homes and Community Agency as the regulator. Compensation for discounts will go directly to housing

About the Housing and Planning Act 2016', Chartered Institute of Housing, 2016.

² www.housing.org.uk/topics/right-to-buy/right-to-buy-advisory-groups/the-sounding-board; 'An Offer to Extend Right to Buy Discounts to Housing Association Tenants' National Housing Federation, 2015

associations with 70 per cent on completion, and 30 per cent after a start on site or acquisition of a new property. ³

3.3 Welfare Reform and Work Act 2016

The Welfare Reform and Work Act 2016 makes a provision that housing association rents for tenants are to be reduced by 1% per year for four years starting in April 2016; however, the reduction for tenants living in supported housing, housing co-operatives and land trusts is scheduled to start one year later and won't apply to them in 2016. There is still a possibility that the reduction will not be applied to these groups but this is uncertain.

The second major part with implications for housing associations are substantial changes to welfare and welfare reform, including changes to wider benefits such as Employment Support Allowance, reducing the overall benefit cap to £23,000 for couples and £15,410 for single claimants in London, and freezing the main rates of the majority of working age benefits as well as the introduction of Universal Credit, and removal of Housing Benefit entitlement for those claimants who are aged 18-21. There are some exemptions which are yet to be clarified. ⁴

3.4 Brent's Housing Strategy 2014-19

Brent Council's 2014-19 Housing Strategy was agreed by Cabinet on 21 July 2014 before the new legislation was proposed by the Government or received Royal Assent. The strategy is wide-ranging, and the task group has just considered the relevant areas which set out how the local authority will work with housing associations to meets its own objectives, and the challenges Brent faces in providing social housing.

The existing housing strategy makes clear the scale of the housing crisis in Brent: housing register demand is high, homelessness applications are rising and Brent has one of the highest number of households in temporary accommodation in the country.

Furthermore, for Brent Council supply-side measures to increase social housing are difficult because opportunities for large-scale development are constrained by land scarcity and costs. Yet, because of demographic pressures and Brent's growing population, the demand for housing is growing. The balance of housing is also changing. The private rented sector has overtaken the social housing sector in recent years, almost doubling in size as a proportion of housing – In 2001 around 17% of households lived in the private sector, but the proportion is estimated to be around 32% today.

³ Housing Associations and the Right to Buy, Communities and Local Government Committee, February 2016, pp.9-10

⁴ www.parliament.uk/mps-lords-and-offices/offices/commons/commonslibrary/commons-library-news/welfare-reform-and-work-bill-2015/

At the same time, the proportion of social housing has remained broadly unchanged. Around 16,000 homes are owned or managed by housing associations, while in addition Brent Council owns another 9,000 rented and 3,000 leasehold homes, through Brent Housing Partnership (BHP). Since 2001, Brent has seen a redistribution of housing type with a contraction of home ownership, rapid growth in the private rented sector and limited growth in the social housing stock rather than any significant increase in social housing supply in the borough.

The task group noted that key questions highlighted by the strategy are how far housing can be delivered within the borough or London boundaries, and the need for registered providers to offer market products to cross-subsidise affordable homes. ⁵

Partnership working is an underlying theme of the Housing Strategy 2014-19 and there is a recognition that for Brent Council to achieve its objectives there is a need for its partners to work together around aligned priorities and a coordination of resources. The role for Brent Council identified in the strategy is one of strategic leadership rather than as a primary direct deliverer of new social housing although there has been building of new homes by Brent Housing Partnership.

An important theme of the strategy is social housing improvement, which is identified as a priority. The strategy notes that the majority of social and affordable homes are owned and managed by registered providers, and that a shared commitment to raising standards is central to Brent Council's own aim of improving the quality of housing.

The importance of residents' and tenants' involvement is also highlighted. The strategy highlights that social housing tenants and leaseholders have no individual and limited collective choice over who manages their homes so the council would like to see greater resident involvement and customer insight in the management of housing stock. Brent's Housing Strategy 2014-19 has a number of priority outcomes relevant to the task group around increasing the supply of social housing, including:

- 1. A minimum of 35% of new affordable rent homes to be three bedrooms or larger.
- 2. Increasing the capacity to meet housing need and support social mobility by providing 5,000 affordable rent and low-cost home ownership properties by 2019.
- 3. 700 affordable council homes by 2017.
- 4. 200 additional supported housing units by 2016. 6

4.0 Main Findings

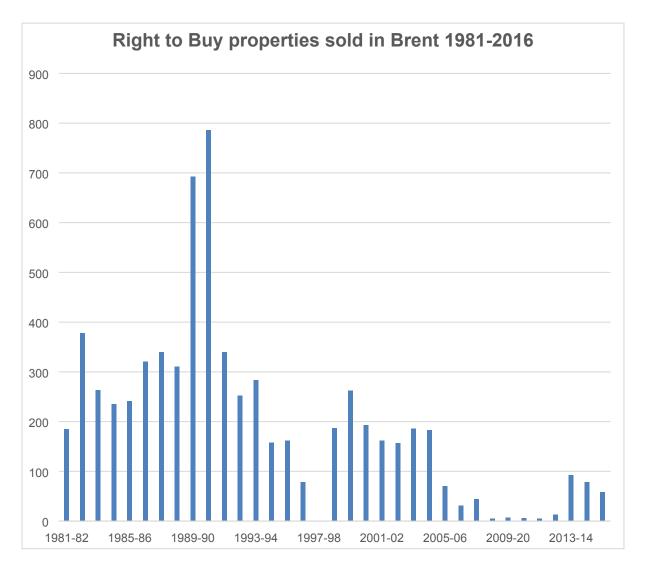
4.1 Right to Buy

⁵ Brent Council Housing Strategy 2014-19, pp2-6

⁶ Brent Council Housing Strategy 2014-19, pp10-15

The task group started its assessment of the likely impact of the Right to Buy extension by analysing Brent Council's own historical data of the statutory scheme, and weighed it against registered providers' modelling, tenants' perceptions and wider research.

Brent's historical data underlines the importance of the discount on take up of Right to Buy. In the 1980s, after an initial swell of interest, demand stabilised until the government increased discounts in 1984 when the maximum discount of 50 per cent on all properties was raised to 60 per cent for houses and 70 per cent for flats. Subsequently, Right to Buy purchasing hit a peak in 1990-91 when almost 800 properties were sold in just one year.

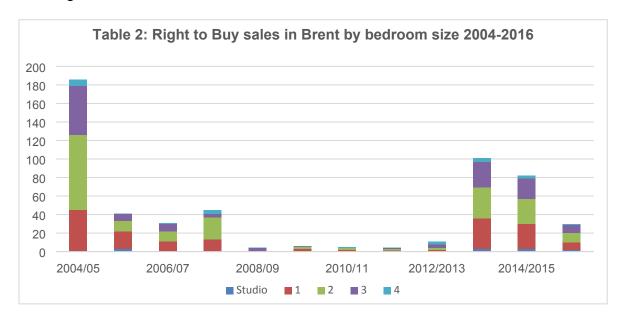


Source: Brent Housing Partnership

In line with national trends, Right to Buy sales declined in the 1990s after the end of the property boom, the beginning of an economic recession and period of high real interest rates. Demand was dampened down again when the Government in 1999 replaced the 50% discount with capped limits, which in 2003 were cut to just £16,000 in London, and after the 2008-11 economic recession, Right to Buy purchases fell. ⁷

Perhaps the main reason for a revival from 2013-14 was that the Government greatly increased the size of the Right to Buy discount on offer – from April 2012 the Government increased the maximum cap on the Right to Buy discount to £75,000, and as part of 2013 Budget the maximum discount available in London rose to £100,000 with effect from 25 March 2013. The Government was clear that it felt sales were too low and increasing discounts would help to push up Right to Buy sales. ⁸

The current maximum discounts available for the Right to Buy are now £103,900 in London. However, the current maximum discount cannot exceed 70% of the market valuation. Family members who are not tenants can financially support a Right to Buy, but they must have been living in the property for a minimum of 12 months. ⁹ Brent's own data shows that two and three bedroom properties have consistently been the housing stock which has most been sold – few of them were four-bedroom homes.



Source: Brent Housing Partnership

That may more reflect the existing scarcity of family-sized homes and the cost of purchasing even with the maximum discount on offer of £103,900. A consistently far higher proportion of three-bedroom homes have been sold under the statutory Right to Buy.

⁷ 'The Impact of the Existing Right to Buy' Ian Cole, Stephen Green, Lindsey McCarthy, Ben Pattison Centre for Regional Economic and Social Research, Sheffield Hallam University, 2015

 $^{^{\}rm 8}$ 'Incentivising the Right to Buy', House of Commons Library briefing paper, pp.11-13

⁹ www.bhphousing.co.uk/tenants/buying-my-home-right-to-buy/how-much-discount-for-right-to-buy/

At the point of writing the report, the regulations for the Housing and Planning Act had not been published and the level of discount for tenants had not been confirmed. However, the Chief Executive of Innisfree John Delahunty reminded the task group there is a strong political imperative to the policy, which is a manifesto commitment. ¹⁰ It's possible that the size of the maximum discount could be greater than anticipated, and greater than the amount in the pilot schemes.

The task group asked the housing associations' representatives who took part in a themed discussion for their modelling of sales under the extension of Right to Buy. Evidence from the housing associations suggest that while there may be high pent-up demand and interest from tenants, London's high house prices and low median incomes will limit the take up.

Network Homes estimated sales of up to 5% of its current general needs stock over the next three years. That is based on an assumption that around 3,000 of its Brent tenants will be eligible. However, its own anecdotal evidence is that valuation of properties will be the key and tenants already feel that house prices are too high and they won't be able to afford to buy. ¹¹

Genesis calculates that about 1% of its properties will be sold each year. As it has 3,500 rental properties in Brent this would mean sales of about 35 a year in the borough. ¹² Origin told the task group that it was modelling for a 7% loss of housing stock over 4 years, but this figure applies to Origin's total housing stock across several London boroughs. ¹³ As Network Homes has the majority of its stock in Brent, it seems reasonable to the task group that its modelling is closest to the number of homes which could be sold in Brent.

The registered providers' modelling of the likely loss of housing stock confirms the findings of research by Sheffield Hallam University which estimates that in London just 1% of housing association tenants will be able to afford to buy their own property. 14

Evidence from the Right to Buy pilot in London suggests take-up in Brent will be low. Data from the L&Q pilot, in which there was marketing to 19,000 tenants, showed there were just 1,996 expressions of interest – 10.51% of all tenants – and just 96 applications representing 0.51% of L&Q tenants included in the pilot scheme. Outside London, expressions of interest and applications were stronger – a housing

¹¹ Interview, Helen Evans, Network Homes, 25 May 2016

¹³ Interview, Karen Wilson, 24 May 2016

¹⁰ Task group meeting 3 May 2016

¹² Task group meeting 3 May 2016

¹⁴ Tenant Perceptions of the Right to Buy Extension: Evidence from the Big Tenant Survey, Ben Pattison, David Robinson, Ian Wilson. Sheffield Hallam University, February 2016, pp.3-5

association in south Norfolk recorded that 6.94% of tenants expressed an interest and 2.81% of tenants in the pilot later applied to purchase under the Right to Buy. ¹⁵

Again, Brent's own historical data offers some insight into why high pent-up demand and expressions of interest may not translate into sales under the new Right to Buy. Consistently, the number of applications has dwarfed actual sales for both houses and flats. The largest differential was in 2012-13 and followed the Government's announcement of an increase in the maximum discount available in London for Right to Buy, which suggests the resulting publicity fuelled a surge of interest.

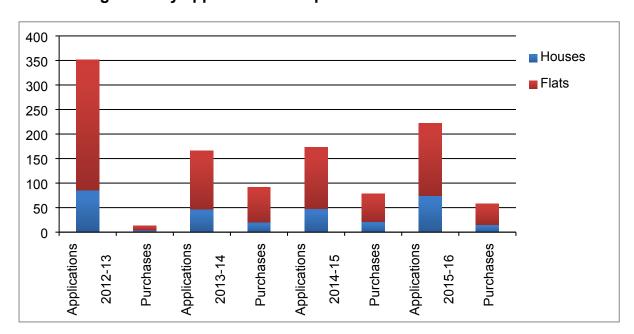


Table 3: Right to Buy applications and purchases in Brent 2012-2016

Source: Brent Housing partnership

Evidence from the statutory Right to Buy nationally is that purchases are more common in areas where house prices are low and tenants are in full-time work, and a high proportion of the purchasers are of working age and in full-time employment. ¹⁶

4.2 Income and demand

¹⁵ Inside Housing, 15 April 2016. No time period for the collection of this data was given in the article.

 $^{^{16}}$ 'The Impact of the Existing Right to Buy' Ian Cole, Stephen Green, Lindsey McCarthy, Ben Pattison Centre for Regional Economic and Social Research, Sheffield Hallam University, 2015

The research by Sheffield Hallam University showed that in the 1990s low-income households were generally not the most common household type who purchased. Nationally, the most common type was a two-parent family with children at school, and most purchasers were drawn from lower middle class or skilled working class backgrounds, and only a minority of households had incomes in the lowest quartile. ¹⁷

Household incomes will be important to influencing effective Right to Buy demand. The housing associations who the task group interviewed did not have data available on tenants' incomes, and no wider data from the social housing sector exists. However, the median household income in Brent is £39,630, far lower than the London median income of £51,770, and it is probably reasonable to assume that the median income of housing association tenants is lower still than the median average, which with the high house prices in Brent would mean incomes are too low to make purchasing realistic and would disqualify them from being accepted for a mortgage. ¹⁸

However, an external shock to the economy in the future could weaken the housing market and push down aggregate prices, closing the affordability gap. As the task group was completing its report, housing associations were warning that their development plans could be affected by the economic uncertainty following the referendum on the United Kingdom's membership of the European Union. ¹⁹

The qualitative evidence of tenants' representatives supports the low estimates of take up. From talking to residents, they did not think there would be a large initial demand for the Right to Buy and thought take up would be low, and could cite only a few examples of people they know who were now thinking of taking up the Right to Buy.

John Harrison, Chair of Catalyst Brent Residents' Forum, said that generally many tenants' incomes were low and many were in unskilled work on temporary or zero-hours contracts which meant getting or applying for a mortgage would be hard. ²⁰

However, the task group feels there needs to be caution about estimates just based on individual income. Paul Negi, Markets and Business Development Director of Genesis, rightly pointed out that there were caveats to calculations of demand for Right to Buy based on household income. Firstly, other members of a tenant's family may well participate; secondly the financial services industry may put products in place to

¹⁷ 'The Impact of the Existing Right to Buy' Ian Cole, Stephen Green, Lindsey McCarthy, Ben Pattison Centre for Regional Economic and Social Research, Sheffield Hallam University, 2015

¹⁸ Household income derived from 2011 census data

¹⁹ Inside Housing, 1 July 2016

²⁰ Task group interview, 14 June 2016

enable purchases for those on low incomes which could skew the figures towards higher take up. ²¹

This view was supported by other housing associations. Origin, drawing on Camden's experience, said that individual income doesn't necessarily drive purchasing, there are wider household and family incomes which should be taken into account. Anecdotally, they were aware of cases where grandchildren had helped to buy a grandparent's flat.

In all, while the task group believes that perhaps only around 1% of social housing will be sold each year by the extension of Right to Buy to housing association tenants, there are many consequences arising from the policy as well as a weakening of social housing supply. Furthermore, the council has accumulated lot of experience of its own from the Right to Buy which could be used to mitigate any negative effects of the policy on the borough.

Recommendation 1:

Strategic Director Community Wellbeing convenes a working party dedicated to Right to Buy with registered providers which meets to monitor the impact of the policy in Brent and helps to mitigate any potential problems which are caused.

4.3 Exemptions

Under the voluntary agreement registered providers have the discretion to exempt housing for sale. Naturally, each housing association is developing its own position to exemptions, but that means there is not a co-ordinated approach across the borough.

Network's position is that it will have an open scheme and it will implement Right to Buy except where properties are subject to regeneration. Other exemptions will be those properties already outside of the statutory Right to Buy such as older people's housing and specially adapted housing. Network has said that larger family-sized homes of three and four-bedroom properties will not be exempt but will be looked at case-by-case on application. The housing associations' policy is not just for Brent and will apply in all local authority areas in which it operates. ²³

²¹ Task Group interview 3 May 2016

²² Task Group interview with Karen Wilson 24 May 2016

²³ Network Homes interview 25 May 2016

Metropolitan has said its approach on the voluntary Right to Buy is still being developed, but exemptions will include properties where a preserved Right to Buy exists following stock transfer arrangements and those properties where the Right to Acquire exists. Origin will be seeking to exempt properties from Right to Buy which were not built with public funding such as its charitable and legacy stock and specialist housing stock. Also, Origin said that housing associations would be unlikely to sell some stock built under Section 106 because of legal agreements stating which mean it should be social housing in perpetuity.

For Apna Ghar there is an ethical issue around exemptions because if its specialist stock was excluded from the new Right to Buy it would mean that disabled people were excluded from the opportunities open to all.

Exemption is obviously a key issue for the local authority. The Cabinet Member for Housing and Development and senior officers also supported the principle of exempting scarce stock such as family-sized properties and older people's housing. As they made clear, the question for the local authority is how it can influence the approach taken by registered providers who under the voluntary agreement are free to determine their own exemptions.

The task group's view was that exemptions should be borough specific and that this was the time to set out a co-ordinated position to all registered providers operating in Brent.

Recommendation 2:

Cabinet Member for Housing sets out a common position to all registered providers operating in Brent that the local authority would like homes of four bedrooms or more, specially adapted housing, and older people's housing exempted from the Right to Buy.

4.4 One-for-one replacement

The task group found that larger housing associations such as Genesis are confident that because of their significant development pipeline that they can replace any property lost through Right to Buy on a one-for-one basis and there would be no or very little time lag. Network also feel that they can do one-for-one replacement, or even two-for-one, and that its housing stock will actually continue to grow over the medium-term.

However, the picture is more difficult for smaller housing associations which do not have big development programmes. Apna Ghar told the task group that because its

accommodation was specialist there could be a time lag of up to four years if wheelchair units were lost under the Right to Buy and then needed to be replaced. ²⁴

Even with the release of receipts from the Right to Buy, housing associations are up against the underlying problems of land scarcity and the rising costs of development.

John Delahunty, Chief Executive of Innisfree Housing Association, said:

"There is a risk for smaller housing associations that they won't be able to spend the receipts from Right to Buy. It is very difficult to magic up a site so an alternative for replacement could be buying on the open market." ²⁵

However, the task group is extremely concerned that there is no obligation in the legislation or voluntary agreement for any property sold in Brent to be replaced in Brent or for housing of the same type or tenure of housing to be replaced in the borough.

Because of the trans-borough nature of the large housing associations it's likely that replacement will be outside Brent and outside London where land is far cheaper. That means in effect that receipts from sales in Brent will end up being spent on housing outside the borough.

The housing associations were open that in order to be able to cross-subsidise social housing they were having to develop more housing for market sale or rent, and that new developments would not have the same amount of social rent as in the past. The task group is concerned that the balance of social housing will shift in the long-term as a result towards low-cost home ownership or Starter Homes and away from social rents.

In addition to ensuring there is at least one-for-one replacement, the local authority needs to do what it can to ensure that type and tenure meet the borough's needs. Brent has a high number of larger families who need four-bedroom sized homes, but these are unlikely to be replaced if sold under the voluntary Right to Buy.

The task group heard from the Operational Director for Housing that they are discussing with one housing association an agreement involving the use of Right to Buy receipts which would mean that if stock was sold in Brent, it would be replaced in the borough. The task group welcomes this approach and encourages it as a way of keeping homes in Brent; however, the local authority must ensure the replacements are of the right type and tenure for the needs of the borough's population.

²⁴ Task group meeting 3 May 2016

²⁵ Task group meeting 3 May 2016

Recommendation 3:

Strategic Director Community Wellbeing and Cabinet Member for Housing develop agreements with housing associations and the Greater London Authority which maximise the number homes replaced in Brent, including four-bedroom properties, as well as homes for social rent.

4.5 Fraud

Fraud from Right to Buy was a concern expressed by all housing associations the task group spoke to. The London Boroughs' Fraud Investigation Group estimate that around three per cent of Right to Buy discount applications in the capital could be fraudulent. ²⁶

This type of fraud can be multi-faceted. Common examples of it can include a misrepresentation of circumstances or length of tenancy to gain a greater discount than entitled, concealing tenancy history such as rent arrears, attempting to purchase a property whilst not using it as a principal home, or submitting an application for someone who does not live at the property at which the application was first made. ²⁷

The task group did not think that there would be a dramatic overnight growth of Right to Buy fraud but felt that there may be an increase and was concerned about how well-placed smaller housing associations would be to cope with preventing it in future. Again, the larger registered providers said they had experience of dealing with fraud in shared ownership and part ownership/part rent and have already put system checks in place.

Brent Council already offers an anti-fraud service and a number of housing associations already use the service. Brent Council now operates audit and investigation under a shared service with Ealing, Brent and Hounslow as partners. They jointly have a great deal of expertise and have built up a considerable body of knowledge and experience in this area which can be shared or made available to housing associations.

Recommendation 4:

Strategic Director Community Wellbeing invites housing associations operating in Brent to fund jointly an anti-fraud investigator for a time-limited period to help housing associations' investigations into Right to Buy fraud and offer free training for staff on fraud and speculative buying practices.

²⁶ 'Protecting the London Purse 2015', London Boroughs' Fraud Investigators Group, 2015, pp.31-32

²⁷ 'How to Prevent Right to Buy and Right to Acquire Fraud', Chartered Institute of Housing, November 2013

4.6 Advising tenants

The differential between expressions of interest and sales under Right to Buy from Brent's data suggests some tenants have imperfect information about Right to Buy. Yet, the task group believes it is important that when tenants of housing associations are considering buying their own home that they have made available to them the full extent of the financial and maintenance responsibilities so they can make an informed decision, and this should include information about the responsibilities of becoming a leaseholder.

Furthermore, tenants who are considering the step of buying their own home need to make sure they are up-to-date and informed about mortgage products, property law and interest rates so they can meet financial obligations and make an informed choice.

Housing associations and Brent Council are already doing a lot of excellent financial inclusion work. Although it is often aimed at the poorest residents, the task group felt that Right to Buy should be integrated into existing financial inclusion strategies. Also, that tenants are given information about the responsibilities of becoming a leaseholder and the financial demands of buying their own home when they express an interest. This also relates to the point in 4.2 about the operation of some companies in the market.

Recommendation 5:

Director of Policy, Performance and Partnership to consider integrating Right to Buy into Brent's financial inclusion strategy so that tenants are better informed about interest rates, mortgages, cost of major works, responsibility for repairs, and the operation of companies who encourage purchasing of homes under Right to Buy.

4.7 Private rental market

The national experience of Right to Buy is that more properties end up in the private rented sector as some of those sold under extended Right to Buy over time are converted to rental accommodation by their new owners. ²⁸ Research shows this is an

²⁸ 'Extending the Right to Buy' National Audit Office, March 2016, p18

existing problem in Brent with the amount of private letting and subletting actually increasing. ²⁹

The task group is concerned that the growth of private renting as a result of extending the Right to Buy homes may affect the stability or cohesion of some neighbourhoods. Brent's housing strategy has already outlined the rapid growth of the private rented sector and the associated problems of quality of accommodation which it has brought.

Furthermore, tenants' representatives highlighted the mixed effects on communities of increasing numbers of homes in the private rented sector from the statutory Right to Buy. There can be problems associated with subletting and housing management.

John Harrison, Chair of Catalyst Brent Residents' Forum, said:

"Some people have bought up a portfolio of Right to Buy properties. Instead of a responsible social landlord you get private landlords who are not always good, with little proper management and it can be very bad at the extremes."

The task group accepts that it would be very difficult to stop Right to Buy homes going into the private sector, and ultimately it has to be for a tenant to choose what they do with their own private property. In addition, it's not opposed to having mixed tenures and acknowledges that some private rented housing can also have positive effects. However, it felt that we can learn from some of the lessons of the statutory Right to Buy and start to try and mitigate some of the possible negative effects by sharing knowledge.

Recommendation 6:

Cabinet Member for Housing requests that housing associations advise tenants of their financial options, and inform them of the wider responsibilities of becoming a leaseholder as part of the purchasing process for Right to Buy.

5.0 Social housing supply

The task group has looked at how social housing supply in Brent may be affected by the Housing and Planning Act 2016 and Welfare Reform and Work Act 2016 and what supply-side measures can be taken to improve the availability of social housing stock.

²⁹ Inside Housing, 14 August 2015

5.1 Brent's social housing

Brent has 60 registered providers, including Brent Housing Partnership and four housing co-operatives. G15 housing associations operating in Brent include A2Dominion, Catalyst, Circle, Family Mosaic, Genesis, Hyde, L&Q, Metropolitan, Network Homes, Notting Hill, Peabody and Southern Housing. There are also some G320 housing associations. Together, housing associations provide almost 20,000 units in general rental, low-cost ownership, supported and older people's housing.

Table 4: Units owned by registered providers in Brent of all types

Housing type	Number of units	Percentage of total
General needs rental accommodation	14,839	77.4%
Low-cost home ownership	2,317	12.1%
Supported housing	1,042	5.4%
Older people's housing	969	5.1%
Total	19,167	100%

Source: Homes and Community Agency, Statistical Data Return 2014-15

However, almost half of the registered private providers own fewer than 100 properties, and provision is dominated by a few of the large housing associations. ³⁰

Network Homes and Genesis are by far and away the biggest housing associations and between them own almost half the stock of rental accommodation in Brent. Together, the five largest – Network Homes, Genesis, Metropolitan, Catalyst and L&Q – account for more than 70% of rental accommodation. Octavia, Origin and ASRA are the only non-G15 housing associations with a large amount of general rental housing.

Table 6: Top ten owners of rental accommodation in Brent by housing association

 $^{^{30}}$ The 60 includes registered providers set up by housing associations for low cost home ownership or to provide supported housing.

Rank	Registered provider	Number of rental accommodation owned units	Total percentage of rental accommodation in Brent
1	Network Homes	3,568	24.0%
2	Genesis	3,389	22.8%
3	Metropolitan	1,649	11.1%
4	Catalyst	1,590	10.7%
5	L&Q	979	6.6%
6	Hillside	728	4.9%
7	Family Mosaic	509	3.4%
8	Octavia	359	2.4%
9	Origin	293	2.0%
10	ASRA	290	1.9%

Source: Homes and Community Agency Statistical Data Return 2014- 2015

However, it's likely that this structure will change as the larger housing associations consolidate. Since the task group started it was announced that Sanctuary Group and specialist social landlord Housing & Care 21 will merge, and there will also be a merger of L&Q, Hyde and East Thames to create the UK's fourth biggest house builder; Genesis and Thames Valley Housing Association have agreed in principle to merge. ³¹

The task group is concerned about concentrating ownership of housing associations and any loss of smaller housing associations. The policy experts also highlighted this as a problem for a local authority. Martin Wheatley from SHOUT said that there are sensible arguments in principle because bigger organisations can have a stronger balance sheet and do more development; however, there are also disadvantages to mergers, which may not always work out. Also, he pointed out, for an individual local authority one effect of the recent mergers of the larger housing associations into ever bigger organisations is that it could be become a proportionately of less importance to them. ³²

It may no longer be realistic for one local authority to be able to negotiate on equal terms with such large organisations. Therefore, the task group calls for far greater cross-London working with other local authorities. The task group heard from the Operational Director for Housing that discussions have already started with a number of local authorities in the capital.

Recommendation 7:

³¹ Inside Housing 6 April 016, 7 June 2016; Inside Housing 4 November 2015

³² Task group meeting 13 June 2016

Cabinet Member for Housing ensures a working party of registered providers convened around the Right to Buy extension shares information and expertise about properties going into the private rented sector.

Brent has a number of small housing associations – part of the G320 – who are based in the borough who offer more niche provision than the larger registered providers. For example, Apna Ghar, which is based in Wembley, houses people from all backgrounds and was set up in 1979 to offer housing and support particularly to disabled people. ³³ Similarly, Innisfree, which is based in north-west London, was founded in 1985 to meet the housing needs of the Irish community in Brent and now offers wider provision to all.

The task group was impressed by the wider community work done by smaller registered providers and noted their community ethos and roots in the borough. The task group is of the view that the niche role of the small organisations adds a lot to Brent's social housing landscape and this view was shared by the Cabinet member. However, the smaller housing associations were clear about the challenges for them from the legislation.

The task group's view is that bigger is not necessarily better. Smaller organisations can be just as efficient as larger housing associations. Also for the borough a greater number of smaller provider offers a greater diversity of provision. As the data shows, Brent already has a number of very large providers providing most of the social housing stock.

Clearly, the larger registered providers in Brent have expertise and knowledge in development and other areas which the smaller organisations may not be able to build up. In order to protect the role of smaller organisations the task group would like this expertise shared if possible. This goes to the heart of partnership working which will be discussed in full elsewhere. The role for the local authority is to initiate and provide a forum where the smaller associations can be supported.

Recommendation 8:

The Strategic Director Community Wellbeing and Lead Member for Housing to initiate further discussions with other London local authorities about collaborative arrangement for provision of social housing in the future.

5.2 Models of social housing

³³ www.agha.org.uk/about-apna-ghar-housing-association/, 2016.

Because of the challenges faced by housing associations it's important for the council to consider if it should do more to encourage other models of social housing in Brent. The task group established that housing co-operatives and community land trusts will be exempted from the Right to Buy and spared the social rent cut of 1% until next year.

Presently, there are four established housing co-operatives, including Arneway, Cyron, Portobello and Willesden Green Housing Co-operative and the tenant-managed Kilburn Square Housing Co-operative. The number of units they have is extremely small at 179 in total across the borough. ³⁴

The task group accepts that these will only provide low numbers of housing units; however, the task group is of the view that they should be encouraged to play a bigger role in Brent because they will be able to offer homes as social housing in perpetuity.

Community Land Trusts are a model of social housing which does not exist in Brent at present. Through London Citizens a land trust has recently been set up in Mile End in Tower Hamlets and other local authorities including Lewisham and Lambeth have publicly said they want to develop a community land trust in their borough as well. The task group heard from the Jonathan Rosenberg, chair of Walterton and Elgin Community Homes (WECH), – which is in Westminster – that its model of a community housing association makes it highly responsive to tenants and they are also exempt from the policy changes affecting housing associations. The community control of WECH itself regulates the organisation. ³⁵

The policy experts we heard from made the point that these forms of housing can be difficult to set up because it requires expertise and a great deal of commitment. However, we should test if there is interest in the borough. Also, we need to recognise that this model of housing has been successful and has worked well elsewhere.

While recognising that community land trusts and co-operatives will not greatly increase the supply of social housing we think they can add an important dimension. There are national organisations such as the Community Land Trust Network and National Federation of Housing Co-operatives who we can work with to bring some of the expertise in developing these homes to the borough and testing any interest.

Recommendation 9:

³⁴ Homes and Community Agency, Statistical Data Return 2014-15

³⁵ Task group meeting 13 June 2016

Brent's Cabinet Member for Housing to consider setting up a forum for smaller housing associations to be able to gain expertise and knowledge in business planning and other areas from the larger registered providers operating in Brent.

Another section of the Housing and Planning Act 2016 places an obligation on the local authority to make adequate provision of land for self-build plots in the borough. Other boroughs such as Lewisham have encouraged other forms of Self-Build for many years. The task group also heard from tenants' representatives that there would be enthusiasm for a self-build programme. Again, it's acknowledged that this can never create a large number of new housing units but it would add another facet to the profile of social housing in the borough, and the council should consider developing it.

Recommendation 10:

Cabinet Member for Housing and Strategic Director Community Wellbeing put in place mechanisms to signpost residents to information about the Community Land Trust Network and Federation Confederation of Cooperative Housing and self and custom-build networks and organises a one-off event to stimulate interest in developing other social housing models.

Recommendation 11:

The Strategic Director for Community Wellbeing commissions a feasibility study about developing affordable Self-Build on marginal areas of council owned-land which is not suitable for its own house building programme.

5.3 Supply-side measures

One of the most effective supply-side measures a local authority can take is to increase the supply of land for housing. However, Brent's land assets are relatively scarce. There is a consensus about the scarcity of land hindering development. All the housing associations identified it as a major problem and felt it was one thing which the council could do much more to help them with. However, the task group obviously recognises that the council will want to retain what land it has for its own housing building. However, there could be some scope for the council to be able to release land to housing associations.

Recommendation 12:

Brent Council to update its Housing Strategy 2014-19 to weight available council-owned land not intended for the council's own house-building programme towards housing association or partnership developments with them which house social tenants and vulnerable people in line with the council's political commitments.

In addition, to land scarcity, the task group heard from Origin housing about problems of development because of the bottlenecks private developers are facing, particularly around the scarcity of staff with the right technical skills. Brent Council has its own strategy for skills, which was incorporated in the 2014-19 Housing Strategy, and it could be reviewed in the future with a specific commitment to reduce the scarcity of technical skilled staff for housing building and construction to help social housing supply.

6.0 Social rent reduction

From the themed discussions the task group had with housing associations it's clear that the social rent cut, which was in the Welfare Reform and Work Act 2016, is putting severe pressure on them and severely disrupted their long-term business planning.

Network estimates it will lose around £45million over four years but feels that can be absorbed. ³⁶ Origin housing association said that the effect of the 1% rent cut will be to take out £3million of its annual income by 2020, which equates to 8% of turnover; however, in the socially rented part of Origin's income, it will be closer to a 12% loss of income. There was also a feeling among housing associations that the 1% cut over four years may be extended again by the Government, which would 'come back for more'. ³⁷

Tenants' representatives the task group spoke to did not think it would benefit their residents significantly. One described it as 'a few quid a week' which won't be greatly noticed. Moreover, they pointed out that because many tenants receive Housing Benefit, the 1% cut will not be noticed by them at all, but registered providers will lose income. ³⁸

Recommendation 13:

³⁶ Network Homes interview 25 May 2016

³⁷ Task group meeting 3 May 2016

³⁸ Task group meeting 14 June 2016

Brent Council to continue to work closely with social landlords in the borough to evaluate the effects of welfare reform, in particular the overall benefit cap, and to develop appropriate processes and procedures that facilitate the achievement of this.

6.1 Welfare reform

The social rent reduction will by reducing income hinder the ability of housing associations to deliver advice and support around employment and welfare. Also, the extent of changes in Welfare Reform and Work Act 2016 will put pressure on their existing welfare advice services. Brent is one of the boroughs which has been most significantly impacted by the overall benefit cap and welfare reform generally since 2013. On 31 March 2016, there were 654 households subject to the overall benefit cap in the borough of which 133 were in the social rented sector. However, as the cap is reduced again the figure is likely to rise.

Genesis acknowledged that the one-to-one advice it offers at the moment may have to change because of the scale of tenants affected by welfare changes; Arneway Housing Co-operative also said the introduction of Universal Credit was of major concern to them. Tenants were also very concerned about the effects on people and their ability to pay rent. ³⁹

The task group's view is that the local authority needs to work more closely with registered providers in this area, and again because of the wide expertise it has there can be more information sharing and support to help them and their tenants navigate their way through the changes.

7.0 Pay to Stay

The Housing and Planning Act 2016 only compelled local authorities to introduce Pay to Stay. However, housing associations can introduce it voluntarily. None of the housing associations said they had any plans to implement a Pay to Stay because of the problems of administration and other technical difficulties as a considerable barrier to making the scheme work. They all also pointed out the issues around tapering and adverse consequences such as removing incentives to work or improve training and skills for tenants, which runs contrary to a lot of the welfare reform and employment support work they have been doing. Housing associations also said the amount of

³⁹ Task group meeting 3 May 2016; Task group meeting 14 June 2016

money it would collect would also be small, and would probably not outweigh the costs of administering a Pay to Stay scheme. 40

Chris Bull, Head of Housing at Metropolitan, said:

"The policy raises more questions than answers. It could disincentivise work and a model would have to be found where it didn't penalise people for working."

However, the task group noted that none of the housing associations who took part in the themed discussions explicitly rejected the idea of Pay to Stay. Indeed, at board level Metropolitan is supportive of Pay to Stay in principle. Innisfree housing association acknowledged that when it had raised the issue, many of its tenants felt £40,000 was a very high income and it was fair for those earning that much to pay more.

After considering the scheme the task group rejects it in principle because it does not believe that £40,000 – the threshold for the statutory scheme – is a high household income in London. In Brent median household income is only £39,500, which is just below the threshold, and it could be introduced at a rate which as has been pointed out creates barriers to work and higher pay.

Therefore, it's important that any voluntary introduction of this policy in Brent is monitored in the future.

Recommendation 14:

Cabinet Member for Housing to request that housing associations operating in Brent report regularly to the council outlining any progress they are considering in implementing Pay to Stay.

8.0 Partnerships

Brent Council's partnerships with registered providers were identified in its housing strategy as important to delivering its own housing policies and objectives. At present Brent Council doesn't have 'preferred partners' as some local authorities do or a strategic partner as such; instead it has good broadly based relationships with all housing associations.

At present Brent Council organises a Registered Providers' Quarterly Forum. In the past this was known as the Brent Housing Group and it had sub-groups to discuss specific issues. All the registered providers in the borough can attend and there is

⁴⁰ Network Homes interview 25 May 2016

discussion and a sharing of ideas. There was a very strong commitment to partnership working with Brent Council across the board from registered providers the task group spoke to. However, they pointed out some problems with it, for example, staff churn in the local authority can make partnership working and dialogue with Brent Council harder.

The task group found that other boroughs such as Camden go further in their partnership working and in addition to organising forums publish an annual social housing report with contributions from members, the local authority and registered providers. The task group also thought there could be an annual meeting to coordinate partnership working, which has existed in Brent in the past although it understands that officers are working with fewer resources today. Also, that forums could be more frequented and organised around specific issues.

In general, the measures and greater partnership working would help to create a sense of the housing associations a family of organisations who while in competition with each other also share an underlying unifying ambition of meeting housing need for Brent's residents.

Recommendation 15:

Cabinet Member for Housing organises more frequent forums around specific issues such as rents, welfare reform and employment as well as linking with London-wide housing groups so there can be a useful exchange of information and expertise.

Recommendation 16:

The Strategic Director of Community Wellbeing organises a housing summit each year to bring together all the registered providers in the borough in addition to the regular quarterly forum meetings.

Also, tenants' representatives do not at present seem to feature in Brent's partnership working. There are some housing associations operating in Brent, not the ones the task group spoke to, which have no organised body for their tenants. Brent's housing strategy is committed to resident involvement in housing, but the task group fears that this is not always being developed for housing association tenants. More could be done to promote it.

Recommendation 17:

In collaboration with housing associations, Brent Council develops mechanisms that will enable housing association tenants to share their concerns and service priorities..

Tenants' representatives said that the experience of representation at the highest levels of housing associations varies. In the past, there has been greater representation on boards. The task group feels that with the important policy changes arising from the Housing and Planning Act 2016 and Welfare Reform and Work Act 2015, it is time to re-energise tenant involvement and participation in the borough.

Recommendation 18:

Cabinet Member for Housing to write to housing associations to encourage tenants' representation at the board level of housing associations by bottom-up elections.

The task group weighed the evidence for and against preferred partners and found that it would be against it. However, the task group feels it is important that the local authority is clear it wants to deepen its partnership working with registered providers which are committed to their social mission and do not sacrifice their social purpose just in favour of building up surpluses from development of new homes. It's important there is a unity of purpose between the local authority and the registered providers it works with.

Therefore, the local authority should be clearer about housing organisations it wants to work with.

Recommendation 19:

Cabinet Member for Housing to develop a partnership model which is more weighted towards those providing in-demand tenures and housing.

APPENDICES

Task group membership

Councillor Tom Miller (Chair)
Councillor Janice Long
Councillor Arshad Mahmood
Councillor Orleen Hylton
Councillor Jun Bo Chan
Jacky Peacock OBE, Executive Director Advice4Renters.

The Brent Council scrutiny officer who supported the work of the task group was James Diamond.

The task group would like to thank the following who took part in its themed discussions or advised it on policy.

Participants

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John Delahunty, Chief Executive, Innisfree

Barry Nethercott, Finance Director Network Homes

Helen Evans, Chief Executive Network Homes

Jai Dosanjh, Chief Executive, Apna Ghar

Carl Byrne, Customer Experience Director, Genesis

Paul Negi, Markets and Business Development Director, Genesis

Karen Wilson, Chief Executive, Origin housing association

Councillor Margaret McLennan, Cabinet Member Housing and Development (now Brent Council Deputy Leader)

Phil Porter, Strategic Director Community Wellbeing

Jon Lloyd-Owen, Operational Director Housing and Culture

Tony Hirsch, Head of Housing Policy

Dave Verma, Audit and Investigations Manager, Brent Council

Duncan Bowie, Senior Lecturer, Westminster University

Duncan Aitkins, Arneway Housing Co-operative

Jonathan Rosenberg, Chair, Walterton and Elgin Community Homes

Martin Wheatley, SHOUT (Social Housing Under Threat)

John Harrison, Chair of Catalyst Brent Residents' Forum

Kathleen Fraser-Jackson, Chalkhill Community Action





Cabinet 15 November 2016

Report from the Strategic Director, Community Wellbeing

For Action

Wards affected: All

Housing Management Options Review

1. Summary

- 1.2 This report sets out the results of a review of options to provide housing management services to the Council's tenants and leaseholders undertaken over the past four months.
- 1.3 Cabinet commissioned the review because of the challenges presented by the government's housing and welfare reforms and in light of concerns with BHP's performance.
- 1.4 As part of the review the views of a sample of tenants and leaseholders were obtained on current services and priorities for improvement. Members were engaged through briefing sessions and BHP's Board, senior leadership team and staff were also engaged and briefed.
- 1.5 Three options have been assessed through the review:
 - 1. To continue with BHP on a reformed basis
 - 2. To bring the service in-house
 - 3. To enter into partnership with another organisation to provide the service
- 1.6 Common principles have informed the design of each of the options to address current weaknesses and to take account of new and leading models of modern service delivery in the social housing sector. The options have all been optimised in their design.
- 1.7 There is scope under all the options for further integration with the Council in the areas of public realm management, dealing with anti-social behaviour and to reform customer service arrangements. There is a high degree of similarity between the arrangements for the In-house and Reformed BHP options but more difference for the Partnership option. A key difference between the options is that of governance.
- 1.8 The options have been evaluted against criteria based on those agreed by Cabinet. It is apparent that each of the options could work but there are key

differences in relation to control, leadership and the complexity and timing of implementation. A key consideration is the contribution each makes to the financial savings required to sustian the Council's housing finances over the longer-term. The BHP Reformed option only generates modest savings but the Partnership and In-house options realise more significiant savings, though further savings will need to be made through changes to service delivery and efficiency.

1.9 In light of the evaluation it is concluded that the In-house option offers the best prospect of achieving the service transformation to deliver high-quality services at significantly reduced costs, benefitting from the Council's wider experience in doing so in recent years. Accordingly, this report recommends to Cabinet that the In-house option be the preferred option. If agreed consultation will then be undertaken with all tenants and leaseholders and the results of this will be reported to Cabinet for a final decision.

2. Recommendations

That Cabinet:

- 2.1 Agree that the preferred option for future housing management service provision to the Council's tenants and leaseholders is Option 2, an In-house service, subject to consultation;
- 2.2 Authorise officers to undertake consultation with Council tenants and leaseholders on the preferred option as set out in paragraph 2.1 and to then provide a further report to Cabinet on the responses to that consultation to inform a final decision on future housing management service arrangements.
- 2.3 Instructs officers to report further on appropriate arrangements to provide for effective oversight and scrutiny by members and residents of the housing management service should the final decision be that the service be provided in-house.

3. Detail

- 3.1 In June 2016, the Cabinet decided to undertake a formal review of how to deliver housing management services for its housing stock. The review has now been completed. The findings and conclusions are set out in full in the attached Review of Housing Management Options Report. A summary of these is provided in the following sections:
 - Background to the Review
 - Brent Context: The housing stock and its management
 - BHP Performance
 - The Options
 - The Evaluation Criteria, Evaluation of the Options and Implementation
 - Conclusion on the Preferred Option

Background

- 3.2 Cabinet decided in June to undertake a review of Housing Management options for its housing stock. This was prompted by two main considerations.
- 3.3 Firstly, the government's Housing and Planning Act (2016) and other measures will have a significant impact on the Council's housing stock including on its future size, financial performance and management over coming years. The prescribed reduction in rents between 2016 and 2020 will significantly reduce

rental income to fund services and the government's other reforms are likely to reduce the size of the Council's stock and further reduce income and undermine economies of scale. It was therefore appropriate to consider the implications for housing management services and how these could best be developed and delivered in the context of these challenges.

- 3.4 The second consideration was the performance of BHP, the Council's existing Arms-Length Management Organisation (ALMO). The Council entered into a new 10 year Management Agreement with Brent Housing Partnership (BHP) in April 2013 for the management of the Council's housing stock. This required BHP to provide services and achieve performance in accordance with an annually agreed Delivery Plan. In 2015/16 BHP failed to achieve the required outcomes and performance standards in a number of respects. In January 2016 BHP put a recovery plan in place to address the areas of concern over the period by the end of October 2016.
- 3.5 In view of both the challenges presented by the government's reforms and the issues of concern in respect of BHP's performance the Cabinet concluded it was necessary to consider afresh the most appropriate arrangements for the management of the Council's stock.
- 3.6 In June 2016 Cabinet therefore commissioned a formal review of Housing Management Options for the Council's Housing stock, with the options to be considered being:
 - 1. To continue with BHP on a reformed basis
 - 2. To bring the service in-house
 - 3. To enter into partnership with another organisation to provide the service
- 3.7 The review has been undertaken over the period from July to October 2016. It has been led by the housing service and been informed by a cross Council group with representation from all Council departments and been guided by the Council's Corporate Management Team. The review has also been supported by external consultants who have provided additional expertise and experience from across the social housing sector. The review process is set out in detail in the Review report which accompanies this document.

Brent Context: The Housing stock and its current Management

- 3.8 The Council's Housing Stock comprises almost 11,500 homes, of which approximately 7,700 are tenanted and 3,700 are leasehold, and is concentrated in the South-east of the borough. Homes are primarily flats on small and medium-sized estates but with a significant minority of street properties, mainly converted to flats.
- 3.9 Average occupancy for tenanted and leasehold properties is 3.3 and 4.8 persons respectively, with the latter in part reflecting the extent of private letting of leasehold properties, giving a total of around 43,000 residents or over 1 in 8 of Brent's population. Around a third of tenants are over 60 years old. 4% of tenants have a disability and 8% have a vulnerability.
- 3.10 The Council is responsible as a landlord under the tenancy and leasehold agreements with each household to provide housing management and maintenance services. The Council's relationship with its tenants and leaseholders is therefore a different one from that with other borough residents as it is primarily a contractual one under which these households pay rent or service charges in exchange for specific services.

- 3.11 Since 2002 the Council has delegated responsibility for both management and maintenance services to a wholly-owned arms-length management company, Brent Housing Partnership (BHP) through a Management Agreement. The current management agreement was entered into in April 2013 for a 10 year term.
- 3.12 Under the Management Agreement the Council sets the strategic direction and priorities for the service, and the required budgets, and BHP is operationally responsible for the delivery of these services. A delivery plan is agreed annually between the Council and BHP which sets out priorities for service improvement and delivery and corresponding targets.
- 3.13 BHP is a separate legal entity as a company and is governed by a Board of 13 directors comprising residents, Councillors and independent persons with an independent chair. Its Managing Director and Executive team are responsible to the Board.
- 3.14 BHP provides the full set of landlord services, either directly or by contract management of relevant contractors. The main services are:
 - Tenancy Management tenancy agreement compliance, lettings, rent collection, resident engagement, dealing with anti-social behaviour; RTB application; and client responsibility for two Tenant Management Organisations and for the management contract for the Travellers site at Lynton Close.
 - Leaseholder Management All lease issues; service charges and consultation and charging for major works.
 - Property services Communal cleaning, estates management, grounds maintenance (through the Council's public realm contractor), responsive repairs, health and safety compliance, planned maintenance and major works. Since 2014 repairs and maintenance have been provided mainly through an Asset Management contractor, Wates.
 - Development services the delivery of a new-build programme on existing estates
- 3.15 BHP operates a call-centre handling around 83,000 calls per annum, the majority of which relate to repairs. It is responsible for dealing with Stage 1 complaints and member enquiries and has a small communications team, a finance team, governance and HR resources.
- 3.16 The Council provides under SLAs a number of support services to BHP including accommodation at the Civic Centre, IT, payroll and legal support.

BHP Performance

- 3.17 In response to a number of performance concerns a Recovery Plan was put in place by BHP to run from January to October 2016. The Recovery Plan set out specific actions and outcomes required in response to the main areas of concern and some key performance targets. A formal notice of breach was also served under the Management Agreement in respect of specific concerns, requiring that they be remedied by the same deadline.
- 3.18 Performance and progress over the period has been assessed as part of the Review and the findings are set out in more detail in the Review report. Most

- actions and outcomes required under the Recovery Plan have been completed and achieved and significant progress has been made in a number of areas.
- 3.19 A key concern was the performance of the planned maintenance programme in 2015/16 which was substantially under-delivered, with significant contract management weaknesses identified through an audit investigation. These issues have been addressed and there is a good level of confidence that this year's programme will be delivered to time and budget and advance planning is already underway for next year's programme.
- 3.20 The timeliness of response to complaints and member enquiries was another area of concern and this has been addressed with response times being met. A significant proportion of complaints relate to repairs but overall complaint levels are comparable with other housing organisations, though higher than for the best service providers.
- 3.21 Customer service response has improved with a very high percentage of calls answered over the last quarter and waiting times significantly reduced though these remain longer than the corporate standard.
- 3.22 There remain, however, areas of continuing concern which are reflected in levels of customer satisfaction in particular with repairs, resident involvement and with the service overall.
- 3.23 To inform the review, the views of tenants and leaseholders about current service performance and priorities for improvement were sought through a telephone survey of 600 residents and through a set of focus groups. This research identified three areas of greatest concern and priority for improvement: repairs and maintenance, anti-social behaviour and the quality of homes.
- 3.24 Over the last 18 months satisfaction with repairs has not improved and remains unacceptably low with a third of tenants and two-thirds of leaseholders not satisfied with the service. The primary concerns are outstanding repair works and the failure to complete repairs on the first visit. Progress in this area depend on the contractor making a number of key service changes, and these are due to be introduced and become effective over the next two months. It is clear, regardless of the future housing management option chosen, that improvements to the repairs service is both urgent and of the highest priority.
- 3.25 The recent survey identified a low level of satisfaction with how anti-social behaviour is managed. Similarly, around half of residents were not satisfied with opportunities for resident involvement.
- 3.26 BHP have regularly monitored overall satisfaction levels with the service over the last 18 months. There has been little appreciable increase in satisfaction levels over this period (and no increase at all over the Recovery Plan period). With barely half of leaseholders and two-thirds of tenants being satisfied with the service, BHP ranks well below the strongest providers in the sector, but it is recognised that there is a time lag between the introduction of service improvements and their expression in randomised satisfaction survey results.
- 3.27 As part of the review a benchmarking exercise has also been carried out to compare key performance indicators for council housing services, ALMOs and Housing Associations in London, with each other and with BHP over the last 3 years. This found a mixed picture with ALMOs performing relatively well, as do council services (particularly in respect of cost where they perform best) and housing associations relatively strong and weak in different areas. BHP's performance was similarly mixed: good or improving in some areas but in others showing relative decline compared with other comparators.

The Options

- 3.28 The options are set out in detail in the accompanying Review report. It should be noted that, whilst there are necessarily differences between the options they each need to respond to the contextual challenges and changes most of which are common to all options.
- 3.29 Firstly, each option needs to respond to the areas of evident weakness in the current services and enable a significant improvement in service quality and customer satisfaction and do so while generating significant efficiencies and savings to respond to the financial pressures arising from the government's reforms.
- 3.30 Each option also needs to catch-up with wider changes across the social housing sector, which are accelerating in response to common financial challenges. Central to these is harnessing digital technologies to enable customers to interact and transact with services online, and to use data to drive continuing service design and development. The current service is traditional in nature and each of the options needs to enable this transformation.
- 3.31 The options also need to respond to Brent's local housing context and Housing Strategy priorities which are:
 - Housing Supply re-confirming the ambition set out in the original target of 5,000 affordable homes by 2019, refining this focus to ensure we get the right affordable housing, and signalling the need to adopt a wider range of delivery mechanisms if we are to deliver that target
 - Housing and wellbeing (rather than housing and employment) employment will still have a key role as this will recognise the importance of employment to sustaining housing and wellbeing
 - Private Sector building on the success of the licensing scheme and the work of the Housing OBR to deepen our relationship with the private sector to ensure that we are improving standards and doing everything possible to help residents, particularly the most vulnerable residents, find PRS accommodation
 - Homelessness the TA reform plan has been developed since the original housing strategy was written, therefore the revised strategy will update in line with the TA reform plan
 - Social Housing Improvement the focus in the original strategy was improving the Council's stock and this is one of the key areas that BHP has failed in. The revised strategy will re-confirm the objectives in terms of the Council's own stock, while also creating a clearer focus on the working with all social housing providers to not only improve housing quality, but also to deliver wide objectives for place and people.
- 3.32 The leadership and management of the new service also needs to change and a positive service culture needs to be inculcated that raises morale and is focussed on customer's experiences.
- 3.33 Each option has been designed in order to meet the above requirements and to maximise its potential. Wherever appropriate duplication has been removed to streamline service delivery and, where possible, reduce cost:
 - Public Realm Existing grounds maintenance there are issues of duplication and demarcation between two contractors which are capable of resolution.

- Anti-social behaviour Integration with the Council's corporate community safety service, but working in close liaison with the housing management service.
- Customer service repairs reporting could be made directly to the
 contractor, with the service monitoring performance and resolving
 problems but this can only materialise if there is confidence that the
 performance of the contractor at a satisfactory level can be realised and
 maintained. There may be scope to integrate the rest of the call-centre
 function with the Council's corporate service under the BHP reformed and
 in-house options, or with the partner's corporate service as relevant.
- Financial Inclusion This should be provided by the corporately commissioned service available to borough residents.
- Adaptations this could be provided by a single service, rather than as now by both BHP and the Council but this needs further evaluation.
- 3.34 In addition to the common requirements and changes, there are some changes specific to each option.
- 3.35 The option to continue with a **Reformed BHP** is emphatically not maintenance of the status quo. Transformational change in the way in which services are delivered will be needed, as well as the further integration outlined above.
- 3.36 Governance will be reformed moving to a smaller skills-based board, and a strengthened client-side function within the Council will be required. Enhanced customer engagement and resident involvement would be needed. A new restructured leadership team will be recruited.
- 3.37 An **In-house service** will provide for full integration with the Council and other services. Governance and accountability will flow through the Council's corporate management to Cabinet. With the loss of the board it will be critical to provide alternative arrangements that provide for oversight and scrutiny by residents and Members, drawing on exemplars in other Councils.
- 3.38 While the Reformed BHP and In-house options, and changes required under each, are quite similar, the **Partnership option** is more different. The approach has been informed by informal discussions with a number of Housing Associations active in Brent with a clear preference for a form of Joint Venture or housing services company, rather than a contract. There is of course more uncertainty about how this option would be structured and operate as it would depend on the partner selected. Broadly it is expected that a number of key functions would be provided by the Partner's wider organisation including support services (instead of the Council as at present) and customer contact services. The frontline service integration with the Council in respect of public realm, ASB, etc. would, however, still apply.
- 3.39 Governance would be through a joint board and it is unlikely this would provide for resident representation. A customer oversight and scrutiny function would be required.

Evaluation of the Options

3.40 The options have been evaluated against criteria drawn from those set out in the June 2016 Cabinet report and assesses the extent to which each option:

- 1. Assures provision of modern, high-quality and continuously improving housing management services
- 2. Achieves significant efficiencies and savings to contribute to the financial sustainability of the Council's housing revenue account
- 3. Maximises the value and performance of the Council's housing stock through active asset management
- 4. Contributes to improved outcomes for tenants including in respect of people and place outcomes the Council is seeking to achieve
- 5. Contributes to the delivery of the Council's priorities
- 3.41 The evaluation findings are detailed and summarised in the Review report identifying the relative strengths and weaknesses of each option in respect of each criteria.
- 3.42 It is apparent that each option has the potential to successfully meet the Council's criteria, but importantly each has relative strengths and weaknesses in different areas. This is to be expected: The numerous examples of highly-performing Council and ALMO housing services (and of weaker performing services of each type) show that the option or model itself is not the main determinant. The Partnership Joint Venture option is itself innovative and there are few if any comparative examples but there are numerous examples of high-performing housing associations who would be the prospective partner under this option.
- 3.43 One significant difference is in respect of the potential financial savings arising from the adoption of each option. The financial assessment undertaken through the Review indicates that only modest savings would be realised through the BHP Reformed option but more significant savings could be realised under the In-house and Partnership options.
- 3.44 Another key difference relates to the issue of control. This relates both to the degree of control the Council has to direct the changes and improvements required and to the ability to direct the housing service's contribution to the delivery of the Council's priorities more generally. Under the BHP reformed option the Council has strategic control but delegates operational control to the ALMO. Under the Partnership option control is essentially shared. The In-house option provides for direct strategic and operational control.
- 3.45 Leadership will be crucial to achieving the full potential of each option. The current BHP leadership team is interim so under each of the options there will be new leadership. Independent recruitment advice, however, is that the Partnership option and to a slightly lesser extent the BHP Reformed option may more readily attract the strongest candidates because of the degree of autonomy such senior managers would enjoy (with responsibility for leading a housing services company of one type of another) whereas the in-house option may be less attractive to some potential candidates as it provides less autonomy within the Council's corporate setting. This may, however, be countered by the opportunity to work across a wider range of housing functions within the Council. All the options have the potential to attract a strong leadership team, as is evidenced in the social housing sector, but under the in-house option the leadership roles would need to be positioned with care to attract the strongest field.

Implementation

3.46 While each option could work, a central consideration is the confidence which the Council can have that the optimised version of the option can be delivered. This partly relates to the issue of control but also to the degree of difficulty, complexity and risk attendant on implementation, and over what time period this would be achieved.

- 3.47 The Reformed ALMO is the most straightforward option to implement. No consultation is required after Cabinet in November, and a new management team could be in place by April 2017. Therefore, by April 2017 the implementation of wider transformation should commence and be well advanced over the first half of 2017-18.
- 3.48 The In-House option is the middle ranked option in terms of complexity. There will need to be a consultation (test of opinion) running from December to February before coming back to Cabinet in March. If in light of the consultation, the Council then decides to proceed with this option, there will need to be a process to transfer the service to the Council and the permanent recruitment of a new leadership team by October 2017.
- 3.49 The Partnership or Joint Venture option is the most complex option to setup. The first step would be to undertake consultation over 12 weeks on this preferred option and then report to full Council in March 2017. If Cabinet then decided to proceed with this option the process towards selecting a partner and implementing the new JV would follow. There is a degree of uncertainty about whether a suitable high-performing partner can be found and the terms of a partnership negotiated and agreed. Assuming these tests were met the new Partnership company could be established by April 2018.

Conclusion on the Preferred Option

- 3.50 Detailed consideration of the issues covered by this review is an important first stage in charting the course to be taken by Brent's housing stock and the 12,000 households who live in the properties over the years to come. In considering the best option, the issues with BHP's performance are less important than the landscape in which the chosen option will have to operate.
- 3.51 Each option has been optimised. The question is not how well each option would perform the role fulfilled by BHP now but instead how each option could be configured to best deliver the outcomes required from the housing service for tenants and leaseholders, and for the Council. Each option is a significant departure and development from current arrangements. In essence this gives three different approaches:
 - Reformed ALMO: Strong focus on the housing service.
 - In-House: Strong focus on the housing service and the contribution that the housing business unit can make to the Council's wider strategic agenda.
 - Joint Venture: Strong focus on the housing service with the added benefit of the expertise of the JV partner.
- 3.52 All the options inherit the same starting position, the same buildings, residents and staff (via TUPE). Each of these are significant issues in their own right. Each option has been reviewed against the five individual criteria, including the financial assessment, and in respect of control and implementation or deliverability. No aspect of the evaluation categorically rules out any particular option. All options could work.
- 3.53 Every option has a mixture of strengths and weaknesses, so picking the best option is a matter of judgement about the weighting given to issues, benefits and risks.

- 3.54 There is a decision to be made about how the housing service fits in with the wider Council. The current position is clear, a standalone housing service, formed to provide a strong focus on housing management. This approach produced good outcomes for a long period, less good outcomes recently. Another approach is to view the housing service as an important sub-set within the wider Council and to seek to maximise the role played by the housing service in improving outcomes for 12,000 households across wellbeing, employment and other issues as well as core housing management. If significant weight is given to this approach then the In-House Option is clearly the strongest option in this regard. This is not without risk. The biggest risk with this option is that there is a dilution of focus on the housing service which causes performance to worsen.
- 3.55 Turning next to the financial assessment. In assuring the sustainability of the Council's finances there are many variables that the Council cannot control such as the rate of inflation and government direction on rent increases. There are only a small number of variables that the Council can control such as staffing costs (employ more or less staff) and levels of investment (in the existing stock and in building new stock).
- 3.56 The financial model sets out a very tough financial landscape. This is primarily due to three variables: The governments rent policy (currently CPI -1%); the likely impact of the sale of high value void properties to fund the RTB for housing association tenants and the profile of stock investment required to bring homes up to standard. The financial landscape is equally tough for all the options with savings required of circa £3.6m from core management expenditure of £12.5m. The ability of an option to significantly reduce operating costs is a key factor.
- 3.57 It is the In-House option that, by a wide margin, best interacts with the requirement to make significant savings. The Council has a track record of successfully delivering large budget reductions whilst carefully managing the impact on services and residents over recent years. These experiences will be directly relevant to, and can be directly applied to, an in-house option. In contrast BHP will find it harder to achieve the savings potentially required due to being 'arms length' with the associated costs this structure carries. The Joint Venture will take time and money to implement and in any case becomes difficult, if not impossible, to engineer as the cost reduction requirement increases.
- 3.58 Control is another important factor. The In-House option gives the highest level of strategic and operational control. The Reformed ALMO and Joint Venture options offer good levels of strategic control (though the ability to change course operates more slowly) and lower levels of operational control.
- 3.59 Leadership is another key consideration. Here the In-House option faces challenges. Of the three options, the In-House option may find it hardest to attract high quality housing expertise. However, the In-House service will have access to the Council's expertise in cost reduction and this is an important consideration. Consideration of the salary and positioning of the senior roles in the In-House Housing Business Unit will be of key importance in maximising the quality of the field of candidates. Although both other options potentially bring better leadership to bear, their inherent weaknesses, particularly in relation to the financial aspects, are more important as matters for comparative consideration.
- 3.60 Governance and resident engagement are important issues also. Irrespective of the option chosen the existing Board structure within the ALMO is likely to change due to the strong trend towards skills-based Boards as opposed to Boards with members representing constituencies (e.g. Members and residents). The option which will have to be most imaginative in how it addresses Member and resident engagement is the In-House option. But this issue is not

insurmountable and is one other councils have successfully addressed on bringing the service in-house. For example a Members and residents committee may overcome the loss of the ALMO Board under the In-House option.

3.61 In conclusion, taking into account the challenging financial landscape, and all other factors outlined above, it is recommended that the In-House option is chosen. Moreover, the In-House option offers the opportunity to re-position the housing service within the Council with the aim of improving a broad range of outcomes for almost 12,000 households. This is not the lift and shift of a self-contained housing service into the Council's structure. This is the engagement of the housing service with the Council's wider agendas in order to secure improved outcomes for residents and to enable the Council's expertise in cost reduction to be brought to bear. However there are two areas for particular consideration within the planning for the In-House option and these are identification and mitigation of the key risks arising from the new position of the housing service within the Council's wider business and providing effective arrangements for resident and Member oversight and scrutiny.

Scrutiny

- 3.62 Cabinet agreed a report on 27 June 2016 to review the options for the management of housing, which is presently delivered by Brent Housing Partnership. The three options, as set out, were for the Council to continue with provision by Brent Housing Partnership (BHP) on a reformed basis, for Brent Council to directly provide housing management in-house, or to enter into a partnership arrangement with another organisation to manage those services.
- 3.63 The Community and Wellbeing Scrutiny Committee requested a report to update it about the progress of the Housing Management Options review and this was discussed at a special meeting of the committee on 19 October 2016. This was attended by the Cabinet Member for Housing and Welfare Reform, the Strategic Director for Community Wellbeing and the Operational Director for Housing and Culture.
- 3.64 In addition, members of the Community and Wellbeing Scrutiny Committee also visited the housing service which is currently managed by Brent Housing Partnership, before the meeting was held to better understand the issues in the review.
- 3.65 The report presented to the Committee included data about residents' opinions of the existing service, which was commissioned as part of the review process; a description of the existing service, detail about the housing management options, and an initial evaluation of the options.
- 3.66 Committee Members discussed the importance of resident involvement and participation to contributing to successful housing management, and made recommendations 1 and 4 below in order to strengthen residents' engagement
- 3.67 The in-house option was discussed in-depth by the Committee, which looked at the many different implications of a service directly managed and operated by the Council. Members agreed recommendation 4 below after this discussion.
- 3.68 Members, officers and the Cabinet Member for Housing and Welfare Reform discussed the advantages and disadvantages of the joint venture option. While Members of the Committee acknowledged the strengths as set out in the initial evaluation they highlighted the issue of stock transfer and oversight of any such arrangement. As such Members made two recommendations relating to that option, set out as recommendations 2 and 5 below, including that any future

arrangement or contract with a partner is returned to the scrutiny committee meeting before it is implemented.

- 3.69 The recommendations of the committee were as follows:
 - There be a dedicated scrutiny sub-committee established to review and provide oversight to housing services management and wider housing issues. This sub-committee would contain co-opted members from appropriate resident associations (should the "in-house" option be chosen).
 - 2. If Cabinet was to agree on the joint venture option, there be appropriate checks and balances in place to ensure that this arrangement does not lead to stock transfer.
 - 3. If Cabinet was to agree on the in-house option, that there be complete transparency of the Housing Revenue Account, complete with a business plan to ensure that the Housing Revenue Account is ring-fenced.
 - 4. There be an effective communications strategy drawn up by the Council to ensure resident engagement and to also articulate with clear evidence why Cabinet has chosen its preferred option for housing management going forward.
 - 5. If Cabinet was to agree on the joint venture option, that any future arrangement or contract between the Council and its partner be considered by a Scrutiny Committee meeting before it is implemented.
- 3.70 These recommendations of the Scrutiny Committee have been taken into account in this report. In particular Recommendation 1. is addressed in the recommendation to Cabinet in paragraph 2.3 of this report and the details will need to be worked out regarding establishing an scrutiny sub-committee. Recommendation 4. will be followed in the planning and implementation of the consultation required, and Recommendation 3. will be addressed in HRA business planning and budget-setting and further reports to Cabinet in respect of these. Recommendations 2. and 5. will not apply if the JV option is not chosen.

Consultation

3.71 If the recommendation in 2.1 is approved the Council will carry out consultation with all Council tenants and leaseholders who will be invited to comment on the preferred option. In the consultation process, it will be explained what other options were considered and why they were not preferred. It is anticipated that this consultation will take place over a 12 week period from November 2016 to February 2017. The results of the consultation will then be reported to Cabinet for consideration and final recommendation to full Council so that the future housing management arrangements can be implemented.

4.0 Financial Implications

4.1 The Housing Revenue Account (HRA) budget is £56.9m and is used for the management and maintenance of the HRA stock and for the repayment of the HRA debt. The HRA is a ring fenced account. The BHP Management Fee for the current year is £7.5m. This fee is for managing and maintaining the HRA properties on behalf of the Council. Core management costs, including this fee are £12.5m per annum.

- 4.3 The Housing and Planning Act 2016 will have a significant impact on Brent's Council housing and its financial position in coming years. The implications for which are currently being scoped with more comprehensive analysis to follow once the details are published by Government.
- 4.4 The three options evaluated in this report for the management of the Council's stock will each have differing implications in terms of the impact on the HRA. However, it should be noted that all of the options will result in an initial cost of change, which will need to be factored into each of the appraisals.
- 4.5 The consultancy firm, Campbell Tickell working with the Council's finance team, have reviewed the HRA Business Plan and completed the evaluation of the financial impact of the options.
- 4.6 Based on current assumptions and changes in the Housing and Planning Act, an efficiency savings target of circa £3.6m is required to cover the financial gap in the HRA over the next three years. The decision on the option to adopt on the housing management will not affect the savings target.
- 4.7 The savings that each of the options could achieve upon initial implementation are estimated as follows:
- Reformed BHP circa. £350k
- In-House circa, £1m
- Joint venture circa. £800k
- 4.8 These are provisional figures and will be refined as planning for the implementation of the selected option is progressed.
- 4.9 None of the options would generate sufficient savings to cover the gap without wider transformation. This, then, reinforces the need for further transformation in all options as none of the options gets close to dealing with this financial gap.
- 4.10 It is important to state that the financial model needs further work in two areas. Firstly, it is not yet known what regulations the government will set relating to the sale of high value voids and the use of the funds arising. LBB have made prudent assumptions about this and these assumptions have impacted on the financial model. Secondly LBB and BHP are currently relying on 6-year-old stock condition data and have relatively low confidence in the current data and the programming/costs of major work that flow from it. It is possible that a better long-term position may arise when these variables are refined but the position may also worsen. In any case it is clear that reducing operating costs will be of key importance to maintaining the financial sustainability of the Council's housing finances over the longer-term.

5.0 Legal Implications

5.1 Consultation with secure tenants is covered under section 105 of the Housing Act 1985 ("the 1985 Act") which states that a local authority landlord has to maintain arrangements it considers are appropriate to enable its secure tenants who are likely to be substantially affected by housing management matters that are specified in section 105 of the 1985 Act (which includes the management of dwelling houses let by the Council under secure tenancies) to be informed of the local authority's proposals and to make their views known within a specified period. A local authority landlord needs to take into account any representations made under these arrangements before making a final decision.

- As for the general requirements of consultation, they are set out in the case of R v Brent LBC ex parte Gunning (1986) 84 LGR 168, which has been approved by the Court of Appeal and the Supreme Court, and they are as follows: (i) consultation must be at a time when proposals are at a formative stage; (ii) that the proposer must give sufficient reasons for any proposal to permit intelligent consideration and response; (iii) adequate time must be given for consideration and response; and (iv) the product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 5.3 Delegation of housing management functions by a local authority requires consent from the Secretary of State under section 27 of the 1985 Act. In 2009, the Secretary of State issued a general consent which sets out circumstances in which delegation of housing management functions can be carried out without specific consent from the Secretary of State.
- 5.4 BHP is a subsidiary company of the Council. BHP's Constitution is made up of its Articles of Association and Memorandum of Association. BHP is a limited company, without share capital, which operates on a not-for-profit basis and the Council is the sole guarantor member.
- 5.5 The Council entered into the Management Agreement with BHP in April 2013 which expires after ten years with a review mechanism after seven years. There are provisions in the Management Agreement which enable the Council to notify BHP of any material breaches and give BHP a reasonable period of time to remedy such material breaches. There are provisions which allow the Council to vary the terms of the Management Agreement.
- In April 2011, BHP was granted Registered Provider status by the Tenants Services Authority. BHP has gradually been developing its role as a provider of housing in addition to being a housing management organisation. BHP owns a number of properties in its own right and grants its own tenancies in respect of properties it owns since BHP acquired Granville New Homes from the Council in 2009 with the assistance of loan funding from the Council and acquired properties under the Settled Homes Initiative to provide housing to homeless households (with the assistance of grant funding from the Homes and Communities Agency and loan funding from the Council) and small-scale developments such as Aldbury Avenue and Ander Close with the assistance of grant funding from the Homes and Communities Agency.
- 5.7 If a decision is to be made to bring the housing management services in-house, there will be staff transfer and TUPE implications. BHP is also a Registered Provider with its own small housing stock. Further legal advice will be provided as and when necessary in regard to these matters. Guidance given by the Department for Communities and Local Government ("DCLG") in December 2011 advises that consultation on proposing to bring the housing management functions from the Arms Length Management Organisation ("ALMO"), which is BHP in this case, back to the Council should be as comprehensive as that undertaken when deciding to transfer those functions from the Council to an ALMO. Although DCLG would need to be notified, formal section 27 consent would not be required as this involves a decision to return the Council's housing management functions back to the Council.
- 5.8 As BHP is a limited company, it enters contracts as a separate corporate entity to the Council. Therefore, if a decision is made to bring housing management services in-house or indeed if the Council were to pursue the Partnership option, there would be a need for contracts entered into by BHP to be novated or assigned to the Council or to the jointly owned housing management company as appropriate. This would require BHP contracts either to contain provision allowing BHP to novate/assign the contract as of right or else for BHP

and the Council/ jointly owned housing management company to negotiate with contractors the novation /assignment of contracts. During the consultation period, full details of BHP contracts should be collated to establish novation/assignment provisions and to understand the liabilities under the contracts that would transfer to the Council/ jointly owned housing management company.

- 5.9 If the Council were to pursue the Partnership option the Council could directly select a suitable partner and enter into necessary legal arrangements with them to establish a jointly owned housing management company. Where such an approach is adopted, it will be necessary to ensure that any jointly owned management company is established and operated in compliance with Regulation 12 of the Public Contracts Regulations 2016.
- 5.10 Other legal implications are included within the body of the report.

6.0 Diversity Implications

6.1 A high level Equality Analysis has been completed and is available in Appendix 1. No major equality related concerns have been identified to date based on the evaluation of the three options and the feedback from the consultations carried out as part of the review. The preferred option for housing management arrangements agreed by Cabinet will be the subject of consultation with all affected stakeholders and a full Equality Analysis will be undertaken to help inform the final Cabinet decision.

7.0 Staffing/Accommodation Implications

7.1 There are potentially significant staffing implications for the Council in the event that the service was brought in-house. Further consideration will be given in advance of Cabinet decision on the final option.

Appendices

Appendix 1 – Equality Analysis

Accompanying Document

Review of Housing Management Options Report and Appendices

Background Papers

None

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Appendix 1: High level Equality Analysis on the Housing Management Options Review

The scope of this high level Equality Analysis (EA) does not cover employees, although Brent Housing Partnership (BHP) staff were engaged in the Housing Management Options review process. If the preferred option agreed by Cabinet is likely to affect staff, a separate EA will be carried out to assess the impact on employees with protected characteristics.

Stage 1 Screening Data

1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.

In June 2016 the Cabinet decided to commission a formal review of Housing Management options for its housing stock, which was prompted by two main considerations:

Firstly, the government's Housing and Planning Act (2016) and other measures will have a significant impact on the council's housing stock including on its future size, financial performance and management over coming years. It was therefore appropriate to consider the implications for housing management services and how these could best be developed and delivered in the context of these challenges, while at the same time ensuring that the quality of service for Council's tenants and leaseholders is improved.

The second consideration was the performance of BHP, the Council's existing Arms Length Management Organisation (ALMO). The details of the performance issues and concerns raised by the Council and its tenants and leaseholders via a number of telephone and face-to-face surveys and focus groups are set out in the Review of Housing Management Options report which accompanies this Cabinet report. In view of both the challenges presented by the government's reforms and the issues of concern in respect of BHP's performance the Cabinet concluded it was necessary to consider afresh the most appropriate arrangements for the management of the Council's stock.

The purpose of the review was to examine how best to provide housing management services to the Council's tenants and leaseholders and to identify the option that most effectively meets the agreed objectives to::

- Assure the provision of modern, high-quality and continuously improving housing management services to tenants and leaseholders
- Achieve significant efficiencies and savings to contribute to the financial sustainability of the Council's Housing Revenue Account (HRA)
- Maximise the value of the Council's housing stock through active asset management and the development of new affordable homes
- Contribute to improved outcomes for Council tenants, particularly the most vulnerable individuals and households, in respect of education, employment and training, health and wellbeing and tenancy sustainment.
- Help to deliver the Council's strategies and objectives.

The options which the Cabinet agreed in June should be examined are:

- i. To continue with BHP on a reformed basis
- ii. To bring the service in-house and directly provide housing management services
- iii. To enter into a partnership with another organisation to provide these services

These options are described and evaluated in detail within the Review of Housing Management Options report included as Appendix 1 to the Cabinet report.

Overall, while there are a number of differences between the three options, each of them is anticipated to achieve significant improvements and positive outcomes for tenants and leaseholders such as:

- Delivering significant improvement in service quality and customer satisfaction while generating efficiencies and savings to respond to the financial pressures arising from the government's reforms.
- Harnessing digital technologies to enable customers to interact and transact with services online.
- Supporting residents' increased wellbeing through the quality of housing and management services and making links to other services.
- Improving customer insight and using data to drive continuing service design and development.
- Enhancing resident involvement and engagement.

There is also a scope under all the options for further integration with the council in the areas of public realm management, dealing with anti-social behaviour and improving customer service arrangements – areas that both tenants and leaseholders believe require improvements. Financial inclusion and adaptations are the other two areas where stakeholders have identified the need for a more streamlined and joined up approach, regardless of the selected option.

2. Who is affected by the proposal?

The Council owns approximately 8,000 homes which are tenanted, and the freehold of a further 4,000 homes which are held by leaseholders on long leaseholds. In addition BHP, which is wholly owned by the Council, owns a further 333 homes. The following stakeholders are likely to be affected by the review but the impact will vary depending on the preferred option:

- a. The tenants, leaseholders and the households of the BHP owned properties—the residents; and
- b. The employees of BHP (approximately 177 persons) employees are not in the scope of this EA; a separate EA will be carried out if the preferred option is likely to have an impact on staff.

3.1 Could the proposal impact on people in different ways because of their equality characteristics?

It is anticipated that the review will result in improvements of outcomes and quality of services delivered to Council's tenants and leaseholders across all protected characteristics. When looking into the Council's tenants' diversity profile, however, it is notable that:

- 67% are non-white, which is 7% higher than the Brent population as a whole. There is a significantly higher proportion of black tenants and lower proportion of Asian tenants when compared to Brent's population as a whole.
- The religious profile tends to reflect the ethnicity of tenants, with a higher proportion of Christianity and notably lower proportion of Hinduism. There are slightly more Muslims amongst the tenant base but this is not marked – 23% compared to 20% in the Borough.
- The two biggest age groups in the tenant profile are 40-49 and 50-59 year olds but over one third (34%) of tenants are over 60 years old.
- 59% of tenants are women which means that female tenants are slightly overrepresented in the tenants' profile compared to the Borough average.
 Interestingly, although there are slightly more elderly women than men the difference is not marked, whereas in the age groups 30-60 women outnumber men by almost half as many again. This might suggest an increasing

- preponderance of female tenants in future years, though without analysis of trends in allocations data this is only speculative.
- Amongst all tenants, around 4% have declared a disability. Amongst tenants aged 60, disability is roughly double that rate. The declared percentages, however, are significantly lower than the proportion of residents declaring disability in the borough (over 14%).
- Almost 8% of tenants are classified as vulnerable, over half of home are older tenants.
- Across the borough, unemployment is higher than the national average at 7%, with over 10% of Brent residents in receipt of out of work benefits.
- 31% of employees living in Brent are low paid, the second highest of any London borough and ten percentage points higher than average. ONS data at the end of 2015 showed that the median salary of a Brent resident is £25,203.
- 84% of tenants and 43% of leaseholders claim Housing Benefit

The rights and responsibilities of Council's tenants and leaseholders will NOT change through the outcome of the review, regardless of the selected option. However, the outcomes for residents with protected characteristics, including those living in BHP owned properties may vary depending on the preferred option agreed by Cabinet and therefore a full Equality Analysis will be carried out to help inform the final decision. This will also ensure that the equality outcomes for protected groups are optimised, where there is an opportunity to do so.

3.2 Could the proposal have a disproportionate impact on some equality groups?

If you answered 'Yes' please indicate which equality characteristic(s) are impacted

Due to their significant representation in the tenants' diversity profile, the individuals and groups that are more likely to be affected by and/or benefit from the preferred option, and therefore should be given full consideration when assessing the impact of the preferred option, are:

- tenants from black and minority ethnic groups, particularly black tenants
- tenants of working age, particularly the 40-49 and the 50-59 age groups, but also tenants over 60.
- vulnerable tenants due to disability, older age and/or another type of vulnerability - while the disability rate of tenants is lower than the borough average, it is known that disability is usually under-reported. There is also a link between disability and older age, which is often linked to other types of vulnerability. Of those tenants who are considered to be vulnerable, over half are residents tenants aged 60 and over.
- socio-economic groups while socio-economic status is not a protected characteristic on its own, we know that a great proportion of residents live on low incomes (e.g. 31% earn less than the LLW) and that socio-economic disadvantage has a huge impact on their quality of life and exposure to vulnerability. It is notable that 84% of tenants and 43% of leaseholders claim Housing Benefit, which suggests that the majority of Council's tenants and a great proportion of Council's leaseholders are affected by socio-economic disadvantage. Financial inclusion is therefore a key priority for the Council in relation to its tenants/leaseholders and the wider population.

To help inform the review, the Council commissioned an independent research company to undertake opinion survey and a qualitative examination of residents using focus groups and in-depth interviews, in addition to the regular BHP surveys carried out over the past 18 months. Some of the targeted groups that were consulted as part of this research were: older tenants, tenants with disabilities and

young people with known vulnerabilities. The engagement activities carried out did not identify specific equality related concerns, apart from questions related to the Community Fund, BHP Academy and financial inclusion. Detailed information on the methodology and findings is available in the accompanying Review Report.

3.3 Would the proposal change or remove services used by vulnerable groups of people?

The outcome of the review should, as set out in section 1 above identify the option which, in the opinion of the Council best:

- 1. Assures modern, high-quality services
- 2. Achieves significant efficiencies and savings
- 3. Maximises the value and performance of the housing stock and new build homes
- 4. Contributes to better outcomes for tenants, particularly the most vulnerable households (e.g. health, employment & skills, wellbeing, tenancy sustainment)
- 5. Helps to deliver the Council's strategies and objectives

Therefore it is expected that all three options will deliver an improvement of the services for all of those who are affected, particularly the most vulnerable groups. The changes should not result in the removal of services which are used by vulnerable groups but it is acknowledged that when assessing the impact from the preferred option, due consideration must be given to ensure that the work and good practice around financial inclusion, communication and engagement with vulnerable groups (including people with disabilities and older people) is retained and further improved.

3.4 Does the proposal relate to an area with known inequalities?

Yes. Please refer to section 3.2 above.

3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

Yes, as some persons could view changes as having the potential to reduce or in some other way affect their access to services. This will be dealt with in the full Equality Analysis if the Cabinet adopts the proposed recommendation.

3.6 Does the proposal relate to one of Brent's equality objectives?

There are 5 Brent equality objectives – which are:

- 1. To know and understand all of our communities
- 2. To involve our communities effectively
- 3. To demonstrate leadership in equalities and human rights, both within the council and amongst partners, and organisational commitment to excellence
- 4. To ensure that local public services are responsive to different needs and treat users with dignity and respect
- 5. To develop and sustain a skilled and committed workforce able to meet the needs of all local people.

The review relates particularly to objectives 2, 4 and 5.

Recommend this EA for Full Analysis?

Yes, depending on the preferred option agreed by Cabinet.

4. Use the comments box below to give brief details of what further information you will need to complete a Full Equality Analysis.

After the preferred option is agreed by Cabinet, all tenants and leaseholders will be invited to comment on it and will also be provided with information on what other options were considered and why they were discarded. Older tenants, disabled people and people of other vulnerable groups should be provided with easy to understand and accessible information so that they can make an informed decision. They should also be provided with alternative ways to feed back their views, if they cannot use the mainstream consultation channels. The findings of the consultation and the detailed analysis of the impact of the preferred option on individuals and groups with protected characteristics will be reported to Cabinet for consideration and final decision on the future housing management arrangements to be implemented.



Review of Housing Management Options Report

October 2016



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1. INTRODUCTION

This paper presents the findings of the review of housing management services to Brent's tenants and leaseholders. Cabinet requested the review in their meeting of 27th June 2016.

The Cabinet decision stated:

http://democracy.brent.gov.uk/ieListDocuments.aspx?Cld=455&Mld=2773&Ver=4

"...authorised that a formal review led by the Strategic Director Community Wellbeing be undertaken of the options for the future management of the Council's tenanted and leasehold stock as outlined in this report with associated consultation with tenants and leaseholders and for the results of that review to then be reported to Cabinet."

In response to the Cabinet decision, Phil Porter – Strategic Director – Community Wellbeing has sponsored a comprehensive review. This report describes the approach taken by the review as well as its findings. We have tried to make the document transparent and accessible. Some jargon is unavoidable so we have provided a Jargon Buster (the contents section will tell you where to find it) to help a wide range of readers understand the issues, findings and recommendations.

The review has been a team effort involving a number of officers and the use of external consultants. We say more about this in the methodology. We would like to say thank you to all the residents and staff (Council and BHP) who have given time and expertise to the review to enable us to produce what we believe to be a thorough in-depth review of the different ways that the housing management service could be delivered.



2. EXECUTIVE SUMMARY

Background

- 1. In June 2016, the Cabinet decided to undertake a formal review of how to deliver housing management services for its housing stock. The review has now been completed. The findings and conclusions are set out in full in the attached Review of Housing Management Options Report. A summary of these is provided in the following sections:
 - Background to the Review
 - Brent Context: The housing stock and its management
 - BHP Performance
 - The Options
 - The Evaluation Criteria, Evaluation of the Options and Implementation
 - Conclusion on the Preferred Option
- 2. Cabinet decided in June to undertake a review of Housing Management options for its housing stock. This was prompted by two main considerations.
 - i. Firstly, the government's Housing and Planning Act (2016) and other measures will have a significant impact on the Council's housing stock including on its future size, financial performance and management over coming years. The prescribed reduction in rents between 2016 and 2020 will significantly reduce rental income to fund services and the government's other reforms are likely to reduce the size of the Council's stock and further reduce income and undermine economies of scale. It was therefore appropriate to consider the implications for housing management services and how these could best be developed and delivered in the context of these challenges.
 - ii. The second consideration was the performance of BHP, the Council's existing Arms-Length Management Organisation (ALMO). The Council entered into a new 10 year Management Agreement with Brent Housing Partnership (BHP) in April 2013 for the management of the Council's housing stock. This required BHP to provide services and achieve performance in accordance with an annually agreed Delivery Plan. In 2015/16 BHP failed to achieve the required outcomes and performance standards in a number of respects. In January 2016 BHP put a recovery plan in place to address the areas of concern over the period by the end of October 2016.
- 3. In view of both the challenges presented by the government's reforms and the issues of concern in respect of BHP's performance the Cabinet concluded it was necessary to consider afresh the most appropriate arrangements for the management of the Council's sIn June 2016 Cabinet therefore commissioned a formal review of Housing Management Options for the Council's Housing stock, with the options to be considered being:
 - To continue with BHP on a reformed basis
 - To bring the service in-house
 - To enter into partnership with another organisation to provide the service



4. The review has been undertaken over the period from July to October 2016. It has been led by the housing service and been informed by a cross Council group with representation from all Council departments and been guided by the Council's Corporate Management Team. The review has also been supported by external consultants who have provided additional expertise and experience from across the social housing sector. The review process is set out in detail in the Review report which accompanies this document.

Brent Context: The Housing stock and its current Management

- 5. The Council's Housing Stock comprises almost 11,500 homes, of which approximately 7,700 are tenanted and 3,700 are leasehold, and is concentrated in the South-east of the borough. Homes are primarily flats on small and medium-sized estates but with a significant minority of street properties, mainly converted to flats.
- 6. Average occupancy for tenanted and leasehold properties is 3.3 and 4.8 persons respectively, with the latter in part reflecting the extent of private letting of leasehold properties, giving a total of around 43,000 residents or over 1 in 8 of Brent's population. Around a third of tenants are over 60 years old. 4% of tenants have a disability and 8% have a vulnerability.
- 7. The Council is responsible as a landlord under the tenancy and leasehold agreements with each household to provide housing management and maintenance services. The Council's relationship with its tenants and leaseholders is therefore a different one from that with other borough residents as it is primarily a contractual one under which these households pay rent or service charges in exchange for specific services.
- 8. Since 2002 the Council has delegated responsibility for both management and maintenance services to a wholly-owned arms-length management company, Brent Housing Partnership (BHP) through a Management Agreement. The current management agreement was entered into in April 2013 for a 10 year term.
- 9. Under the Management Agreement the Council sets the strategic direction and priorities for the service, and the required budgets, and BHP is operationally responsible for the delivery of these services. A delivery plan is agreed annually between the Council and BHP which sets out priorities for service improvement and delivery and corresponding targets.
- 10. BHP is a separate legal entity as a company and is governed by a Board of 13 directors comprising residents, Councillors and independent persons with an independent chair. Its Managing Director and Executive team are responsible to the Board.
- 11. BHP provides the full set of landlord services, either directly or by contract management of relevant contractors. The main services are:
 - Tenancy Management tenancy agreement compliance, lettings, rent collection, resident engagement, dealing with anti-social behaviour; RTB application; and client responsibility for two Tenant Management Organisations and for the management contract for the Travellers site at Lynton Close.
 - Leaseholder Management All lease issues; service charges and consultation and charging for major works.
 - Property services Communal cleaning, estates management, grounds maintenance (through the Council's public realm contractor), responsive repairs, health and safety compliance, planned maintenance and major works. Since 2014 repairs and



maintenance have been provided mainly through an Asset Management contractor, Wates.

- Development services the delivery of a new-build programme on existing estates
- 12. BHP operates a call-centre handling around 83,000 calls per annum, the majority of which relate to repairs. It is responsible for dealing with Stage 1 complaints and member enquiries and has a small communications team, a finance team, governance and HR resources.
- 13. The Council provides under SLAs a number of support services to BHP including accommodation at the Civic Centre, IT, payroll and legal support.

BHP Performance

- 14. In response to a number of performance concerns a Recovery Plan was put in place by BHP to run from January to October 2016. The Recovery Plan set out specific actions and outcomes required in response to the main areas of concern and some key performance targets. A formal notice of breach was also served under the Management Agreement in respect of specific concerns, requiring that they be remedied by the same deadline.
- 15. Performance and progress over the period has been assessed as part of the Review and the findings are set out in more detail in the Review report. Most actions and outcomes required under the Recovery Plan have been completed and achieved and significant progress has been made in a number of areas.
- 16. A key concern was the performance of the planned maintenance programme in 2015/16 which was substantially under-delivered, with significant contract management weaknesses identified through an audit investigation. These issues have been addressed and there is a good level of confidence that this year's programme will be delivered to time and budget and advance planning is already underway for next year's programme.
- 17. The timeliness of response to complaints and member enquiries was another area of concern and this has been addressed with response times being met. A significant proportion of complaints relate to repairs but overall complaint levels are comparable with other housing organisations, though higher than for the best service providers.
- 18. Customer service response has improved with a very high percentage of calls answered over the last quarter and waiting times significantly reduced though these remain longer than the corporate standard.
- 19. There remain, however, areas of continuing concern which are reflected in levels of customer satisfaction in particular with repairs, resident involvement and with the service overall.
- 20. To inform the review, the views of tenants and leaseholders about current service performance and priorities for improvement were sought through a telephone survey of 600 residents and through a set of focus groups. This research identified three areas of greatest concern and priority for improvement: repairs and maintenance, anti-social behaviour and the quality of homes.
- 21. Over the last 18 months satisfaction with repairs has not improved and remains unacceptably low with a third of tenants and two-thirds of leaseholders not satisfied with the service. The primary concerns are outstanding repair works and the failure to complete repairs on the first visit. Progress in this area depend on the contractor making a number of key service changes, and these are due to be introduced and become effective over the next



- two months. It is clear, regardless of the future housing management option chosen, that improvements to the repairs service is both urgent and of the highest priority.
- 22. The recent survey identified a low level of satisfaction with how anti-social behaviour is managed. Similarly, around half of residents were not satisfied with opportunities for resident involvement.
- 23. BHP have regularly monitored overall satisfaction levels with the service over the last 18 months. There has been little appreciable increase in satisfaction levels over this period (and no increase at all over the Recovery Plan period). With barely half of leaseholders and two-thirds of tenants being satisfied with the service, BHP ranks well below the strongest providers in the sector, but it is recognised that there is a time lag between the introduction of service improvements and their expression in randomised satisfaction survey results.
- 24. As part of the review a benchmarking exercise has also been carried out to compare key performance indicators for council housing services, ALMOs and Housing Associations in London, with each other and with BHP over the last 3 years. This found a mixed picture with ALMOs performing relatively well, as do council services (particularly in respect of cost where they perform best) and housing associations relatively strong and weak in different areas. BHP's performance was similarly mixed: good or improving in some areas but in others showing relative decline compared with other comparators.

The Options

- 25. The options are set out in detail in the accompanying Review report. It should be noted that, whilst there are necessarily differences between the options they each need to respond to the contextual challenges and changes most of which are common to all options.
- 26. Firstly, each option needs to respond to the areas of evident weakness in the current services and enable a significant improvement in service quality and customer satisfaction and do so while generating significant efficiencies and savings to respond to the financial pressures arising from the government's reforms.
- 27. Each option also needs to catch-up with wider changes across the social housing sector, which are accelerating in response to common financial challenges. Central to these is harnessing digital technologies to enable customers to interact and transact with services online, and to use data to drive continuing service design and development. The current service is traditional in nature and each of the options needs to enable this transformation.
- 28. The options also need to respond to Brent's local housing context and Housing Strategy priorities which are:
 - Housing Supply re-confirming the ambition set out in the original target of 5,000
 affordable homes by 2019, refining this focus to ensure we get the right affordable
 housing, and signalling the need to adopt a wider range of delivery mechanisms if
 we are to deliver that target
 - Housing and wellbeing (rather than housing and employment) employment will still have a key role as this will recognise the importance of employment to sustaining housing and wellbeing
 - Private Sector building on the success of the licensing scheme and the work of the Housing OBR to deepen our relationship with the private sector to ensure that we



- are improving standards and doing everything possible to help residents, particularly the most vulnerable residents, find PRS accommodation
- Homelessness the TA reform plan has been developed since the original housing strategy was written, therefore the revised strategy will update in line with the TA reform plan
- Social Housing Improvement the focus in the original strategy was improving the
 Council's stock and this is one of the key areas that BHP has failed in. The revised
 strategy will re-confirm the objectives in terms of the Council's own stock, while also
 creating a clearer focus on the working with all social housing providers to not only
 improve housing quality, but also to deliver wide objectives for place and people.
- 29. The leadership and management of the new service also needs to change and a positive service culture needs to be inculcated that raises morale and is focussed on customer's experiences.
- 30. Each option has been designed in order to meet the above requirements and to maximise its potential. Wherever appropriate duplication has been removed to streamline service delivery and, where possible, reduce cost:
 - Public realm Existing grounds maintenance there are issues of duplication and demarcation between two contractors which are capable of resolution.
 - Anti-social behaviour Integration with the Council's corporate community safety service, but working in close liaison with the housing management service.
 - Customer service repairs reporting could be made directly to the contractor, with the service monitoring performance and resolving problems but this can only materialise if there is confidence that the performance of the contractor at a satisfactory level can be realised and maintained. There may be scope to integrate the rest of the call-centre function with the Council's corporate service under the BHP reformed and in-house options, or with the partner's corporate service as relevant.
 - Financial Inclusion This should be provided by the corporately commissioned service available to borough residents.
 - Adaptations this could be provided by a single service, rather than as now by both BHP and the Council but this needs further evaluation.
- 31. In addition to the common requirements and changes, there are some changes specific to each option.
- 32. The option to continue with a Reformed BHP is emphatically not maintenance of the status quo. Transformational change in the way in which services are delivered will be needed, as well as the further integration outlined above.
- 33. Governance will be reformed moving to a smaller skills-based board, and a strengthened client-side function within the Council will be required. Enhanced customer engagement and resident involvement would be needed. A new restructured leadership team will be recruited.
- 34. An In-house service will provide for full integration with the Council and other services. Governance and accountability will flow through the Council's corporate management to Cabinet. With the loss of the board it will be critical to provide alternative arrangements that provide for oversight and scrutiny by residents and Members, drawing on exemplars in other Councils.



- 35. While the Reformed BHP and In-house options, and changes required under each, are quite similar, the Partnership option is more different. The approach has been informed by informal discussions with a number of Housing Associations active in Brent with a clear preference for a form of Joint Venture or housing services company, rather than a contract. There is of course more uncertainty about how this option would be structured and operate as it would depend on the partner selected. Broadly it is expected that a number of key functions would be provided by the Partner's wider organisation including support services (instead of the Council as at present) and customer contact services. The frontline service integration with the Council in respect of public realm, ASB, etc. would, however, still apply.
- 36. Governance would be through a joint board and it is unlikely this would provide for resident representation. A customer oversight and scrutiny function would be required.

Evaluation of the Options

- 37. The options have been evaluated against criteria drawn from those set out in the June 2016 Cabinet report and assesses the extent to which each option:
 - Assures provision of modern, high-quality and continuously improving housing management services
 - Achieves significant efficiencies and savings to contribute to the financial sustainability of the Council's housing revenue account
 - Maximises the value and performance of the Council's housing stock through active asset management
 - Contributes to improved outcomes for tenants including in respect of people and place outcomes the Council is seeking to achieve
 - Contributes to the delivery of the Council's priorities
- 38. The evaluation findings are detailed and summarised in the Review report identifying the relative strengths and weaknesses of each option in respect of each criteria.
- 39. It is apparent that each option has the potential to successfully meet the Council's criteria, but importantly each has relative strengths and weaknesses in different areas. This is to be expected: The numerous examples of highly-performing Council and ALMO housing services (and of weaker performing services of each type) show that the option or model itself is not the main determinant. The Partnership Joint Venture option is itself innovative and there are few if any comparative examples but there are numerous examples of high-performing housing associations who would be the prospective partner under this option.
- 40. One significant difference is in respect of the potential financial savings arising from the adoption of each option. The financial assessment undertaken through the Review indicates that only modest savings would be realised through the BHP Reformed option but more significant savings could be realised under the In-house and Partnership options.
- 41. Another key difference relates to the issue of control. This relates both to the degree of control the Council has to direct the changes and improvements required and to the ability to direct the housing service's contribution to the delivery of the Council's priorities more generally. Under the BHP reformed option the Council has strategic control but delegates operational control to the ALMO. Under the Partnership option control is essentially shared. The In-house option provides for direct strategic and operational control.



42. Leadership will be crucial to achieving the full potential of each option. The current BHP leadership team is interim so under each of the options there will be new leadership. Independent recruitment advice, however, is that the Partnership option and to a slightly lesser extent the BHP Reformed option may more readily attract the strongest candidates because of the degree of autonomy such senior managers would enjoy (with responsibility for leading a housing services company of one type of another) whereas the in-house option may be less attractive to some potential candidates as it provides less autonomy within the Council's corporate setting. This may, however, be countered by the opportunity to work across a wider range of housing functions within the Council. All the options have the potential to attract a strong leadership team, as is evidenced in the social housing sector, but under the in-house option the leadership roles would need to be positioned with care to attract the strongest field.

Implementation

- 43. While each option could work, a central consideration is the confidence which the Council can have that the optimised version of the option can be delivered. This partly relates to the issue of control but also to the degree of difficulty, complexity and risk attendant on implementation, and over what time period this would be achieved.
- 44. The Reformed ALMO is the most straightforward option to implement. No consultation is required after Cabinet in November, and a new management team could be in place by April 2017. Therefore, by April 2017 the implementation of wider transformation should commence and be well advanced over the first half of 2017-18.
- 45. The In-House option is the middle ranked option in terms of complexity. There will need to be a consultation (test of opinion) running from December to February before coming back to Cabinet in March. If in light of the consultation, the Council then decides to proceed with this option, there will need to be a process to transfer the service to the Council and the permanent recruitment of a new leadership team by October 2017.
- 46. The Partnership or Joint Venture option is the most complex option to setup. The first step would be to undertake consultation over 12 weeks on this preferred option and then report to full Council in March 2017. If Cabinet then decided to proceed with this option the process towards selecting a partner and implementing the new JV would follow. There is a degree of uncertainty about whether a suitable high-performing partner can be found and the terms of a partnership negotiated and agreed. Assuming these tests were met the new Partnership company could be established by April 2018.

Conclusion on the Preferred Option

- 47. Detailed consideration of the issues covered by this review is an important first stage in charting the course to be taken by Brent's housing stock and the 12,000 households who live in the properties over the years to come. In considering the best option, the issues with BHP's performance are less important than the landscape in which the chosen option will have to operate.
- 48. Each option has been optimised. The question is not how well each option would perform the role fulfilled by BHP now but instead how each option could be configured to best deliver the outcomes required from the housing service for tenants and leaseholders, and



for the Council. Each option is a significant departure and development from current arrangements. In essence this gives three different approaches:

- Reformed ALMO: Strong focus on the housing service.
- In-House: Strong focus on the housing service and the contribution that the housing business unit can make to the Council's wider strategic agenda.
- ➤ Joint Venture: Strong focus on the housing service with the added benefit of the expertise of the JV partner.
- 49. All the options inherit the same starting position, the same buildings, residents and staff (via TUPE). Each of these are significant issues in their own right. Each option has been reviewed against the five individual criteria, including the financial assessment, and in respect of control and implementation or deliverability. No aspect of the evaluation categorically rules out any particular option. All options could work.
- 50. Every option has a mixture of strengths and weaknesses, so picking the best option is a matter of judgement about the weighting given to issues, benefits and risks.
- 51. There is a decision to be made about how the housing service fits in with the wider Council. The current position is clear, a standalone housing service, formed to provide a strong focus on housing management. This approach produced good outcomes for a long period, less good outcomes recently. Another approach is to view the housing service as an important sub-set within the wider Council and to seek to maximise the role played by the housing service in improving outcomes for 12,000 households across wellbeing, employment and other issues as well as core housing management. If significant weight is given to this approach then the In-House Option is clearly the strongest option in this regard. This is not without risk. The biggest risk is that the dilution of focus on the housing service causes performance to worsen.
- 52. Turning next to the financial assessment. In assuring the sustainability of the Council's finances there are many variables that the Council cannot control such as the rate of inflation and government direction on rent increases. There are only a small number of variables that the Council can control such as staffing costs (employ more or less staff) and levels of investment (in the existing stock and in building new stock).
- 53. The financial model sets out a very tough financial landscape. This is primarily due to three variables: The governments rent policy (currently CPI -1%); the likely impact of the sale of high value void properties to fund the RTB for housing association tenants and the profile of stock investment required to bring homes up to standard. The financial landscape is equally tough for all the options with savings required of circa £3.6m from core management expenditure of £12.5m. The ability of an option to significantly reduce operating costs is a key factor.
- 54. It is the In-House option that, by a wide margin, best interacts with the requirement to make significant savings. The Council has a track record of successfully delivering large budget reductions whilst carefully managing the impact on services and residents over recent years. These experiences will be directly relevant to, and can be directly applied to, an in-house option. In contrast BHP will find it harder to achieve the savings potentially required due to being 'arms length' with the associated costs this structure carries. The Joint Venture will



- take time and money to implement and in any case becomes difficult, if not impossible, to engineer as the cost reduction requirement increases.
- 55. The financials are the most important factor in reaching the recommendation.
- 56. Control is another important factor. The In-House option gives the highest level of strategic and operational control. The Reformed ALMO and Joint Venture options offer good levels of strategic control (though the ability to change course operates more slowly) and lower levels of operational control.
- 57. Leadership is another key consideration. Here the In-House option faces challenges. Of the three options, the In-House option may find it hardest to attract high quality housing expertise. However, the In-House service will have access to the Council's expertise in cost reduction and this is an important consideration. Consideration of the salary and positioning of the senior roles in the In-House Housing Business Unit will be of key importance in maximising the quality of the field of candidates. Although both other options potentially bring better leadership to bear, their inherent weaknesses, particularly in relation to the financial aspects, are more important as matters for comparative consideration.
- 58. Governance and resident engagement are important issues also. Irrespective of the option chosen the existing Board structure within the ALMO is likely to change due to the strong trend towards skills-based Boards as opposed to Boards with members representing constituencies (e.g. Members and residents). The option which will have to be most imaginative in how it addresses Member and resident engagement is the In-House option. But this issue is not insurmountable and is one other Councils have successfully addressed on bringing the service in-house. For example a Members and residents committee may overcome the loss of the ALMO Board under the In-House option.
- 59. In conclusion, taking into account the challenging financial landscape, and all other factors outlined above, it is recommended that the In-House option is chosen. Moreover, the In-House option offers the opportunity to re-position the housing service within the Council with the aim of improving a broad range of outcomes for almost 12,000 households. This is not the lift and shift of a self-contained housing service into the Council's structure. This is the engagement of the housing service with the Council's wider agendas in order to secure improved outcomes for residents and to enable the Council's expertise in cost reduction to be brought to bear. However there are two areas for particular consideration within the planning for the In-House option and these are identification and mitigation of the key risks arising from the new position of the housing service within the Council's wider business and providing effective arrangements for resident and Member oversight and scrutiny.



3. OPTIONS REVIEW METHODOLOGY

Who has been directly involved?

The subject of service delivery to over 12,000 customers is clearly a major issue and the approach taken has reflected the importance of the subject. The review has been monitored and managed by a group of people called the Cross Council Group (CCG) the members of CCG are:

- Led by: Phil Porter Strategic Director Community Wellbeing
- Supervised by: The Cross Council Group (CCG) who have approved all the key content and decisions. The membership of the CCG is:
 - Phil Porter Strategic Director Community Wellbeing
 - Jon Lloyd-Owen (JLO) Operational Director, Housing & Culture
 - Margaret Read (MR) Assistant Director Corporate Customer Services
 - o Minesh Patel (MP) Head of Finance
 - Neil MacDonald (NMD) Head of Localities
 - Chris Whyte (CW) Operational Director Environment Services
 - Thomas Cattermole Head of Executive & Member Services
 - Gerald Davies Interim Housing Partnerships Manager
- Project managed by: Gerald Davies Interim Housing Partnerships Manager
- Project input from external consultants: Campbell Tickell (on housing matters) and BMG (on the views of customers)
- Project support from Serena Hong

What is the question?

The review is about answering the question:

★ What is the best way to deliver housing management to the Council's tenants and leaseholders in the years ahead?

The way the review has addressed the question

The review has some important building blocks. Each of these building blocks has key questions and within this report those questions are addressed.



Essential building block	The questions	How we address the questions
The national context	What is going on in terms of housing policy that the review needs to take in to account	Section on the National Context
The buildings and the land	What condition is the housing stock in?	Section on Brent Context
	Which option can manage the condition of the stock in years ahead?	Section on the Evaluation of the Options
	Which option is best in terms of developing new stock?	Section on the Evaluation of the Options
The people who live in the buildings	What do we know about the people who live in the buildings?	Section on Brent Context
	What do we know about future demand?	Section on Brent Context
	What do we know about what the current residents think about the future direction for housing services?	Section on Brent Context



	How will residents be consulted on the decision?	Section on Implementation
The Outcome Required	What is the set of outcomes we want to achieve?	Section on Required Outcomes
The Options	What are the options that we should evaluate?	Section on The Options Described
The Evaluation Model	How do we assess each option to understand how well it can deliver the <i>Outcome Required?</i>	Section on Options Review Methodology
The Evaluation Findings	What does the <i>Evaluation Model</i> tell us about how well each of the <i>Options</i> will deliver the <i>Outcome Required</i>	Section on the Evaluation of the Options
The Recommendation	Looking across the evidence in the <i>Evaluation</i> Findings which is the best Option?	Section on Recommended Way Forward



Taking these building blocks the approach of the review is straightforward:

The Outcome Required is shaped by the Buildings and the Land and the People who live in the buildings.

The Evaluation Model sets out how we will work out how well/less well each Option will deliver the Outcome Required

The *Evaluation Findings* set out what we learned when we applied the *Evaluation Model* to the *Options*.

The *Recommendation* looks across the evidence in the *Evaluation Findings* and makes a recommendation about which option best delivers the *Outcome Required*.

Project Decisions and the Final Decision

The Cross Council Group have made all the key decisions based on work done by the project team.

The Council's Corporate Management Team have been involved at key stages:

- In setting up to CCG as a body to deliver the project
- In considering the options
- In considering the evaluation method
- In considering the evaluation findings
- In considering this final report

This final report will be sent to the following groups for approval:

- Corporate Management Team
- Cabinet

Each option has a different implementation pathway. The implementation pathway sets out the most important issues that will need to be sorted out as the option is implemented. This includes what further approval(s) may be required and the resident engagement/consultation that will be carried out.

Making sure the review takes into account the facts and views that it needs to produce a good outcome

The section above sets out the method used in this review. Just as important as the method is making sure that the review works with the best quality of data and opinions. In the table below we set out where data and views have come from:



What we took in to account
Information from BHP about stock condition and future work programmes
Discussion with the lead officer for the Council's new housing strategy to ensure that the content and
potential outcomes of this review were aligned with the relevant objectives in the Council's new housing
strategy which is currently on its passage towards full approval.
Informal discussions with corporate and operational directors
Formal discussions at Cross Council Group
Formal discussions at Corporate Management Team
Informal discussion with BHP senior management
Formal discussions with BHP Board
Submission of an offer document from BHP about ways in which they could see a reformed ALMO
providing greater value to the Council
Detailed liaison on matters of operational and financial fact that play a part in the review
Briefings open to all BHP staff held by Jon Lloyd-Owen and Gerald Davies.
A telephone survey of approx. 600 residents by BMG
5 focus groups with a cross section of residents
A number of telephone interviews with vulnerable residents



	A meeting with for all involved residents to which 150 were invited and approximately 35 attended
Views of Members	The cabinet decision that instructed that this review should happen Formal briefings with the leader of the Council, deputy leader of the Council and portfolio holder There were 2 formal briefings held which were open to all members



DCLG Guidance on Options Appraisals

In carrying out the review, we have taken into account the guidance from the DCLG (Review of Arms Length Management Organisations DCLG 2006, and Updated Guidance for Councils Considering the Future of their ALMO Housing Management Services, Dec 2011). The guidance requires that options reviews have regard to the financial sustainability of ALMO, the long term viability of HRA and the strategic direction of Council. All these subjects are addressed in this review.

The guidance also requires that the review should engage the same stakeholder groups as were engaged when the decision was made to establish the ALMO, and that any change of arrangements is subject to no less rigorous a test of opinion than at that time. There is no requirement for a tenant ballot unless there was a ballot when the ALMO was established. The guidance also explicitly expects that the Council will consult tenants when winding up an ALMO or not renewing its contract, but here too states that the method of consultation is a matter for local decision. We have taken this guidance into account within this report.

The link between the review and the Council's housing strategy

We have liaised with the Council's Policy and Strategy Manager to discuss the relationship between this review and the Council's Housing Strategy, which is currently under review. The review is concerned with identifying the option that can best advance issues of stock condition, customer service, development opportunities and operating efficiency. As such the review is in alignment with the strategic aims of the housing strategy to improve the quantity and quality of housing in the borough. We are confident that there is no conflict or inconsistency between the options appraisal and the strategy.



4. NATIONAL CONTEXT

The rise and fall of ALMOs

The serious performance issues of Brent's ALMO (BHP) has led to this options appraisal, and those issues might make adopting an alternative delivery mechanism seem more attractive. However, it is important to reflect briefly on why ALMOs came in to being, and the current state of the housing sector generally.

ALMOs partly came about because of the extent to which, in general, social housing services failed to flourish within the local authority environment. The argument was that by creating a standalone organisation with undiluted focus on delivering a housing service, positioned at a greater distance from broader Council issues, then there was a greater likelihood of success – coupled with this was the position of the government that funding to achieve the Decent Homes Standard would only be available to Councils who established ALMOs providing they met the 2 star quality threshold, which BHP did.

Much has changed in the worlds of housing and local government in the intervening years. Councils generally and Brent specifically have faced massive funding cuts and have needed to transform and modernise their services under the most testing of circumstances. This has created an environment which feels a long way distant from the environment in which the ALMO model came in to existence.

Despite this, the issues that led to the development of the ALMO model are still relevant. The housing service is of great importance to residents, and the Council has a direct contractual relationship with each of its tenants and leaseholders, which distinguishes it from all other services. But the number of households provided for is still relatively small compared to the number of households in the borough and the Council's services to them.

However, in recent years a number of Councils have taken their ALMOs back in-house. Although some were performing poorly, on the whole this has been done for financial and political reasons. It was perceived that there was more potential for rationalisation and cost savings, and that the HRA could be optimised with an in-house service.

The current political environment and housing legislation

The entire social housing sector is currently under political threat in a way it has never been before. It is not clear where the government's new leadership will take housing, nor is it clear that the sector will continue in the same recognisable form for the future.

Amongst a raft of recent legislation and orders, two key pieces of legislation are changing the housing landscape for registered providers, both Councils and housing associations. Brent's current review of housing strategy will work to address these.

The Welfare Reform and Work Act 2016

This legislation required all social housing providers to reduce rents by 1% per annum year on year for 4 years. It is estimated by the Institute for Fiscal Studies that by the end of this period the policy



will cost social housing providers £2.3bn in lost income. The government will gain £1.7bn in reduced housing benefits, whilst tenants themselves will benefit little.

The Housing & Planning Act 2016

This contains a number of wide ranging policy changes including -

- Right to Buy extension, and the levy on higher value Council homes in order to replace homes sold
- Pay to Stay, higher rents for tenants above a £40,000 income threshold in London
- Starter Homes, subsidised home ownership which can take the place of affordable rented homes in satisfying the provisions of s106 planning requirements
- The ending of lifetime tenancies
- Curtailing Council ability to make appointments to or exercise voting rights on registered provider (housing association) boards
- A range of other provisions including planning consent, local plans, & tackling rogue landlords

The thrust of this legislation is to encourage home ownership (at the expense of affordable rented homes) and to bring in additional funds to the Exchequer. The impact will reduce the total amount of social housing available and the amount being developed. The levy will have a negative effect on Council funds but as yet the detail of the amount and operation of the levy is not clear.

Our understanding is that the provision relating to restrictions on Council powers in relation to housing association boards was not intended to apply to ALMOs. However, the detail of the regulations has not yet been published and is still under discussion with DCLG.

Change in the wider housing sector

Housing Management services have been going through a period of radical change across the social housing sector - partly in response to the government's reforms but also in response to changed customer expectations and requirements.

The huge increases in house prices have rendered home ownership largely unaffordable in London. According to the website Rightmove, last year most property sales in Brent involved flats, which sold for an average of £391,957. During the last year, property prices in Brent were 10% up on the previous year and 27% up on 2013. Unemployment is higher than average at 7%, and salaries lower than average, with ONS data at the end of 2015 showing that the median salary of a Brent resident is £25,203. The average flat costs more than 15 times the median income. It is not surprising that there is considerable pressure on rented housing.

Hand-in-hand with this is the rise in homeless acceptances and rough sleeping. In Q1 2016 homelessness acceptances increased nationally by 9% on the corresponding quarter in 2015, and in Brent by 10% to 183 households in the quarter. Rough sleepers, last measured (count + estimate) in autumn 2015, increased nationally by 27% from 2014. Brent has the 6th highest count of rough



sleepers of all local authorities in England. Addressing homelessness forms a key plank of the work to revise Brent's Housing Strategy.

Until quite recently the housing association sector had not been subject to the same financial pressures as local authorities, but this is changing. The rent reduction and other ongoing financial pressures are leading the sector to restructure and transform itself. One response has been to consolidate and merge, leading to the creation of many large housing associations and groups. In addition, many RPs are cutting back on non-core services in the same way as local authorities.

On a more positive note, advancing digital technology has the potential to reshape service delivery and choice. It is becoming increasingly common and sophisticated in housing providers, Councils and the larger housing associations. Digital transformation enables customers to engage with their landlord by, for example, ordering repairs online or through an app on their smartphone, or by taking photos of issues on estates and submitting them via an app that automatically tags the exact location. Through digital transformation it is possible to improve services, improve accessibility of services and to reduce cost. Our evaluation criteria look specifically at this important topic.



5. BRENT CONTEXT

This section considers the nature of the housing stock and Brent's approach to asset management. It also describes the characteristics of the households who occupy it, and their views on the current service.

Demographics

The Council housing stock

The housing stock currently managed by BHP comprises 11,957 units of which 7,714 are tenanted and 3,699 are leasehold. The remainder are a mixture of miscellaneous units such as shared ownership, and those owned by BHP.

Council homes are primarily flatted estates with 1 or 2 bedrooms. Flats are heavily concentrated in the South East of the borough. Houses tend to be 3 or more bedrooms and are spread more evenly across the borough.

Brent's Asset Management Strategy

The Council's Asset Management Strategy was agreed in 2013. It set out a long-term approach to the maintenance and development of the Council's housing assets in order to best meet its housing objectives, and was subject to wide ranging public consultation. The strategy developed 4 key objectives -

- Stock Investment to improve and maintain the condition of the existing housing stock
- Stock Reform to raise the performance and improve the balance of the stock to better align with housing demand
- Development to provide additional affordable housing to increase the capacity to meet housing need
- Rent Policy to provide the income required to fund the investment in existing and new Council homes

The strategy set out priorities for a 7-year stock investment programme, which are focused on maintaining the Decent Homes Standard, roof & window renewals, and energy efficiency and fuel poverty works. The indicative cost for the forthcoming 5 years was £86.3m (in 2013), with the annual budget to be agreed by the Executive year on year.

Brent Housing Partnership (BHP) takes lead responsibility for the implementation of many elements of the strategy, in particular the management of the stock investment programme and the initial phase of development on existing HRA estates. The latter is described further under the section 'Current Arrangements'.

BHP's Asset Management Plan sets out arrangements for delivery. Following a detailed procurement exercise, in 2014 Wates Living Space were appointed to deliver the stock improvement programme, with a 5-year contract renewable for a further 5 years. BHP are responsible for monitoring the programme and managing this contract.



In 2014/5 the budgeted investment programme was £10.2m and the outturn was £7.9m. In 2015/6 the budget was £44.8m and the outturn was £29.5m. This year's programme is budgeted at £33.8m and is currently forecast to be on target.

As can be seen from the outturn figures, during the first two years of the contract there were performance concerns as, amongst other matters, not all of the planned work was carried out. Discussions regarding these led to a settlement which aimed to resolve the issues on mutually acceptable terms. This settlement has recently been confirmed and signed off by both parties.

Tenant and Leaseholder Households

An average of 3.3 people live in each tenanted property, and 4.8 people live in each leasehold property. Comparing the number of people per household to the number of bedrooms, there is a small degree of overcrowding in Council tenanted stock (bedrooms minus occupants = -1.3, equating for example to 2.3 people living in a 1 bed unit, or 3.3 people in a 2-bed unit). Using the same method of calculation for leasehold properties shows that leasehold households tend to be considerably more overcrowded (bedrooms minus occupants = -3, equating for example to 4 people living in a 1 bed unit, or 5 in a 2 bed).

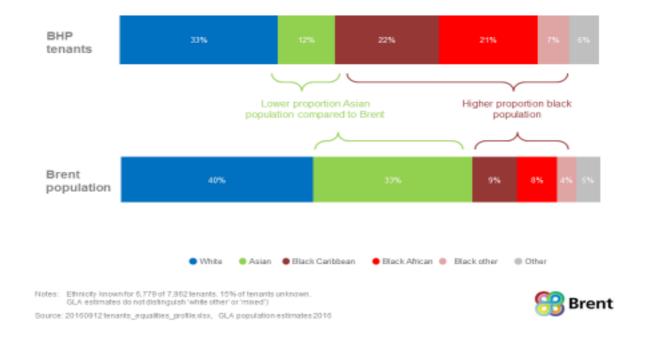
The level of overcrowding is slightly surprising given that 52% of tenants and 37% of leaseholders claim Single Person Discount on Council tax. By definition, these people are not overcrowded (bedrooms minus occupants must be zero or a positive figure) which suggests that amongst those who *are* overcrowded, it is considerably more marked than the averages would suggest.

Ethnicity of residents

The chart below shows the ethnicity of BHP tenants, and compares this with the population of Brent as a whole. Amongst tenants, 67% are non-white, which is 7% higher than the Brent population as a whole. There is a significantly higher proportion of black tenants and lower proportion of Asian tenants when compared to Brent's population as a whole.



Ethnicity



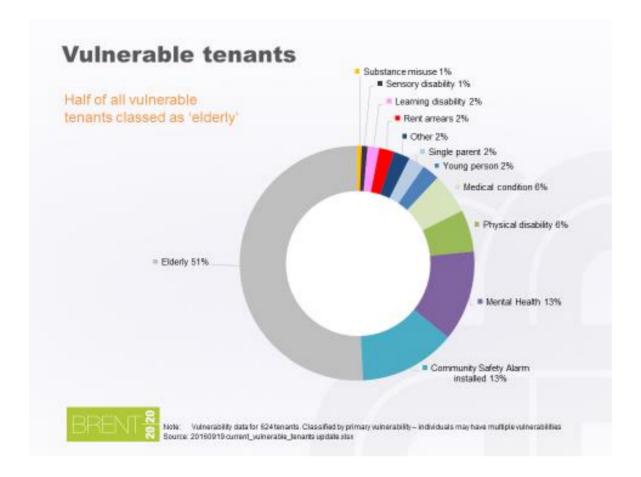
There is considerable diversity of religion amongst the population as a whole. Unsurprisingly, amongst tenants the proportions of different religions (relative to the population as a whole) tends to reflect the ethnicity of tenants, with a higher proportion of Christianity and notably lower proportion of Hinduism. There are slightly more Muslims amongst the tenant base but this is not marked 23% compared to 20% in the general population.

Age and vulnerability

34% of tenants are over 60 years old. Interestingly, although there are slightly more elderly women than men the difference is not marked, whereas in the age groups 30-60 women outnumber men by almost half as many again. This might suggest an increasing preponderance of women tenants in future years, though without analysis of trends in allocations data this is only speculative.

Amongst all tenants, around 4% have a disability. Amongst tenants aged 60, disability is roughly double that rate. Almost 8% of tenants are classified as vulnerable, and this breaks down as shown below. Slightly more than half of all vulnerable tenants are elderly.





Income

Across the borough, unemployment is higher than the national average at 7%, with 10.2% of Brent residents in receipt of out of work benefits.

Salaries are lower than average. 31% of employees living in Brent are low paid, the second highest of any London borough and ten percentage points higher than average. ONS data at the end of 2015 showed that the median salary of a Brent resident is £25,203.

84% of tenants and 43% of leaseholders claim Housing Benefit.

Implications of the resident profile

There are no specific implications for the options appraisal. However, the provider will need to be mindful of profile of the residents and reflect this in their offer.

Additional information regarding equalities issues may be found in the Equalities Impact Assessment.



Residents' opinions of the current service

To gain additional insight as part of the overall review the Council commissioned BMG research to undertake an opinion survey and a qualitative examination of residents' using focus groups and indepth interviews.

For the survey 600 telephone interviews were conducted in August 2016 using a random sample of BHP residents (526 tenants and 74 leaseholders). There were 5 focus groups, as follows:

- Elderly tenants
- Tenants with a disability
- Tenants who live on estates
- Tenants who do not live on estates
- Leaseholders

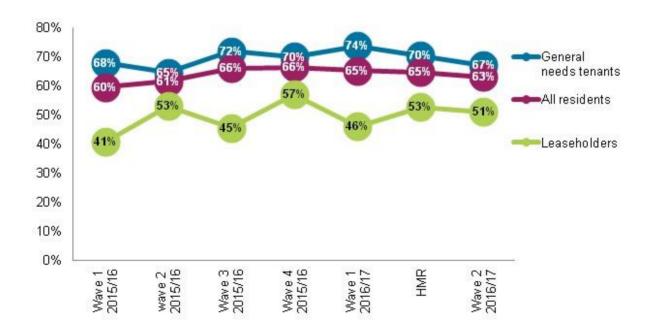
In addition to the above, there were in-depth telephone interviews with younger persons and with persons known to have some form of vulnerability.

Set out below is a summary of the findings of this work – copies of the full report are available.

Overall perceptions

The most important indicator is the level of satisfaction with the service and the figure below taken from the report shows the amount this has changed since these surveys were began.

Overall level of satisfaction with the service





The opinion survey findings show that the top service priority for tenants is the repairs and maintenance service, whilst for leaseholders this is split equally between the repairs service and dealing with anti-social behaviour.

Service improvements

The 3 services indicated by residents as most in need of improvement are:

- Repairs and maintenance
- Dealing with Anti-Social Behaviour
- Quality of homes

Similar areas of improvement were indicated in the qualitative activity with repairs and maintenance and quality of home being most frequently mentioned.

Repairs and maintenance service

The opinion survey found that dissatisfaction with this service appears to be driven by residents having outstanding repair work needed or where it has taken multiple attempts to get repairs fixed or where there has been poor communication or where the quality of the work has been poor.

Improvements suggested echo the opinion survey with the majority saying the ease of reporting a repair, the quality of the repair work and keeping residents informed as to the progress of a repair are the areas most needing attention. The qualitative findings also indicated that there is an apparent lack of communication within the contractor resulting in incorrect tradespeople turning up or them arriving with the wrong materials for the work resulting in multiple visits.

Keeping residents informed

The opinion survey has shown that a majority of residents are of the view that BHP do not keep them informed with many saying they receive very little communication about what is going on in their area and that the level of communication has deteriorated over recent years.

A majority have also indicated some frustration at having never received communications from their housing officer.

Involving residents and acting upon their views

Less than half of residents (48%) are satisfied that BHP listen to their views and act upon them with the level for leaseholders alone dropping to 38%. Residents feel it is important to be involved and listened to as residents.

Customer service

Many residents were able to provide examples of good customer service that they had received from BHP whilst those who felt they had received a poor customer service were generally referring



to the amount of time they had spent trying to get through to someone on the phone and chasing to progress their queries.

Estate Services

Around six in ten residents were satisfied with the grounds maintenance service (62%), 58% with the overall estate service provided by BHP, and the same level of satisfaction with the cleaning of communal areas and the external communal areas.

Dealing with anti-social behaviour

Around half (51%) of residents who stated that they had reported ASB to BHP in the last 12 months were dissatisfied with the way BHP had handled the case, whilst seven out of ten were dissatisfied with the outcome of their complaint.

Involved residents' event

The Council, as part of the steps necessary to engage with the directly affected stakeholders, held an event aimed at those residents (tenants and leaseholders) who regularly participate in the various engagement arrangements which BHP operates. There were 150 such persons invited to this event and this listing was supplied by the Community Engagement Unit within BHP.

The event took the form of a briefing session on:

- Why the review is taking place
- What are the options the Council is considering
- What the Council is seeking to achieve from the review particularly the benefits that should accrue to residents

There was also a workshop session which gave the participants the opportunity to articulate their hopes and fears regarding the potential outcomes from each of the three options. The outcomes from this workshop session are set out in Appendix 2.



6. REQUIRED OUTCOMES

Introduction

This section explains the five headline criteria we have used. Each criterion is a statement about one or more aspects of the service and/or outcomes that we want the housing management service to achieve. Looking across all five of the criteria you should have a clear idea of the type of service the Council is looking for in the future.

What did we take in to account when thinking about the criteria?

The five criteria are designed to support and deliver the important issues in:

- The Housing Strategy
 (see section Responding to the Council's Review of its Housing Strategy on pages 19 22)
- The Council's housing stock (see section Brent's Asset Management Strategy on page 23)
- The people who live in the Council's stock (see section *Demographics* on pages 24 - 26)
- What residents think (see section What resident's think on pages 27 32)

In the sections below we talk more about each criterion.

Assures provision of modern, high-quality and continuously improving housing management services

A *modern* service will offer more opportunities to customers to self-serve via the web or smartphone apps. This type of service costs significantly less than telephone or face-to-face service.

A *high quality* service will be clear about what the service is and will have processes in place that convert a work request (which could be a call from a resident to request a repair or the service provider needing to deal with unpaid rent) in to activity that completes the work request. The process will be efficient, so waste will have been eliminated.

A service that *continuously improves* will have techniques in place to learn from mistakes so that the way the work is done is tweaked when necessary, will review services and will be willing to try and solve difficult service delivery problems.

Achieves significant efficiencies and savings to contribute to the financial sustainability of the Council's housing revenue account

Council and housing budgets are under considerable and ongoing pressure. The ability to operate efficiently and produce savings whilst also delivering the required levels of service is a vital attribute



of an option. If an option is weak in respect of this aspect, then the outcome might be that when it is required to produce savings then the service suffers more than if a more effective organisation had had to deliver the same saving.

There are two ways to produce savings. The first is by doing less. In other words by defining a smaller scope of service. An example might be if you offered direct debit (50p per transaction) and standing order (£1.50 per transaction and your most expensive payment method) (these costs are made up simply to provide an example). If you stopped offering customers the choice to pay by standing order then you would be offering a smaller scope of service but your transaction costs would be lower.

The second way to produce savings is by operating more efficiently. For example, lots of customers would like it if they could report a repair online 24 hours a day and be allocated an appointment for the repair to be done. This approach would have much lower transaction costs that receiving repairs requests over the phone. This would produce an efficiency saving. This saving can then either be taken (so you spend less money to achieve the outcome) or reinvested, so you spend the money you have saved to deliver more work and better outcomes from the same budget.

Maximises the value and performance of the Council's housing stock through active asset management and new development.

Active asset management is about looking after the buildings that Brent's Council tenants and leaseholders live in. it is a complicated sequence of events:

- Defining the outcome you want to achieve (Cheap for residents to live in? Easy to maintain? But what about when you can have one but not the other?)
- Deciding how you will spend the limited amount of money to have
- Letting contracts that get day-to-day repairs and improvement works done. Achieving a competitive price for a clearly defined level of quality of product and service
- Managing the contracts to ensure that the specified timescales, cost and quality are achieved.

New development is about building new homes to be able to meet more of the huge demand for affordable housing in Brent. This might mean being imaginative and adding extra floors to an existing building, or converting an undercrofts or it might mean building new homes on land on existing estates.

Contributes to improved outcomes for tenants including in respect of employment and training, health and wellbeing and tenancy sustainment for vulnerable tenants.

The housing service has a strong customer relationship with 12,000 households across the borough. Thinking more widely the Council wants to make a positive impact on the quality of life of everyone who lives and works in the borough. This criterion is about the extent to which an option can reach



beyond basic housing management to achieve improved outcomes for tenants including in respect of employment and training, health and wellbeing.

There are three main ways in which this might happen. Firstly, the housing service could use its relationship with the 12,000 households to signpost to a range of services provided by other Council departments. Secondly the housing service could be paid by other Council departments to deliver services to its customers on behalf of the other departments. Lastly, the HRA might fund activity by other Council teams for services delivered to tenants and leaseholders.

Contribution to the delivery of the Council's priorities

This criterion makes clear that the extent to which an option can contribute to the **Council's priorities** is an important consideration. It is possible for a housing service to operate with a significant degree of independence from the rest of the Council. This criterion expresses the Council's intention that the housing service should be fully engaged with the Council's wider priorities and should be able to secure improved outcomes for the 12,000 households beyond just housing management. Also of relevance is the degree of flexibility displayed by an option, adaptability in the face of changing Council priorities over time.



7. CURRENT ARRANGEMENTS EXPLAINED AND ANALYSED

The Current Housing Management Service

LB Brent established Brent Housing Partnership (BHP) as an Arms Length Management Organisation (ALMO) in 2002 and agreed a new 10-year management agreement in 2013.

'Arms Length' means that, whilst it is wholly owned by the Council and that the tenants remain Council Tenants with the rents set by the Council, it has its own board of management and is expected to operate within the terms of the management agreement and achieve jointly agreed levels of performance.

The current arrangements and Management Agreement were established in 2013 following an independent review of housing management and stock ownership options. The Council's Executive decided to renew the agreement with BHP but on an 'optimised' basis. This optimisation took account of the planned co-location of BHP in the Civic Centre and required the increased provision of services, primarily support services, by the Council to BHP and these operate through SLAs. These arrangements were also designed to realise efficiency savings and reduce the cost of the service to the Council's HRA. It was also recognised at the time of renewal that there was potential for BHP in future to provide additional services to the Council. The one specific area where this has been realised is in respect of the provision of development services for a programme of new-build schemes.

The 2013 Management Agreement provides for the agreement of an annual Delivery Plan which BHP are required to implement, and for regular performance monitoring and partnership meetings to govern the relationship. Following renewal of the Management Agreement a Client-side function was established within the Council to support the effective operation of the Management Agreement and provide strategic and performance oversight of BHP.

Currently BHP provides housing management services to the Council's 7,714 tenants and 3,699 leaseholders plus to the 332 BHP homes owned by it directly. The nature of these services is described in detail below.

This section is organised into the core areas of work:

- Core Landlord Services (customer services, tenancy management, leaseholder management, property services, resident engagement)
- Services BHP delivers for Brent Council (financial inclusion, clienting of Tenancy Management Organisations (TMOs) and Travellers Sites
- Back office (Customer Services, ITU, finance and HR)
- Additional services (BHP Academy, management of PRS stock, HRA development
- Governance
- Finance



Core Landlord Services

BHP delivers a full set of landlord services on behalf of the Council. Some services are provided directly by BHP and its staff; other services are provided by contractors who are contract managed by BHP and this is indicated where appropriate.

Customer services

4BHP operates a call centre for all customer enquiries, and provides face-to-face services at the Council's contact centre and where appropriate on estates. Around 80% of the telephone enquiries each month concern repairs.

Tenancy Management

These services are all delivered directly by BHP staff:

- Tenancy Conditions
 – handling all aspects concerning observance of the tenancy agreement
 – e.g. nuisance/ minor ASB; answering queries; unlawful occupation; etc.
- Voids and Lettings Processing vacant properties for re-let and the sign-up of new tenants; processing of transfer requests from existing tenants, and dealing with tenancy succession; c.200 new tenancies are let each year.
- Rent collection and recovery seeking to ensure prompt payment and pursuing cases where there are arrears – giving advice on welfare benefits and debt management. The total income sought is £52.9m of which £28m is paid through Housing Benefit
- Resident engagement Consultation and involvement of tenants (and leaseholders) to inform service performance and improvement.
- Anti-Social Behaviour dealing with the more complex and serious cases

Leaseholder Management

- Handling landlord/leaseholder issues for these 3,699 properties including dealing with absentee landlords that have sub-let. This includes:
- Communal services Provision, charging and collection of service charges for communal services (such as block cleaning, grounds maintenance, communal repairs, etc.)
- Major works Statutory consultation in respect of planned maintenance and major works and associated billing and collection.

Property Services

- The majority of these services are contracted out but managed by BHP:
- Estates Management the management of contracts for grounds maintenance (part of the Council contract with Veolia), communal cleaning (contracted out); refuse disposal arrangements (also contracted out); TV aerial systems & CCTV) etc.
- Repairs & Maintenance the provision of a responsive repairs service communal and tenanted property repairs. BHP processes 35,000 repairs a year – all of which are carried out by Wates



- Void repairs repairs to empty properties in readiness for their re-letting are undertaken by a small directly employed team but this is under review
- Planned Maintenance and Major works planning, procurement and contract management of a programme of planned maintenance and external decorations works and of major works to homes and estates, which are currently carried out by Wates. Management of other capital works programmes and their respective contractors for lift and heating renewal, electrical testing and upgrading, etc. This year works are programmed to over 1,600 units with a budget of £33m
- Health and Safety Compliance
- Commissioning Gas servicing and checks to all tenanted properties which have gas heating, and commissioning of required communal water, fire safety and other H&S checks and compliance.

Additional Services provided by BHP on behalf of LBB

BHP also delivers a range of other services:

Community Fund and BHP Academy

These are BHP's investment in community development

PRS and property management

This includes two main areas, the refurbishment, letting and management of vacant regeneration properties at South Kilburn (c.100 units currently) and of a reducing number of private leased properties (c.50) which are used as temporary accommodation for homeless households; and Council-owned, acquired and let properties (to families towards whom the Council has a homeless duty). BHP have been providing the refurbishment and void repairs service (all properties) and housing management and responsive repairs service (Brent properties only) under a SLA. The target is 120 of these within the Borough by 2018.

(HRA) Development Agency

There is a small team of 4 which manages the development of new-build homes for the Council. The present programme will deliver c.200 new-build homes by 2018, mainly general needs housing with some NAIL provision.

Further non-core services

These services could be delivered independently of the core Landlord Services, by another organisation including by the Council. However, until this point, the Council has commissioned BHP to do them.

• Financial inclusion

The provision of advice and assistance to enable tenants to protect their income including welfare rights, this is commissioned by Brent Council Housing independently of the core financial inclusion Council offer



Clienting of Tenant Management Organisations (TMOs)

There are 2 of these tenant run organisations who provide directly a full range of housing management services to about 500 tenants and leaseholders. These groups have their own management committees made up of residents, who manage the housing services for residents in their area. The TMOs are responsible for the day-to-day running of services such as repairs and collecting rent.

Travellers' site

BHP acts for the Council as the client with the site management service being delivered by Oxfordshire County Council

• Right to Buy (RTB)

Processing RTB applications (about 220 per annum) and sales (about 60 per annum).

Back Office Services

BHP provides the following services for itself internally:

- **Finance.** The provision of accountancy, financial planning and payment of suppliers for an organisation with a turnover of £55.6m (this figure excludes the rental income which goes directly into the LBB's bank account)
- Performance management.
- **Complaints.** BHP currently deals with Stage 1 customer complaints (as do Brent Council departments), and there is close working with the Council's corporate complaint department
- Customer contact centre. The receiving, processing and progressing of 83,220 calls each year, many of which are resolved at that initial point of contact
- **Communications.** BHP has a small team, who are responsible for conveying information about the range of services and keeping residents informed on progress and other news this includes regular newsletters and the BHP annual report
- HR. The provision of the whole range of HR services for 178 employees

Other Support Services from LBB

Currently BHP buys £1.3m of support services (through specific SLAs):

- Accommodation
- ITU services
- Payroll
- Some Council legal services are provided to BHP (for example for possession proceedings, RTB conveyancing) and
- Internal audit and investigations.

Governance

The Board of Management of BHP is both responsible and accountable for the operation and financial management of BHP to the Council. The current Chair is an independent member and the Vice-Chair is a resident member. The BHP Board consists of 13 directors:



- Three Councillors appointed by the Council
- Four independent members appointed by the Board
- Six resident members elected by residents

The interim Executive Leadership Team, which was restructured as part of the Recovery Plan, currently consists of the:

- Managing Director (interim appointment but holds the substantive post of Director of Finance)
- Director of Transformation (interim appointment)
- Director of Property Services (interim appointment)

Under the Management Agreement the Council and BHP operate a partnership arrangement for general liaison, direction, monitoring and advice. The Council, through its Housing Partnership team performs the client role for BHP. In addition to the Operational Director and Head of Housing Partnerships (who have other responsibilities) there is one dedicated officer to support this function.

Finance

The BHP management fee, funded from the Housing Revenue Account (HRA) for 2016-17 is £7.5m.

Current Management Arrangements - Performance

This section of the report provides an overview of BHP's performance. It explains why the Council intervened and sought to address failings in the delivery of services, and will, when it is complete have a detailed overview of performance for January – October 2016.

When the Management Agreement was reviewed in 2013, BHP's performance was judged to be reasonable, including against benchmark performance measures. The explicit goal of the review, though, was to improve performance (to move from average to upper quartile) and increase value for money (to make BHP one of the strongest performing providers of housing management services).

Following renewal of the Management Agreement and recruitment by BHP of a new Senior Leadership Team in 2013, an extensive and comprehensive restructure of the organisation took place. This was substantially completed by late 2014/15 with an expectation that service improvement would follow. In 2015/16 performance did not improve, indeed, in some areas it worsened and there were particular issues with the management of the stock investment programme and the asset management contract with Wates. This compounded underlying issues of relatively low levels of customer satisfaction and a high level of complaints. This led to the Cabinet report in April and the issuing of a letter from the Council to BHP outlining the breach of the management agreement.

A new interim senior leadership team was established in January 2016 and a Recovery Plan put in place, running initially to June, but now extended to October 2016. A BHP Transformation Board oversees progress against the Recovery Plan. A separate full assessment of progress during the



Recovery Plan period is being undertaken in response to the breach of the management agreement and as part of the Housing Management Options Review. This will include a full assessment of the recent trajectory and future prospects for improvement. (Therefore, this section will need to be reviewed and re-written when this work is completed.)

Target Operating Model 'as is' summary

Alongside the recovery plan, BHP and the Council jointly commissioned Altair to develop a new Target Operating Model (TOM) for BHP would be applicable whichever of the options was implemented. One of the key elements of any TOM is a diagnostic of the current ('as is') position. The work to develop the 'as is' was done with residents, staff and the Board and has been signed off by BHP. This was done in the first 3 months of 2016, and the summary below represents the position at that time:

- A lack of customer focus / understanding of customers' needs, including limited data on customer insight, traditional approach to customer access and Customer Relationship Team not performing and isolated
- Underperformance in core areas, for example, complaints (in terms of response time and quality), voids management (poor performance)
- Recognition that the current service is very traditional in its design and not fit for modern ways of working / service delivery, including:
- A structure which put too much resource in the back office, created silo working and had not been successfully implemented (staff reported an unhelpful focus on the restructure even at the beginning of 2016)
- Utilises inefficient working practices, for example, through limited use of technology, no centralised data, and poor application of processes (not customer focused)
- Key functions missing, for example, contract management, performance, and service improvement
- Poor working relationship between BHP and the Council.

The next section provides more information on performance of the core landlord services. We have set out and commented upon satisfaction with the services in the section 'Brent Context'.

Performance in Core Landlord Services Customer Service

At the point the recovery plan was initiated there were significant concerns about the quality of customer service. This ranged from front line performance issues such as the fact that in 2015/16 only 88% of calls were answered, and those that were answered had to wait for an average of 2 mins and 5 seconds to speak to someone. However, it also included concern over the time it took to respond to complaints and the nature of the complaints, which were more wide ranging than poor front line customer response and indicated deeper issues about both the focus on the customer and the joined up end to end processes.

This was an early focus of the Recovery Plan (January – February) with the development and implementation of the BHP customer care charter, external customer care training for all front line



staff, with some measurable initial improvements, for example, in call response times (down to 1 minute 45) and complaint response times (97% within 20 days). However, progress has been less noticeable in terms of the nature and severity of complaints. This is because many of the complaints relate to repairs, and the issues here are about the end to end process. It is good that the customer service team are now better trained and more responsive, but they still have no access to information about repair delivery (so can't answer questions about progress of repairs) and there are still performance concerns with Wates in delivering repairs on time and to the right standard.

Tenancy Management

Core activities in this area of BHP performed better than other areas, for example:

- Rent collection performance was reasonably good despite the pressures arising from welfare
 reform though this is below the lower quartile position and has not met the agreed target level
- Voids Performance the Council set an average performance level of 27 days which was the top quartile standard (it is now 21 days). From April to September 2015/16 performance fell well short of this level at an average of 37 days but the position improved over the second half of the year with an average of 24 days' turnaround from October to March. The recovery in the second half of the year meant a full year out-turn of 31 days achieved. BHP's performance in the year to date is an average of 26.6 days which does not meet the reduced target of 24 days in 2016/17.
- Anti-social behaviour after a period where perceptions of ASB performance had plateaued, a
 recent survey has indicated a sharp decline in satisfaction; though this is from a low base of
 respondents to the survey on this issue. (99 cases).

There is also a perceived shortcoming in the extent and meaningfulness of resident engagement underpinning tenancy management. This relates to a perception that the restructure of 2014 reduced the number of front line staff (bolstering the back office instead, which was supported by the TOM 'as is' analysis); a perception from residents already noted in Customer Service that the staff that remained were less customer focused; and a perception that the wider resident engagement structures were not working as effectively as before. BHP has already identified that this is an area requiring attention and have had this aspect of the service independently reviewed.

Leaseholder Management

Levels of leaseholder satisfaction have been historically lower than the sector average and are currently below the target set. A peer review of leaseholder services has recently been undertaken for BHP and a residents' panel from members of the BHP Board is considering the outcome. Officers are drawing up a leasehold improvement plan, in consultation with the panel, which will draw upon best practice across the sector, and will also focus upon better information provision and additional engagement opportunities with LBB's leaseholders.



Property Services

It was in this area that the most significant failings in service occurred. In particular, the following areas were identified as requiring remedial action by BHP and are key areas within the Recovery Plan:

- **Stock Investment** in the last financial year the target number of properties requiring these works was 1,700 and, in fact 2,300 units were programmed to receive these. The outturn for 15/16 was very disappointing at only 862 units. The current position is much more positive with all task orders issued, Wates mobilised and everything in place to deliver this year, which means there is an expectation that c.1500 units will be completed in 16/17. The section 'Brent Context' sets out more details of Brent's Asset Management Strategy and stock investment priorities.
- New Build Development the Council's expectation was that there would be 30 starts on site by last September and 100 units with planning permission. BHP actually achieved 31 starts within the financial year and planning approval for 60 units. There have been various difficulties and the nature of some of the sites has meant that the giving of planning approval was more problematic than that envisaged. Overall there are issues of critical mass in this size of programme which inevitably militates against the throughput the Council has expected to achieve
- **Property Services Internal Audit** this audit carried out in January 2016 reinforced the findings from the 'as is' section of the TOM highlighting a wide range of shortcomings across property services related to procurement, contract and performance management of key contracts and compliance. Significant work has been done in this area since the Interim Directory of Property Services was appointed, and BHP have committed to ensure that all of the recommendations will have been implemented by 31st October 2016.

Review of the performance of BHP regarding the Recovery Plan

BHP's Business Recovery Plan set out the key areas for performance improvement from the beginning of January 2016 for the next six months. The aim of the plan was to raise BHP's performance to a level that is equal to, or better than, comparable housing management organisations (Councils, ALMOs and housing associations) in London and to meet corporate service standards.

The main Business Recovery Priorities focused on improving:

- Senior Leadership and Governance
- Capital Programme Management and Delivery
- Landlord Services Performance
- Corporate and Financial Compliance
- Efficiency and Effectiveness
- Support for Staff

Whilst the plan was initially approved to run for 6 months (to end of June 2016), it was extended to the end of October 2016 by mutual agreement.



Responsibility for the achievement of the Plan rested with BHP's Board working through the Interim Managing Director and Senior Leadership Team. The implementation of the plan has been led in most respects by the interim Director of Transformation. A joint BHP and LBB Transformation Board has overseen its implementation.

Senior Leadership and Governance

By the beginning of the Recovery Plan period, the previous Managing Director had left and action was being taken to complete the term of employment of the then Director of Operations. The successful conclusion of this facilitated the creation of the current interim management team consisting of: Managing Director; Director of Transformation; Property Services Director.

It is reasonable to say that this team has made great strides towards the achievement of the Recovery Plan's objectives and targets. Furthermore they have worked upon the development of a new Target Operating Model which once adopted and implemented should mean that:

- customers will be at the heart of the service
- it will enable significant efficiencies to be made
- it will deal with immediate issues but also enable a focus on longer term and strategic planning
- there will be clear alignment with the Council at three key levels (leadership, performance management and service delivery)
- there will be a shift to more pro-active relationships with stakeholders and customers, with services shaped through partnering at a local level
- there will be active use of data and customer intelligence to ensure that central but flexible services are deployed to meet demand
- modern technology will be utilised to drive efficiencies in areas such as customer contact, ways of working, information management etc.

Whilst the development of the TOM has progressed it has been decided that its implementation would be put on hold until the review indicates the option likely to be chosen subject to consultation – for the nature of the TOM will vary to some greater or lesser degree option to option.

Regard should be had in reading this section to Appendix 5 which shows BHPs performance in meeting the individual Recovery Plan targets that were jointly agreed by BHP and the Council.

Governance aspects

The various actions required in the plan have all been achieved including the actioning of all of the audit recommendations and the review of the TMOs.

Capital Programme Management and Delivery



There were significant issues with the BHP clienting of the Asset Management Strategy and the performance of the Planned Maintenance contract. The Council instigated a fact finding review which identified compliance and contract management weaknesses, and an action plan was put in place to address these.

The appointment of the interim Property Services Director has allowed BHP to focus more on this key area. The first task of the Director was to resume the commercial negotiations with the Contractor in line with the contract and appoint a partnering advisor and an independent expert to undertake the open book accounting. This has led to a commercial agreement being reached which has allowed the contractor to achieve the income which they believe they were promised against a series of service kicks aimed primarily at addressing the issues with the responsive side of the contract such as better IT links and improved performance.

In terms of actual performance, the levels set for 2015/16 were not fully realised however, the contractor handed over 864 homes by the end of March 2016. The remaining homes, approximately 340 units, have been added to the 2016/7 programme with the final 61 properties being completed by the end of October 2016.

BHP are beginning to mobilise work to the 1,700 properties identified in Year 4 (2017/8) of the programme, to ensure all the pre-commencement work is completed by January 2017 and site set up installed by March 2017 to enable a full 12 months of productivity.

BHP are now producing the Year 5 (2018/9) property list to enable a critical path document to be produced, which informs the resource planning process to deliver year on year outputs.

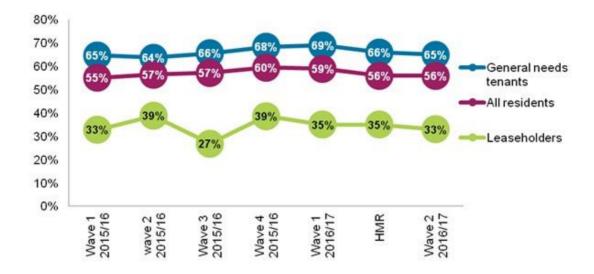
This programme area, which was failing, is now demonstrating that BHP have improved remarkably and if the current plans and programmes are realised, their performance will be at a very satisfactory level.

The issues of contract management as highlighted in the Council's audit report have been addressed. The structure of Property Services has been altered to create a Compliance and Risk Team which monitors all compliance with Health and Safety, contracts and procedures. Monthly statistics are reviewed by senior managers to ensure that corrective action is taken in a timely manner.

Responsive Repairs Service

This is an area of continuing poor levels of customer satisfaction where there has been no discernible improvement as the following graph from the BMG resident satisfaction surveys demonstrates. Indeed, this is the main area of poor performance which is continuing to severely and adversely affect BHP's reputation.





Although repairs only features in the Plan's performance indicators in respect of satisfaction, BHP have stated they are not satisfied with the current level of service delivery. Enhanced monitoring of customer satisfaction with the repairs service, and complaints about poor service delivery have been introduced by BHP and they have started to collect satisfaction data through a third party. The volume of customer satisfaction surveys completed and collected by the contractor is so low that the data is not statistically valid.

Given the complex nature of the Integrated Asset Management Contract of which responsive repairs is a part, BHP are continuing to work within the partnering contract requirements to resolve the performance issues.

Development Agency Services

The Council's expectation was that there would be 30 starts on site by September 2015 and 100 units with planning permission. BHP actually achieved 31 starts within the financial year (i.e. by end March 2016) and planning approval for 60 units. There have been various difficulties and the nature of some of the sites has meant that the giving of planning approval was more problematic than that envisaged. Overall there are issues of critical mass in this size of programme which inevitably militates against the throughput the Council has expected to achieve. The present programme will deliver c.200 new-build homes by 2018.

Complaints Handling & Members Enquiries

In January 2016 Performance on stage 1 complaints and Member's Enquiries was below the targets of responding within 20 and 10 days respectively (74% and 92% against 80% and 95%) with performance varying significantly across teams.

As of 30th September performance on stage 1 complaints and Member's Enquiries is now maintaining the performance on target against the timescale of 20 and 10 days respectively (99% and 100% year to date against 100% targets) with consistent performance across teams.

BHP have benchmarked their 2015/16 complaints performance and volumes against 86 other housing providers which has shown that the volume of complaints they receive is median quartile at 36.92 complaints per 1,000 properties. Of the 12 London based providers who took part in the



exercise BHP has the third lowest level of complaints per 1,000 properties with only CityWest Homes and Sutton Housing Partnership having lower complaints levels, and with the London providers having an average of 57.08 complaints per 1,000 properties.

Leaseholder Management

The issues with the planned maintenance contract had a knock on effect to the Leasehold service, with, at one point, 65% of correspondence logged relating to Leasehold Services due to issues with the lack of consultation on works and the level of estimated charges being proposed.

The improvement in the management of the planned maintenance contract had reduced the level of correspondence to only 50% (634 enquiries) of logged correspondence relating to Leasehold Services. All of the statutory consultations have progressed smoothly, with significantly fewer objections raised by leaseholders.

In order to improve the service BHP arranged for a Peer Review to be carried out by another London ALMO and a workshop was held with Board Members on a potential new offer to Leaseholders. The outcomes of the review and the workshop will be reported back to Board.

Voids Management

The turnaround time for standard voids was high at 31.5 days against the upper quartile peer group benchmark of 27 days.

This is an area of significantly improved performance with the average turnaround time now being 26.6 days which is better than the lower quartile HouseMark position of 30 days but still not meeting the target of 24 days set under the Recovery Plan.

Customer Access

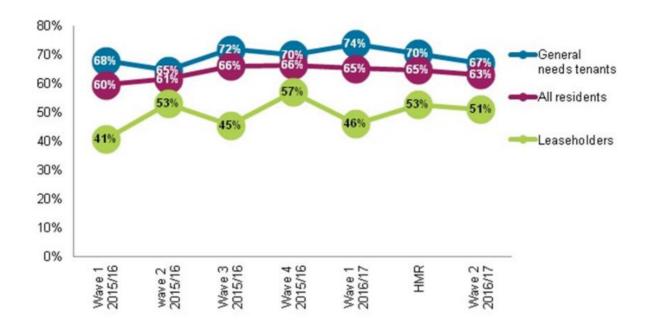
The average time to answer calls in 2015/16 was 125 seconds – well above the target of 75 seconds. The position for 2016 (year to date) is that this has improved to 103 seconds against a new corporate standard of 60 seconds.

In relation the number of calls actually answered – BHP handle just under 50% of all calls which the Councils system handles. Of these around 92% are answered – making them the 3rd best Council service comparing well to the Council-wide average of 84%.

Overall Performance and Benchmarking

Whilst overall the tenant and leaseholder satisfaction with the service has not deteriorated, it has not improved either – the graph below illustrates that, despite signs of an upward trend earlier in the year – the levels of satisfaction are back at the point where the Recovery Plan started.





Overall performance in meeting the Recovery Plan requirements

Whilst there have been some significant improvements in performance – the capital programme and voids being notable examples – the general performance of the service has flat lined. Please see Appendix 5 for the detail of the performance of BHP during the Recovery Plan period as compared to the agreed targets; the HouseMark benchmarks; and the corporate standards. This shows that:

- satisfaction of residents is low
- the time taken to answer telephone calls is to long
- rent collection performance is currently below the lower quartile comparator housing organisations (2 years ago this was top quartile)

Directly below there is an analysis of BHP's performance compared to other housing providers in London and on a national basis.

Comparing the performance of BHP with other organisations

Benchmarkina

HouseMark is the leading provider of social housing data and insight, jointly owned by the Chartered Institute of Housing and the National Housing Federation. More than 950 housing organisations are members and regularly contribute performance and cost data, which can then be benchmarked against other organisations, and to show trends over time.

Housing providers are categorised into types – called clubs – such as London ALMOs. Benchmarking can be against the same or different clubs, or against purpose-designed comparator groups. HouseMark ensures that data is comparable across different types of provider, and uses standard definitions for performance metrics.



BHP are members of HouseMark and regularly compare their data with their peers. This can be seen in the section looking at the BHP Recovery Plan, where BHP's performance in relation to a number of key performance indicators (KPIs) is assessed and given a rating compared to median and top quartile performers within the club.

As part of this review HouseMark were commissioned to prepare a bespoke report looking at performance over three years, the years ending March 2014, 2015 and 2016. Data was extracted for BHP and this was compared against

- London ALMOs
- London Councils with in-house housing stock
 4(called 'London Councils' in the report and in this section)
- London Housing Associations
- All housing providers nationally (meaning all social housing providers across the country)
- A purpose designed group (called 'peer group' for the remainder of this section) comprising London providers of whatever type, with between 5,000 and 15,000 stock, but excluding BHP itself

The report considers 11 KPIs ranging from tenant satisfaction to total cost per property in management. These KPIs are in common use and were selected to provide a broad view of housing performance generally.

The HouseMark report is attached at Appendix 4, and a more detailed look at BHP's performance can be found in the section on the Recovery Plan. The remainder of this section gives a short commentary on the HouseMark findings on each of the KPIs, commenting briefly on BHP but primarily considering performance as between the various groups.

Percentage of tenants very or fairly satisfied with the service provided

In 2014 BHP's performance was very much comparable with other providers, but by 2016 it has deteriorated to fourth quartile (Q4) with performance 12.4 percentage points worse than its peer group median. Amongst the other comparator groups, London Councils perform worst in all years and national providers perform the best. London Has are consistently good but considerably more expensive.

Percentage of leaseholders very or fairly satisfied with the service provided

BHP has only provided information for 2016 when its performance was lower than all comparator groups. Amongst the other groups, the national providers are easily the best in each year both in terms of median and top quartile performance. ALMO performance is volatile, and the other groups are all fairly consistent both year on year, and as compared to each other.

Rent collected as a percentage of rent due

BHP had an excellent year in 2014 but since then has been well below the median of all other groups. Of the groups, London HAs perform best (both top quartile and median) across all time periods. London Councils performed worst in 2015 and 2016. Other than BHP, all groups show an improvement between 2015 and 2016.



Current rent arrears as a percentage of rent due

BHP's performance has deteriorated over the three years, and so too have London ALMOs and London Councils. London Has, national providers and the peer group have all (broadly speaking) improved over time whereas London Councils and London ALMOs are deteriorating. The generally deteriorating performance across this KPI in London may be explained by the economic situation and higher rents in London, although if so London Has are an outlier. Despite their downward trend London Councils were the best performers in 2014 and 2015 but have now been overtaken; national providers are currently performing best and are on an improving trend.

Void re-let times (standard voids)

BHP's performance is very volatile but is worse than all the groups in 2014 and 2015, and worse than all groups except London Councils in 2016. London Councils perform worst of the groups in the last two years. Their median performance has deteriorated since 2014 whereas all other groups show a steady or improving position.

Rent loss due to voids

Of the comparator groups, London Has perform best by a long way, and London Councils perform the worst. As an example, London Councils' median is more than double the loss of London Has median in the last two years. All groups and BHP show an improvement in the last two years.

Average number of days to complete a repair

In 2016 all groups performed to a broadly similar standard (median). Over the three years, London Has have performed worst although they are on an improving trend and in 2016 their top quartile performance beat all the others. BHP's performance has deteriorated over time from better than median in 2014, and by 2016 was worse than all comparator groups.

Appointments kept as a percentage of appointments made

In 2014 and 2015 BHP performed the best by a considerable margin, above all groups both median and top quartile. In 2016 their performance plunged by more than 10 percentage points, to the worst of all comparators. Results for all other groups are variable, with only national providers on a steady or upwards trend.

Repairs completed first time

Across the board performance is very volatile, and there is a significant gap between median and top quartile performance for each group over all periods. It is hard to draw any conclusions from the data. However, BHP's performance has deteriorated in each year.

Dwellings with a gas safety certificate

BHP's performance is 100% in all three periods. All groups achieved 100% in the last two years except for London Councils.



Cost per property for housing management

London HAs perform the worst of all groups, both median and top quartile and across all three periods. London Councils currently perform the best and although this was not the case in 2014 and 2015, when London ALMOs performed better. BHP has shown a significantly improving performance year on year, with its costs in 2016 significantly better than London Has and generally comparable to all other groups including London Councils and London ALMOs.

Conclusions

Although in some areas BHP's performance is good or improving, overall the picture for BHP is not positive. However, a number of the benchmarked KPIs are either directly or indirectly (e.g. tenant satisfaction, and voids turnaround) related to performance in relation to maintenance, and as is described elsewhere in this report, the situation with the maintenance contractor has been poor. This should be borne in mind when considering the overall picture.

London Councils also do not come out of this exercise well as they have performed worst on a number of PIs, except in relation to costs where they are currently best. London Has are quite frequently either the best or the worst of the pack, whereas ALMOs tend to be located more in the middle.

The picture for national providers is good – almost all the KPIs are on an improving trend which is very positive for social housing as a sector.



8. THE OPTIONS DESCRIBED

Introduction

In this section we set out details of:

- Changes and drivers which underpin all the options
- How the options were designed
- Changes that apply equally across all three options

Changes and drivers which underpin all the options

Responding to specific performance concerns in BHP

Each of the options needs to address evident weaknesses in the current service and support a stepchange in service quality and customer satisfaction while reducing costs. Some of the specific concerns about BHP's performance are ones that can be addressed within current arrangements and in some cases performance have or are being remedied through the Recovery Plan period, but in most if not all of these areas there is scope for further transformational change, for example:

There has been work to improve the customer focus, but there is significant amount more to be done to re-design processes (joining up teams in BHP and in contractors) around the resident and to ensure that mechanisms for customer choice and feedback continuously inform service design, development and delivery. This has been identified in the TOM review's outcomes and this will now need to be progressed before the finalisation of the review.

The Recovery Plan has created a clearer focus on performance in key areas, but this needs to be embedded across the organisation at all levels, along with the capacity and capability to respond and improve. There also needs to be greater clarity about roles and responsibilities / accountability in each of the options between the delivery organisation and the commissioning organisation (BHP and the Housing Service Partner/Client team as it is now) as this was also a factor in not dealing with the issues earlier

Although work has been done to the structure, reducing the management team, re-aligning a number of teams, building the contract management and compliance functions back up and working to break down silos, there is a lot more to do. A new structure needs to focus resources on the front line, and in building processes around the customer ensure that technology is fully exploited to improve the service, and provide better data and insight

The recovery plan period has at an operational level rebuilt the relationship between BHP and Council, the new BHP management team is working well with the mostly new management in the Council. However, there is more to do to clarify the commissioning and provider relationship whichever option is recommended: from the most strategic (the clear role of political leadership) to the most operational (clarity about the day to day operational relationships which make a difference to the service for residents) level to ensure there is clear and understood accountability in the new model, whichever option is recommended. In the reformed ALMO and Joint Venture options this is likely to lead to a small increase in the cost of the Council's commissioning function.



Responding to the Council's Review of its Housing Strategy

In addition to the performance challenges, the review of housing management options is also being driven by the changes in housing nationally, most importantly the Housing and Planning Act, which has also driven the review of the Council's Housing Strategy. The following therefore need to be considered in the design of each of the options to respond to these:

- Housing Supply the need to increase the capacity to plan and release development value and opportunity from the Council's existing property and land assets to maximise housing supply
- Housing and wellbeing the need to design services that respond to changing demographic needs, for example, having a clear role in the provision of information, advice and referral to residents in respect of employment and skills and responding to the needs of older tenants
- Private Sector the need to work more closely with the private sector as a significant and growing part of the housing market, recognising the need to build more positive relationships and ensure a wider range of supply to meet the needs of the most vulnerable as a key part of the solution to the homelessness challenges
- Social Housing the need for service to become an exemplar of best practice over a reasonably short-time as the Council seeks to work more and more with social housing providers to improve the lives of Brent residents. This argues for both extensive initial change and the need for the in-built capacity and dynamics for continuing change
- Homelessness responding to the increasingly mixed tenure portfolio of tenanted, owner-occupied and private rented homes within the borough's freehold housing stock, given the Council's ambition to increase its own private rented stock in response to the homelessness pressures, and recognising the wide range of diversified management services that will be required
- **Economy:** Reduced income from rent creates a continuing pressure to improve outcomes and to reduce costs (or generate income). Each option offers different opportunities in respect of reducing cost to serve, but the importance of the issue applies evenly to all options. The approach taken to reducing cost to serve will need to reflect the Council's view on the balance between cost reduction and breadth/scale of accessibility.

Catching up with the wider housing sector

Housing Management services have been going through a period of radical change across the social housing sector – partly in response to the government's reforms but also in response to changed customer expectations and requirements, and the potential of technology and data reshape service delivery and choice. The changes required reinforce the points raised in the previous two sections, but for clarity the following changes are needed under each of the options to address current weaknesses and to reflect best practice in the sector:

- **Digital Transformation** enabling customers to engage with their landlord digitally, emulating the Council's work through its Community Access strategy. For example, by ordering repairs online or through an app on their smartphone, or taking photos of issues on estates and submitting them via an app that automatically tags the exact location. Through digital transformation it is possible to improve services, improve accessibility of services and to reduce cost
- **Leadership and management culture** There is a common expectation across all three options that the leadership, management and culture of the new service delivery mechanism will be substantially different from the current and will result in better outcomes



 A positive organisational culture – and experience for staff that addresses current low morale and provides for workforce involvement and development.

Introduction to the Options

The preceding sections describe shortfalls in BHP performance and sector-wide factors. In this section, the need for change and the changes required in all options are translated into three defined delivery mechanisms ('options'). This section is structured as follows:

- An overview of the way in which the options were designed
- The service changes that are the same for all 3 options
- The three specific options, providing:
 - An overview of the option
 - o The detail on how the option differs from the 'as-is'
 - A commentary on the differences between the options

How the options were designed

The arrangement of functions differs from option to option, and have been driven by key design principles:

Maximise potential

The potential of each option should be maximised, for example the reformed ALMO / BHP specifically addresses the problems in the current model to produce an improved option

Duplication is identified and removed

There are opportunities to remove duplication in all 3 options: the 'reformed ALMO' and 'in-house' options both offer opportunities to reduce duplication through aligning with Council functions, and the joint venture offers similar opportunities through aligning with the partner. Each occurrence of duplication needs to assessed on its own merits: Is there duplication? Is it possible to eliminate the duplication? Does eliminating duplication cause unacceptably high levels of risk? (An example of this might be if a successful BHP service could be merged with a Council service that is itself facing issues, or a joint venture services that is less successful)

Development

It is useful to distinguish between different types of development:

- Active Asset Management: This describes work, which is intrinsically linked to core asset
 management, for example, in-fill sites, undercrofts, extra floors on buildings and other such
 small scale initiatives that arise from effective stewardship of existing assets. (Any work which
 includes demolition of current dwellings is excluded from this grouping)
- Large-scale Development and Regeneration: This describes all work on larger developments and large-scale regeneration, whether these be BHP, Council or external sites.

BHP currently has a small development function focused mainly on in-fill sites, but it has also expanded to delivery of 2 New Accommodation for Independent Living (NAIL) sites for the Council. The original intention after the re-launch of BHP in 2013 was for the infill sites which it was expected to cut its teeth on, before moving on to bringing in more development expertise and to provide the



Council with a development partner. However, this has not worked. Therefore, the assumption underpinning the development of the 3 options is that only the 'active asset management' is in scope.

The service changes that are the same for all 3 options

There are certain aspects where the Council will expect to change from current arrangements but the change that is required applies equally across all three options. These items are explored below:

Anti-Social Behaviour (ASB)

Management of ASB has traditionally been seen as part of core housing management services. However, it is possible to split it into:

- The more straightforward tenancy aspects of ASB, which it would be difficult to disaggregate from the core landlord services, for example nuisance from a dog barking, and
- The more complex ASB issues which happen across the Borough, across and between housing of different tenures and may have no connection to the housing provider, for example, gang activity

The Council provides ASB related services to all Brent residents, particularly focusing on the complex. Separately BHP provides ASB services to Council tenants and leaseholders funded by the Housing Revenue Account. Each service operates on a different legal basis. The service offered to Council tenants and leaseholders reduces the use by Council tenants and leaseholders of the Council's ASB services.

There has always been a duplication of ASB provision, so the assumption is that the Council will take this opportunity to create a single ASB service that is tenure blind, and manages across the different levels of ASB outlined above. This would mean that whether you are a Council tenant, Council leaseholder, housing association tenant, private-renter or owner-occupier you will approach the Council's corporate ASB team when you have an ASB issue or concern. This will create a level playing field across all tenures.

Because the complex ASB issues are by their very nature resource intensive, it is very unlikely that any prospective JV partner would object to the removal of ASB management from the scope of service required of the JV, and discussions about integrating this service have already happened with BHP.

Public Realm

There is an opportunity to create a single service managing the public realm by building on the joint work that already happens towards managing the public realm contract as a single contract. This will have the benefit to customers of providing an easy to understand approach to the subject and may offer economies of scale to the Council. This should be a relatively low risk change (adding more work to an existing contract that is performing well). Therefore, the recommended approach is to seek to eliminate the duplication regarding this work. Work will be required to align the specifications but the approach offers opportunities to access economies of scale. This service will



be for the external public realm areas only as the in-block communal cleaning will remain with the housing service under all options. This change has to be subject to proper procurement and Section 20 (Landlord and Tenant Act 1985) consultation regarding leaseholders rights.

Customer Service

As highlighted in the performance section, there have been improvements in the customer contract team's performance, but intractable issues remain primarily with the end to end repairs process. Repairs represent the largest number of call, and are the single most important contributor to resident satisfaction, but the current process builds in a hand off through the BHP contact centre, which doesn't add value. Therefore, in moving to one of the three options it would be necessary to make two key changes:

- Develop direct contact between residents and the contractor (subject to performance), so that
 repair calls go directly to them, cutting out the unnecessary hand off. The contact centre role
 in relation to repairs then becomes a problem solving role, sorting out issues when Wates do
 not deliver, and
- The rest of the contact centre function would then be integrated either with the Council's contact function in the Reformed ALMO option or in-house, or with the partner's contact function.

Financial Inclusion

Financial inclusion is seen as a key part of tenancy sustainment, and so a specific service has been separately commission by the Council's housing service, which BHP to deliver to its tenants. However, the Council corporately commissions financial inclusion support for all Brent residents. There is clear overlap and duplication, and therefore it is assumed that whichever option is recommended this is eliminated through a Council wide service for all residents, that reflects the particular issues of tenancy sustainment wherever you live.

Travellers Sites

Currently, the Council commissions BHP who commission Oxfordshire County Council to manage the travellers' sites. This is the result of history in that BHP used to deliver the service directly. As part of delivering any of these options, it would be sensible to deal with this anomaly, and move the responsibility and commissioning back to the Council in either the Community Wellbeing or Regeneration and Environment department. It is unlikely that an RP partner will have expertise of, or a competitive advantage in Traveller Sites, therefore as in all the options this will transfer back to the Council.

Adaptations

This could be provided by a single service, rather than as now by both BHP and the Council but this needs further evaluation.



The three options

Option 1 – Reformed ALMO

It is important to note that the Reformed ALMO is an optimised option and re-confirms the aims of the current ALMO – improving outcomes and lowering costs to serve. The earlier sections of this paper set out the problems in the current arrangement, and this option highlights a number of changes which would overcome most of these issues.

It is also important to note that the changes outlined in *Changes and drivers which underpin all the options apply* to all the options, but the two most significant changes to note in this option are:

- A further push to reduce duplication. A number of services are already shared, but further work would be done as outlined above to integrate with the Council (ASB, public realm, customer service, financial inclusion and back office services), and there would need to be an explicit acknowledgement and response to manage the accountability and delivery issues (across BHP and the Council) this would potentially create
- Changes to the governance both within BHP (a move to a smaller, skills based board, and confirmation of the new senior management structure), and across the partnership (with a stronger client function providing clearer strategic direction and closer monitoring of performance, working with BHP to solve issues where appropriate) and across the integrated services (the integrated services support core landlord services effectively).

Core landlord services

The changes across these functions are in large part common across all of the options, and will rely to a large extent on whether the new governance arrangements are able to deliver them. The one key difference is the different focus on resident engagement and customer insight. As the performance section set out, this needs to be improved in all options, but there is structural difference in the Reformed ALMO option, which offers the opportunity to build resident engagement in to all elements of governance right up to the Board although with a smaller skills based board, there is likely to be a reduction in representation.

Services done by BHP for LBB

In this option, clienting the TMOs would stay with the ALMO, financial inclusion would be a single service commissioned by the Council and the clienting of the contractor for Travellers sites would move back to the Council.

Back office service

The reformed ALMO would build on the current integration of back office services, for example, fully integrating the customer contact functions as set out above. However, there would still be slightly less integration than in the In-House function as certain elements of back office functions, for example, finance, would need to remain as the ALMO remains an independent company.



Additional Services

The Council's concerns over performance mean that the focus should not be on additional services; they should be on core landlord services. However, there would not need to be significant change in this area. There would be further clarity and focus of the development role on 'active asset management'. The Reformed ALMO would continue to manage across the range of tenures for the Council and deliver the Community Academy, developing residents (subject to the same financial restrictions as all other options). However, even if the additional services are not the focus, the Reformed ALMO option offers this flexibility for the future.

Reformed ALMO – changes set out in more detail with risk profile

Subject	Reason for the change
Governance - Skills based board	There has been significant movement across the housing sector and the ALMO sector to implement smaller (less than 10, compared to 13 at the moment) skills based Boards. This means that Board members are selected because of their skills rather than their background (e.g. Members, residents). Having a skills based Board does not rule out having Members and residents involved but it changes the focus towards putting in place people with the skills and aptitude to run a multimillion-pound service delivery, asset focussed service.
Governance – Top level structure	The permanent structure has four senior posts in the management team. The interim structure has already reduced this to 3 and this would be confirmed in the new structure in line with wider changes in the sector: a Managing Director, Head of Asset Management post and Head of Operations. Thereby improving accountability and reducing cost
Governance / customer service – resident involvement	 Resident engagement – direct resident involvement face-to-face and electronically is a mainstay of ALMOs and BHP, and typically includes resident involvement on the Board. However, there are some synergies to sought through the Council's customer engagement team(s) Customer Insight refers to knowledge about Council tenants and leaseholders derived from data. This data might arise from Council records (for example interrogating tenancy records) or from other data (for example socio-economic data about the boroughs residents as a whole). The Council has corporate resources that work on customer insight issues and have developed a design led approach through its Council's Outcome Based Review methodology) The Reformed ALMO option offers the greatest flexibility in this area to overhaul resident engagement and build resident engagement into the Board as well working with the Council to develop and deliver a design led approach which ensures a clear focus on the customer.



Subject	Reason for the change
Back office	Further work is required to detail how the division of work and accountabilities
services	would change

Option 2 – In-House service

The in-house option would also be focused on the aims set out for the current ALMO – improving outcomes and lowering costs to serve. It offers the opportunity to bring the service back under direct control in the Council, as a means of ensuring that the changes required (set out earlier in this paper) are delivered. It would have to deliver a strong core landlord service, including a focus on active asset management, but residents would be concerned about what they perceive as a loss of focus as this becomes 'another' department in the Council.

Again It is also important to note that the changes outlined in *Changes and drivers which underpin all the options apply* to all the options, but the two most significant changes to note in this option are:

- Through the full integration of services into the Council, there is a significant opportunity to reduce duplication while maintaining clear accountability. A number of services are already shared, but further work would be done as outlined above to integrate with the Council (ASB, public realm, customer service and financial inclusion)
- Changes to the governance would be required with the removal of the Board, confirmation of the new senior management structure, and the need to commit to a clear focus on resident engagement as well as defining a model for working across Council departments to ensure the integrated services support core landlord services effectively

Core landlord services

The changes across these functions are in large part common across all of the options, and will rely to a large extent on whether the new governance arrangements are able to deliver them. The key challenge in this option will be how should resident engagement be prioritised? The In-House option does mean there can't be resident representation on the Board (Cabinet), but there are significant opportunities to design new resident engagement structures which tackle the issues set out in the performance section which would minimise the impact of not having resident representatives on the Board. However, proving this and why the Council would be better at core landlord services, will be a challenge if this option is recommended.

Services done by BHP for LBB

The clienting of the contractor for Travellers Sites would move back to the Council (as in the Reformed ALMO option) and the clienting of the TMOs would move from the housing service into the Housing Partnerships team, which will be redesigned to focus on the relationship with RPs (changes set out in the Housing Strategy), and the clienting the TMOs.



Back office service

This Option offers the opportunity for more complete alignment of back office services. In effect, the housing management services would become a service like any other in the Council, and there would be no need for any differentiation as there is no independent company.

Additional Services

The Council's concerns over performance mean that the focus should not be on additional services. In this option there would be the same focus on core landlord services. There would be the same focus of the development role on 'active asset management' as in the Reformed ALMO option, and the housing management service would continue to manage across the range of tenures for the Council and deliver the Community Academy, developing residents (subject to the same financial restrictions as all other options). Because the ALMO would cease to exist, the focussed, single purpose vehicle which that structure brings would be lost, and the future opportunities that go with it.

In-house – changes set out in more detail with risk profile

Subject and	Detail and reason
overview	
Governance – loss of the Board	The change in governance is significant as the ALMO Board would cease to exist, and the expertise on it would be lost to the Council. Responsibility and accountability would flow through the Council's management structure with the Council's Chief Executive delegating strategic responsibility for the housing service to the Strategic Director – Community Wellbeing.
	For Members, perceived control is more direct as the arms-length nature of the ALMO is gone. However, this would continue to be one of the many functions undertaken by the Council, and the member engagement is lost on the Board – although this might also be lost in the move to a skills based board under the Reformed ALMO option.
Governance /	As set out in the detailed changes for the Reformed ALMO option this section
customer service	refers to Resident engagement and Customer Insight.
	Resident engagement – would continue to be best delivered by the housing service provider as part of the core landlord services, but the synergies with the Council's engagement team should be easier to achieve. The presence of residents at the highest levels of governance will be lost and cannot be replicated in this option. However, it would be possible to set up alternative resident involvement mechanisms that respond to the concerns with the current resident engagement mechanisms.
	Customer Insight refers to knowledge about Council tenants and leaseholders derived from data. This data might arise from Council records (for example



Subject and	Detail and reason
overview	
	interrogating tenancy records) or from other data (for example socio-economic data about the boroughs residents as a whole). Data is about groups of customers not about individual customers. The Council has corporate resources that work on customer insight issues so this aspect would be dealt with by the Council.
Governance – top level structures	The permanent BHP structure has four senior posts in the management team. The interim structure has already reduced this to 3. Bringing the service inhouse provides more opportunities for further reduction but further work is required on spans of control and to understand the realities of the recruitment market in these roles. Cutting senior management resource deeply from the outset will be counterproductive given the significant change agenda that is required under any option. However, the full integration of back office services is likely to free up further management posts at more junior levels as well as being able to re-direct the minimum BHP clienting resource to focus on the wider RP agenda.
Additional Services – Community Fund and BHP Academy	These are services currently provided by BHP as value added services from within the BHP Management Fee. They represent a reinvestment of efficiency savings. With the service back in-house the BHP Academy would no longer be needed in terms of developing potential ALMO Board members (it is focussed improving resident capability in governance). In respect of the Community Fund the Council would need to decide whether it delivers sufficient value to merit continuing with it. In the alternative the services could be terminated reducing the call on the HRA.

Option 3 – Joint Venture

The in-house option would also have to be focused on the aims set out in both of the previous options – improving outcomes and lowering costs to serve. It offers the opportunity to gain access to the expertise of a partner organisation in terms of delivering the core landlord service. This is a key point as the process would need to involve consideration of the offer that the JV partner would bring to the table. In other words, although the Council could set out its core requirements, there would have to be a negotiation as it is a partnership. If this works, then the sum is greater than its parts, but there is a risk that what is important to the Council is not what is important to the Partner.

In terms of the core requirements, the Council would focus on the fact that the JV would have to deliver a strong core landlord service, but the bundle of functions offered has to be structured to be attractive to potential partners. The key to securing the interest of a partner will be the inclusion of some development agency within the service requirement. It is also clear that residents would be concerned about what they would perceive as a loss of focus on Brent housing.



Again it is also important to note that the changes outlined in *Changes and drivers which underpin all the options* apply to all the options, but there are four most significant changes to note in this option:

- There are two assumptions about integration / removal of duplication:
 - full integration of back office services and customer contact as this is a key way that the
 joint venture can deliver the operational efficiencies, for example, the remaining customer
 contact function would be integrated with the partners not the Councils
 - the front line services already discussed in the other options (ASB, public realm, customer service and financial inclusion) would still be integrated into the Council as well as defining a model for working across Council departments to ensure the integrated services support core landlord services effectively
- The development agency offered, as with all the other options, is the active asset management portfolio currently delivered by the ALMO. It is not the wider Council's development and regeneration potential. This could be a barrier to the development of a partnership as potential partners are keen to maximise their development strengths.
- Changes to the governance would be required, including the removal of the ALMO Board and the creation of a joint venture board. It is very unlikely that there would be resident representation on this new board, so there would be a need to commit to a clear focus on resident engagement through other means.
- Confirmation of the new senior management structure, which would make savings through integration with the partner, but with an expectation that there would be accountability for Brent.

The changes required for the Joint Venture option are clearly more challenging, the key question for the evaluation is whether they bring a commensurate chance of significantly more benefits.

Core Landlord Services

LBB will want to fully exploit the expertise and resources of the JV partner and will therefore include non-repairs contact centre, customer engagement and complaints handling. There would be resident concerns that RPs do not have the same focus on resident engagement.

Services done by BHP for LBB

The Housing Partnerships team would need to be strengthened in line with the Reformed ALMO option to more effectively cline this partnership. However, it will also need to client the TMOs as in the In-House option as it is important that the bundle does not include issues that do not play to the strengths of the joint-venture partner, for example, clienting of TMOs and management of traveller sites. Including them would increase cost without adding value as the JV partner will not have expertise or economies of scale to bring to the table.

Back office services



The service requirement needs to include back office services to provide complete alignment with the partner and the opportunity to deliver savings. It is also likely that potential partners would have serious concerns about relying on the Council's back office.

Additional Services

The Council's concerns over performance mean that the focus should not be on additional services. There would be the same focus of the development role on 'active asset management' as in the other options, and the extent to which this undermines this option or builds tensions into the option would need to be tested. The exact list of functions to be delivered by the JV will depend on the JV partner. If the JV partner has a high performing public sector leasing (PSL) business unit it will make sense to include in the JV LBB's PSL management requirement. If not then the PSL function will remain with the Council. Given its focus on developing resident capability in governance the BHP Academy would be likely to close or be reformed in line with the Council's priorities and the Partners expertise and focus.

Joint Venture – changes set out in more detail with risk profile

Subject	Reason for the change
Governance – changing Board	The existing ALMO Board would cease to exist, and a JV Board would be formed. A skills based approach would be preferable, which would have the same challenges as the suggested reformed ALMO Board in terms of representation, including a loss of formal resident roles in governance. Responsibility and accountability would sit with the Board, but also the Council client (not unlike the reformed ALMO option). As it is a partnership there would be a reduction in Council and Member control as all decisions would need to be agreed and be in the interests of both parties.
Governance – customer service	As set out in the detailed changes for the Reformed ALMO option this section refers to Resident Engagement and Customer Insight. Resident engagement — would continue to be best delivered by the housing service joint venture as part of the core landlord services, but synergies with the Council's engagement team and wider engagement should be sought. The presence of residents at the highest levels of governance will be lost and are unlikely to be replicated in this option as it is not a common feature of RP governance. However, it would be possible to set up alternative resident involvement mechanisms that respond to the concerns with the current resident engagement mechanisms.



	The Council will want to take advantage of the JV Partners expertise in housing
	Customer Insights. However, it would be necessary to work with the benefit of the
	data available to the Council.
Governance	The trend amongst registered providers has been towards smaller senior
– top level	management teams. The likely outcome is a Managing Director for Brent with
structure	two Head of Service posts reporting in (Assets and Operations).
	The wider benefits of integrating back office functions in terms of reducing
	management would need to be explored as part of Joint Venture delivery, and
	would likely be of a scale similar to the In-House option.
Complaints – locate complaints handling within the JV	The JV will be an independent body and will therefore deal entirely with complaints.
Services BHP	It is unlikely that a core requirement of the partner would be expertise in or a
provide to	competitive advantage in clienting of TMOs Management or management of PSL.
the Council	Therefore, if this option is chosen, and the JV Partner has no expertise in a subject
	area then it may be unacceptably risky to include that task in the JV scope of
	service, and an alternative in-house, or commissioned solution would need to be identified.
Additional	It would be usual in these types of deals that the JV partner would bring to the
services –	table an offer on how they could add extra value to the proposition. This might be
Community	by including access to social value-adding initiatives that they run.
Fund and	The DUD Assistance the standard force on assistant agreement of the
ВНР	The BHP Academy serves the strong focus on resident engagement. If this
Academy	changed then it would be sensible to review the BHP Academy and whether it
	needed to exist. Work would be required to determine whether BHP's
	Community Fund would continue and to determine what other value-add propositions the JV partner will bring to the table.
]



The difference between the options

This section provides an overview of the key differences between the options against the list of functions used throughout this paper. Qualitative issues such as the implications of each option for control and the risk profile of each option will be dealt with fully in the evaluation.

It is important to reiterate that the work to develop the options all three options has sought to optimise each one, and therefore, all respond to the current performance challenges, the national and local strategic environment and the wider changes in housing.

The *core landlord services* are common to all the options, with the variation only manifesting in the different ways of delivering resident engagement/customer insight and the specific detail of how the contact centre function would be delivered (the contact centre function would be in the Council for the Reformed ALMO and In-House options, and with the Partner in the JV) as the overarching model would be the same. The differences between the options on these functions will be more apparent in the evaluation where issues such as control, likelihood of success and risk factors will be considered.

The **Services done by BHP for LBB** are also similar across the 3 options with Financial Inclusion and the Travellers Sites coming back to the Council in all options, with the only variation being where the TMOs should be managed.

There is some differentiation in terms of *Back office services* because although all 3 options will deliver more integration, the In-House option and the Joint Venture will allow more complete integration, while the independent Reformed ALMO will need to retain a small back office function working with the Council back office services.

There is still a degree of uncertainty around the *Additional Services* in all 3 options, this uncertainty relates to the need to make savings, and not knowing who the partner is and what their expertise may be. However, it is likely that the Reformed ALMO option will lead to the least change, and in the other options you would expect to see BHP Academy and Community Fund integrated into the Council community engagement and development work or the Partners wider CSR work.

It is in *governance* that we see the biggest differences. They differ chiefly in terms of control (more direct in-house) and governance (structural accountability in-house, via a Board in the ALMO or joint venture), and in terms of the clienting. Each option infers different burdens of clienting activity in the Council. The Reformed ALMO and the JV will require additional levels of clienting work (compared to the current position) to ensure that the separate body continues to deliver and deliver on the agreed Council priorities. In all 3 models, further work will need to be done to ensure that the integration of core services (ASB, public realm, financial inclusion and the contact centre) continue to deliver for the core landlord services.



9. EVALUATION OF THE OPTIONS

In this chapter we consider how each of the three options described in the chapter 8 interact with the evaluation criteria described in chapter 6.

The approach taken is straightforward. We have evaluated each option against the 5 criteria and sub-criteria (the outcomes) and set out the positives and negatives of that interaction. In thinking about positives we have considered strengths, opportunities, benefits, synergies and deliverability while in thinking about negatives we have considered weaknesses and risk, including in the areas of synergies and deliverability.

For each criterion we provide a narrative setting out the headlines of our findings. We also set out a brief summary of the key points for each option. Before doing that we describe some of the commonalities of the options.

The similarities between the options and the challenges of delivery

The majority of the evaluation is concerned with the differences and relative strengths and weaknesses of one option as compared to the other options. It is important, however, to note than in many ways the options are more similar than they are different.

A common starting position

All options start from the same position, for example:

- Under all the options the tenant and leaseholders are the same, and more importantly in terms
 of resident satisfaction, so too are the properties and the condition of them
- The majority of the staff (with the exception of the senior team and potentially the Board) will continue to work on the service as at present, or being transferred as appropriate under the TUPE regulations if another body takes over delivery of the services
- The maintenance contractor would remain the same for at least the next 2 years. This arrangement is currently in year 3 of a 5-year contract. Maintenance, and more specifically repairs, is probably the area of greatest under-performance at present, and has a major impact on overall tenant satisfaction
- All of this combined reflects BHP's current performance position. The detail of this position is set out in the BHP Performance Recovery Plan, but the point remains, each option will have to either build on the strengths or tackle the weaknesses.

Optimised options – more similar than different

The options have been purposefully been described in such a way as to maximise the benefit they could deliver – a perfect world scenario for each option. Consequently, the division of responsibilities across the options are more similar than different. This is particularly true for the Reformed ALMO and In-house options, which both focus on greater integration and alignment with the Council. The JV option differs to a greater extent, but only in the sense that the alignment and integration is with the JV partner, and there are still similarities such as the way the options propose dealing with the public realm services. Therefore, when evaluating against the core (5) criteria, the



factors have been defined as follows:

differences are smaller than some might expect. At the highest level, the evaluation finds that all of the options could be successful in terms of delivering the outcomes set out at in the core criteria.

Confidence in delivery of the optimised model (and therefore the potential benefits)

Therefore, this evaluation focuses not only the core criteria, but also on the additional factors, which underpin successful delivery, and which differentiate the models to a greater extent. Those other

- Control the nature of the control mechanism under each option and the impact that the control mechanism has on deliverability
- Leadership the senior team and other senior leaders and their impact on deliverability
- **Implementation** the practical steps that would need to move from the current position to the new option, how long they would take, how difficult they would be and what they would cost.

We comment on these issues by option but also by looking across the options in relative terms.

CONTROL

This refers to achieving clarity of control over the strategic direction of the organisation and operational day to day delivery as a fundamental driver for achieving the potential in each option. It reflects the need for a tight grip, but the need for an appropriate level of autonomy to deliver a set of defined outcomes. Getting this balance right will be an important component in creating a successful delivery mechanism.

The client (the Council)/contractor split is an example which is relevant to both the ALMO option and the JV option. If the client seeks too much involvement in day to day matters then the contractor will become frustrated, become disempowered and the relationship will become sour. Client/contractor splits that work well will be characterised by clearly specified outcomes, good resource levels and effective monitoring mechanisms.

The control mechanisms for each of the options are as follows:

Reformed ALMO

The Reformed ALMO, like the current ALMO, has only one shareholder, the Council. It is a wholly owned subsidiary of the Council, and as a result of this the Council has the ultimate control – the most draconian control measure is the right of the Council to close down the ALMO. However, an ALMO has a Board of its own, which has responsibility for the day to day delivery by the organisation. Operationally, the senior staff are responsible to the Board for making decisions about priorities and allocation of resources etc. The ALMO organisation employs the senior team (although the Council may be involved in certain appointments) and they are accountable to the Board.

The Council is clearly a major influence, but the ALMO is a legally separate company, and so also has specific responsibilities in this regard, therefore, it is possible for the Council and the ALMO to have divergent views, and differences must be discussed and negotiated. Short of invoking the ultimate



sanction, the Council does not have (and by its nature is not intended to have) day to day operational control over the ALMO.

At a level below the ultimate sanction, the Council's key strategic control mechanism is the negotiation of the annual ALMO Delivery Plan (providing control over the performance and strategic direction of the ALMO) and ownership of the Housing Revenue Account, which encompasses the level of funding to the ALMO, the services to be provided and the outcomes required. We view this annual cycle as a positive factor because it provides the ALMO with a degree of autonomy that makes the delivery of required outcomes more likely, whilst providing the Council with a very high level of strategic control.

Below this level, the client function in the Council will have in place meetings and mechanisms to monitor the performance of the ALMO. A key success factor in this approach is the way in which the Council fulfils its client role in terms of how it fully exploits the annual cycle, and how it delivers operational and strategic clienting during the year.

If this works well, then there should be benefits from the combined expertise in the Reformed ALMO (board, staff and residents) and the Council However, there is a structural tension at the heart of the relationship between the Council and the ALMO, which can lead to reduced control (conflicting positions), which could undermine delivery.

In-house

An In-house service offers greater levels of close control. The main strategic control mechanism will be the Council's business planning mechanism which will set the objectives for the housing service for a year ahead. During each year corporate and housing related operational issues and pressures will arise, and how these in-year issues are handled will have a significant impact on the housing service. However, the Council in its corporate sense does have the authority to make changes as it sees fit, even if these may fall outside the formal planning processes and timetables.

On a day to day and operational basis, the In-house option provides a greater degree of control through the line management structure. This includes not just what individual staff and teams do and how they do it, but the level, balance and deployment of resources, and the operational priorities. Whilst this is also true of the ALMO or JV option, the difference is that the senior staff are employed by, and accountable to, the Council and not by an arm's length body.

If these mechanisms, by which the rest of the Council are run, are effective across a diverse range of business streams then that provides an evidence base for asserting that those same mechanisms will be capable of supporting the delivery of a good housing service. The counter-argument is that the housing service will become a small cog in a bigger engine as part of the Council and that the service will come under pressure from a wider range of Council issues. These very pressures, and their outcomes in terms of poor housing services, played into the creation of the ALMO model.

The In-house option provides the greatest level and clarity of control.

Joint Venture

Control is a big differentiator for the joint venture, where there is significantly less ongoing control for the Council.



Initially the Council has complete control over the format of the joint venture in terms of the service specification, the terms of the agreement with the partner and the choice of partner. But beyond that point the Council will be one of two key shareholders and stakeholders in the joint venture and the Council's views will have to be weighed with the views of the partner organisation. The reality of any partnership is that the negotiations to form the partnership will mean that it is very likely that there will be changes to the original service specification and terms of agreement.

The JV would have a Board with (presumably) equal representation by both partners. As with the ALMO, there is the potential for the Council and the Board not to share the same opinion. On most matters that would be dealt with as in the case of the ALMO, by negotiation and agreement.

If the Board were chaired by a Council representative and the Chair had a casting vote, then this would in practice give the Council ultimate control. However, it is also worth noting that, as with the ALMO Board members, the Directors on the JV Board have a legal duty to act in the best interests of the JV, so if there was a significant and genuine divergence of interests between the JV and the Council, then all the Directors would be obliged to act in the best interests of the JV. Though this is unlikely, it is not inconceivable.

The day to day operational control would be exercised by the senior management team, but similarly to the ALMO, they are employed by the JV organisation and are accountable to the Board. Given that the Board is 50% Council, this is debatably a higher level of control than under the ALMO option but definitely less than In-house.

Overall for this criteria, the In-house options is the strongest because it offers both strategic and operational clarity of control.

LEADERSHIP

The focus on leadership reflects how important good leadership will be in achieving the potential outlined in the optimised options. The leadership team in particular, but also the Board, are the ones who set the tone for, and develop the culture of, the organisation. They are the ones who can empower (or disempower) the staff to deliver their potential and drive change through all levels of the organisation to improve the service. Although, as mentioned above, the staff team on the whole remains largely unaltered, the current leadership team at BHP consists of two interims and one person who is acting up. Therefore, whichever option is selected, there will be the opportunity to recruit a new (or substantially new) management team to drive the change.

Each of the options proposes a slightly different management structure, based on the current management interim structure of the most senior post plus two operational senior managers reporting to them. There may also be differences in the ability to recruit to those management structures. Campbell Tickell is one of the largest senior recruitment specialists in the sector, and their experience suggests there is often a hierarchy of preference of housing candidates for the nature of their employer:

 Large RPs tend to be top of this chain, offering posts with a lot of autonomy and with career prospects, maybe in organisations which are perceived as cutting edge



- ALMOs tend to be second, offering some of the autonomy and independence but little opportunity for advancement
- Local authorities tend to be least favoured because the roles offered have less authority and autonomy for a given salary level, and any available progression tends to be outside the sphere of housing.

Reformed ALMO

The leadership expertise required is specialist housing expertise. That expertise exists in the commercial, not-for-profit, ALMO and local government sectors. Not all of the talent is willing to work in every segment. Generalising, the stronger specialist housing talent will be found in the registered provider sector (and can therefore be accessed via the joint venture), some of that talent will be prepared to work in the ALMO sector. So in terms of staffing the strongest option is the joint venture, the ALMO option is moderately strong and the In-house option faces the most challenges.

The most senior post (Managing Director) in a Reformed ALMO would be a joint appointment made by the Council and the ALMO Board, and the next tier would be made by BHP. Campbell Tickell's (CT) social housing recruitment arm advises that the ALMO recruitment market is currently busy and buoyant and has a reasonable pool of good quality candidates in it. They also advise that structuring the team as a Managing Director plus 2 Directors (and paying accordingly) will attract higher calibre candidates than an MD plus 2 Heads of Service. The closer relationship between the Council and the ALMO set out in the Reformed ALMO option has been factored into this analysis and recruitment to new senior roles could be done in such a way that the expectations of close working and the tight relationship are implicit from the very beginning.

In-house

The local government sector ranks below the ALMO sector and further below the housing association sector in its ability to attract and retain high quality housing staff.

The most senior post in this structure the Operational Director with responsibility for the housing management service would be a Member appointment, and the other two posts (Heads of Service) would be officer appointments. CT's recruitment arm advises that the number of Council director posts currently being filled is having the effect of shrinking the pool of talent on the market for the level of Operational Director. Moreover, the candidates for that post will have questions about the level of autonomy and authority that the post commands, given that it will be a third tier post. The role will need to be carefully positioned to ensure that the strongest field is attracted. To pitch it at a level to attract suitable calibre candidates may cause imbalance with other parts of the Council's operations. The same concerns would apply to the two senior posts at the next level.

Joint Venture

Appointment to the most senior post would be made by the JV Board (or shadow Board), which would be 50% Council. However, it is likely that an RP partner might wish to bring in (at least) one of its own senior team to head up the operation in the short to medium term. We discuss this further under implementation. We would not expect this to carry an additional cost (above the ALMO premium), since the charge made to the JV should not exceed the market level for the post,



even if the post holder seconded from the RP was actually paid more. In other words, the partner would bear the additional cost. As and when the JV recruited externally to these posts, our experience leads us to believe that the posts would readily attract suitable, well-qualified candidates. Therefore, the JV option would be the strongest option in terms of recruiting the senior team, but like the ALMO this would incur a relatively small additional cost.

IMPLEMENTATION

The focus on implementation in this section is the initial implementation of the option – moving from the current position to setting up the new option. This section is not focused on the full delivery of optimised option: the challenges of full delivery have already been covered above in terms of the common starting position, and the control and leadership of the new delivery organisation (ALMO, in-house service or JV), and the benefits of full delivery in each options are set out in the following sections.

This section evaluates the work required to move to the new option (test of opinion, setting up new organisations) and the risks to service during that transition (focus on creating a new organisation, rather than on service delivery), in order that we can understand whether the additional work, cost and risk is worth it given the benefits delivered by each option.

Reformed ALMO

Implementing a Reformed ALMO option is the option involving least change. There will be changes to the Board (moving to a skills based board), recruiting a new senior team and setting up the new client and the new relationship with the Council, but all of this would be complete by April 2017, and because there are no wider structural changes the Council, the Board, interim management team and residents could get on with co-designing and planning implementation of the wider and more fundamental service changes from December 2016.

This option involves the least structural change. It is the simplest, cheapest and least risky to implement. For example, for staff, the location, the employer and the terms of employment all remain the same. However, for this reason it also creates a different and specific risk to the other two options: because there is no significant visible structural change, it is more difficult to create the momentum behind change as the perception could be "same old, same old" and this would be a barrier to the culture shift necessary to bring about the longer term improvements. This would be a key challenge for the new leadership.

In-house

The In-house House option creates fairly significant change. There would need to be a consultation with residents – a 'test of opinion' on the proposed changes, and the definition of a new relationship between the Council and residents although this should mean relatively minimal change. For BHP staff it will not mean a change in location, but it will mean a change of employer, which brings a range of contractual issues, but also cultural issues as well. The current Council Housing Partnerships Team would also need to be realigned as they would no longer need to client the ALMO.



This means that the permanent senior team would be in later, probably October 2017, and between the initial cabinet decision, there would be two periods: November to April (when the test of opinion takes place) and April to October while the implementation of the new Council delivery unit is implemented. This will create a period of instability and there is a risk of loss of focus and dip in performance. Mitigating this risk would require strong partnership working between the BHP Board, the interim senior management team and the Council. The recovery period provides evidence that this type of partnership working is possible.

Of the three options the implementation of the In-house option is a close second after the ALMO in terms of reduced disruption and the ability to manage this disruption. There would be a period of consultation and delayed recruitment of a new permanent senior management team, this would make implementing further changes more complicated, but as the recovery period proves, this doesn't have to impact negatively on performance.

Joint venture

The implementation d the JV requires the greatest amount of structural change, and therefore disruption. There are a significant number of unknowns, which will need to be worked through in implementing:

- The terms of the service requirement
- The terms of the agreement with the partner
- The expertise of the partner
- The new senior management team
- The partner's organisational culture

Working through these will require a consultation with residents (test of opinion on the recommended option from November 2016 Cabinet), and the negotiations with potential partners, which means the new structure and management team will not be in place until April 2018.

The changes will be greater than in the other two options for staff – a new employer in (probably) a new location, and the perceived threat of job losses and change of terms & conditions, irrespective of whether this perception is justified. It will also produce a greater challenge in terms of maintaining the focus on service performance over a longer period of change than the in-house option. The option also requires the redesign of the Housing Partnerships service, not only to provide effective scrutiny of the joint venture, to ensure the Council's and the residents' priorities remain a focus, but also to ensure that the work the team does with other Housing Associations (other than the chosen partner are not affected.

This option is clearly the most complex in terms of set-up because of the number of new arrangements required. It is therefore also the most expensive. However, the size of Brent's stock mean that it would be possible to find a joint venture partner that can bring very useful expertise to the table, therefore, increasing the chances of a complex and expensive journey, but ultimately a successful outcome. The key question, which the rest of this document focuses on is whether these additional difficulties and costs are worth it in the long term.



Overall for this criteria the Reformed ALMO option is the simplest, whilst the In-House option provides a balance between simplicity and change.

OUTCOMES

The three options have been evaluated based on how they interact with 5 headline criteria, each clarified by a small number of sub-criteria. (discussed further in chapter 6) Here we present the key findings of the evaluation not covered in the previous sections.

1. Assures provision of modern, high-quality and continuously improving housing management services

What good looks like

- Focus on the housing service
- Improving the accessibility of services through enhanced digital opportunities and other IT related issues. Supports customers to self-solve and self-serve
- Delivers repairs and maintenance to specified quality and price
- Supports continuous improvement

Reformed ALMO

The focus taken on the housing service is, nominally, strong. Like the joint venture the Reformed ALMO is solely focussed on the housing service, relatively free from pressures from across the Council. However, the opportunity to focus on the housing service has not led the ALMO to deliver an acceptable level of service in recent times.

A reformed ALMO is (marginally) in the weakest position in relation to digital transformation. This is because gains in this area need to be achieved via the Council's systems and the ALMO is half a step further removed from influence over those channels than an In-house business unit.

Given that the existing contractual framework within which repairs are delivered applies equally to all options this is about the ability of an option to deliver high quality contract management. The operating environment for social housing repairs contracts is busy, competitive and characterised by relatively low margins. It is easy to create a combination of circumstances where performance on a contract is unsatisfactory. Improving performance on an underperforming contract requires building a relationship with the contractor that allows challenging issues to be raised and resolved. The role of a strong contract client is crucial. If the contract client is weak then the contractor will often exploit that weakness. The Reformed ALMO option outperforms the In-house option in this regard because it has the potential to attract better staff at senior levels and at the contract management level.

Moving beyond contract management there are the broader issues of stock condition, financing, work programming and procurement. It is reported to us that the stock condition data held by BHP is outdated and inadequate. Compiling sufficiently strong stock condition data will be a pre-requisite of finessing work programmes to optimise the financial impact of making required improvements.



Again, these skills will most readily be available in the JV environments, with the Reformed ALMO ranking second.

The poor track record of the ALMO in achieving continuous improvement means that this option starts at a disadvantage to the other options in this regard. The likelihood of turning the situation around is enhanced by the ability of this option to attract good staff. The ALMO has reduced costs but is still currently carrying an establishment that costs more than is covered by the management fee though this was a clear decision of the Board to maintain this level of expenditure during the Recovery Period.

In-house

The risk of the In-house option is that the focus on the housing service is diluted by becoming a subset of a wider Council department. Whilst integration will bring access to the Council's approach to running a business generally (some of which may be beneficial) some dilution of focus on the housing service is inevitable and therefore this is the joint weakest option in that regard.

An In-house service is marginally stronger than the ALMO option in respect of digital transformation. There exists the opportunity to piggy back on the Council approach. Clear internal Service Level Agreements and strong internal clienting will be important. Issues such as digital transformation are not sector specific so it is possible that wider Council initiatives can add value to an In-house service.

Given that the existing contractual framework within which repairs are delivered applies equally to all options this is about the ability of an option to deliver high quality contract management. On the one hand the In-house option is the weakest in terms of its ability to attract quality specialist housing senior management expertise. However, it is also true that the Council more broadly has significant expertise and track record of successful service management in other disciplines. So the challenge for the In-House service will be to mitigate the risk of weaker housing contract management expertise by the application of learning from other Council business streams. Striking a balance between the recruitment challenge and the wider Council expertise we rank the In-House option as level with the Reformed ALMO option.

The Council will have its own programmes and methodologies that seek to modernise services and it is possible that the housing service will be able to benefit from these work streams. The Council has a strong track record in taking cost out of service provision which will serve an In-house option well. This is joint strongest (with the Joint Venture) in this regard.

Joint Venture

Our views on the JV option are measured against a generic partner organisation. Whilst on the one hand the Council can specify the qualities it is looking for in a partner there will still be a line of best fit to be found and the selected partner will not have the highest possible strength in respect of every single issue. An additional benefit that accrues is access gained to expertise in the partner's operation. This being in addition to the staff within the JV.

The JV is the strongest option in terms of the focus on the housing service. This would be a new organisation, focused on delivering the service specified in its agreement with the Council. It has a better opportunity than the ALMO to turn around the current service.



The JV has a good opportunity to take forward digital transformation. The ability of the JV partner to bring forward expertise in this regard place the JV on a par with the In-house option in terms of taking the issue forwards.

The JV is the option within the strongest offer in terms of repairs and maintenance. Not only is the JV better able to attract good staff it also can call on specialist expertise within the JV partner.

The JV very much has the opportunity to make a fresh start on the issues such as continuous improvement and can bring to bear the experience and expertise of the JV partner. It is the strongest option in regard to his issue.

The JV is likely to perform best in respect of this criteria whilst the In-House and Reformed ALMO options are equal.

2. Achieves significant efficiencies and savings to contribute to the financial sustainability of the Council's housing revenue account

What good looks like

- The ability to make an initial saving through the initial implementation of the new option
- A track record in producing operational savings and a focus on cost reduction
- Flexibility in order to fully exploit opportunities

Financial modelling of the impact of the government's Housing and related reforms on the Council's housing finances and the sustainability of the Housing revenue account has been undertaken. (Further detail on the findings from this will be set out in detail in a section of the final review report.). The main impact arises from the prescribed 1% rent cut each year from 2016-2020. In 2020 this will reduce the rental income to the Council by £7.5m compared with that due on the basis of the Council's previous rent policy.

It is not known what the government's rent policy or direction will be beyond 2020. Two positions have been assumed and modelled: firstly, that the policy reverts to the former position with annual increases of CPI plus 1%; secondly that increases are limited to CPI only. Currently the view in the sector is that the latter is more likely. There is another potential scenario of further annual rent reductions in cash terms and if this was sustained for a significant period social housing finances would become simply unsustainable.

The financial impact of the government's other reforms – in particular the requirement to pay a government levy to fund the extension of the RTB to housing association tenants – is harder to assess because regulations including the formula to be used have not yet been published by government. A number of scenarios have been modelled and these will be set out in the financial section of the report.

On the basis of the known rent reductions to 2020 and on the standard sector assumption of CPI only increases thereafter it is calculated that a reduction in costs (or increased income) of £3.6m needs to be realised over three years. This will enable the HRA to maintain minimum revenue



balances over the medium to long-term and implement the planned stock investment programme. Total core management costs equate to £12.5m and this would represent a 29% saving if all taken in this area. There may be potential to realise savings in other areas of revenue expenditure to reduce the required savings in core management costs but a significant contribution will nevertheless be required. Cost reduction on this scale represents a massive challenge for any/all of the options. We comment further below on the interaction of each option to this requirement.

For each option an initial piece of financial analysis has been done, which focuses on the current core management fee to BHP, which is £7.5m. This expenditure relates primarily to staffing costs (including associated on-costs), and an assessment has been made in respect of each option, which establishment posts can be reduced, amended or deleted in each of the options. For example, in the BHP reformed option the senior leadership team comprises a Managing Director and two Directors for Operations and Asset Management (a deletion of 1 post from the status quo); for the in-house option an Operational Director and 2 heads of service are assumed; for the JV option the structure of Managing Director and 2 directors is spread across management of the Council and partner's Brent stock and costed proportionately.

It must be emphasised that this is an initial saving from implementing each option driven by changes in governance, economies of scale, and optimum integration with Council or partner services. There will be one-off redundancy and associated costs which are not covered here.

Beyond the savings arising from introduction of each option significant additional savings will need to be realised by 2020 – the difference between the initial saving achieved and the £3.6m target. These savings will need to be generated through changes to service delivery and efficiency, service scope, by income generation or other means. The implementation of modern service delivery arrangements using digital technologies through online self-service and mobile working will be central to this. A key issue therefore is the prospects for achieving such savings under each option.

Reformed ALMO

It is estimated that a saving of £350K would be realised on implementation of this option. This is considerably less than the prospective savings realised under the other options and reflects the additional governance, senior leadership and management costs inherent in the operation of separate company. These savings could be achieved from April 2017.

Therefore, it is likely that the Reformed ALMO would need to identify and deliver a further £3.25 savings over the next three years. BHP has experience of making efficiency savings over the last 4 years. There exists the opportunity to enforce cost reduction on the ALMO via the annual management fee settlement. However, this does not change the fact that the larger medium term savings target would represent a significant challenge for the new senior management team.

A further downside of the ALMO's focus on the housing service is that it may not be focused on maximising the potential financial benefits of working flexibly with the wider HRA and GRF activity. The opportunity to make this happen formally will work to the annual business planning cycle. The Reformed ALMO option does however outperform the JV option in this regard.



In-house

It is estimated that a saving of £1m would be realised on implementation of this option. This is highest potential saving of all the options, and is realised through the full integration of the ALMO back into the Council, thereby cutting out the most duplication in an already existing organisation. These savings could be achieved from October 2017.

Therefore, it is likely that the In-house option would need to identify and deliver a further £2.6m savings over the next three years. The Council has a track record of re-defining and maintaining service delivery in the face of significant funding cuts. This track record and experience will be of great use to an In-house service. However the level of cuts required will present a huge challenge for the service's new managers.

The In-house option is also the strongest option in regard to fully exploiting the opportunities to work flexibly across the HRA and GRF to the maximum benefit of the public purse.

Therefore, the In-house option is the strongest option in terms financial sustainability because it achieves the largest initial saving, has the strongest prospects for achieving further savings and has greater flexibility.

Joint Venture

It is estimated that the adoption of this option will generate savings of £800k. The initial saving will not be realised until April 2018 because of the longer lead-in to establish the Joint Venture.

Therefore, it is likely that the JV option would need to identify and deliver a further £2.8m savings over the next three years. Compared to the local government sector the housing association sector does not have a strong track record in producing efficiency savings. The JV will focus on the issues that it is tasked to focus on within its scope of service. It will be possible to mandate budget reductions and to incentivise the generation of efficiency savings. However, savings will not all pass to the Council, some will pass to the JV partner. It is the weakest option in this respect. The need to integrate service delivery arrangements and IT and other supporting infrastructure (moving from a degree of integration with the Council at this point in time) may require additional investment beyond that implied by modernisation and this will need to be recouped and savings may arise somewhat later.

The JV is the least flexible in its relationship to the HRA and General Fund. Such flexibility that there is will need to be expressed through annual negotiations.

Overall for this criteria, the in-house option provides the largest initial saving, the greatest potential to deliver more (based primarily on track record) and has the greatest flexibility to deliver financial sustainability.

3. Maximises the value and performance of the Council's housing stock through active asset management and new development.



What good looks like

- Major works delivered on time, to required quality including quality of customer care as expressed through customer satisfaction.
- Development opportunities maximised and proceeding to completion at fastest rate that funding will allow.

There are two key issues that arise in property management, the stewardship of buildings and the services provided to residents. Arguably of the two the stewardship of the buildings is the more fundamental. Properties last longer than residents, each building will serve multiple generations of the same or a variety of households. The gulf between the best and the worst asset management is vast. Great asset management, through the quality of improvements, by reducing cost in use for residents, by exploiting opportunities for infill development, by keeping properties on good repair, can make significant impact on the health and well-being of residents. Moreover, asset management is crucial in influencing the perception of an area by residents and others, for example through the external condition of buildings and the design choices with regard to issues such as rat-runs and community facilities. For these reasons this is a key criterion.

It is important to reflect also that asset management is an issue on which the Council will, under any option, continue to have a view and a degree of involvement. Under all the options the Council retains ownership of the buildings and will have views on what is done to the buildings and surrounding land and how work is financed and programmed. Under any option work will be required to define the Council's role and the role of the delivery agent. A lack of clarity on these roles has played a part in the shortfalls that exist in current BHP asset management for example in the absence of adequate stock condition data.

Reformed ALMO

Achieving the timely delivery of major works to specified quality within an agreed price is a question about the ability of each option to put in place good quality contract management people and mechanisms. In this regard the reformed ALMO is the middle ranking option for the reasons discussed elsewhere about its ability to attract candidates.

With either the Reformed ALMO or In-house options, there is a team in place which has some experience and has local knowledge. The team has had some success but in general developments have taken longer than anticipated and there have been delays in meeting targets, particularly for obtaining planning permission. The team is necessarily small, and it is difficult for a small team to have the full range of expertise required. The size of the programme is unlikely to ever be enough to gain the critical mass necessary to expand the team and acquire all the skills. Unlike the In-house and Joint Venture options the Reformed ALMO option cannot hope to pair these responsibilities with others in order to apply greater levels of expertise.

In-house

The In-house option is the weakest in terms of recruiting specialist housing staff. This makes the task of recruiting the required quality of contract management expertise tougher. However, it is also true that the Council more broadly has significant expertise and track record of successful contract



management in other disciplines. So the challenge for the In-House service will be to mitigate the risk of weaker housing contract management expertise by the application of learning from other Council business streams. Striking a balance between the recruitment challenge and the wider Council expertise we rank the In-House option as level with the Reformed ALMO option. However, it is the riskiest option.

As a self-contained business stream small scale regeneration would face the same problems Inhouse as in a Reformed ALMO. However, the Council would have the opportunity to potentially pair the small scale regeneration work with the larger scale regeneration work and this would offer the opportunity to access greater levels of expertise. This is not without risk however, the risk that smaller scale regeneration would not receive sufficient attention from a team also working on large schemes.

Joint Venture

A Joint Venture partner would have more scope to make changes or bring in additional resources at middle management level. It is often the case that large RPs have strong combined asset management and development teams with greater experience in managing asset-related contract than Councils, and the introduction of an experienced and robust contract manager in particular could make a considerable difference.

It is also the case that the larger RPs tend to have software and other models which might permit them to plan and programme more efficiently, with resultant cost savings. There might also be options for them to add Brent stock to their existing programmes and contractor arrangements, again with potential savings through economies of scale. However, the likely cost savings cannot be determined at this stage and are unlikely to be very large — this should not be overestimated. Taking these factors into account this is the strongest option in this regard.

The Council would make the development capability of the joint venture partner an important aspect of the selection and negotiation process. There exists the potential to draw on the wider development expertise of the joint venture partner. This makes this the strongest option in his regard.

There is the risk that the JV partner might be *too* focused on development to the detriment of the core services. The Council would need to assure itself that the partner was able and willing to fully engage with provision of core services and that the potential development opportunities were not its sole objective, and would need to ensure that focus was maintained on the core services throughout the contract period.

An additional risk is that the JV partner will be picked based on a range of selection criteria of which development will be only one. Dependent upon the weight given to development expertise in the selection criteria the selected JV partner may or may not have sufficiently a strong development offering.

The JV is likely to perform best in respect of this criteria whilst the In-House and Reformed ALMO options are equal.



4a. Contributes to improved outcomes for tenants including in respect of employment and training, health and wellbeing and tenancy sustainment for vulnerable tenants.

What good looks like

- Advances LBB's strategic intent in respect of People and Place through the delivery of specially commissioned projects including in respect of employment and training, health and wellbeing and tenancy sustainment for vulnerable tenants. For example, adding Council funding to an existing Housing Association programme where they have expertise like tenancy sustainment
- Advances LBB's strategic intent in respect of People and Place through the forging of closer links with existing programmes of work (expected to be primarily Council commissioned) on issues such as employment and training, health and wellbeing and tenancy sustainment in order to maximise the value to Council tenants and leaseholders, for example, realigning the Council's financial inclusion project to encompass the needs of BHP tenants
- Involves resident in governance and maximises the impact of customer insight on the operations of the business

Housing management practise in respect of these issues is an evolving situation. Historically (and generally, rather than just in Brent) housing managers have had a role in tenancy sustainment and in signposting to other agencies whether that be adult social care, detailed debt advice or employment/training initiatives. What started as a side-line to Housing Officer activity got formalised in the shape of tenancy sustainment teams. However, as budgets are squeezed so the focus homes in on core housing management activity and time spent/cost incurred on these peripheral activities comes under ever increasing scrutiny. With £3.6m to be saved it seems certain that the headroom (by which we mean the cost of staff having time to do it) will disappear. The revenue outlook for the General Fund means also that the likelihood of new work on these issues being commissioned is also much reduced. Initiatives to the benefit of all residents look more likely than initiatives to the benefit of only Council tenants and leaseholders. So our view is that realistically this is about how well an option can signpost to Council and other services.

There is a separate but related issue, that of eliminating duplication whilst promoting tenure blindness. The Council will want to extract maximum value from every HRA and GF pound. One way in which this can be achieved is for there to be an increase in tenure blind service offerings (for example a financial inclusion offer that applies irrespective of tenure). Prospectively the HRA could be sharing the cost of the tenure blind service offering with the General Fund.

Reformed ALMO

BHP currently provides a number of services that are aligned to the first criteria. It delivers financial inclusion services (which are commissioned by the Council) and also delivers the Community Fund and BHP Academy. It therefore has a limited track record of contributing to improved outcomes on some of these criteria, but it is not a core activity and so expertise is limited. In addition, there is a



risk in bolting on aspects of this type of work to the work of a relatively small number of housing specialists.

The Reformed ALMO is reasonably positioned to work closely with and signpost to the work of Council departments and local partners on wider range of issues. In other sections we have regarded positively the focus on a housing service caused by being arm's-length. In this regard being arm's-length is more of a mixed blessing. While arm's-length does not weaken the case for a Reformed ALMO to win commissions it does weaken the case for the (arguably more likely) position of the ALMO as a signpost to wider Council services. It is the middle ranked option in this regard.

Therefore, this is the weakest option for this criteria as it doesn't have the scale or experience in delivering wider benefits, and there is one further degree of separation from Council services although this issue could be minimised through a different way of working.

In-house

One of the key objectives of the Council is to improve the health and wellbeing of the residents of Brent. The In-house option offers the opportunity to more fully integrate housing management work with the Council's wider work.

The housing management service has in-depth relationships with an important sub-set of the Council's customers. Achieving outcomes outside of the housing agenda (for example a successful employment or training outcome) can have beneficial outcomes for the housing agenda (rent paid, tenancy sustained, void loss avoided) and for the Council's wider agendas (increased levels of economic activity etc.). Creating an In-House service is a great opportunity to redesign the corporate jigsaw and figure out afresh the opportunities that arise from having the housing business unit under direct Council control. We foresee a range of opportunities such as:

- Specifying a tenure blind service to be delivered by a non-housing department with some financial support from the HRA.
- A thoroughly joined up approach to signposting of Council services by housing managers In respect of all of the above the In-House option is, by far, the strongest option.

Joint Venture

Many potential RP partners have very extensive experience and already well established teams and projects focused on delivering wider outcomes for residents, for example, some will have apprenticeship schemes or trade training academies or health initiatives. Some – particularly those with a wider charitable remit – will have whole departments devoted to community development and social regeneration projects. The partner might well offer access to these initiatives either free or at marginal cost. Even a 'free' service is, most likely, reflected in the range of recharges passed to the JV by the partner. The Council would have less choice or influence over these services than under other options.

The Joint Venture is the option which is most distant from the Council. This makes signposting more complex, but arguably no more complex than for a Reformed ALMO.



In order to gain access to greatest value the JV will need to piggyback on the wider work of the JV partner on these issues. Any enhancement to Brent agendas of Place and People will be coincidental rather than causal. This is not to say that local benefit will not be achieved. But inevitably it will not be as closely related to Brent's agendas as is possible under the In-House Option

Therefore, the JV offers significant potential opportunities, making it the middle ranking option in this regard.

Overall for this criteria, the In-house option is, by a wide margin, the best performing option with the JV ranking second and the Reformed ALMO ranking weakest.

4b. Resident engagement

This criterion is focused on two things:

- Residents being able to actively participate in the governance mechanisms of an option with a meaningful influence on decision-making, which is an area where there are very distinct differences between the options, but also
- A broader and possibly more important point: successful organisations in any sector have a common theme – they know, understand and respond to their current and future customers.
 This doesn't have to be through formal decision making,

Either way, resident involvement and scrutiny should be based on the specific principle that the priorities and views of residents should be at the heart of a housing organisation's framework for directing, monitoring, assessing and modifying its own activities. And all options face the same challenge, given the budget pressures, of how to deliver effective resident engagement at the lowest cost, so changes will be required through all options.

The history of resident engagement is (for the most part) a history of a relatively small number of people providing insight that is then applied to some or all residents. There is no criticism here of that approach and it has been fortunate to benefit from input from some amazingly dedicated customers. There will always be a place for these types of interactions but increasingly technology offers new opportunities to bring people together virtually, including ways to find out customer views without them needing to leave home. But there are also significant opportunities to improve services using customer insight. This might be data that BHP already hold, it might be data that the Council already hold or it might be data about the population of Brent held by other organisations. This type of data is the very opposite of the views of a small number of involved residents. Some of the data will be about all people in Brent (not focused on tenants and leaseholders). Neither of these methods hold all the answers and the best way forward will include a mix of both approaches. As budget pressures increase the cost and value derived from formal engagement structures will come under intensifying scrutiny. Customer insight costs less and as such will have an increasing profile.

Reformed ALMO

Under a Reformed ALMO our assumption is that, in line with sector good practice, there will be a move towards a smaller Board recruited on the basis of skills rather than constituencies. A skills-based approach does not rule out residents from sitting on the Board but increases the importance



of the ability to make a contribution driven from a particular skill/expertise. It is important to note here because it is likely resident involvement on the Board would reduce though.

Which is why it is more important to note that, that even with residents on the Board there is the need to be able to meaningfully engage with residents beyond carrying out surveys. To meet this necessity many RPs have created strong advisory panels of residents who are able to help formulate policy and to review the progress of the organisation. It is a regulatory requirement for social housing organisations to put in place scrutiny panels.

BHP also has a strong track record of capacity building through the BHP Academy. This was recognised as best practice, and BHP was invited to address a National Federation of ALMOs best practice briefing and also to address MPs in Westminster about its resident engagement. BHP also has a Customer Scrutiny Group and, following a recent review, there are proposals to build on this with the creation of more scrutiny groups tasked with examining specific service areas.

The track record and future prospects for resident engagement are a strong suit for a Reformed ALMO. However, the situation with regard to customer insight is somewhat different. Most housing organisations are in the early stages of accessing and adding value using customer insight data. Moving forwards it is likely that the Council and a JV partner will both have more to offer in this regard than the Reformed ALMO which may struggle to deliver the In-house capacity and capability to deliver the more strategic customer analysis and intelligence function.

Building a strong customer focus in to the culture of the organisation is crucial from front line to dedicated capacity and capability to analyse data is crucial. If the Reformed ALMO delivers a structure which is focused on front line engagement then it should be strong to this degree, but it

In-house

Under the In-house option the existing formal governance structures would come to an end. The question then becomes what would/could come in their place? It will not be possible to offer the same level of direct formal involvement represented in the current approach by residents having a seat on the Board. However, there does exist the opportunity to take this loss as a starting point, take a blank piece of paper and to design a new approach that provides a pathway for resident views to influence the thoughts of those running the service. The In-house team would work to develop mechanisms for resident engagement and involvement in a variety of ways, and given BHP's current expertise in this area, we would anticipate that the In-house team would make a good showing at this and provide a new range of modern options for engagement and involvement.

Nevertheless, it is a different structure. Having a strongly resident focused Board was one of the key reasons for the development of ALMOs, with the objective of providing a degree of resident focus on housing services which no Council would ever be able to directly mirror. This is the weakest option in this regard.

In respect of customer insight, the In-House offer is stronger. Across the Council there exists masses of information. Some of this is about tenants and leaseholders, some about all residents. The Council



will be seeking to improve its use of customer insight data and to generate meaningful impacts on policy and practise. An integrated housing business unit has the opportunity to gain value from the Council's improved use of customer insight.

Joint Venture

A JV would be different again. Historically, RPs have had a strong track record of resident involvement in governance structures, including resident membership of the main Board. However, in recent years this has changed as there has been increased pressure for highly skilled boards with extensive professional expertise. Since the introduction of rent reductions in 2015, and the resultant need for extensive restructuring and efficiencies, this change has been accelerated.

Although a few of the larger RPs do retain some resident membership, this is usually on the basis of skills based recruitment where resident members are expected to display the same levels of knowledge and skills which independent members are expected to have, in order to run large and complex businesses. This has tended to reduce the number of resident members. In Rochdale the mutual created by the Council has a wholly skills based board behind which there is a strong representative body of residents and employees on which the Council also has representation. Its role is to work with the board to develop policy and review performance.

It would be reasonable to expect that any JV would provide a range of modern options for engagement. For example, many RPs have excellent Tenant Scrutiny arrangements. However, we think it unlikely that an RP would willingly embrace resident membership on the JV Board. Of course, the Council might be able to insist on that as part of the terms of the JV, and we are not suggesting that RP partners would necessarily consider it a deal-breaker. Nevertheless, we flag it up as being a potential area of disagreement on principles.

In respect of customer insight, it is hard to predict the strength of a JV partner's offer. The housing association sector is also in the early stages of its work on big data and its role in customer insight. It is an issue that is unlikely to make or break the case for a JV partner and therefore there is both opportunity and risk.

Overall for this criteria, striking a balance of the strengths/weaknesses between resident engagement on one hand and customer insight on the other we find that the Reformed ALMO and In-House option are level in strength (although with each option having different strengths to its offer) with the JV slightly behind (chiefly because of the uncertainty about the JV partner).

5. Contribution to the delivery of the Council's priorities

What good looks like

- A direct read across from the Council's strategic policies into the strategic and operational plans
 of the service delivery organisation
- Flexibility such that the plans of the service delivery organisation can adapt to changes in Council strategy outside of the annual business planning cycle.



This section looks at the degree to which the options are capable of being in tune with the Council's specific priorities and the extent to which the various options might be reactive to changes in priorities.

Reformed ALMO

The Council will wish to ensure that the ALMO recognises its position as a wholly owned subsidiary of the Council with only one shareholder, the Council. Once both parties take robust ownership of this position then the flexibility of the ALMO to the Council's strategic issues increases.

However, the Council will be reliant upon the ALMO board to interpret and apply the Council's strategic priorities. There is the possibility of accidental misinterpretation. In addition, changes may be required which do not fit in with the ALMO's annual planning cycle, which is the Council's primary opportunity to input into planning strategic priorities and allocation of resources. Although the cycles will be co-ordinated, if the timing of change did not coincide with the cycles, then despite partnership working this might lead to a lag in the ability for the Council to influence events.

In-house

Looking at the In-house option, the Council would have complete control over this. Any changes in priorities and resources would be entirely the Council's decision. Clearly any change of direction takes some time to implement, but it would be quicker under this option than any other.

It would also be the option with the cheapest cost of change, partly because of the relative speed of change but also because there would not be any costs associated with contractual change.

There is a risk with this option that over time the Council's focus on housing could be diminished. One of the reasons for setting up ALMOs was to ensure that in a busy and fast moving environment where housing forms only a relatively small part of the Council's overall business, housing maintained its priority and did not get side-lined. The In-house option creates anew the potential for a lack of focus on the housing service to accrue.

Joint Venture

As a joint venture is by definition an organisation in which the Council holds a half share, a JV should be responsive to changing priorities. But the same comments apply here as to an ALMO, there is a risk that changed priorities do not accord with the JV's priorities and/or that changes have implications which the JV is unable or unwilling to meet and/or there is a time lag and/or Council strategic changes may be misinterpreted by the JV.

We do not see this as an insuperable problem. When the venture is joint, the partners should be able to reach an accommodation and this may in fact be easier with a JV than with an ALMO because the issues regarding an annual planning cycle do not apply in quite the same way. Nevertheless, resultant changes would be both slower and more remote than under the In-house option. As with the Reformed ALMO option, there might be contractual cost implications of change.

Overall the in-house option has the greatest strengths in relation to this criterion.



Summary

This table sets out and compares the key points for each of the options, derived from the narrative above.

Criterion	Reformed ALMO	In-house	Joint Venture
Contributing to Council priorities	Single shareholder, so high level of ongoing strategic control (through annual delivery plan), but less day to day operational control. Mitigation is the single focus and the housing expertise of the Board.	Highest levels of strategic and day to day operational control as the service would be directly line managed by the council.	This is a partnership, so significant strategic control, but still the lowest of the 3 options because strategic direction would need to be negotiated. Less day to day control. Mitigation would be expertise of partner.
Leadership	Appointment to the most senior post would be made jointly by the ALMO and the Council. Other posts appointed by the ALMO. Recruitment to the senior team likely to attract strong candidates.	All appointments made by the council. Operational Director would be a Member appointment; the others posts officer appointments. Recruitment to the senior team (and middle management) could be more challenging as it is not a standalone housing management service with the autonomy that brings, and flexibility over terms and conditions.	Appointment to the most senior post would be made by the JV Board, including the Council representatives. Other appointments made by the JV. In the first instance, the senior team could be seconded from the partner; if so, likely to the best option for a high calibre team. External recruitment to the senior team is likely to attract the strongest candidates.
Implementation	Immediate clarity about the long term structure, would provide a simpler basis for change to start immediately in December. However, the new senior team (April 2017) would be the key driver for change in service delivery medium term. A barrier	Period of consultation for the 'test of opinion' would make the basis for immediate change more complicated, but would still be achievable. New permanent senior team not in place until October 2017. Medium term CT have raised concerns about attractiveness of posts, but	Period of consultation for the 'test of opinion' and then identifying the partner and setting up the JV would make the basis for immediate change more uncertain. The new senior team and the terms of the JV would be strong drivers for change, but would not be in place until April 2018. There would be a clear signal to staff and



Criterion	Reformed ALMO	In-house	Joint Venture
Provision of housing management services	would be the possible perception amongst staff that 'nothing has changed'. Single focus and opportunity to recruit the right leadership team should underpin success. BHP and council needing to work together on digital transformation could create delays. New leadership	would benefit from Council's change expertise. There would be a clear signal to all staff from April 2017 that this is a new service. This option would tie the Housing Management Service directly into the Councils digital and customer focused transformation methodology, and provide direct access to the capacity and capability to support change. This would be of direct	the JV partner would bring all their expertise to drive change quickly after implementation. Change of employer brings the greatest sense of uncertainty for staff, with both positive and negative connotations. Single focus, ability to recruit and bring across staff and expertise in all areas would be of benefit if the ideal partner could be found. The service could benefit from their digital and transformation expertise as well if the right partner was chosen, and
	team would need to move to a new customer focused transformation model, which is not currently in place to tackle cross cutting issues such as repairs. Would have the housing expertise, but relies on Council contract management procurement support to deliver change with Wates, which is fundamental to improving repairs performance.	relevance to the fundamental challenge of repairs for example. There would need to be a sustained focus on delivering change with Wates equal to the challenge for the Reformed ALMO.	they would bring leverage in the wider market in terms of repairs and planned maintenance contractors. In theory this presents the best opportunity, but there is a significant risk for this option – not knowing who the partner is at this point, and therefore evaluating it on the basis of the perfect partner, that does not exist.
Achieves efficiencies & savings	Initial saving on implementation: c£350k Potential for delivering the additional savings required: unproven track	Initial saving on implementation: c£1m Potential for delivering the additional savings required: the Council has a good	Initial saving on implementation: c£800k Potential for delivering the additional savings required: generally, producing cost savings are not a great strength of the RP
	record on this scale and likely to be the least able to achieve savings.	track record in addressing funding pressures while maintaining services.	sector. Savings could be contractually mandated and might be more achievable



Criterion	Reformed ALMO	In-house	Joint Venture
			than for an ALMO, but not all of the savings would accrue to the Council and the HRA.
Asset management and development	There is a team in place which has experience and local knowledge. The team has had some success but in general developments have taken longer than anticipated and there have been delays in meeting targets, particularly for obtaining planning permission. The team is necessarily small, and it is difficult for a small team to have the full range of expertise required. The development team would necessarily remain small in this option, so no opportunity for structural improvements.	The in house option will also have the challenges set out for the reformed ALMO, but it is also true that the council more broadly has significant expertise and track record of successful contract management in other disciplines. Therefore, if the risk of less housing expertise could be mitigated and the benefits of the wider expertise exploited, there is a good chance of improved performance. There is also the opportunity to join the BHP development team with the Council's regeneration team, which could also bring additional benefits.	It is often the case that large RPs have strong combined asset management and development teams with greater experience in managing asset-related contract than Councils, and the introduction of an experienced and robust contract manager in particular could make a difference. Access to well-resourced development teams, expertise and opportunities for development which are not available to either of the other options. This is the strongest option for both asset management and for delivering more and better development. However, the risk identified above for provision of housing management is equally true for this option.
Contributes to improved outcomes for tenants	If the Council seeks project delivery (the council commissioning new services for BHP tenants), this is the weakest option. If it seeks project signposting (improving access to existing services).	Whether the Council seeks project delivery or project signposting, this is the strongest option because of the links with, and potential for close interaction with other and partner Council initiatives.	A JV may offer the widest range of delivery projects carried across from its own activities, but the Council would have less influence over them Signposting would be similar as with the Reformed ALMO option.



Criterion	Reformed ALMO	In-house	Joint Venture
Resident involvement in governance	The tenant membership inherent in an ALMO Board, and a strong track record in resident engagement.	The Council would not be able to replicate the Board level representation, but could replicate everything else.	There is unlikely to be resident involvement in the formal governance (board) structure. Most RPs already have a track record in other forms of resident engagement, but this has been reducing as budgets tighten



10. Financial Evaluation of Options

The financial evaluation of the options is an important part of the exercise being undertaken by Brent Council, but it is only one of the tools that the Council will use in its decision-making process.

The purpose of this financial evaluation is to create a map of the financial landscape and show how that map changes over time. The financial evaluation shows the size of the challenge and shows one way in which the financial challenge can be met. It is <u>not</u> the role of the financial evaluation to offer opinion on the likelihood of any option achieving the savings required. The issues of probability are dealt with in the narrative evaluation at chapter 9 above.

Brent Council monitors the financial resources it has available to be able to manage, maintain and invest in its housing stock to keep it at a lettable standard using a 30-year business plan for the HRA. The business planning tool that it uses is an industry-standard product supplied by Capita. There are clear targets that the HRA business plan must legally achieve, these being:

- The HRA reserve balance cannot be negative (working capital);
- The housing debt does not exceed the debt cap of £199.3 million

Whilst there is no requirement to be debt free after 30 years, a prudent business plan would also show that there are sufficient HRA reserves to repay any outstanding debt at year 30 if required. In reality, the Council may have loans that are not due for repayment within the next 30 years but it should be capable of paying them if required at the time they fall due. Within our evaluation we have shown the HRA position with and without the requirement to be able to repay HRA debt at year 30. As you would expect if your debt horizon is longer than 30 years then the savings required to make the HRA viable are lower.

In addition, to the legal requirement to avoid a negative balance on the HRA reserves, Brent Council also has an internal policy of maintaining HRA reserves above the equivalent of £200 per unit of housing stock (this figure increases with inflation annually). In 2016/17 this is around £1.57 million.

This financial evaluation is based on testing each option to see whether it meets the target criteria for a viable business plan as described above. Where the option does not meet the criteria, we consider the level of mitigation that would be required to bring the HRA back into balance.

The design of each of the options – Reformed ALMO, In-House and Joint-Venture (JV) partner, have resulted in the identification of potential savings. These savings arise mainly from posts that would be no longer required as a result of reorganisation, through combining services and also from economies of scale. We have called these the first pass savings. The first pass at savings have been factored into the modelling. Where the models indicate there are further mitigating actions required, the results are not telling you how to make the savings, but are giving an indication of the level required, so that this can be used to decide and plan what to change.



Summary of the Outcomes

Each of the options assumes that the current standard of service continues to be provided to tenants, so that options are evaluated on the basis of cost compared to the existing HRA budget.

Firstly, from the work undertaken, it is not the case that one option produces the forecast savings requirement whilst other options do not. None of the options as described delivers a viable HRA over 30 years. All of the options require further mitigation to achieve a viable HRA.

The savings requirement weighs heavily across all the options. For this reason, our view is that a decision cannot be taken based on current financial data. Further work on financial matters, set out below, will be required to support decision making on the detailed business plan of the chosen option.

Secondly, when we work through the numbers and the level of savings required in future to maintain a viable HRA, the savings required look massively challenging. To give an example: For the In-House Option the estimated level of savings required is £3.6m.

However, it is important to note that there are significant variables within the models <u>as they stand</u> <u>now</u>. Whilst the current models are sufficiently robust to support choosing an option further work will be required to improve the model of the chosen option prior to the approval of the detailed business case. The view of our expert independent financial advisor is:

- The models make the case that significant savings are required moving forwards
- Having selected an option there will be further work to be done on the financial model to improve confidence around key variables
- As confidence around key variables increases so will confidence in the level of saving required
- Once greater assurance exists on the savings required it will then be appropriate to plan how the savings will be made.

Key Variables

Without additional mitigating actions, the HRA business plan hits problems for its HRA revenue balances and would need to breach its debt cap. There are a number of reasons for this:

Stock condition data: The 30-year profile of investment required in the stock is taken from the Council's asset management systems. The Finance Team and BHP have indicated that this data has not been subject to survey in recent years and may not adequately reflect the needs of the stock. It may be higher than forecast, it may be lower. The timing of investment is crucial to determining the Council's need to borrow.

Sale of high value voids: The plans within the Housing & Planning Act 2016 to introduce a requirement for Councils to sell off its higher value void properties has been included in the base HRA models. This is likely to require a levy to be paid to the Government, but the mechanism for delivering the policy is not yet available. The Council has assumed that it will sell homes over a 5-year period from 2017/18, and pay over a levy but the decisions on replacing the stock are dependent on the actual requirements and regulations which are yet to be published. The



assumption of replacing homes increases borrowing significantly and uses up the headroom available in the plan.

The current base HRA business plan shows that in order to accommodate in the shortest and earliest time possible, the assumption that rents will only rise by Consumer Price Inflation (CPI) post 2020 (rather than return to CPI+1%) and the profile of sales of high value voids, the Council would need to make real savings of 9.5% per annum on its housing management costs (in addition to savings required from stock reductions due to sales) for each of the next three years = 26% cut in total.

The point to note is that none of the options inherently generates the required level of savings on its own, so to achieve a balanced HRA business plan would require significant additional savings.

The evaluation of the options has involved a rigorous review of existing housing management budgets and identified those posts / costs that could be saved under each delivery vehicle without changing the service or maintenance standards. This means that finding additional savings to fill the gaps will need to look more closely at the value for money delivered by the assets.

As additional mitigating actions are required regardless of the option chosen, we would recommend that time is taken to get clarity on as many assumptions as can reasonably be achieved. These would include:

- the survey of the housing stock is undertaken soon to properly inform the business plan;
- the provisions of the Housing & Planning Act are monitored closely and reflected accordingly in the plan;
- committed development schemes are included in the base plan.

Basis of the Financial Modelling

A Council's HRA business plan details the income and expenditure cashflows that it believes will arise from owning and managing the housing stock and related assets over the next 30 years. The starting point for year 1 (2016/17) is the Council's agreed HRA budget and capital programme for the year. Assumptions about how these cashflows change over time are made on the basis of that which is known, for example, Government legislation to decrease rents by 1% per annum for the next 3 years or a recent stock condition survey; and otherwise, best endeavours based on historical trends or economic factors and estimated sales from Right to Buy. New policy (national and local government) provisions affecting Councils are also factored in based on what is known at the time of preparation. Plans for development of new homes are also included based on schemes that are likely to occur.

Defining a viable HRA business plan

Having prepared the business plan with the forecasts and assumptions, to be deemed financially viable the business plan will need to show that it can:

- Maintain a positive HRA reserve balance (and be above the local level set);
- Achieve the capital investment required without breaching the debt
- Repay its debts as they fall due
- Ideally, have sufficient resources to cover debt outstanding at year 30



Where the plan does not achieve these targets, the Council will need to take mitigating actions to bring it back into balance. The Council is limited in what it can do. For example, it cannot increase rents for social tenants above those set by reference to the Government's rent policy; it cannot charge any more for additional services to tenants and leaseholders than those services cost; it must maintain its homes to at least the Decent Homes Standard to ensure that they remain lettable; management/ restructuring of loans depends on the penalties for early redemption. Typically, if a Council is satisfied that its stock investment profile is accurate, then its day-to-day repairs ought to be minimised and therefore housing management costs and decisions over development plans are the only variables left within their management control.

Models Used In Evaluation

An explanation of how each option has been modelled is set out below.

Improved ALMO option

The financial models for this option include the same assumptions as base HRA business plan for all except the real savings of 9.5% assumed in years 2-4. For these we have substituted the profile of savings in salaries and other costs estimated to be achievable if the ALMO is retained but with restructured management and service delivery.

The savings generated by this proposal total £350k and would save 7 posts within BHP's staffing structure.

In-house Management Option

The financial models for this option assume the same assumptions as base HRA business plan for all except the real savings of 9.5% assumed in years 2 – 4. Instead, we have substituted the profile of savings in salaries and other costs that are assumed to be achievable if the ALMO no longer manages the Council's stock, and its staff transfer back to the Council. BHP owns a number of properties in its own right which it also manages and earns income from. No account of these will be made in the Housing Revenue Account. We are told that these may be dealt with by means of an investment company within the General Fund.

Details of the savings estimated total £1,000,000 and would save 17 full time equivalent posts, of which 12 are full posts, within BHP's staffing structure. These arise from senior management posts that would be duplicated in the Council, together with economies of scale arising from combining teams that carry out similar roles. Working together, it is assumed that some posts will be removed without a reduction in the level of service. Savings would also be made in governance costs as there will no longer be a board of management.



Joint Venture (JV) Partner Option

The financial models for this option assume the same assumptions as base HRA business plan for all except the real savings of 9.5% assumed in years 2 – 4. Instead, we have substituted in the profile of savings in salaries and other costs that are assumed can be made if the ALMO no longer manages the Council's stock as BHP but instead the management service would be provided by an alternative Registered Provider that already owns and manages its own housing stock. The partner organisation would both need and be expected to take on some of the BHP staff to deliver the service for Brent. Others may also transfer back to the Council to take on monitoring roles.

Details of the savings estimated total £800k and would save 29.75 full time equivalent posts of which 15 are full posts, within BHP's staffing structure. These arise from senior management posts that would be duplicated in the Council or the JV partner, together with economies of scale arising from combining teams that carry out similar roles. Working together, it is assumed that some posts will be removed without a reduction in the level of service. This option also assumes some savings for example in the infrastructure, for example IT costs, from combining housing management within the JV partner's existing systems.

Evaluating the Outcomes

The detailed financial evaluation undertaken clearly shows that there is no clear winner amongst the options. It also shows how there are factors beyond the Council's control that can have a significant impact, but that impact affects all options equally. The area within the Council's control is operational costs and hence the appraisal concentrates on that aspect. Initial, more obvious savings, have been identified but further more detailed financial work will be required once the Council has agreed the option the gives it the best chance of achieving a balanced HRA.

11. RECOMMENDED WAY FORWARD

Detailed consideration of the issues covered by this review is a rare event and as such an important first stage in charting the course to be taken by Brent's housing stock and the 12,000 households who live in the properties over the years to come.

The reason for staging the review, in this case the poor performance of BHP in several regards, principally in their management of the Wates contract, is less important than the landscape in which the chosen option will have to operate.

Each option has been optimised. In other words, we have not answered the question 'How well or poorly would option X perform exactly the role fulfilled by BHP now?' Instead we have answered the question 'What is the way of configuring option X that will best deliver the outcomes we require from the housing service?' So each option is a tweaked version of current operations. In essence this gives three different approaches:

Reformed ALMO: Strong focus on the housing service.



- In-House: Strong focus on the housing service and the contribution that the housing business unit can make to the Council's wider strategic agenda.
- Joint Venture: Strong focus on the housing service with the added benefit of the expertise of the JV partner.

All the options inherit the same starting position, the same buildings, residents and staff (via TUPE). Each of these are significant issues in their own right. Looking across the piece we have reviewed each option against:

- Control
- Leadership
- Implementation
- Financials
- Provision of housing management services
- Asset Management and Development
- Contributes to improved outcomes for tenants
- Contributes to Council priorities

Amongst our key findings:

- No aspect of our evaluation categorically rules out any particular option. All options could work.
- It is in the financial evaluation that the most challenging findings arise
- Every option has a mixture of strengths and weaknesses, so picking the best option is a matter of judgement about the weighting given to issues and risks

There is a decision to be made about how the housing service fits in with the wider Council. The current position is clear, a standalone housing service, formed to provide a strong focus on housing management. This approach produced good outcomes for a long period, less good outcomes recently. Another approach is to view the housing service as an important sub-set within the wider Council and to seek to maximise the role played by the housing service in improving outcomes for 12,000 households across well-being, employment and other issues as well as core housing management. If you give weight to this approach, then the In-House Option is clearly the strongest option in this regard. This is not without risk. The biggest risk is that the dilution of focus on the housing service causes performance to worsen.

Turning next to the **financial issues**. LBB use a nationally recognised piece of software to run a 30-year model of the Housing Revenue Account. The model allows entry of a wide range of financial information and interprets how a change in a variable (for example stock numbers going up or down, inflation going up or down) affects the HRA over a 30-year time span. There are many variables that the Council cannot control such as the rate of inflation and government set rules about rent increases. There are only a small number of variables that the Council can control such as staffing costs (employ more or less staff) and levels of investment (in the existing stock and to build new stock).

The financial model sets out a very tough financial landscape. This is primarily due to three variables: The governments rent policy (currently CPI -1%); the interpretation applied of the likely impact of



the sale of high value void properties (required under the Housing and Planning Act) and the profile of stock investment. The financial landscape is equally tough for all the options with savings required in the range of 20% to 55%. Even with these savings the HRA does not contain enough money to fund investment in new dwellings beyond 1-for-1 replacement of high value voids sold.

It is important to state that the financial model needs further work in two areas. Firstly, it is not yet known what regulations the government will set relating to the sale of high value voids and the use of the finds arising. LBB have made prudent assumptions about this and these assumptions have impacted on the financial model. Secondly LBB and BHP are currently relying on 6-year-old stock condition data and have relatively low confidence in the current data and the programming/costs of major work that flow from it. It is possible that a better long-term position may arise when these variables are refined. However, it is also the case that currently the model does not have headroom to fund development. It is clear that reducing operating costs will be of key importance to the creation of headroom to build new homes.

The view we have taken is that the financial model as it stands makes clear that the ability of an option to significantly reduce operating costs is a key factor. Because the model impacts all three options equally we do not see the uncertainty about aspects of the model as a reason to hold back a decision to choose an option. But we do recommend that as part of the process to approve the detailed business case for the chosen option the financial model is refined to address the areas outlined above.

It is the In-House option that, by a wide margin, best interacts with the requirement to make significant savings. The Council has a track record of successfully delivering large budget reductions whilst carefully managing the impact on services over recent years. These experiences will be directly relevant to, and can be directly applied to, an in-house option. In contrast BHP do not have a track record of making cost reductions over the same period. The Joint Venture will take time and money to implement and in any case becomes difficult, if not impossible, to engineer as the cost reduction requirement increases.

The financials are a major factor in reaching our recommendation.

Control is another important factor. The In-House option gives the highest level of strategic and operational control. The Reformed ALMO and Joint Venture options offer good levels of strategic control (though the ability to change course operates more slowly) and lower levels of operational control.

Leadership is another key consideration. Here the In-House option faces challenges. Of the three options, the In-House option finds it hardest to attract high quality housing expertise. However, the In-House service will have access to the Council's expertise in cost reduction and this is an important consideration. Consideration of the salary and positioning of the senior roles in the In-House Housing Business Unit (how they are described to candidates etc.) will be of key importance in maximising the quality of the field of candidates. Although both other options bring better leadership to bear their inherent weaknesses in relation to the financial aspects is more important.

Governance and **resident engagement** are important issues also. Irrespective of the option chosen the existing Board structure within the ALMO is likely to change due to the strong trend towards



skills based Boards as opposed to Boards with members representing constituencies (e.g. Members and residents). The option which will have to be most imaginative in how it addresses Member and resident engagement is the In-House option. But we do not see the issue as being insurmountable. For example, a Members Scrutiny Committee with co-opted resident members may overcome the loss of the ALMO Board under the In-House option.

In conclusion, taking into account the challenging financial landscape we are recommending that the In-House option is chosen. Moreover, the In-House option offers the opportunity to re-position the housing service within the Council with the aim of improving a broad range of outcomes for 12,000 households. This is not the lift and shift of a self-contained housing service into the Council's structure. This is the engagement of the housing service with the Council's wider agendas in order to secure improved outcomes for residents and to enable the Council's expertise in cost reduction to be brought to bear. However, there are two areas for particular consideration within the detailed business case for the In-House option and these are refining the financial model to provide a greater degree of confidence regarding the accuracy of the long-term HRA forecast and the identification and mitigation of the key risks arising from the new position of the housing service within the Council's wider business.



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Appendix 1 – Jargon Buster

Jargon	Long version	Meaning
ALMO	Arms Length Management Organisation	An organisation, set up a Council, to run a Council service. An ALMO is owned by the Council.
Asset Management	Asset Management	Work that is to do with buildings and land. In this case the Council's housing stock and housing land.
Back Office	Back Office	The range of services needed to run an organisation but which do not have face to face contact with customers. So things like, finance and human resources.
ВНР	Brent Housing Partnership	The organisation currently managing the Council's housing stock. BHP is an ALMO.
BMG	BMG	A consultancy provider specialising in market research
Cabinet	Cabinet	The group of Councillors who hold the most important positions within the Council. This group has delegated power to make some decisions.
Campbell Tickell	Campbell Tickell	A consultancy provider specialising in housing.
CCG	Cross Council Group	The group of senior Council officers responsible for supervising the project.
Client	Client	As used in this report it means the organisation issuing a contract.
Corporate Management Team	Corporate Management Team	The group of the most senior Council officers, lead by the Chief Executive of the Council with the Council's Strategic Directors
Council's housing stock	See 'Stock'	
DCLG	Department of Communities and Local Government	The central government department responsible for managing local government.



Jargon	Long version	Meaning
Demographics	Demographics	Statistical data relating to the population and particular groups within it.
Digital Technology	Digital Technology	Computers, software, the internet, mobile phones, apps, storing data electronically rather than on paper.
Ethnicity	Ethnicity	Belonging to a social group that has a common national or cultural tradition.
General Fund	General Fund	The account which manages income (grants and Council tax and other income) and spending (the cost of services such as adult social care and education) on services provided by the Council.
Governance	Governance	Corporate governance is the way an organisation polices itself. So the policies and rules and groups (such as a Board or
Grounds Maintenance	Grounds Maintenance	Looking after open spaces which may mean cutting the grass, maintaining a flower bed, or tree management for example.
Household	Household	Everyone who lives in a self-contained flat, maisonette or house. There will be lots of single person households as well as lots of households with two or more people living in the same property.
Housing Stock	Housing Stock	See 'stock'.
HRA	Housing Revenue Account	The account which manages income (grants and rent and service charges) and spending (the cost of maintaining the stock and the cost of delivering the housing service) on services to the stock owned by the Council.
In-house	In-house	As used in this report 'In-house' means a housing service delivered by a Council department (rather than by a separate organisation as it is currently)
JV	Joint Venture	As used in this report 'Joint Venture' means a new, independent organisation formed as a partnership between the Council and a housing association to



Jargon	Long version	Meaning
		deliver housing management services to the Council's housing stock.
Lettings	Lettings	The process to choose a household to move in to an empty Council property.
Levy	Levy	An amount of money, such as a tax, that you have to pay to a government or organisation. In this case this refers to the Council having to pay a sum of money to the government based on an assumption that the Council has sold a number of high value empty properties.
Major Works	Major Works	A name given to replacement works that happen not very often. For example kitchen, bathroom, boiler, roof replacement.
Management Agreement	Management Agreement	The main contract between the Council and BHP that sets out the terms of the relationship between the two.
Median	Median	The middle value in a range of values
NAIL	New Accommodation for Independent Living	A project to work with the care and housing markets to develop more local Extra Care and supported living accommodation.
ONS	Office for National Statistics	The Office for National Statistics (ONS) is the executive office of the UK Statistics Authority, a non-ministerial department which reports directly to the UK Parliament. It is an organisation that collects lots of information and works out lots of statistics about the people and economy of the UK.
Procurement	Procurement	Buying something. In these terms it might mean reaching agreement with a contractor to deliver a specified amount of work for an agreed sum of money.
Public Realm	Public Realm	The open spaces owned by the Council including verges, pavements, open spaces on estates, public parks etc. Some public realm is looked after paid from the General Fund (Council tax payers) and some public realm is looked after paid from the



Jargon	Long version	Meaning
		Housing Revenue Account (tenants and leaseholders)6
Repairs and Maintenance	Repairs and Maintenance	Work to keep a building in working order. If you fix an existing tap that is a repair. If you replace a worn out tap with a similar tap that is a repair. If you replace a worn out tap with a much better tap that is an improvement.
Reformed ALMO	Reformed ALMO	As used in this report 'Reformed ALMO' means an ALMO that continues to exist but which is changed to make the service better and lower cost in ways described in the report.
RPs	Registered Providers	Housing associations who are registered with the regulator, the Homes and Communities Agency.
Service Charges	Service Charges	Charges to a tenant or leaseholder for a share of the cost of delivering services to the block and surrounding area. Leasehold service charges are defined by each lease.
Stakeholders	Stakeholders	People who have a direct interest in an issue. For example Council tenants and leaseholders and elected Councillors all have a stake in the subject of this report.
Stock	Stock	The blocks, flats, houses and estate land in which the Council's 12,000 tenants and leaseholders live.
ТМО	Tenant Management Organisation	A organisation that is controlled by tenants that provides the housing management service to as defined group of Council owned properties
Voids	Voids	Empty Council properties



Appendix 2 - Resident workshop session – hopes and fears of residents

Но	pes	
Se	rvices	Continuity
•	that the use of digital systems will be advanced there will be improved contract management that services for vulnerable groups will be improved that there will be more opportunities for residents	 that services that work well are supported that communicating with residents via tex and email is working well good relationships between BHP officers and residents can continue
Or	rganisational Culture	Strategy and Leadership
•	the quality and visibility of staff will improve	Setting objectives & implementing good reforms
•	that there will be more accountability and transparency	Setting long term goalsLBB allows BHP to do its job
•	an adaptable culture that is responsive to change will be created	
•	the incorporation of feedback from residents will be standard practice	
	ars	1
Fii	nancial	Management
•	there will be budget cuts	will not be responsive to feedback
•	the assets of the HRA will be stripped	there will be falling staff morale
		that there are no changes & no improvements
Res	sources	LBB
•	Insufficient resources will be allocated	LBB's concerns in relation to BHP continue
•	that the issues with the services continue the ASB issues remain unresolved	that the interests LBB are serving are not clear
-	the A3D issues remain unresolved	LBB's long term strategy for social housing is unexplained



Option 2: LBB brings Housing Management In-House			
Hopes			
Financial	Community		
 LBB can make efficiencies that assets are protected 	 there will be apprenticeships for young people more one stop shops will be set-up RTB is continued to be offered to residents 		
Services	Strategy and Leadership		
LBB will be able to offer more services	LBB can learn from the BHP experience		
LBB has the infrastructure and the experience to deliver	LBB will take on resident feedback		
- there will be limited subcontracting			
Fears			
Financial	Community		
the bringing in-house will result in privatisation of social housing	 that Residents Associations loose influence that LBB fails to communicate or interact with residents (past experience pre BHP) Residents simply become an LBB statistic Non-progression: inability to learn from the past 		
Services	LBB		
there is no improvement in services	LBB will not take on resident feedback		
that services are centralised	LBB will not prioritise social housing as attention is given to other issues		
that digitisation results in inaccessible services	LBB will be unable to understand resident's views and needs		



Option 3: In Partnership through a Joint Venture (JV)		
Hopes		
Financial	Community	
 that services can be provided at a lower cost 	that residents will be involved in the decision making process	
Services	the Partner	
that services can be improved	can bring valuable expertise	
Fears Financial	Community	
Financial	Community	
 Residents will be affected by increased rents there will be asset stripping 	 there will be: limited visibility in the community will be little say for residents to have in making this decision 	
4	No resident engagement or influence	
	No security of tenancy	
	Limited Tenant Rights, no RTB	
Services	the Partner	
Dilution in the quality of services will result	Brent residents will not be a priority to it	
No investment in repairs and maintenance	it will focus on finances and balance sheets	
 Limited knowledge will be from non-local contractors 	there will be no accountability	
there will be no investment in stock	it will be non-responsive to resident feedback	
 The Partner's autonomy will be questionable 		



Appendix 3 – Residents Opinion Research Report by BMG

See overleaf



Housing Management Review

Prepared for: Brent Council

Prepared by: BMG Research

Housing Management Review

Prepared for: Brent Council

Prepared by: BMG Research

Date: August 2016



Produced by BMG Research
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www.bmgresearch.co.uk

Project: 1055

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Market Research Society Company Partner

British Quality Foundation Member

The provision of Market Research Services in accordance with ISO 20252:2012

The provision of Market Research Services in accordance with ISO 9001:2008 $\,$

The International Standard for Information Security Management ISO 27001:2013

Investors in People Standard - Certificate No. WMQC 0614

Interviewer Quality Control Scheme (IQCS) Member Company

Registered under the Data Protection Act - Registration No. Z5081943

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1 Introduction

1.1 Background

Brent Council is a stock-owning authority with over 8,000 tenanted and 4,000 leasehold units in its ownership. Since 2002 the management of the Council's housing stock has been delegated to an arms-length management organisation, Brent Housing Partnership (BHP).

Brent Council is undertaking a review of options for the provision of housing management services to its tenanted and leasehold homes in order to identify the best option to achieve the Council's housing and service objectives.

Three options for future housing management arrangements will be under consideration through the review:

- To continue with BHP on a reformed basis;
- To bring the service in-house and directly provide housing management services;
- To enter into a partnership with another organisation to provide these services this could be partnership between the Council and a third party or BHP could be converted to a partnership organisation.

As part of this housing management review, Brent Council wish to engage with tenants and leaseholders to establish their views and how they value the current services provided and their priorities for future service provision. To gain the additional insight required, Brent Council commissioned BMG Research to further the work they have previously done for BHP¹ and undertake a quantitative opinion survey with residents along with focus groups and in-depth interviews.

1.2 Methodology

1.2.1 Quantitative opinion survey

On 5th August – 18th August 2016, 600 telephone interviews were conducted with a random sample of BHP residents. Quotas were set in field by tenure (general needs / leaseholders) and for general needs tenants only by number of bedrooms, and area. This was to ensure the findings between tenure are as statistically robust as possible, whilst ensuring the results for general needs tenants are as representative as possible.

The table overleaf outlines the number of interviews conducted for each tenure and the resulting confidence intervals (at the 95% confidence level). Based on a population of 12,018, a sample of 600 is subject to a maximum confidence interval of ±3.9% at the 95% confidence level on an observed statistic of 50%. This means that we are 95% confident that if all residents

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¹ Since April 2015, BMG Research have been commissioned by BHP to undertake a quarterly customer satisfaction telephone survey with 600 residents.

completed a survey a figure of 50% in this report would have actually be between 46.1% and 53.9%.

Where possible, the results in this report have been compared with previous waves of BHP's customer satisfaction survey. The confidence intervals for these waves are also shown below.

Table 1: Statistical robustness by tenure

Tenure		Stock size		
General needs tenants		7950		
Leaseholders		3,754		
All residents		12,018*		
Survey	Tenure	Number of surveys	Confidence interval	
Housing management review	General needs tenants	526	+/-4.13%	
	Leaseholders	74	+/-11.28%	
	All residents	600	+/-3.9%	
Wave 1 2016/17	General needs tenants	420	+/-4.65%	
	Leaseholders	150	+/-7.84%	
	All residents	600*	+/-3.9%	
Wave 4 2015/16	General needs tenants	475	+/-4.36%	
	Leaseholders	93	+/-10.04%	
	All residents	600*	+/-3.9%	
Wave 3 2015/16	General needs tenants	425	+/-4.63%	
	Leaseholders	130	+/-8.45%	
	All residents	601*	+/-3.9%	
Wave 2 2015/16	General needs tenants	372	+/-4.96%	
	Leaseholders	183	+/-7.07%	
	All residents	600*	+/-3.9%	
Wave 1 2015/16	General needs tenants	366	+/-5%	
	Leaseholders	189	+/-6.95%	
	All residents	600*	+/-3.9%	

^{*}Please note these totals also include BHP Homes residents which due to the low number of contacts available were not included in the housing management review sample

The questionnaire used was developed by Brent Council and BMG Research with the majority of questions having featured in the previous customer satisfaction surveys undertaken for BHP.

In order to ensure that the survey results reflect the views of residents, the overall results have been weighted by tenure.

1.2.2 Qualitative activity

For the qualitative activity five focus groups were conducted with five resident groups: Elderly tenants, tenants who live on an estate, leaesholders, tenants from the disabled forum, and tenants who do not live on an estate. Additionally in-depth telephone interviews were conducted with younger and vulnerable residents.

1.2.2.1 Focus groups

Using contacts provided by BHP, the recruitment of participants took place using a telephone recruitment method. During recruitment, the recruiter provided potential participants with an outline of the purpose of the discussion and an overview of the topics to be covered and a BMG contact in case they had any queries regarding the research. To reimburse attendance to the groups, participants were provided with £30 Love2shop as a thank you for their time.

Each group was led by an independent researcher from BMG Research and lasted approximately 90 minutes in length. Fieldwork took place on the 11th and 17th August 2016 at community venues located in Brent. At the beginning of each focus group, participants were informed about confidentiality and assured that responses would remain anonymous and any quotes used in report writing are not attributed back to named individuals. They were also told that the discussion would be audio-recorded (unless there were any objections) and the file would be stored securely at BMG Research and not made available to anyone outside of the company. Finally, participants were informed that BMG Research abide by the Market Research Society code of conduct which reiterated participant confidentiality. Where verbatim comments are included in this report they are reported in italics.

The table below outlines the date, time, location, type of respondent, and number of attendees for each of the focus groups conducted.

Table 2: Focus groups for qualitative activity

Group	Date	Type of respondent	Time	Location	Attendees
Group 1	Thursday 11 th August	Elderly tenants	12pm – 1:30pm	Brent Civic Centre	7
Group 2	Thursday 11 th August	Tenants who live on estate	3pm – 4:30pm	Brent Civic Centre	6
Group 3	Thursday 11 th August	Leaseholders	6:30pm – 8pm	Brent Civic Centre	8
Group 4	Wednesday 17 th August	Tenants with a disability	2pm – 3:30pm	Willesden Green Library	7
Group 5	Wednesday 17 th August	Tenants who do not live on estate	6pm – 7:30pm	Willesden Green Library	8

1.2.3 Younger persons telephone in-depth interviews

Initially, 12 younger tenants were recruited to participant in an online focus group. These participants were recruited over the phone, with recruiters outlining the purpose of the discussion and an overview of the topics to be covered. To reimburse attendance an incentive of £20 Love2Shop vouchers were offered as a thank you for their time. All 12 participants received a joining email to take part in the online discussion followed by a confirmation email with their individual link to the platform a few days before the scheduled group. A day before the group telephone calls were made to ensure individuals were still able to take part in the discussion and on the day of the group, all participants were sent a text message as a polite reminder. Unfortunately, the online focus group had 0 attendees, therefore it was decided the best approach, given the timescales of the project, was to conduct in-depth telephone interviews using a slightly tailored topic guide from the focus groups.

In total, 6 in-depth telephone interviews were conducted with younger tenants with the discussions being led by an independent researcher from BMG Research.

1.2.4 Vulnerable persons telephone in-depth interviews

For the interviews with vulnerable residents, Brent Council and BHP provided a list of known residents who either:

- have or have had mental illness;
- have been victims of domestic violence or anti-social behaviour;
- have communication difficulties through physical disability or learning difficulties;
- who are, or have been alcoholics or who are, or have been subject to substance misuse.

Given the timescales of the project, in-depth telephone interviews were conducted using a slightly tailored topic guide from the focus groups. In total, 4 in-depth telephone interviews were conducted with vulnerable tenants with the discussions being led by an independent researcher from BMG Research.

1.3 Reporting conventions

The data used in this report is rounded up or down to the nearest whole percentage. It is for this reason that, on occasions, tables or charts may add up to 99% or 101%. Where tables and graphics do not match exactly the text in the report this occurs due to the way in which figures are rounded up (or down) when responses are combined. Results that do differ in this way should not have a variance which is any larger that 1%.

Throughout the report the abbreviation 'cf.' is used as shorthand for 'compared to' when examining the data, especially among different sample groupings.

In addition to this written report, data tabulations have also been produced which present the data as a whole.

2 Summary

2.1 Overall perceptions

As is typically the case in resident satisfaction surveys, general needs tenants hold a more positive view of the overall service provided by BHP than leaseholders; 70% of general needs tenants are satisfied with the overall service provided compared to 53% of leaseholders. There have been limited changes in these overall perceptions since the wave 3 2015/16.

Within the qualitative findings residents express a mixture of views regarding the overall performance of BHP; some residents had negative experiences to share in relation to communication issues whilst some residents were generally satisfied with the service. This myriad of views is echoed in the word association exercise with the most prominent words / phrases associated with BHP being: hard to reach, approachable, listens, fair, friendly, distant, and behind the times.

2.2 Service priorities

The quantitative survey findings show that the top service priority for general needs tenants is the repairs and maintenance service, whilst for leaseholders this is split equally between the repairs and maintenance service and dealing with anti-social behaviour. This finding is reiterated in the qualitative findings, although participants in this aspect were much more likely to state listening to views and acting upon them as a service priority than as indicated in the quantitative survey.

2.3 Service improvements

The quantitative survey findings show that the services indicated by residents in the most need of improvements are the repairs and maintenance service, dealing with anti-social behaviour, and the quality of homes, although the later is most likely to be related to the repairs and maintenance service. Notably, with a mean score variation on all services rated between 5.31 and 4.43 the findings indicate that all aspects are in need of some improvements.

Similar service areas for improvements were indicated in the qualitative activity with the most frequently cited service aspects for improvements being the repairs and maintenance service and the quality of home.

2.4 Repairs and maintenance service

The quantitative survey finds that dissatisfaction with the repairs and maintenance service appears to be driven either by residents stating that they have outstanding repair work needed or when having had repair work carried out it has taken multiple attempts to get the repair fixed, there has been poor communication surrounding the repair or the quality of work has been poor. Improvements stated within the quantitative survey by residents echo this with the majority suggesting improvements to either the ease of reporting a repair, the quality of the repair work, or keeping residents informed on the progress of a repair.

Findings from the qualitative activity reiterate that dissatisfaction with the repairs and maintenance service is born out of repairs needing multiple attempts before they are fixed and frustration with the lack of communication about the progress of a repair when this occurs. Some suggest there is also a lack of communication within BHP about what repair work is needed resulting in incorrect tradespersons turning up or tradespersons with incorrect materials resulting in multiple visits.

2.5 Quality of home

As found with most resident satisfaction surveys, general needs and leaseholders indicate similar levels of satisfaction with the quality of their home (65% - 70%). Improvements suggested by residents were very specific to the issues found within each individuals home. Although, the majority of participants in the elderly group stated that they needed adaptations to their properties however were unsure how, or were unable, to get these.

2.6 Keeping residents informed

The majority of residents indicate that BHP do not keep residents informed with residents stating they receive very little communication about what is going on in their area, with this level of communication deteriorating over recent years. Residents feel that the newsletter is not an effective form of communication as it is not sent frequently enough and the information provided is too general, suggesting it should be sent monthly and update residents on activities or things taking place in the area they live. Leaseholders also state that there should be a tailored newsletter for them.

The majority of residents also indicate frustration at having never received communications from their housing officer, suggesting that more contact in the future is needed which could act as a platform to convey any issues.

2.7 Involving residents and acting upon their views

The quantitative findings show that less than half of residents are satisfied that BHP listen to views and act upon them (48%), with satisfaction dropping to 38% for leaseholders. A similar proportion indicate satisfaction with the opportunities for resident involvement activities provided by BHP. Within the quantitative survey residents suggest there needs to either be more frequent resident meetings or more information about when the meetings take place, whilst as found elsewhere, others suggest an improvement to communication from housing officers.

The qualitative findings support what is found in the quantitative findings with many suggesting that they do not feel involved and listened to as residents. Residents feel it is important to be involved in decisions regarding their homes and some have shown willingness to being involved in meetings however have received limited communication from BHP about these. Residents were asked how they would like to be more involved with decisions made regarding their home or area. A number of suggestions were made which are summarised as:

- Being part of a community or resident group
- Having regular meetings which are easily accessible for residents

- Being a member of or having some involvement in the BHP board
- Bringing back community forums

2.8 Customer service

Within the qualitative activity there was a mixture of views across the groups of whether they had received good or poor customer service. Many residents were able to provide examples of good customer service that they have received from BHP when answering their queries, whilst those who felt they had received poor customer service were generally referring to the amount of time they spend trying to get through to someone on the phone and chasing individuals about their queries.

Improvements suggested related to BHP keeping a log of incoming calls so they can be referred back to when / if they call back to avoid further delays. Some also recommended that BHP assigns one point of contact to each query that is raised by residents to avoid being put through to several different contacts.

2.9 Estate services

Around six in ten residents state that they are satisfied with the grounds maintenance service (62%), the overall estate service provided by BHP (58%), and the cleaning of internal (58%) and external communal areas (58%). In all instances general needs tenants are significantly more satisfied than leaseholders. Trend analysis shows there has been a recent decline in satisfaction with the grounds maintenance and estate service. Improvements suggested within the quantitative survey for the grounds maintenance service related to the frequency of when the grass is cut and the clearing up of grass afterwards, whilst for the cleaning service comments related to an improvement to either the quality or frequency of cleaning.

The qualitative activity found that residents hold negative perceptions of the current estate services provided. In relation to the communal areas, most participants are dissatisfied with the cleaning service provided and suggest this does not meet their needs, others stated dissatisfaction with a range of issues including draining problems outside of blocks, overflowing dustbins and concerns with the conditions of stairways and lifts. Residents also suggest they see very little maintenance being carried out or the maintenance undertaken is not completed to a satisfactory level.

2.10 Dealing with anti-social behaviour

Around half (51%) of residents who state that they have reported ASB to BHP in the last 12 months were dissatisfied with the way BHP handled the case, whilst seven in ten were dissatisfied with the final outcome of this complaint. For those who reported ASB, suggestions were made that BHP need to improve the support / helpfulness / advice provided by officers during cases. Thinking more generally, a high proportion of comments from residents in the quantitative survey in relation to what improvements need to be made related to the prevention of ASB occurring by having a higher visible presence of either BHP officers or police.

Similar findings were found in the qualitative activity with residents who had reported ASB stating it is a long and drawn out process with the general feeling being that residents are not informed of the progress of their complaints and that ASB needs to be taken more seriously.

2.11 Advice and support

Where residents stated improvements in the quantitative survey in relation to advice and support it was in relation to an improvement in the communication and information provided by BHP about the advice and support available. Indeed, within the qualitative activity residents could only recall information about support being on the back of an annual letter about rent or Council tax. One participant stated that BHP has a lot of services available for residents however they need to do more to promote and raise awareness of these facilities.

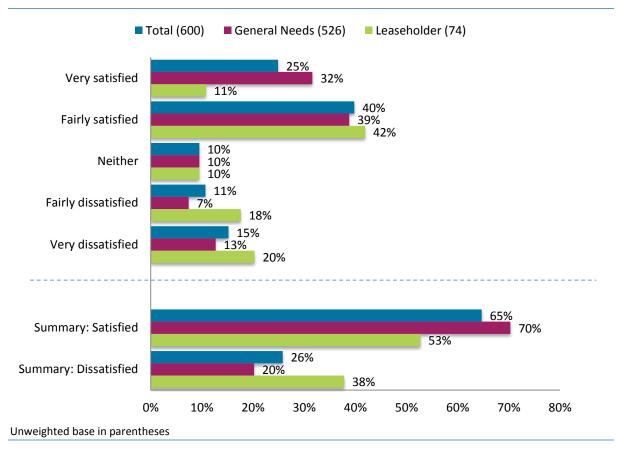
Thinking about specific support needed. Elderly residents suggest BHP need to provide more support by making adaptations to their home and supporting them so they can undertake their daily activities. Whilst others suggest that BHP should offer regular skills workshops or employment workshops around apprenticeships for young people.

3 Overall perceptions

3.1 Quantitative opinion survey

For the quantitative survey, all respondents were asked how satisfied or dissatisfied they are with the service provided by BHP, as indicated below, approaching two thirds of residents (65%) indicate some level of satisfaction with the service provided by BHP, whilst by contrast, around one in four indicate some degree of dissatisfaction. Analysis by tenure shows, as is typically the case in resident satisfaction surveys, leaseholders are significantly less satisfied (70% cf. 53%) and significantly more dissatisfied (38% cf. 20%) with the overall service provided than general needs tenants.

Figure 1: Q1. Taking everything into account, how satisfied or dissatisfied are you with the service provided by Brent Housing Partnership?



3.1.1 Trend analysis

The chart below illustrates the levels of satisfaction indicated by all residents, general needs tenants, and leaseholders, in wave $1-4\ 2015/16$, wave $1\ 2016/17$ and this wave of the customer satisfaction survey. For all residents there is an indication that satisfaction levels increased between wave $1\ 2015/16$ and wave $3\ 2015/16$ and then has remained similar since that period, this is mainly due to the levels of satisfaction indicated by general needs tenants between wave $2\$ and wave $3\ 2015/16$ increasingly significantly. For leaseholders the only significant difference found in satisfaction levels is between wave $1\$ and wave $2\ 2015/16$, it should also be noted that there is a lot more variation in the leaseholder results due to the low sample sizes.

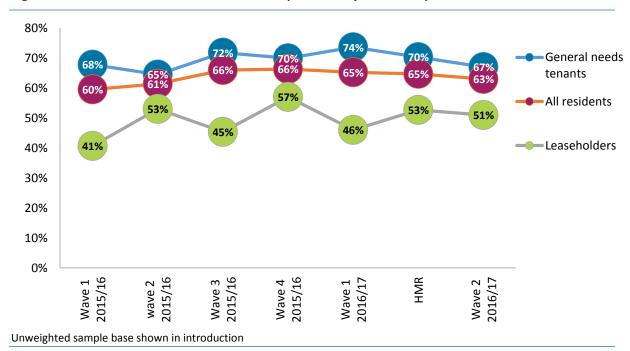


Figure 2: Satisfaction with the overall service provided by fieldwork period

3.2 Qualitative activity

Residents have mixed views on the overall service provided by BHP, with some having had negative experiences and others being generally satisfied with the service.

"The service is good. I find them okay. They're doing their best." Resident from disability forum

"We don't have much debris in the street. Generally if I call in for something, then within a few days or normal within a day they can come. They come and fix whatever it is that I need fixed." Resident from disability forum

"I moved from a housing association to a Brent property and it was a massive difference, a massive improvement. I don't know, I've never had any of those issues. Just from dealing with the housing association I was with, and going to Brent Council BHP, it was much better." Resident not living on estate

Other residents feel there are both positive and negative aspects of the service provided by BHP, with some highlighting that it depends on the individual you speak to when you phone up about an issue. A few residents emphasized their frustration of having to explain their situation repeatedly to different members of staff until you are speaking to the relevant department. This also occurs when the issue takes a long time to be resolved and so residents have to pursue BHP to take action.

"The thing I find about BHP, is BHP has good points and bad points, and the positives, for me, is once you have somebody who has dealt with you before, at least you have a point of contact. I find sometimes there's no consistency, so you may get somebody who'll say, 'I'll deal with this,' and it'll get done, sometimes you'll speak with somebody and they don't know what's going on. There's repetition, it's a case of why are you asking me for this information over and over again?" Resident not living on estate

Similarly, one vulnerable resident indicated frustration at the lack of continuity within teams. In this circumstance the person who she had been dealing with, for whom she was very complimentary of, had gone on annual leave and when she called to find out some information about her situation it took multiple calls to multiple officers in the team to get an update.

"Nothing really happened until she got back despite my situation being critical. In the 3 weeks I managed to speak to many people from the same ASB team but no one knew what was going on. It was a domestic violence situation. They know they have a vulnerable person they are dealing with. Don't tell them you're going to do something, and say we'll ring tomorrow and give you an update cause in my position I'm sitting there waiting for an update. If you say you're going to give an update at least a quick email to say really sorry we can't update you but we'll be calling you another day. The teams don't seem to work well together. When you'll dealing with a vulnerable person there should be something in place to say okay I'm going on leave and this is the situation can you keep an eye for anything that comes in regarding her." Vulnerable resident

Some residents only had negative experiences to share about BHP. Some residents drew attention to the lack of communication; when they report an issue to BHP they are not informed of progress and at times no action is taken. A few estate residents have complaints about how often the grass gets cut and how often the bins get emptied. One resident had to contact BHP because the grass was so long it reached their knee and they had to send pictures of the rubbish bin overflowing before BHP would come and empty it.

"When they come to empty the food bin, they leave it open and the fox will come and turn it over and the next morning there will be food scattered everywhere. With the big bins, when it's overflowing, when they come and empty them, they leave what is on the ground, they don't put the bins back in the chute. They leave what is in the chute and the ground and leave the bin blocking our backdoor." Resident from disability forum

"Not good. If the disabled shower breaks down you have to wait two weeks to get it repaired. Then the person they send can't repair it. Right now me and Brent have got problems. This place I live in, I moved there about nine years ago. From nine years ago until now, they still can't get anything right. Upstairs she got floorboards down. When you've got five children upstairs and they're banging on the floor you can't sleep, then your head starts hurting. Brent haven't done anything about it." Resident from disability forum

Residents were handed a sheet with various words and phrases (see Appendix A) and were asked to circle the ones they would use to describe BHP. Those chosen are shown below; the larger the word the more frequently a word has been selected by participants.



Old-fashioned: "They're not moving with modern times. They're not dealing with the things and they're still backwards with all the relevant things that need to be done. They don't use their computers. 'Oh, we've got no notes,' but they've got their computers. Are they just jotting it on a piece of paper? I believe they're still old fashioned and hard to reach." Resident living on an estate

Hard to reach: "Every time I phone, I have to phone up, go through different options, and there's nobody on the line, or a person who I can't speak to, or they get back to you." Leaseholder

Behind the times: "A lot of the problems we have could be solved via technology. If they're meant to be doing a grounds maintenance at a certain month of the year, whoever's doing it should be taking photos on a smartphone online app, sending it to the manager of that block. I've got a service, I've been paid to do this job, I've done it. Why are residents having to phone up to say, 'The job hasn't been done'? That's down to tendering of the subcontracts. It seems to be really poorly tended. They've got old-fashioned ways of managing contractors. It doesn't have to be high cost. It can be built into the contract. It would probably reduce the cost for us, and we'd get better service." Leaseholder

Residents did not volunteer much of an explanation with regard to positive descriptions, for example fair, helpful, approachable, and valued. This is most likely to be because they are happy

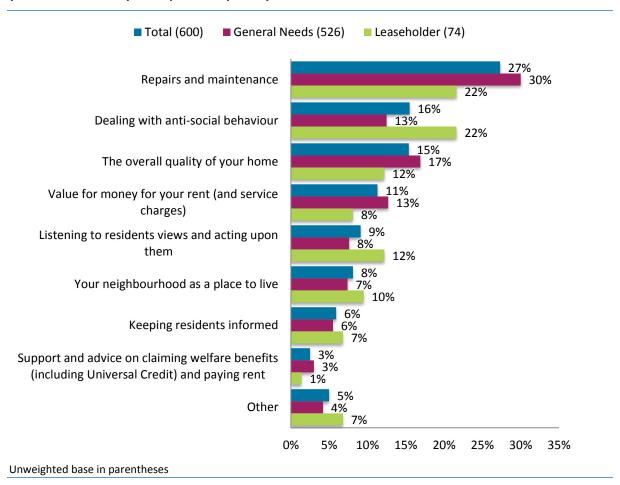
with the service and haven't had a bad experience; hence they do not feel the need to explain why they feel this way.

4 Service priorities

4.1 Quantitative opinion survey

All quantitative survey respondents were asked to select, out of a list eight service aspects, which they considered to be their top service priority. As illustrated below, with 30% selecting it as their top service priority, the priority for general needs tenants is the repairs and maintenance service, whilst for leaseholders this is split equally between the repairs and maintenance service (22%) and dealing with anti-social behaviour (22%). Interestingly, the repairs and maintenance service has previously been the stand alone service priority for both tenants and leaseholders, whilst now dealing with anti-social behaviour is significantly more likely to be mentioned by a leaseholders than a general needs tenant as their top service priority. Dealing with anti-social behaviour is also significantly more likely to be the top service priority for residents who live on an estate compared to residents who do not (19% cf. 5%).

Figure 3: Q22. I will now read out a list of services, can you please tell me which of the following you consider to be your top service priority?



4.2 Qualitative activity

Residents were provided with a list of services that BHP provide (see Appendix B) and were asked to select which one they consider to be their top service priority. As found with the quantitative findings, the most frequently cited service priority was repairs and maintenance, followed by listening to residents' views and acting upon them.

"Ground maintenance such as cutting the grass and all that. Especially for those of us who are elderly or live alone, we need the grass cut." Resident from disability forum

"They've had scaffolding up since February, there is no work done. They asked about the colour of the door, I can tell you how many times they said they'd be back again. Up to now there is no door change. We didn't use the garden, the grass needs to be cut but can't be because of the scaffolding." Resident living on an estate

"I've ticked, 'Listen to the residents and act upon what they're saying.' That would cure a lot of the other problems if they did that." Resident from disability forum

Some residents selected the overall quality of their home or value for money for your rent (and service charges) as their top priority. A few residents regard keeping residents informed, dealing with anti-social behaviour, or their neighbourhood as a place to live as their main priority. Notably, vulnerable residents were more likely to state dealing with anti-social behaviour as their service priority.

"You've got people who are tenants, renting, decide to fiddle with a screwdriver on the intercom system, and the intercom system breaks down. Then you get a service charge. They might throw junk on the lawn. There's so much anti-social behaviour damaging the property, throwing rubbish on the floor, all these types of things. Even if the cleaner comes and cleans it nicely, within two days somebody has chucked apples on there, or some teenager's milkshake has thrown it there." Leaseholder

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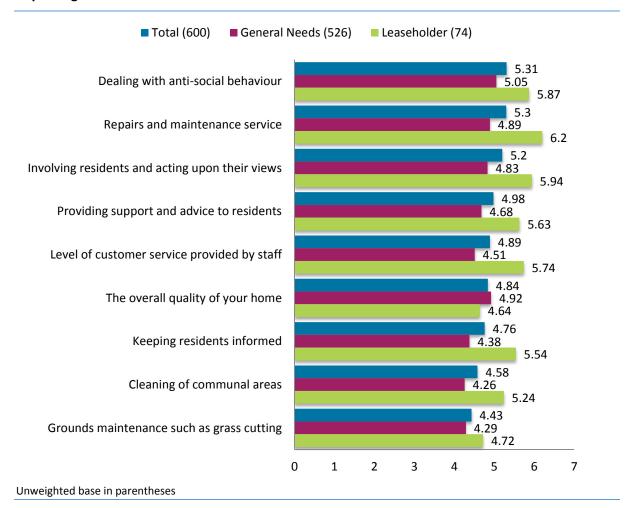
5 Service improvements

5.1 Quantitative opinion survey

In the quantitative survey respondents were provided with a list of nine different service areas and were asked to rate, on a scale of 0 to 10, where 0 is no improvement needed and 10 is considerable improvement needed, to what extent those service areas need improving. The mean scores, after removing the non-applicable responses, for each aspect are shown below. These findings show that both leaseholders and general needs tenants indicate that the way BHP deal with anti-social behaviour, the repairs and maintenance service and the way BHP involve residents and act upon their views, are the service areas in most need of improvements. Although given the limited variation in the scores for all aspects there is an indication that all aspects are in need of improvements to some degree.

Interestingly, leaseholders appear to be more critical in terms of the level of improvement needed for each service aspect compared to general needs tenants.

Figure 4: QS1. Can you please indicate to what extent you feel this service area needs improving?... Mean valid scores

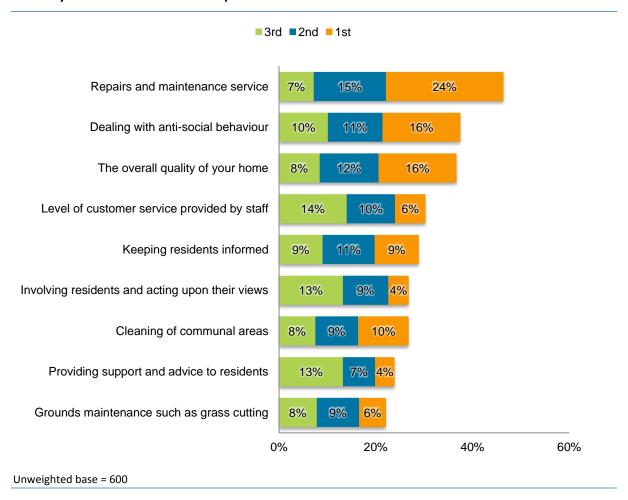


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Respondents were then provided with the three service aspects from the previous question which they gave highest score to, and were asked to rank their top three priorities for improvements in order of which service needs the most improvement. Please note if more than three aspects had equally high scores all those service aspects were provided to respondents so they could rank their top three out of the list provided.

As indicated below, with almost one in four stating that it to be the top priority for improvement (24%), and almost half indicating it to be a priority for improvement (46%), the repairs and maintenance service is the aspect residents indicate is in the most need of improvement, this is followed by dealing with anti-social behaviour and the overall quality of the home.

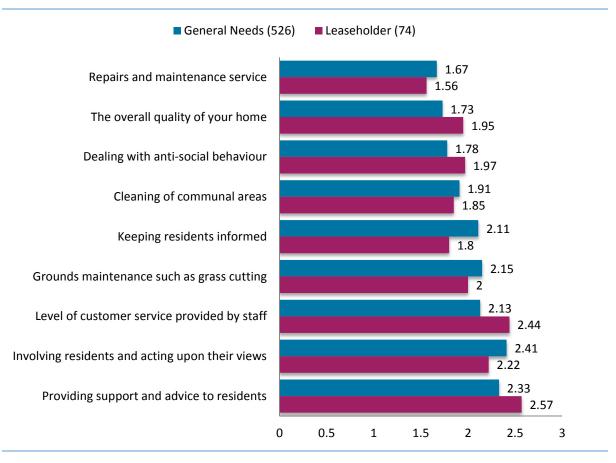
Figure 5: Can you now please rank, your top three priorities for improvements, in order of which service you feel needs the most improvement? All residents



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Looking at the mean scores for the ranking of service improvements by tenure shows that the order of prioritization for service improvements is slightly different for leaseholders with keeping residents informed and the cleaning of communal areas featuring higher in the order than general needs tenants. Please note as a score of 1 was given to the first priority, 2 to the second priority, and 3 to the third priority, the lower the mean score the higher of a priority for improvement it is.

Figure 6: Can you now please rank, your top three priorities for improvements, in order of which service you feel needs the most improvement? Mean score



5.2 Qualitative activity

Residents were subsequently asked to rank BHP services in terms of which services they believe need the most improvement. Overall quality of their home and repairs and maintenance were most frequently cited as needing the most improvement. A few residents also highlighted the following service areas as needing the most improvement:

- Keeping residents informed
- Grounds maintenance such as grass cutting
- Cleaning of communal areas
- Dealing with anti-social behaviour
- Providing support and advice to residents

A couple of residents highlighted the level of customer service provided by staff, and involving residents and acting upon their views as needing the most improvement.

Residents were asked to consider if there are any other services not currently provided that they would value being provided, for example, employment advice, health care advice, and IT training. Residents living on an estate did not seem keen on this idea, branding it unnecessary. One resident highlights that Brent Council provides these types of service anyway. However, retired residents seems keen on the idea of providing such services, claiming they would access them. They feel that health care advice and first aid training are important in case they have an accident. Retired residents were also enthusiastic about IT training;

"It is necessary now. Everything you do now you do online." Resident from disability forum

A few residents are aware that Brent Council offer IT training and one resident's children have taken part in skills workshops provided by BHP which they have been able to put on their CV which has subsequently helped them get into college and get a job. However, they explained that BHP are having the funding stopped for that. They suggested that BHP should offer young people apprenticeships or skills training for CV enhancement.

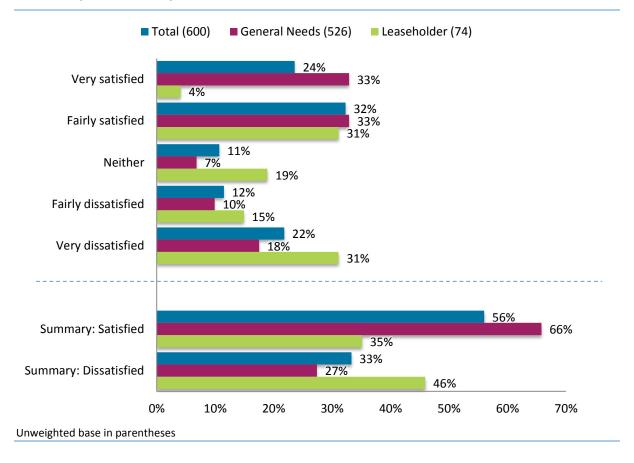
6 Repairs and maintenance

6.1 Quantitative opinion survey

6.1.1 General satisfaction with the repairs and maintenance service

Respondents in the quantitative survey were asked how satisfied or dissatisfied they are with the repairs and maintenance service. Overall, just over half of residents (56%) are satisfied with the way BHP deals with repairs and maintenance with one in four very satisfied (24%). As might be expected due to the differing level of responsive repairs service received, general needs tenants are significantly more satisfied with the repairs and maintenance service than leaseholders (66%).

Figure 7: Q6. Generally, how satisfied or dissatisfied are you with the way Brent Housing Partnership deals with repairs and maintenance?



6.1.1.1 Trend analysis

The trend analysis illustrated below shows that the levels of satisfaction indicated in this wave of data collection are similar to the levels of satisfaction indicated by residents previously.

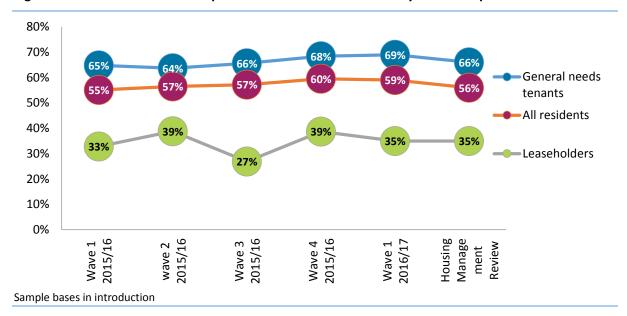


Figure 8: Satisfaction with the repairs and maintenance service by fieldwork period

6.1.1.2 Reasons for dissatisfaction

All respondents who were dissatisfied with the repairs and maintenance service were asked to indicate why. These responses were coded into a code frame by interviewers, with the chance to write in an other option if the reason was not found in the code frame. As illustrated overleaf, the most prominent reason for dissatisfaction with the repairs and maintenance service is still having an outstanding repair, with approaching half of those dissatisfied stating this is the reason why (46%). This has been the most prominent response indicated by residents in all previous waves of fieldwork. Around four in ten residents are dissatisfied as they feel the quality of work has been poor (37%), which indicates a clear area for improvement. Additionally further areas for improvements are indicated by a third of residents stating they are dissatisfied as there has either been poor communication or they feel the repair has taken too long to complete; keeping residents informed about the progress of a repair and improving the awareness of how long each repair should take to be completed should improve these residents opinions of the repairs and maintenance service.

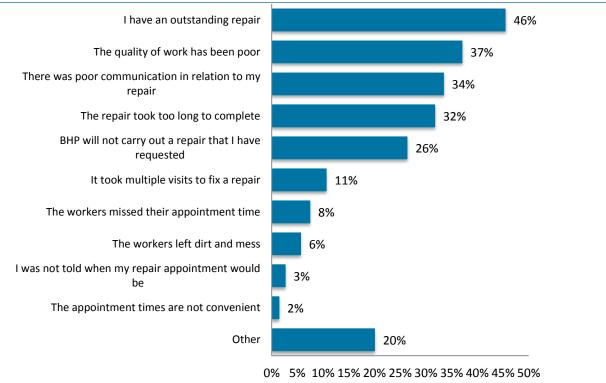
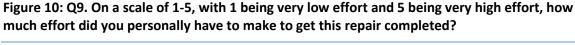


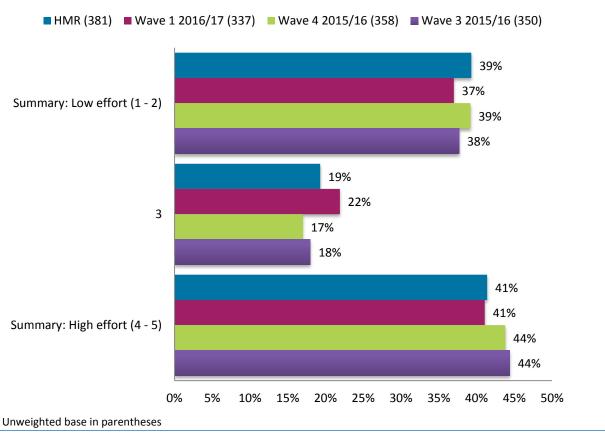
Figure 9: Q7. Why are you dissatisfied with the repairs and maintenance service?

Unweighted base = 178

6.1.2 Customer effort of getting a repair completed

All respondents who indicated that they reported a repair to BHP in the last 6 months were asked to indicate how much effort they personally had to make to get the repair completed. As shown overleaf, a large proportion of residents (41%) who reported a repair in the last 6 months indicate that they had to personally make a high amount of effort to get the repair completed, this is similar to previous findings. Please note this question was added to the customer satisfaction survey in wave 3 2015/16.





Those respondents who stated it took a high amount of effort were then asked to explain why. The majority of responses relate to frustration in having to contact BHP multiple times to get the repair fixed:

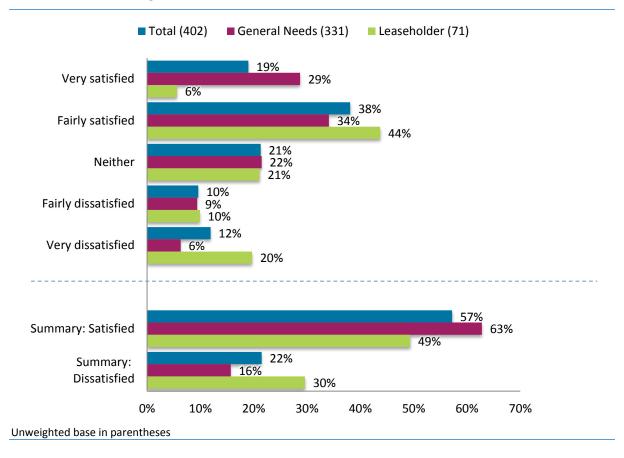
"I called them three or four times; each time I called, someone had to come out. The whole process took about six weeks, when it shouldn't have taken that long. I was living with mice; they should have got to the heart of the problem straight away."

"I have to keep phoning them up again and again, but nothing has been done about it. They keep saying every week either there is no contractor or the door is being ordered and has not arrived."

6.1.3 Communal repairs

Respondents who live on an estate were asked how satisfied or dissatisfied they are that communal repairs to the block / estate are being carried out. Approaching six in ten estate residents are satisfied that block / estate repairs are being carried out (27%), whilst one in five indicate some degree of dissatisfaction. General needs tenants are significantly more satisfied and significantly less dissatisfied than leaseholders.

Figure 11: Q19. How satisfied or dissatisfied are you that repairs in the communal areas of your block / estate are being carried out?



6.1.3.1 Trend analysis

As illustrated overleaf, there have been significant decreases in the level of satisfaction indicated by residents when compared to the level of satisfaction indicated in wave 1 2016/17, although it should be noted the levels of satisfaction indicated in this wave are in line with those indicated in wave 1 & 2 2015/16.

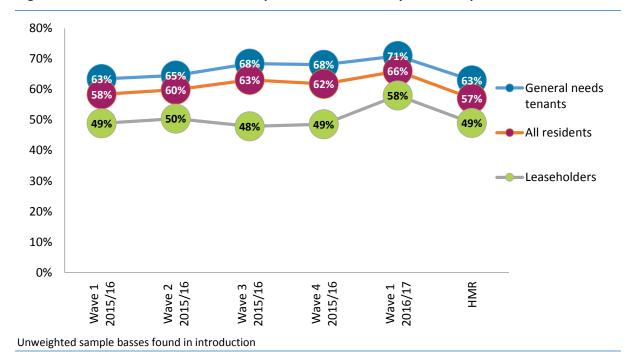


Figure 12: Satisfaction that communal repairs are carried out by fieldwork period

6.1.4 Improvements stated in the quantitative opinion survey

All respondents who stated the repairs and maintenance service as a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. As found previously, the majority of responses relate to an improvement in communication in terms of the ease of reporting a repair and keeping residents informed on the progress of a repair:

"We should not have to go through the long-winded procedure. When someone does come, I don't hear from them and then chase them for a long time. When I finally contact them, they say that nothing can be done about the repair. They sent out four different people, all saying they were the main people; however, when chasing them up, I realise they are not. They should be more organised and get one person to sort out everything I order, for them to keep up-to-date with what is occurring."

"When I called them, they came out and checked, then I had no reply - nothing - not even a phone call or letter. When I called back, they told me that it was really bad and that I need to fix it myself. They should have told me that during the first visit, instead of waiting for me to contact them again."

Some respondents also mention an improvement to the quality of the repair work:

"Get the job done. Some of the jobs are not finished yet; they have the products but not the right people to do the job. When they do get people, they are cheap and do a rubbish job, which results in them completing the job again."

"I feel they're using cheap labour and the job is not being done properly. I feel they don't know how to do their job. It has to stop; they should hire professionals. These are not professional, because if they were, my job would have been done by now; I'm having to make all the calls, as no one else gets back to me."

6.2 Qualitative activity

For those participants who had a repair in the last 12 months, most feel that it is relatively easy to report the repair, however, the subsequent action taken and being kept informed is in some cases less than satisfactory. A few residents emphasised the inconvenience of being given such a broad timeframe in which the repair will be carried out, meaning they have to stay at home for most of the day.

"Some people who work for them have this mentality that people who have social housing don't work. They will say, 'We'll give you an appointment between 8:00 and 12:00.' Do I tell my boss I'll be in after that time? I lose half a day. They need to give you allotted times. Even if it's a two hour slot but 8:00 to 12:00, it's crazy. Nobody turns up at 8:00, it's bordering 12:00 and then they turn up." Resident living on an estate

Residents reported mixed experiences on the length of time it takes for a repair to be completed, from within 24 hours to around 6 months, and others explaining they are still waiting for their issue to be resolved.

"If the disabled shower breaks down you have to wait two weeks to get it repaired. Then the person they send can't repair it." Resident from disability forum

"For me they came and measured the kitchen and bathroom. They said they would do double-glazing for the windows. They said it would take three months. They took one day to do the kitchen and one day to the bathroom." Resident from disability forum

A few residents stressed their dissatisfaction with the quality of the work carried out. One resident explained that when their washing machine is on water fills their sink. BHP came to fix it and claimed the problem had been solved, however, water continues to fill the sink whenever they use the washing machine.

"They are doing the repairs but they don't do them properly. We have to call them back. So, they need to do proper work." Resident not living on an estate

Following this some participants suggest that when they report a repair which takes a long time to complete they are then not kept informed about the progress of the repairs from BHP.

"The man came and did my toilet; let me know I need another plumber and then a chippy to do the boxing, housing part. I haven't heard a damn thing". Resident living on estate

"I had a plumber who said the drain pipe was old. I got a new washing machine, and a new pipe but the drain was still blocked. It's communal, it's conduit pipes where we live. I called them up and nobody comes because the pipe runs from a box but they have to rip out the whole kitchen in order to do the job. The thing is they don't want to do the job. They'll just come with a plunger." Resident living on estate

Two of younger residents interviewed were particularly dissatisfied with the repairs and maintenance service provided by BHP, particularly the length of time it has taken for a member of BHP to contact them and their repair still being unresolved. One of them provided an example a flooding incident they contacted BHP about and express they are frustrated that nothing has been done about it.

"I logged in a number of repairs, had people come in to my house and do inspections but nothing has been done. I had a flood about 2 months ago, they were supposed to paint the cupboards in the bathroom, no-one has come back to do anything about this. They have taken pictures but done nothing. I have panels and cupboards in the bathroom, it started from the roof and the damp has travelled all the way down, it's disgusting. I don't understand why they are taken so long, they patched it up temporarily, turned my electrics off for a while and then turned it back on. That is it." Younger resident

When residents were asked how well the workers communicated with them (including their attitude), there were some differences in response.

"They don't speak English, darling. They don't speak English. Their boss does, but he is also from abroad. They are very nice. They are very good." Resident from disability forum

"The work men when they come in, they leave the workplace filthy." Resident living on an estate

"They are polite." Resident from disability forum

One of the vulnerable resident however, mentioned that communication surrounding the repairs service has improved recently with it now being easier to report a repair.

"If you call them there is now not a long queue, if you want a repair or something like that it's now a different number there's no queue before when there was one number the queue was very long, before it was harder now it's easier." Vulnerable resident

Discussions around maintenance improvements carried out on properties finds residents have mixed views dependent on the type of maintenance improvement works carried out. In particular, residents who recently received new doors indicate frustration at the consultation received; having been given the opportunity to choose the colour of the door all residents received the same white door.

Residents mention a number of ways in which BHP could improve the repairs and maintenance service provided to them. Some suggest BHP need to remove their contractors or stop changing them so frequently. There is the perception that BHP try to source the cheapest contractors to get the repairs done which impacts on the quality of work carried out.

One participant outlines the individuals come to carry out their repairs but do not complete the job as arrive without the appropriate tools. Therefore it is suggested that BHP ensures all contractors who are sent to carry our repairs and maintenance work ensure they carry the right tools as this reduces frustration and the amount of time to complete the job.

"There's one more thing I'd like to say. When they know what the job is, why do they come and look again? Then they go out, get the materials for two hours and leave you waiting. If somebody is coming in the morning following someone being out, why don't they have all the equipment? You should have it before you come. It's stupid, it's ridiculous." Resident living on an estate

Another resident mentioned the quality of the types of individuals that are sent out to carry out repairs needs to be improved. They make specific reference to an electrician that came out to inspect their property and felt they were not thorough enough when making the relevant checks.

"I think you need to look at the electricians that come out to inspect the properties, because when I received the letter and the electrician came, for me he wasn't thorough enough. The only space I have is the cupboard under the stairs, where I store everything, and he didn't even have access to it. When the gas engineer came he asked me to empty everything before, so he could go into the cupboard, but the electrician didn't, and everything's there. He was very quick and I wasn't impressed. Literally a ticked box. When the gas engineer came he went into the cupboard and he checked." Resident not living on an estate

Further to this a younger resident provides an example of a maintenance individual who had come to make a repair not being able to carry out the task. They explain they faced difficulty bringing equipment to their floor therefore had to seek support from a friend.

"The guy was a bit too old, he could not bring the equipment up the stairs, I had to get my friend to come and help him do the work. He then put the hose in my sink and flooded my home all over again." Younger resident

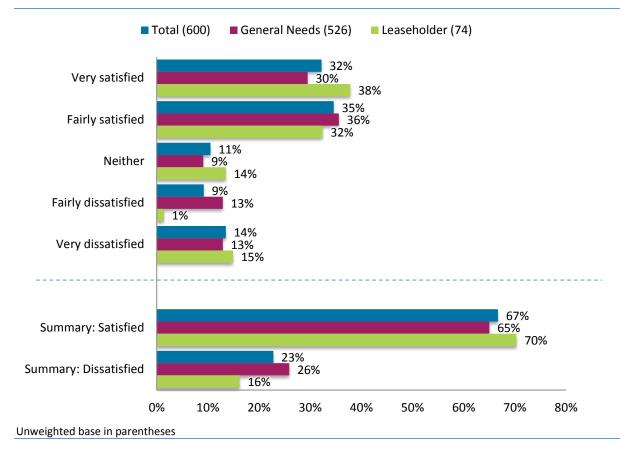
In terms of improvements, most participants suggest that they are kept better informed about the process of their repairs e.g. if they are informed someone will be coming to make a repair in the morning, they are provided with some guidance on times. In addition to this, the quality of the repairs is a concern for some therefore it is suggested that BHP focus their attention on ensuring contractors or individuals that carry out the repair are able to communicate well with residents and provide a satisfactory level of support to residents.

7 Quality of home

7.1 Quantitative opinion survey

All respondents were asked, how satisfied or dissatisfied they are with the quality of their home. Two in three residents are satisfied with the overall quality of their home (67%), with three in ten very satisfied (32%). There is a slight indication that leaseholders are more satisfied with the quality of their home than general needs tenants, although this difference is not statistically significant (70% cf. 65%).

Figure 13: Q2. How satisfied or dissatisfied are you with the overall quality of your home?



7.1.1 Trend analysis

As illustrated overleaf, when comparing the results for general needs tenants with previous findings, satisfaction has dropped significantly compared to wave 1 2016/17 (72% cf. 65%), although has returned to the level of satisfaction indicated for the quality of home in waves 1-3 2015/16. The only significant increase found for leaseholders is between the satisfaction indicated in wave 1 & 2 2015/16 (58% cf. 70%).

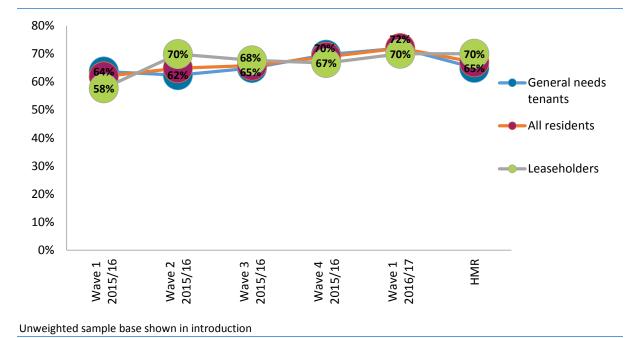


Figure 14: Satisfaction with the quality of home by fieldwork period

7.1.2 Improvements stated in the quantitative opinion survey

All respondents who stated the quality of their home as a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. As would be expected, responses to this question varied considerable, some mentioned numerous repairs that needed to be fixed within their homes whilst other mentions issues relating to damp or an improvement needed to either their kitchen or bathroom:

"I have been living in this house for ten years. The floorboards are coming up, the walls have damp and my curtains are just dangling on a metal piece of wire. I have been waiting since April for my walls to be plastered. Work has been incomplete, which was supposed to be completed, last week and I have really bad damp. I want them to come and do their job, so I feel like I'm living properly. I pay my rent, I feel really stressed and water comes in when it's raining and I'm scared when it rains. I am having to phone up constantly."

7.2 Qualitative activity

As found in the quantitative survey, most participants who took part in the focus groups and the telephone interviews are generally satisfied with the quality of their home. However, some residents made suggestions on ways to further improve not only the quality of their home but also the surrounding areas.

"They just finished painting and changing the roof, when you step outside it's just disgusting, but once you're inside I love my home, I wouldn't change it for the world." Resident not living on estate

Some participants in the elderly group suggested due to mobility issues their homes needed vital adaptations such as walk-in showers and hand rails on their stairs. Participants in this group were unsure if BHP provided these, or how these could be obtained.

"I did phone up once to ask them to put a walk-in shower in my bathroom. That was over a year ago" Retired resident

One participant not living on an estate suggests a grant or some form of allowance should be provided to repair damaged items in their home.

"I'd like a grant. My cupboard in my bedroom is falling apart. The shelves are falling apart." Resident not living on an estate

Another participant outlines the quality of their home is maintained by themselves as they receive very little support from BHP.

"At the end of the day, we maintain our properties. They haven't paid for anything. They only think the Council pays for it. The quality of my home is maintained by myself. They don't buy anything for me, I maintain it." Resident living on an estate

One vulnerable resident cited that her home had become very dusty giving her asthma problems whilst also stating that she had vermin issues, where a rat had bitten her causing her to have a rash which had led to some frustration.

"I have a lot of illness it's a dusty place and troubles my asthma, I'm getting upset and frustrated, the rats have given me a disease on my hand, its bit me, I've got rat poison in my blood." Vulnerable resident

The key finding around the quality of residents' home is that generally, most participants are satisfied however the main concerns are around the quality of repairs and maintenance that are carried out which impact the appearance and condition of their home.

8 Keeping residents informed

8.1 Improvements stated in the quantitative opinion survey

All respondents who stated keeping residents informed as a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. The majority of comments provided by respondents related to an improvement to the frequency in which information was relayed to residents either via newsletters or email:

"More information should be provided to tenants through letters and newsletters, to keep us up-to-date with current events, instead of sending yearly magazines which aren't up-to-date."

"Have regular mail-outs; email soft copies to residents, as paperwork can take longer and could get lost in the post."

"I would like to receive newsletters and posters. Some other Councils have an Internet community, so they should have that."

8.2 Qualitative activity

Most participants suggest BHP do not keep residents informed and receive very little communication about what is going on in their area. Many outline the level of communication has deteriorated over the years and BHP has reduced the different forms of communications that were previously provided.

"It's the lack of communication. That's the first thing. It's gone from really bad, to getting slightly better, to going downhill. You send an email or text, or write a letter and they don't follow through. From 1 April they've had to do a wall in my house. No one knew the wall had asbestos. Three operatives turned up and no one would touch it because no one's got the email saying we were safe. Communication is nonsense. Up to today the wall still isn't fixed. I've got the email saying its okay, still no communication as to when they're coming to fix it". Resident from disability forum

One participant highlights that they used to receive regular communication from their contact at BHP and were regularly informed about activities in their area, however, they currently feel they no longer have a point of reference at BHP therefore have little information at hand.

"Now the residents haven't got any point of reference to refer to because we don't know what's going on anymore." Resident not living on an estate

Some participants mention housing talk back which they have previously used to contact BHP. This service is provided for tenants and leaseholders to come together and share their views on improving the services available to them. One participant states their dissatisfaction with this

service and explains they do not attend these meetings as they do not feel improvements are being made by BHP.

"I don't go to that and the reason I don't go is at this moment in time they don't give a service. If things change, they listen to the tenants and make changes, then I would like to be actively involved. I'm not being involved with a ship that's going down. We are the tenants. It has to get better because they're serving us. As much as it's been pretty negative towards BHP, okay? I'd like to say here that I want some improvements. That's the only reason why I've taken the time out of my day, because I'm on leave. I've come to make sure you're told that it's about improvements now. We want it to be better because we deserve better. Our rent goes up every single year. Our Council tax is going up, that's all to do with the services." Resident living on an estate

"The last thing that was happening was a talkback. When they used to have a talkback they used to have all the different departments first, from 6:30 to 7:00, then you would have repairs, rent arrears, they've got everything there. You could go and see the person you wanted to see and report it. That's gone." Resident from disability forum

One vulnerable resident did however state they receive a monthly booklet and text updates about community forums, and were pleased with the information provided.

"They send a booklet every month so I guess everyone gets that booklet and I do get texts and about forums and stuff so I do get texts and magazines. For communications they are okay" Vulnerable resident

Residents were asked what channels of communication their landlord uses with them to keep them informed. Although participants suggest they receive little communication, the information they do receive is provided mainly by email or telephone. Many also mention receiving a newsletter however the perception is that this is not effective as it is not sent frequently enough and the information provided is too general.

"It doesn't inform you of any activities. People like us need to get out now and again. If we know of activities going on not too far from where we are, then we would be happy to participate." Retired resident

One resident states a housing officer comes to visit them on a weekly basis where they are able to share and inform them of any issues but this was not apparent amongst other residents across the focus groups. However the majority of participants indicated frustration that they had never received communications from their housing officer.

There is also the perception that the only time individuals are provided with information is when there are works taking place in the area. Some resident explain this is provided in the newsletter/ magazine however as mentioned, many recall they have not received this recently. Some suggest they are aware they can find this information online but not all residents have access to a computer or the internet.

"The only time they kept us all informed was when they were doing all the work on the A406. When the polling station is coming they ask you to keep your cars out the way. They don't normally tell you about this or that going on." Resident living on an estate

"The magazine used to come out every month. One day I thought, hold on, I haven't seen that magazine for ages." Resident living on an estate

Residents were asked what their landlord could do to better inform them about their services and decisions or any suggestions for improvements to involve residents. Most residents agree that BHP should consider providing a newsletter more frequently e.g. once a month to update them on activities or things taking place in their area.

"At the moment we don't get anything. If we get something, whether it be once a month or once in so many months, make sure that it is there. Right now, we have nothing. The magazine will come sometimes. You can't expect it any particular time or any set time, but it comes now and then or whenever it comes, but it doesn't have any information in it." Retired resident

"There is no information about what they are doing. There is nothing about tenants, photographs of all the ones that are working in the office. There is no information at all. The pages are much less than there used to be. There are about four pages in the magazine." Retired resident

Participants in the leaseholder group also suggested that there should be a frequent tailored leaseholder newsletter as the current newsletter seems irrelevant to them.

Other residents advise having more contact with their housing officer, most have not heard from or been introduced to their housing officer since moving in to their property and this is perceived as an effective approach to convey any issues or concerns they wish to raise with BHP.

"I'd like some contact maybe with a housing officer. A phone call. 'Good morning, [respondent name]. Is everything okay?' If they've got 60 tenants they could do 10 a week. They don't check on their residents." Resident living on an estate

"The occasional phone call would be good as sometimes all you feel is that the only communication you have is with your rent so you have no human interaction. Until I had this situation I didn't have any interaction, I didn't know I had a housing officer. It would be nice to get a letter to say your housing officer is xxxx this is what they do because I don't know what they do. No one in my block knew that we had a housing officer for the block. We don't know what they're there for we don't the roles or who is doing what. Even in my situation with domestic violence I didn't know they had antisocial behaviour officers who I could have gone to for help and advice and support things like that it would be nice to be made aware of all the things they do or can do". Vulnerable resident

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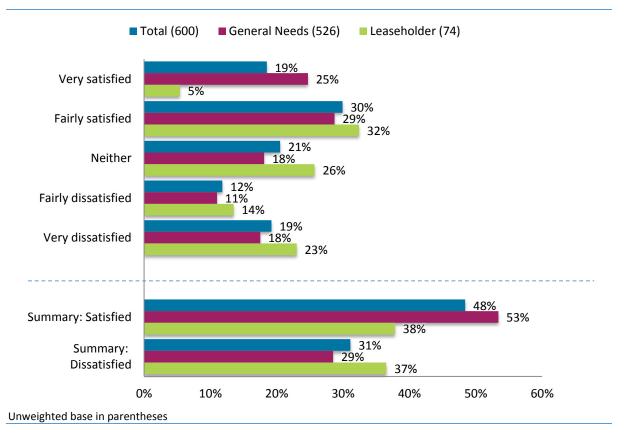
9 Involving residents and acting upon their views

9.1 Quantitative opinion survey

9.1.1 Listening to views and acting upon them

Less than half of residents are satisfied that BHP listen to their views and act upon them (48%), whilst three in ten (31%) indicate some degree of dissatisfaction. General needs tenants are significantly more satisfied that BHP listen to views and act upon them (53% cf. 38%), although it should be noted there are no significant differences in the level of dissatisfaction indicated by residents.

Figure 15: Q11. How satisfied or dissatisfied are you that Brent Housing Partnership listens to your views and acts upon them?



9.1.1.1 Trend analysis

As illustrated overleaf, the findings from the housing management review are in line with the previous waves of the customer satisfaction survey with no significant differences found in the level of satisfaction indicated, although it should be noted that there is indication that leaseholder satisfaction is improving since 2015/16 for this measure.

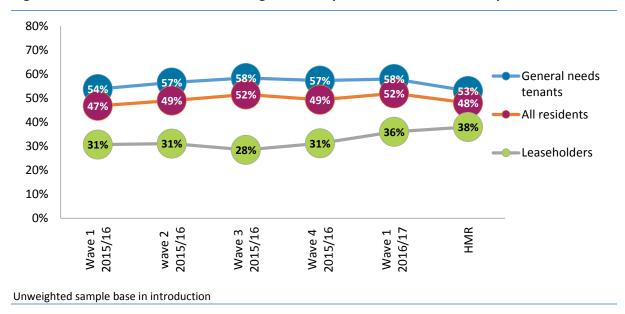
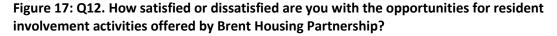
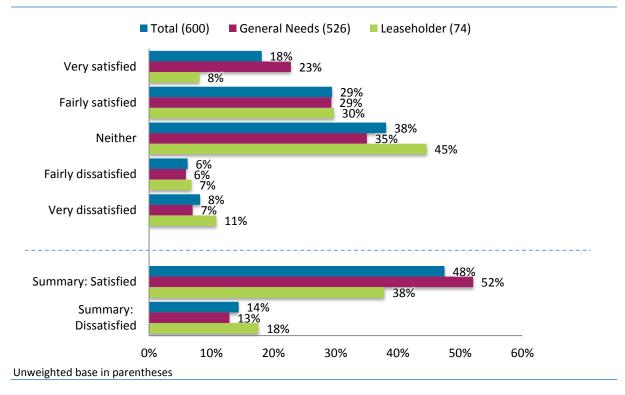


Figure 16: Satisfaction that Brent Housing Partnership listens to views and act upon them

9.1.2 Resident involvement

Similar to the previous finding, less than half of residents are satisfied with the opportunities for resident involvement activities offered by BHP (48%), whilst one in seven (14%) indicate some degree of dissatisfaction. For this measure there is a higher than average proportion of residents who state they are neither satisfied nor dissatisfied (38%), suggesting that these residents are unaware of what activities exist for resident involvement.





HMR

Wave 1 2016/17

9.1.2.1 Trend analysis

10%

0%

Wave 1 2015/16

Wave 2 2015/16

The proportion of general needs tenants satisfied with the opportunities for resident involvement activities offered by BHP has dropped significantly compared to the level of satisfaction indicated in wave 2 & 4 2015/16 (52% cf. 59% & 60%), although it should be noted the level of dissatisfaction has remained similar (13% cf. 12% & 11%).

80% 70% 60% 60% General needs tenants 53% 50% 51% All residents 43% 42% 40% 40% 38% 38% 30% Leaseholders 20%

Figure 18: Satisfaction with the opportunities for resident involvement activities offered by Brent Housing Partnership

Unweighted sample base in introduction Improvements stated in the quantitative opinion survey

Wave 3 2015/16

All respondents who stated involving residents and acting upon their views as a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. Comments from respondents varied with some suggesting there needs to either be more frequent residents meetings or more information about when the meetings take place, whilst other respondents suggested that they should have more interaction with their housing officer:

Wave 4 2015/16

"Have more meetings; put in newsletters about meetings. Have community involvement."

"We never see any officers; if and when we do, and we want to talk to them, they ignore us. It would be nice to get a knock on the door to introduce themselves."

"The housing officer should come around to the residents houses and ask for their opinion."

A handful of respondents also suggested that when BHP consulted residents their views were never taken into consideration inferring that decisions were already made prior to any consultation: "They have a history of consultations that have already been decided. They should actually be more active by speaking to people and finding out their views before making decisions."

"I don't bother attending meetings since its a waste of time since they don't listen and once they've made their mind they're doing that, our opinions are not taken into consideration."

9.2 Qualitative activity

As found in the quantitative surveys, most participants who took part in the focus groups suggest they generally do not feel involved and listened to as residents.

Leaseholders suggest that BHP listens to them but take no action on resolving any issues or problems that arise in their area.

"They listen to you, but no action taken. Little action in most things. They're very good with listening to you, because everything is logged in. When you call, phone calls are logged. They are recording you. They're very polite to you, very, kind of, professional. They actually don't know what the result for us as leaseholders, when you make an issue of something, or you report something." Leaseholder

Similar to leaseholders, a few residents suggest they are listened to by BHP however their views and feedback is not acted on. One retired resident provides an example of contacting BHP about damp in their home which is yet to be resolved.

"There was an issue in my bathroom many months ago. They took the details about what needs to be done. It is still damp. That needs to be done as soon as possible."

Retired resident

Further to this, residents were asked how involved they are with decisions made regarding their home. There were mixed views around this with some suggesting they are involved but many feel unless they make direct contact with BHP themselves they are not involved in any decisions.

"I am not involved in any decisions. I think it is only if we want something done. Other than that, you are not involved." Retired resident

Residents are in agreement that being involved in decisions regarding their home is important to them and they have made attempts to do so by signing up to campaigns and showing interest in being involved in meetings. The concern here is that have demonstrated willingness to be involved, there is lack of communication and information received from BHP.

"I filled in a form about a residents' campaign a few months ago but got no response back. I said I would like to be involved in an association, but I haven't had anything yet from them." Retired resident One tenant living on an estate made reference to a residents association which they were previously involved in. When sharing this information with other participants, it was clear there was lack of awareness or knowledge of this service being available by BHP.

"I used to be the chair for our housing resident's association. Time moved on, other people took the chair and so forth. Four, five months ago there was an election. New chair, etc. I've heard nothing from the residents association. BHP control it. I've emailed BHP to say, 'Can you let me know what's happening with regards to the residents association? When are the meetings?' I'd like to put some stuff on the agenda sometimes. I've heard nothing. They said they'll make contact with them and be in touch, that was about two months ago." Resident living on an estate

Further to this, a member of the disability forum outlines they were involved in a committee where they carried out inspections for BHP. There was also the mention of having block champions where residents could report any issues or areas of improvement they wished to feed back.

"We used to have a committee where we did inspections for BHP. We would walk about and report back to them things that needed doing. All that is gone. We used to have a block champion. If you live in a block of flats you would report to BHP all the things that needed doing there. My block champion was using her phone to report things, they promised to give her a phone and they didn't, so she stopped. We have over 20 awards since BHP started. We had a whole big cabinet of awards. Since Don Brenner came, we haven't had one." Resident from disability forum

Some residents state they were previously involved in forums which were made up of a number of tenants. These forums gave tenants the opportunity to have direct involvement with BHP but are no longer available. One resident in particular raised the question as to whether this is something that would be useful for tenants to be involved in with some showing they would be interested.

"They used to have forums which were made up of tenants, and those forums disappeared, why I don't know, but that gave the opportunity for direct involvement, to look at issues. So, the fact that they don't exist, is that something that doesn't worry you or is it something you think would be useful?" Resident not living on an estate

By contrast however, one vulnerable resident stated that they receive text messages and information about forums however due to time constraints do not attend them.

"They are always sending me stuff to say they have this group and they have a meeting and residents groups, I'm very busy and my time is taken up it's something I would be interested in, I know the opportunity is there I just haven't taken it up,. I don't know what happens at these forums but they do make us fully aware of all these forums / meetings." Vulnerable resident

Following these discussions it is clear that BHP had a range of services available for residents to be involved in however are no longer available thus participants feel they have no involvement

in BHP's decision making process. Residents were asked how they would like to be more involved with decisions made regarding their home or area. A number of suggestions have been made which can be summarised as:

- Being part of a community or resident group
- Having regular meetings which are easily accessible for residents
- Being a member of or having some involvement in the BHP board
- Bringing back community forums

Some residents suggest forming a community group where individuals attend and share information on areas they feel need improving in the area. Currently residents feel their voice is not being heard by BHP therefore it is felt if residents come together and share this information, they could collectively act on resolving any issues residents have.

"I think its resident power. So, resident groups which could then vote to say we don't want our parking like that, or we want our collection like that. So, there needs to maybe be a push to have those resident groups, then you've got a voice and you can get things changed." Resident not living on an estate

"Basically they need the voice of the residents. You know, without our voices they can't do anything. They're just doing what they think should be done. Our voice is the voice which is going to make them go forward, otherwise they won't be able to go forward." Resident living on an estate

"In the magazine they've got this scheme where they've got a board, and leaseholders can go on the board. That touches on a very small number of people. What I'd like, where I am, I'd like a small tenant association. It's a real palaver, and it's difficult to do. Why don't they facilitate that? I can't get one off the ground." Leaseholder

There is a perception that the majority of meetings that individuals are invited to take place at the Civic Centre. This location is not perceived to be easily accessible by all therefore it has been suggested meetings chaired by BHP take place in locations with easy transport links or hold meetings at different venues so a wider range of residents are more willing and able to attend.

Some residents show an interest in having some involvement with the BHP board. The purpose of this is to gain knowledge from them directly about what plans are in place for their area and feed this back to the community. Some leaseholders also mention someone from BHP or the Council chairing regular meetings to facilitate better community engagement.

"I would like to be involved in the BHP board. I'd like to know what's going on. It's not just about them sitting in their nice little boardrooms. They have to do that to conduct business but you need tenants." Resident living on an estate

"You've got to get a certain number of people in the block engaged to do it. The issue is, lots of the flats are bought by leaseholders, and lots of the leaseholders rent them out. You don't have community engagement, because you've got this turnover of

people. I think that's a red herring, they should just remove that. It would be useful if you had someone from BHP or the Council who chaired the meeting once every two months, how often it is, facilitated it, and removed the barriers to it happening." Leaseholder

Finally, one resident demonstrates the need of introducing forums to encourage residents to be involved in what happens in their community.

"I think the introduction of more forums and the encouragement of residents to be involved, and resident associations, they champion other people to put forward, like you're working and you can't go, then your tenant representative will attend that forum, that kind of communication going on. I think that needs to be encouraged from the Council but also from the tenants themselves." Resident not living on an estate

10 Customer service

10.1 Improvements stated in the quantitative opinion survey

All respondents who stated the level of customer service should be a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. Most comments related to an improvement in the time it takes to get either get their phone calls answer, get through to correct person to speak to, or to have a query answered. A handful of respondents also suggested there needs to be an improvement on how polite or helpful operatives are, although these comments were limited in numbers.

"The customer service in Brent is appalling. When you have a problem it takes a lot of time for it to be resolved. There is no communication."

"They should answer phones quicker when residents are reporting something and pass them onto the correct department."

"Listen to customers complain and log it in the system. The waiting time is too long to speak to a staff member."

"Phone staff do not put you to the correct service. Sometimes the people on the phone are rude."

10.2 Qualitative activity

Residents were asked to rate the level of customer service provided to them by their landlord. Overall, there are mixed views across the groups with some suggesting the customer service is good however most individuals state the service is average or poor.

Those who mention the customer service provided by BHP is good are particularly positive about experiences they have had with BHP staff and efficiency of dealing with their queries. One resident suggests the customer service received from BHP is a lot more positive compared with their previous landlord and describes BHP as caring and approachable.

"I think compared to where I was, it was chalk and cheese, and I can't fault them, not coming from where I came from, to then have BHP as my landlord. They're very caring, approachable; you can get involved, they take onboard your opinion. That's what makes a good neighbourhood, you know? To have that kind of involvement. It's a two-way street." Resident not living on an estate

One vulnerable resident also cited a situation where a member of BHP staff had been exceptionally helpful in the support that they were providing.

"I did have some positives with staff. The lady who dealt with me she put me in a bed and breakfast, I was a bit concerned and she said she'd keep her phone on till 8pm which was above and beyond she kept it on and I had some concerns so I text her and she said she'll leave her phone on all night if I have any problems ring and first thing in the morning at 7 she text me" Vulnerable resident

Some residents are slightly more ambivalent in their perceptions of the customer service they receive and rate it as average. These are typically those who have experienced both good and poor service from BHP in the past.

"For electrical, they're pretty good, because they're very hot on that. If you report a light bulb that needs replacing, they are pretty quick on that, because that's quite serious, classified as an emergency or urgent. If you report a fence that's broken, that might take days, and then you have to follow it up again and again. Drains for example, I think they don't want to know. They listen to you, they make note of it, there's a blockage, but then it gets lost in the system. Nobody will ring you, nobody will inform you, and so you're left in the dark". Leaseholder

Another resident who describes BHP's customer service as average states that when they have a bad experience it has a further negative effect on them as they are spending time and money chasing contacts at BHP.

"I had one person when I had damp in my house and I reported it. He set it up and he pursued it. Others didn't. Not only they didn't, but they did something which was not necessary to be done. I wanted the damp to be dealt with. They sent somebody to paint over the damp. I had to go back to the person I had started off with and he was surprised at what had happened. I told him I wanted the damp dealt with. It took a good three months to get the damp done. When it was done, it was done well but it took a long time. Either they have too much work or they are just damn lazy. The person who registers your call has to pass that call onto somebody else to do whatever is needed to be done. The people they pass it on to are not always competent or able to get on with the job. You may have to keep ringing up. You don't have money to be holding on for long time on telephone calls." Retired resident

Those who rate BHP's customer service as poor generally refer to the amount of time they spend trying to get through to someone on the phone and chasing individuals to follow up on their queries, mainly around repairs and maintenance or issues with the cleaning services. Most participants suggest they contact the BHP customer service line to report repairs therefore expect this to be resolved efficiently.

"When you deal with customer services, you expect to get a reference number, you expect the work will be done at a certain time, if not, they'll get back to you. That loop, it just doesn't seem to occur. We're doing the chasing." Leaseholder

"It can take 45 minutes just to get through to a department. Any department. You just have to wait." Resident living on an estate

"Sometimes when you're trying to express yourself they're not even listening, or the pass you onto the next number." Resident living on an estate

"Every time I phone, I have to phone up, go through different options, and there's nobody on the line, or a person who I can't speak to, or they get back to you." Leaseholder

One participant provided an example of poor customer service when receiving a letter from BHP and being unable to get through to the named contact which led to their query not being resolved.

"When I got a letter, there was a name of the person at the bottom. When we rang them, I said, 'I want to speak to this person.' 'Oh, she is not in, I'll pass the message. She'll ring you.' She never rang us. Never." Leaseholder

Two younger residents are more negative in their rating towards BHP suggesting they are dissatisfied with the level of customer service provided. Both relate this to the lack of communication they receive from BHP. One younger resident in particular, who moved into their home 4 months ago expresses they have had no contact with their housing officer and makes it apparent they took part in this consultation to convey the lack of communication they have received thus far.

"I want it to be known that I have never met my housing officer, she has emailed me once but that is it. It's not a bad service but then it's not a good service, it's nonexistent. The only people I have regular contact with is the gas providers to do the checks." Younger resident

Nobody has actually made an effort to get back to me on things that need addressing. I have not had any follow up on that. I contacted BHP to see if I could use the communal area for my son's birthday, I messaged BHP through their online forum, I emailed the housing officer, I tried to phone her but the number didn't work. I didn't hear anything from them about that. Younger resident

In terms of improving services in the future residents suggest BHP keeps a log of the calls that are incoming so they can be referred back to when/if they call back to avoid further delays or having to further explain the reason for the call.

"I think the most important thing is that they need to log everything by each tenant, and know which person actually has spoken to this tenant and know everything what's going on in the progress. When you call up the next time they'll speak to somebody else and say they can't see anything on the notes." Resident living on an estate

"You need to turn around and tell them that it's stated before you speak to anybody that every conversation is logged. They should go back and listen to that. If I have to phone them it's because it's an emergency. I do everything by email. That way I have a running record of everything." Resident living on an estate

It is also recommended that BHP assigns one point of contact to each query that is raised by residents to avoid being put through to several different contacts. One resident highlights that

there is a need for BHP to ensure their staff are fully trained as they are under the impression that some staff they have spoken to come across as being less knowledgeable about how to deal with their queries.

"The staff are very friendly, they're really approachable, but I think some of them need some training. I don't know if some have been there for a long time, so they know what to say and do, but I can see that they are all approachable, but not all of them know what they're supposed to be doing." Resident not living on an estate

Residents were asked how they would prefer to contact services in the future. Most suggest telephone is the best way to contact BHP providing they are able to get through to a member of staff.

"I think phoning is easiest, as I feel I can explain things more clearly on the phone." Tenant living on estate

A few residents prefer to contact BHP by email as they feel having this form of communication enables them to keep a track record of the conversations they have with BHP.

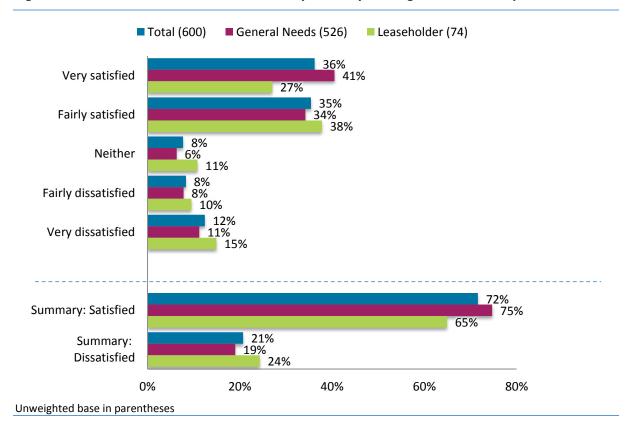
11 Estate services

11.1 Quantitative opinion survey

11.1.1 Neighbourhood as a place to live

Seven in ten residents (72%) are satisfied with their neighbourhood as a place to live. One in five indicate some degree of dissatisfaction (21%). General needs tenants are slightly more satisfied than leaseholders with their neighbourhood as a place to live (75% cf. 65%).

Figure 19: Q3. How satisfied or dissatisfied are you with your neighbourhood as a place to live?



11.1.2 Trend analysis

As illustrated overleaf, satisfaction indicated by general needs tenants is similar to all other previous waves of data collection apart from wave 4 2015/16 which may be seen as the outlier. Interestingly, over time, leaseholders appear to be becoming less pleased with their neighbourhood as a place to live compared to general needs tenants.

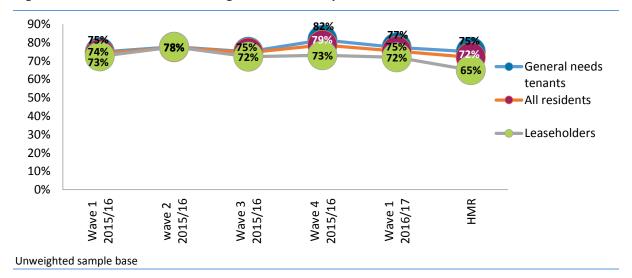
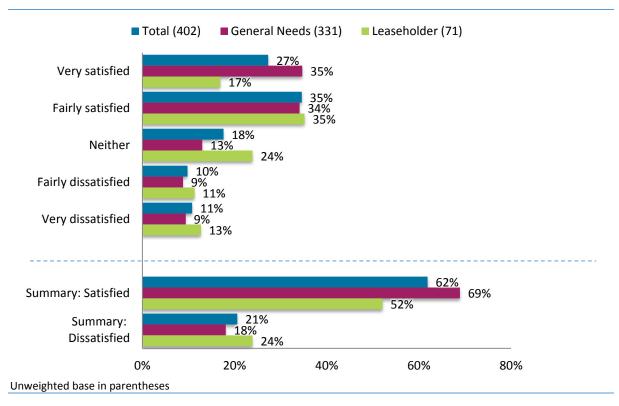


Figure 20: Satisfaction with the neighbourhood as a place to live

11.1.3 Grounds maintenance

Six in ten residents who live on an estate (62%) are satisfied with the grounds maintenance service. By contrast, two in ten indicate some degree of dissatisfaction (21%). General needs tenants are significantly more satisfied than leaseholders with the grounds maintenance service (69% cf. 52%), although the levels of dissatisfaction indicated by the two tenures are similar.

Figure 21: Q18. How satisfied or dissatisfied are you with the grounds maintenance, such as grass cutting, in your area?



11.1.4 Trend analysis

As illustrated below, compared to the previous findings there has been a significant decline in the level of satisfaction indicated by both general needs and leaseholders for the grounds maintenance service compared to the level indicated in wave 1 2016/17, although for general needs tenants it should also be noted that a similar decline was found between wave 4 2015/16 and wave 1 2016/17.

90% 75% 80% 77% 70% General needs 60% tenants 50% All residents 40% 30% Leaseholders 20% 10% 0% Wave 1 2015/16 Wave 3 2015/16 HMR Wave 2 2015/16 Wave 4 2015/16 Wave 1 2016/17 Unweighted sample base

Figure 22: Satisfaction with the grounds maintenance service

11.1.4.1 Improvements stated in the quantitative opinion survey

All respondents who stated the grounds maintenance service should be a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. The majority of comments provided related to an improvement to the frequency of when the grass is cut and the clearing up of grass after:

"They say they're going to come, but they don't come. When they do, they come late; they'll give me a time and they don't show up."

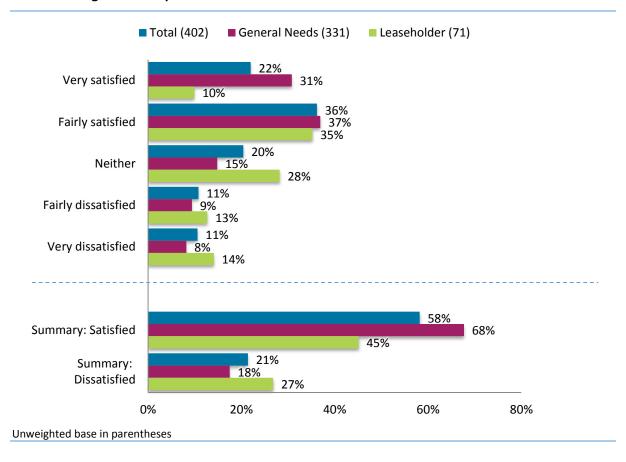
"They should pick all the grass up after cutting it, instead of leaving it on the ground."

"Grass cutting can be improved if they come more often; they don't seem to do a good job when they do come. Every time and each year, they are getting money for that; they are not providing us with good service. However, the last contractor was good."

11.1.5 Overall estate service provided

As illustrated below, just under six in ten residents who live on an estate indicate satisfaction with the overall estate service provided by BHP (58%), whilst two in ten are dissatisfied (21%). As found with the previous finding, general needs tenants are more likely than leaseholders to be satisfied with the overall estate services (68% compared to 45%).

Figure 23: Q20. How satisfied or dissatisfied are you with the overall estate services provided by Brent Housing Partnership?



11.1.5.1 Trend analysis

Compared to the previous findings there has been a significant decrease in the level of satisfaction indicated by general needs tenants compared to the level of satisfaction indicated in wave 4 2015/16. For leaseholders there is a similar indication in a decline in satisfaction although this is not significant.

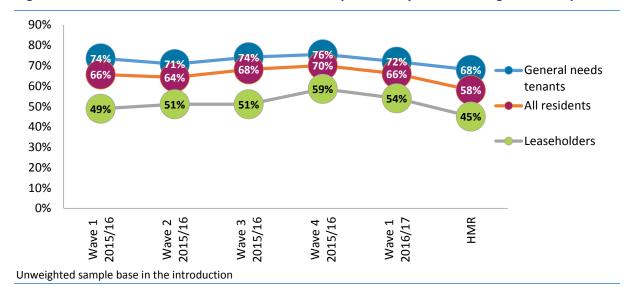


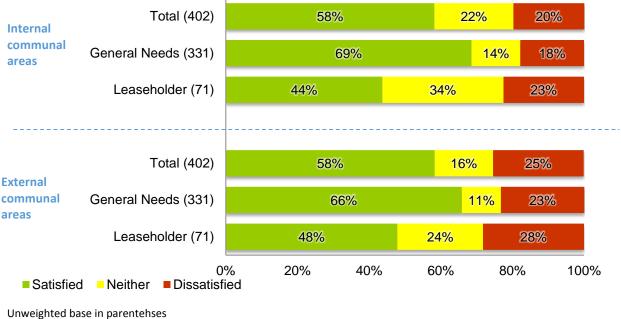
Figure 24: Satisfaction with the overall estate service provided by Brent Housing Partnership

11.1.6 Cleaning service

All residents who live on an estate were asked how satisfied or dissatisfied they are with the cleaning of internal and external areas. As shown below, approaching six in ten residents indicate satisfaction with the cleaning of internal and external communal areas. General needs tenants indicate higher levels of satisfaction than leaseholders, although this is mainly due to higher proportions of leaseholders stating they are neither satisfied nor dissatisfied.

Total (402) 22% 58% 20%

Figure 25: Q17. How satisfied or dissatisfied are you with the cleaning of the following



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11.1.6.1 Trend analysis internal cleaning service

When compared to previous findings, satisfaction indicated by general needs tenants for the internal cleaning service has remained similar, however for leaseholders there is an indication that satisfaction is declining over time.

90% 80% 70% 69% General needs 66% 63% 64% 62% tenants 60% 58% 50% All residents 49% 49% 44% 40% Leaseholders 30% 20% 10% 0% Wave 2 2015/16 2015/16 Wave 3 2015/16 Wave 4 2015/16 HMR Wave 1 Wave 1 2016/17

Figure 26: Satisfaction with the internal cleaning service

11.1.6.2 Trend analysis external cleaning service

Unweighted sample base in the introduction

Comparison against the previous findings shows satisfaction indicated by general needs tenants for the internal cleaning service has remained similar. Whilst for leaseholders there is an indication of satisfaction has decreased since wave 4 2015/16.

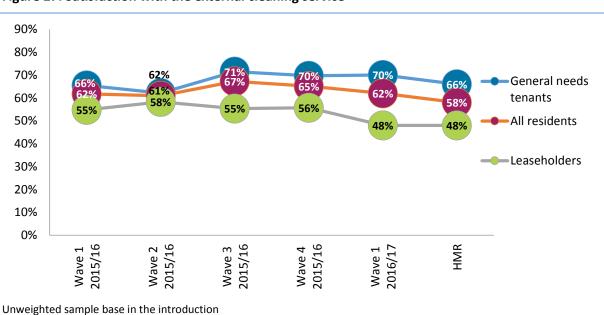


Figure 27: Satisfaction with the external cleaning service

11.1.6.3 Improvements stated in the quantitative opinion survey

All respondents who stated the cleaning service should be a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. As would be expected the majority of comments related to an improvement to either the quality or frequency of cleaning:

"It can be improved by the cleaner actually cleaning the stairs properly. He needs to wash the stairs and backyard properly. He needs to use detergent."

"Need to work out exactly what needs to be done and have a proper schedule and make sure it is regular and maintained regularly."

"They could have products to clean and disinfect. They could clean the light switches and use hot water to wash the floor, rather than a dirty mop and cold water. They could sweep and clean the communal windows and doors."

A handful of residents also suggested that there needs to be further checks put in place to ensure the cleaning happens.

"This should be improved by a lot more stop-checks; cleaning needs to be done from top to bottom more regularly."

11.2 Qualitative activity

When comparing with the quantitative findings, residents and leaseholders who took part in the focus groups are more negative in their views regarding the cleaning of communal areas and ground maintenance.

Turning to communal areas in particular, most participants are dissatisfied with the cleaning service provided and suggest this does not meet their needs. Residents provide examples of a range of issues including drainage problems outside their blocks, cleaners failing to clean to a satisfactory level, overflowing dustbins and concerns with the conditions of stairways and lifts. Examples of each have been provided below:

Drainage problems: "The drains and the cleaning service is not a unified service. Some places it happens. Some it doesn't. I think it would be good to have a unified service for checking the drains, after a certain time, whether once a month or whenever, because that way, you know, everybody will get a service. Where I live, it's not a block of flats. It's not an estate. t is just a small street. Sometimes you can smell the drains coming through your bathroom window. I have to pour stuff down the bath to clear it." Retired resident

Frustration with the limited or lack of cleaning service: "We have no cleaners, nothing. We've requested for cleaning, and gardening. Brent Council sent letters to six people. They said, 'It's less than 50%,' so they cannot do it. Six flats, five leaseholders, one Council tenant. Three leaseholders, they're renting the place, so the place is like shit. Nobody cares for cleaning. There's a cat doing her job everywhere. When you go

to the main entrance for the main door, it's stinking. The people who come all the time, they leave rubbish there. Nobody comes and cleans it." Leaseholders

Overflowing dustbins: A lot of the residents where I live, the overflowing dustbins, the dirt in the corridor doesn't bother them. They don't think twice about it. This is my home, I don't see it as a block of Council flats. I see that as a place where I live. It's my home. I want it spotless. I want to be able to invite my family to come over. Resident from disability forum

Concerns with the conditions of stairways and lifts: "You shouldn't be paying a service charge and you're walking in your corridor and your shoes are sticking on the ground. That should not happen. They're supposed to clean the lift everyday and in front of the lift and in the corridor. They don't clean the lift at all now. I went shopping one Monday morning and the lift and in front of the lift was covered in blood. I went back inside and rang them. He asked me if I knew where the blood came from. I said no and he said he'd send someone over. They didn't send anyone until Thursday. Some of the residents tried to clean it up themselves and made it worse." Tenant not living on an estate

In some cases the issues identified with the estate services are the responsibility of Brent Council however residents are associating them BHP. Further communication / clarification to residents may be needed to allow them to distinguish between the services provided by BHP and Brent Council.

Similar comments are made in relation to the grounds maintenance service. Residents suggest they see very little maintenance being carried out on the grounds and when it is carried out it is not completed to a satisfactory standard.

One retired participant provided an example of reporting an issue with overgrowing trees in their area but their area officer failed to resolve it. This again refers back to the comments made about BHP listening to resident's views but not acting on them.

"Our area officer comes around and she's promised she'll do the trees and she hasn't touched them. You know. Because the trees are all growing down, down, down, at the back of our flats. She approached a young mother who has four children. They never touched a tree since February. So as for helpful, I couldn't tell you. They just write it down they are going to do it and they never do it." Retired resident

Residents living on an estate raise their concerns around the litter found in communal gardens. They describe their area as being quiet and a pleasant place to live with generations of families living in the area however, feel this has deteriorated over the years due to the lack of grounds maintenance service by BHP.

"I don't think Brent are doing anything. We have three communal dustbins. People come in and throw their rubbish in there. It's up to the brim or it's pouring out. Rats come through. It's horrible, it's disgusting. Brent need to do something about how they're maintaining the area. Why is all the litter going over here? I'm pretty sure those who are coming to clean have had it up to here as well." Resident living on an estate

"I live on a nice estate. The estate is really, really nice. Quiet and everything. Upkeep of the grounds was nice when I first moved in. Over the last three years it's, like, you can see, you know when they say the budget's come into effect and you can see the lack of maintenance in the place. They don't come as often as they did. We are still getting charged and they've increased our charges." Resident living on an estate

Leaseholders make reference to the grounds maintenance service being sub-contracted and this having a knock-on-effect on the quality of the service received. It is stated that as the work is not being checked by BHP, it is not being completed to a high standard.

"An example would be grounds maintenance in terms of hedges, weeds, etc. The contractors came, cut the hedges, and they only did half a job. When I complained about this, I was told that, 'The hedges are cut back to the shape that they were inherited in.' You've got a load of hedges that are overgrown and in a mess. They will trim them back to that overgrown shape. Why isn't the job done properly? Why aren't the contractors asked to do the job properly? You're benchmarked from a correct position, and then they've got to maintain that position. Why am I phoning them up, the Council up, and telling them the job hasn't been completed? Why isn't there checks in place, that means Brent Council is monitoring their contractors? That's an issue I have." Leaseholder

Overall residents and leaseholders are generally dissatisfied with the cleaning of communal areas and ground maintenance service they receive from BHP. The main concern is these services are not carried out frequently enough and when carried the quality of work is not to a high standard. Further to this residents are particularly dissatisfied that after these works are carried out they have to contact BHP to either inform them about the poor quality of the work or make a complaint.

As found with the results of the quantitative survey, there appears to have been a recent decline in the quality of the grounds maintenance service.

"Upkeep of the grounds was nice when I first however in over the last three years it's deteriorated and you can see that the budget's come into effect and you can see the lack of maintenance in the place. They don't come as often as they did. We are still getting charged and they've increased our charges". Residents living on an estate

In terms of improving this service going forward, the key suggestion, particularly by leaseholders is to ensure quality checks are carried out for any services that have been sub-contracted. The benefit of this would be the maintenance work would be carried out to a better standard and fewer complaints made by residents.

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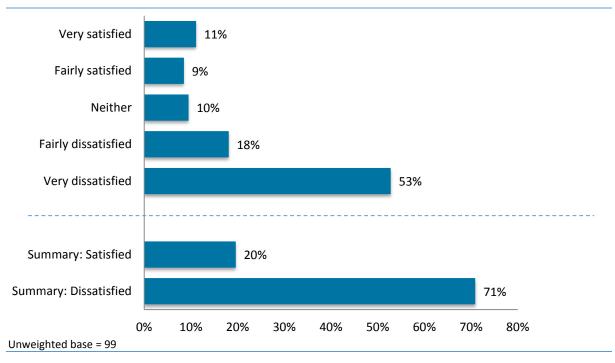
12 Dealing with anti-social behaviour

12.1 Quantitative opinion survey

12.1.1 Final outcome of anti-social behaviour complaints

Respondents in the quantitative opinion survey who stated that they reported anti-social behaviour (ASB) to BHP in the past 12 months (17%) were asked how satisfied or dissatisfied they are with the final outcome of their ASB complaint. Just one in five residents who stated they reported ASB in the past 12 months were satisfied with the outcome of the complaint. By contrast seven in ten (71%) indicated some degree of dissatisfaction, with half (53%) stating they are very dissatisfied.

Figure 28: Q14. Overall, how satisfied or dissatisfied are you with the final outcome of your antisocial behaviour complaint?



12.1.1.1 Trend analysis

Although due to the relatively low proportion of residents reporting ASB this trend data should be treated as indicative only, the findings overleaf indicate that opinions on the final outcomes of the ASB complaints indicated in this wave are worse than as found previously.

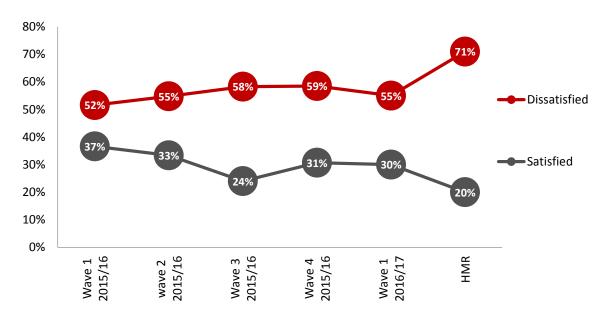


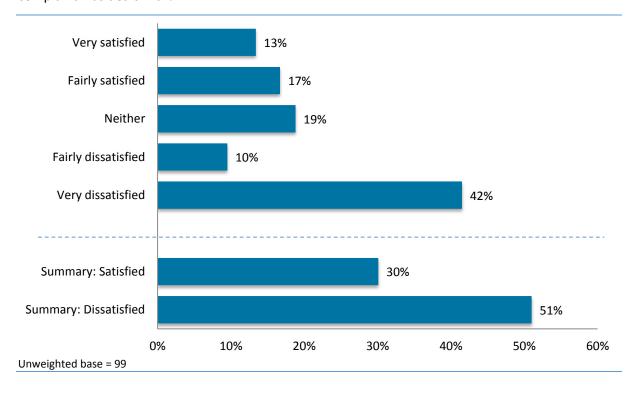
Figure 29: Final outcome of the anti-social behaviour complaint

Unweighted sample bases: 2015/16 = 351; wave $1\ 2016/17 = 81$; wave $4\ 2015/16 = 71$; wave $3\ 2015/16 = 84$, wave $2\ 2015/16 = 91$; wave $1\ 2015/16 = 105$

12.1.2 The way the anti-social behaviour complaint is dealt with

Respondents who reported ASB to BHP in the past 12 months were also asked how satisfied or dissatisfied they are with the way the ASB complaint was dealt with. Although slightly more positive than the previous measure, just three in ten residents who reported ASB (30%) indicated they were satisfied with the way their complaint was dealt, whilst half (51%) stated that they were dissatisfied.

Figure 30: Q15. Overall, how satisfied or dissatisfied are you with the way your anti-social behaviour complaint was dealt with?



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12.1.2.1 Trend analysis

Comparison with previous findings suggests that opinions on the way ASB complaints are dealt with by BHP have remained unaltered.

80% 70% 60% Dissatisfied 51% 50% 40% 31% 30% Satisfied 20% 10% 0% 2015/16 Wave 2 2015/16 Wave 3 2015/16 Wave 4 2015/16 Wave 1 Wave 1

Figure 31: Satisfaction with the way the anti-social behaviour complaint was dealt with

Unweighted sample bases: 2015/16 = 351; wave 1 2016/17 = 81; wave 4 2015/16 = 71; wave 3 2015/16 = 84, wave 2 2015/16 = 91; wave 1 2015/16 = 105

12.1.3 Improvements stated in the quantitative opinion survey

All respondents who stated the dealing with ASB should be a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. A high proportion of comments from respondents related to the prevention of ASB occurring by having a higher visible presence of either BHP officers or the police, whilst others suggested the increased use of CCTV could help to improve the evidence collected on perpetrators:

"Wardens and police need to be around; teenagers are putting music on late in the night. They are screaming and shouting most nights."

"They should have people check the streets at different times and set up a camera on the streets to find out who's doing what. Camera recording could capture antisocial behaviour from people from the pub."

"There should be CCTV cameras or a guard to watch around the estate, to see if anyone who does not live here is trying to hang around or get up to things they shouldn't be doing."

Where respondents mentioned they had previously contacted BHP in relation to ASB, the comments made suggest there needs to be an improvement in the support / helpfulness / advice provided by officers:

"For the past three years, it has been ongoing. I rang Brent, but Brent sent noise forms, which I completed and sent back to them. I was told I will be updated, that they will get in touch with me every fortnight and Brent will be speaking with the other tenant. However, they didn't do anything and there was non-stop noise. I called 101 and they gave the number of the local police; they said either put up with it or move out."

"When we call to complain to the wardens, we are told to go and see how many people are causing the disturbances. I should not have been put in that dangerous position."

"I think that there should be strict, clear rules and penalties on loud noises, music, shouting, etc., especially after a certain time. I did complain, and was expected to explore the sounds myself, which is not a safe option. There should be rules on smoking. They should stop people from smoking out of their windows and in their balcony, due to the smoke travelling up to my flat."

12.2 Qualitative activity

Residents were asked whether they have reported anti-social behaviour in their area in the last 12 months, and it became clear that some of them have. Residents noted issues such as noise pollution, fly tipping and vandalism.

"They were playing football on our road at about two o'clock in the morning. I think I called 1234 and they said somebody was going to come." Tenant not living on an estate

"I had a neighbour that was so disgusting he had prostitution in his house. 20 or 30 of them came and blocked me in my flat by my patio by leaving a bicycle against it. I came out and threw them in the road. I called the police twice. Woke up 3:00am there were 27 people in my garden... The third time at 3:00am I went out there and they were out there and I lost my temper. I'm 74. I walked into my garden and said to them, 'Do me a favour, I've called the police twice already and I don't want to do it again, it's 3:00am and I want to sleep.' Five of them started to rush me. I had my table leg behind me and I went out to meet them. Then the police came. They thought I was having a heart attack because I couldn't stop shaking, they had to call an ambulance. The reason I was so aggravated, from April to July I got fourteen nights' sleep." Resident from disability forum

"My problem is about my next-door neighbour and antisocial behaviour. She is a bipolar patient. She has episodes where she goes into a manic state and depressive state. When she slips into a manic state it's terrible. It's a nuisance to the neighbours

around her and she can be quite dangerous, to herself and the people around her. Last year she pulled a knife on me. This problem is ongoing and I'm trying to address it correctly to the antisocial team. My understanding is that they're not doing much about it. She needs to be taken care of, or hospitalised. Basically she's not fit to live with the community." Resident from disability forum

"You've got a lot of people who are not leaseholders, who are tenants, who just come along and throw junk on the floor. The cleaner has cleaned it, he has done a great job, they come and throw rubbish on the floor. You've got people who are tenants, renting, decide to fiddle with a screwdriver on the intercom system, and the intercom system breaks down. Then you get a service charge." Leaseholder

Residents contacted BHP's Anti-social Behaviour (ASB) Team and/or the police to report the issues they had in their area. Although residents did not draw attention to any difficulties in reporting the problem, some did highlight the lack of response and action taken.

"They'll say they'll try and do something about it, but they don't bother. They won't call. I think they have something called 'Neighbourhood Watch', guys who go around in uniform. If there's any trouble, these guys will be too scared, and they'll run off." Leaseholder

"They have these people in place, in post, they get paid. They come in the pub, we watch them, not just me, a lot of the residents. You see the car coming, go into the small car park, they sit there on their mobile phone fifteen, twenty minutes, and then they drive off. They don't do any walk about, for example, up the stairs if there's anyone smoking, things like that. They are not effective. They are there, but they don't do the job they're supposed to do. Who's monitoring them? What report do they have to write?" Leaseholder

"Say somebody's playing loud music now, they don't come when the loud music is blaring and giving you a problem, they come another time. Some of these people who do make a noise, they're very clever at it. You find that it's a long time before anything can happen, because they don't really hear what you're dealing with." Resident from disability forum

Generally, residents that have experienced issues with anti-social behaviour feel it is a long and drawn out process, and stress that a quicker response is needed. The general feel is that residents are not informed of the progress of their complaint and that anti-social behaviour needs to be taken more seriously.

"They do act on it, but I think that it could be quicker. Sometimes we leave things to get worse, or for something worse to happen, before action is taken." Tenant not living on an estate

"Nobody has contacted me after I made the complaint. Since last August." Tenant not living on an estate

"We did have a bit of an incident and then there was some people who had some noise disturbance, but it's a long drawn out thing that really happens and it causes a lot of friction between neighbours and things like that. I just think they could manage it a bit better." Resident from disability forum

One vulnerable resident had become very distressed by the ASB issues that they had been through, although acknowledging that BHP were looking into the situation for her, there was still a feeling that she didn't know what was going on which had left her frustrated.

"The trouble makers come here and they make trouble, I can't be in peace they bang through the window when I'm asleep. I've got evidence and proof, they're doing nothing about that I'm unhappy with that". Vulnerable resident

One resident explained that it is often people dwelling in the properties for short periods of time that cause the offence, and as such there should be a clause within the lease that you cannot rent out the property.

"In the block I'm in, an awful lot of the people that bought their flat now rent them out. That causes problems in that you don't have a stable community. These people are there for a short period of time, and if you're not a member of the community, you're not going to particularly look after the area you're in, or particularly care about the neighbours. It's less likely to happen. If BHP could have more of a comeback on leaseholders who are renting out their flats, I think it would be very useful." Leaseholder

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13 Advice and support

13.1 Improvements stated in the quantitative opinion survey

All respondents who stated that the advice and support provided by BHP should be a priority for improvement were provided with the opportunity to provide feedback as to what needs to be improved. Very few respondents mentioned specific advice and support that they would like from BHP, with the majority of residents stating that there needs to be improved communication and information provided by BHP about the advice and support available:

"We need to know what is going on with the community: to be alerted on courses and social events available."

13.2 Qualitative activity

Participants were asked to provide information on what support and advice they currently receive from their landlords and whether this meets their needs. The only type of information participant's recall is receiving an annual letter about their rent or a letter to pay their Council tax. A few residents mention there is information about support and advice on the back of these letters but this is not apparent amongst others.

Participants were then asked in what ways they think the support and advice available to them could be improved.

Retired residents suggest BHP need to provide more support by making adaptations to their home so it is more easily accessible and supporting them with getting around e.g. food shopping. There is a concern that some elderly residents are not as mobile therefore they need more support in and outside their home.

"I think they have to look after the elderly. When you are on your own and there is something to be done and they are expecting you to do it, no, you can't do it. They should send someone from the housing department to see what needs to be done. It is support that needs to be given to the elderly. When you live on your own and they know you are living on your own, they need to support you." Retired resident

Retired residents also feel it is important for BHP to provide a service that is specific to individual needs. One participant in particular raised their concerns with having little time with their carer.

"They need to look to see what your needs are. There is no point in sending a carer for half an hour. Fifteen minutes of that is spent in travelling. What can anybody do in fifteen minutes? Make you a cup of tea? Some of us don't want a bloody cup of tea. We want something else. We want other things but there is not enough time for the carer to do it so you are left without it because they can't do it in the time, and sometimes they don't get a carer at all. I think they should look at providing us with walk-in showers. We need a bath. We have to have a bath. I'm struggling to get into the bath." Retired resident

When prompted, none of the vulnerable residents believed that they needed any further support other than the support that they are provided by social workers.

Residents were asked if they would be interested in employment or healthcare advice from BHP in the future. Most of those living on an estate suggest they already have a service where they can go for advice on jobs, and if not there, they have access to their local job centre.

"Brent provides that anyway. They employ somebody to go onto the estates and they've got the boiler house. Where I am they had the Boiler House, it's now called the Living Room." Resident living on an estate

It has been recommended, to improve the advice and support available to residents, BHP should offer regular skills workshops or employment workshops around apprenticeships for young people. It is noted by some that information is available online but there is not anything specific from BHP.

"I know they do IT training and they offer regular skills workshops. It would be nice to do some kind of link up with apprenticeships for the youth. So, you see the residents themselves, the younger ones that are not going to college or university, to have the option to get some sort of skills training. That would be nice." Resident not living on an estate

Another suggestion is to have regular newsletters with information and support available to residents or encourage individuals to visit their local library. One participant mentions BHP has a lot of services available for residents however they need to do more to promote and raise awareness of these facilities.

"I think it's good that they get people to come into the library, once again it's that information, because sometimes if you're going through the library you realise Brent Community Centre are here, all in one, but it's not on the website."

Resident not living on an estate

Appendix A: Focus group stimulus material 1

ı	Important				
		Inclusive		Decisive	Caring
Fair	Respec	tful H	elpful	Distant	
	Honest	Old-fashioned		Friendly	
istens		Behine	d the times		
Irrelevar	nt H	ard to reach	Elitist	Supportive	
V	Welcoming	Engaging		Informative	

Appendix B: Focus group stimulus material 2

Service	Priority
Keeping residents informed	
The overall quality of your home	
Listening to residents views and acting upon them	
Repairs and maintenance	
Dealing with anti-social behaviour	
Your neighbourhood as a place to live	
Value for money for your rent (and service charges)	

Appendix C: Focus group stimulus material 3

Service offered to Council tenants / Leaseholders	Rank
Keeping residents informed	
Involving residents and acting upon their views	
Level of customer service provided by staff	
The overall quality of your home	
Repairs and maintenance service	
Dealing with anti-social behaviour	
Providing support and advice to residents	
Cleaning of communal areas	
Grounds maintenance such as grass cutting	

Appendix D: Statement of Terms

Compliance with International Standards

BMG complies with the International Standard for Quality Management Systems requirements (ISO 9001:2008) and the International Standard for Market, opinion and social research service requirements (ISO 20252:2012) and The International Standard for Information Security Management ISO 27001:2013.

Interpretation and publication of results

The interpretation of the results as reported in this document pertain to the research problem and are supported by the empirical findings of this research project and, where applicable, by other data. These interpretations and recommendations are based on empirical findings and are distinguishable from personal views and opinions.

BMG will not publish any part of these results without the written and informed consent of the client.

Ethical practice

BMG promotes ethical practice in research: We conduct our work responsibly and in light of the legal and moral codes of society.

We have a responsibility to maintain high scientific standards in the methods employed in the collection and dissemination of data, in the impartial assessment and dissemination of findings and in the maintenance of standards commensurate with professional integrity.

We recognise we have a duty of care to all those undertaking and participating in research and strive to protect subjects from undue harm arising as a consequence of their participation in research. This requires that subjects' participation should be as fully informed as possible and no group should be disadvantaged by routinely being excluded from consideration. All adequate steps shall be taken by both agency and client to ensure that the identity of each respondent participating in the research is protected.

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With more than 25 years' experience, BMG Research has established a strong reputation for delivering high quality research and consultancy.

BMG serves both the public and the private sector, providing market and customer insight which is vital in the development of plans, the support of campaigns and the evaluation of performance.

Innovation and development is very much at the heart of our business, and considerable attention is paid to the utilisation of the most up to date technologies and information systems to ensure that market and customer intelligence is widely shared.





















Appendix 4 - HouseMark Benchmarking Report

See overleaf





2

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1. Introduction

This report has been produced by HouseMark on behalf of Bent Housing Partnership. It compares BHP performance across 11 headline indicators with five different peer groups

The report provides comparisons for three financial years: 2013/14, 2014/15 and 2015/16.

The 11 indicators covered in this report are:

Percentage of respondents very or fairly satisfied with the service provided (GN & HfOP

- Percentage of respondents very or fairly satisfied with the service provided (Leasehold)
- Rent collected from current and former tenants as a percentage of the rent due (excluding arrears brought forward)
- Current tenant rent arrears at the end of the year as a percentage of rent due (excluding voids)
- Average re-let time in days (standard re-lets)
- Rent loss due to empty properties (voids) as a percentage of rent due
- Average number of calendar days taken to complete repairs
- Appointments kept as a percentage of appointments made
- Percentage of repairs completed at the first visit
- Percentage of dwellings with a valid gas safety certificate
- Total cost per property of housing management

BHP's actual figures and medians for the five peer groups used for comparative purposes are colour-coded throughout the report as follows:

Colour	Peer group	Sample
	BHP actual data	1
	London ALMOs	11
	London Councils	12
	London HAs	38
	National Providers	406
	Bespoke group	21

The data is displayed in bar chart format. Peer group bars represent the median performance for the peer group. Peer group upper quartiles are also displayed on each chart by a dot.

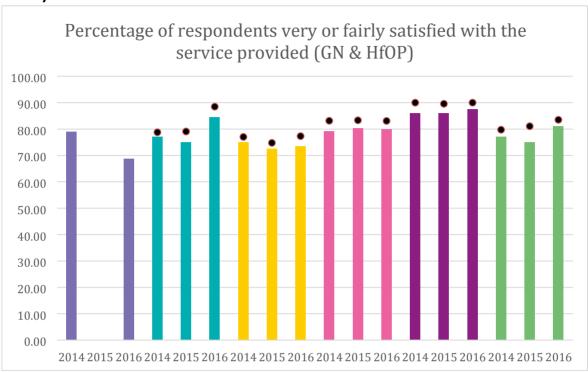
Each chart is accompanied by a data table, which also shows BHPs quartile when compared to each peer group.

Previous year's cost figures have not been uplifted in line with inflation, and reflect the actual cost for that year. However, for organisations in London and the South East we apply an area cost adjustment to reflect the generally higher costs experienced in these regions.

Comparisons can be made with or without inflation and / or area cost adjustment by using our online reporting tool.



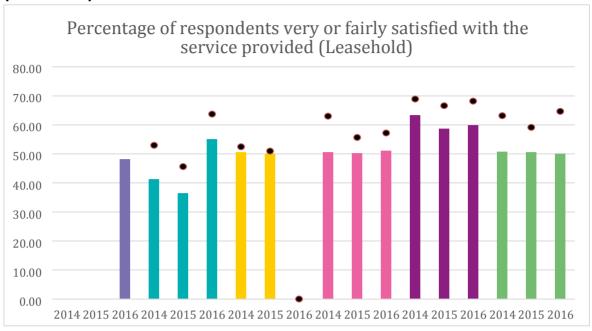
2. Percentage of respondents very or fairly satisfied with the service provided (GN & HfOP)



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	79.00		
BHP 2014-15	-		
BHP 2015-16	68.70		
London ALMOs 2013-14	77.00	78.75	Q1
London ALMOs 2014-15	75.00	79.05	-
London ALMOs 2015-16	84.55	88.50	Q4
London Councils 2013-14	75.00	77.00	Q1
London Councils 2014-15	72.50	74.75	-
London Councils 2015-16	73.50	77.30	Q4
London HAs 2013-14	79.20	83.10	Q3
London HAs 2014-15	80.20	83.33	-
London HAs 2015-16	80.00	83.10	Q4
National Providers 2013-14	86.00	90.00	Q4
National Providers 2014-15	86.00	89.58	-
National Providers 2015-16	87.50	90.00	Q4
Bespoke group 2013-14	77.00	79.75	Q2
Bespoke group 2014-15	75.00	81.10	-
Bespoke group 2015-16	81.10	83.50	Q4



3. Percentage of respondents very or fairly satisfied with the service provided (Leasehold)

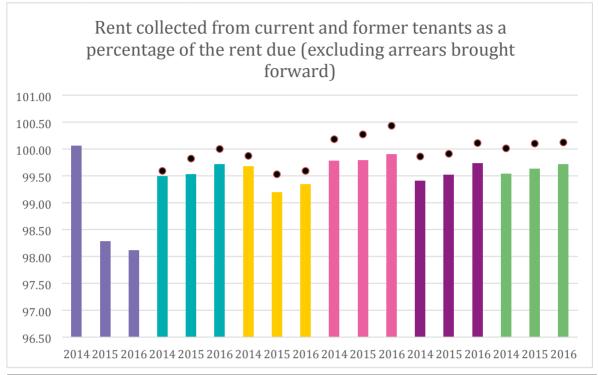


Dataset	внР/М	UQ Peer	BHP Quartile
BHP 2013-14	-		
BHP 2014-15	-		
BHP 2015-16	48.10		
London ALMOs 2013-14	41.20	52.98	-
London ALMOs 2014-15	36.50	45.63	-
London ALMOs 2015-16	55.10	63.70	Q3
London Councils 2013-14	50.50	52.50	-
London Councils 2014-15	50.00	51.00	-
London Councils 2015-16 *	N/A	N/A	N/A
London HAs 2013-14	50.50	63.00	-
London HAs 2014-15	50.25	55.70	-
London HAs 2015-16	51.05	57.18	Q3
National Providers 2013-14	63.30	68.90	-
National Providers 2014-15	58.75	66.63	-
National Providers 2015-16	59.90	68.18	Q4
Bespoke group 2013-14	50.75	63.15	-
Bespoke group 2014-15	50.50	59.12	-
Bespoke group 2015-16	50.00	64.67	Q3

^{*} Please note, only two organisations within this peer group have provided data for this measure therefore quartiles cannot be calculated



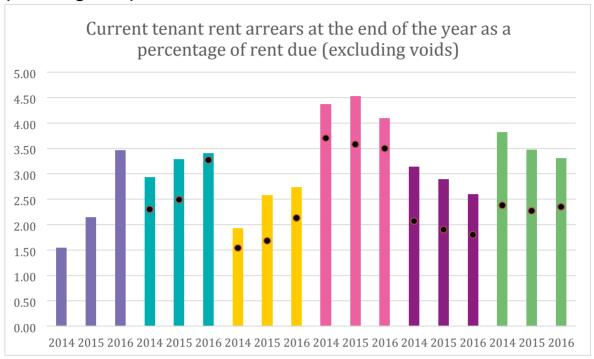
4. Rent collected from current and former tenants as a percentage of the rent due (excluding arrears brought forward)



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	100.06		
BHP 2014-15	98.28		
BHP 2015-16	98.11		
London ALMOs 2013-14	99.49	99.59	Q1
London ALMOs 2014-15	99.53	99.82	Q4
London ALMOs 2015-16	99.72	100.00	Q4
London Councils 2013-14	99.68	99.87	Q1
London Councils 2014-15	99.19	99.53	Q4
London Councils 2015-16	99.34	99.59	Q4
London HAs 2013-14	99.78	100.18	Q2
London HAs 2014-15	99.79	100.27	Q4
London HAs 2015-16	99.90	100.43	Q4
National Providers 2013-14	99.41	99.86	Q1
National Providers 2014-15	99.52	99.91	Q4
National Providers 2015-16	99.73	100.11	Q4
Bespoke group 2013-14	99.54	100.01	Q1
Bespoke group 2014-15	99.63	100.10	Q4
Bespoke group 2015-16	99.72	100.12	Q4



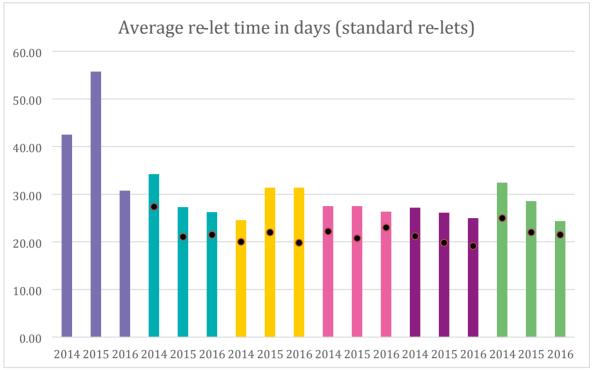
5. Current tenant rent arrears at the end of the year as a percentage of rent due (excluding voids)



Dataset	внР/М	UQ Peer	BHP Quartile
BHP 2013-14	1.54		
BHP 2014-15	2.14		
BHP 2015-16	3.46		
London ALMOs 2013-14	2.93	2.30	Q1
London ALMOs 2014-15	3.29	2.49	Q1
London ALMOs 2015-16	3.40	3.27	Q4
London Councils 2013-14	1.93	1.54	Q1
London Councils 2014-15	2.58	1.68	Q2
London Councils 2015-16	2.73	2.13	Q3
London HAs 2013-14	4.37	3.70	Q1
London HAs 2014-15	4.53	3.58	Q1
London HAs 2015-16	4.09	3.50	Q1
National Providers 2013-14	3.14	2.07	Q1
National Providers 2014-15	2.89	1.90	Q2
National Providers 2015-16	2.59	1.80	Q3
Bespoke group 2013-14	3.82	2.38	Q1
Bespoke group 2014-15	3.47	2.27	Q1
Bespoke group 2015-16	3.30	2.35	Q3



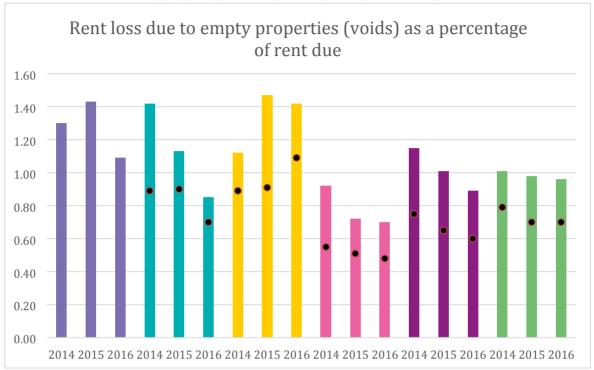
6. Average re-let time in days (standard re-lets)



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	42.50		
BHP 2014-15	55.70		
BHP 2015-16	30.70		
London ALMOs 2013-14	34.19	27.38	Q3
London ALMOs 2014-15	27.23	21.05	Q4
London ALMOs 2015-16	26.20	21.48	Q4
London Councils 2013-14	24.53	20.00	Q4
London Councils 2014-15	31.37	22.00	Q4
London Councils 2015-16	31.35	19.81	Q2
London HAs 2013-14	27.43	22.20	Q4
London HAs 2014-15	27.49	20.74	Q4
London HAs 2015-16	26.30	23.00	Q3
National Providers 2013-14	27.13	21.20	Q4
National Providers 2014-15	26.10	19.80	Q4
National Providers 2015-16	24.95	19.13	Q3
Bespoke group 2013-14	32.43	25.00	Q4
Bespoke group 2014-15	28.50	22.00	Q4
Bespoke group 2015-16	24.36	21.48	Q4



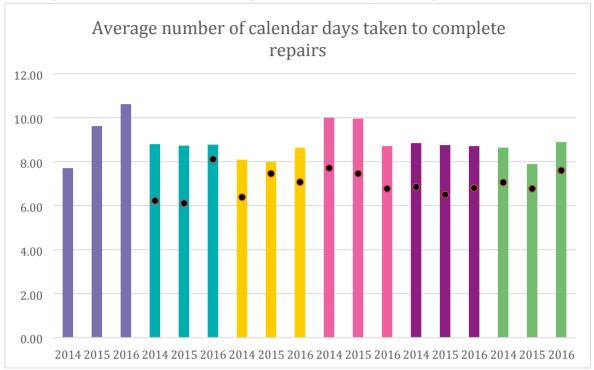
7. Rent loss due to empty properties (voids) as a percentage of rent due



Dataset	внР/М	UQ Peer	BHP Quartile
BHP 2013-14	1.30		
BHP 2014-15	1.43		
BHP 2015-16	1.09		
London ALMOs 2013-14	1.42	0.89	Q2
London ALMOs 2014-15	1.13	0.90	Q3
London ALMOs 2015-16	0.85	0.70	Q4
London Councils 2013-14	1.12	0.89	Q3
London Councils 2014-15	1.47	0.91	Q2
London Councils 2015-16	1.42	1.09	Q1
London HAs 2013-14	0.92	0.55	Q4
London HAs 2014-15	0.72	0.51	Q4
London HAs 2015-16	0.70	0.48	Q4
National Providers 2013-14	1.15	0.75	Q3
National Providers 2014-15	1.01	0.65	Q3
National Providers 2015-16	0.89	0.60	Q3
Bespoke group 2013-14	1.01	0.79	Q3
Bespoke group 2014-15	0.98	0.70	Q3
Bespoke group 2015-16	0.96	0.70	Q3



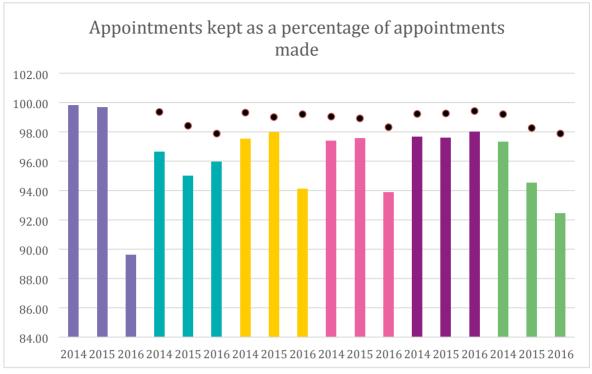
8. Average number of calendar days taken to complete repairs



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	7.70		
BHP 2014-15	9.61		
BHP 2015-16	10.60		
London ALMOs 2013-14	8.79	6.23	Q2
London ALMOs 2014-15	8.72	6.11	Q3
London ALMOs 2015-16	8.77	8.11	Q3
London Councils 2013-14	8.08	6.39	Q2
London Councils 2014-15	8.00	7.46	Q3
London Councils 2015-16	8.63	7.07	Q4
London HAs 2013-14	10.00	7.71	Q1
London HAs 2014-15	9.95	7.46	Q2
London HAs 2015-16	8.70	6.77	Q3
National Providers 2013-14	8.84	6.85	Q2
National Providers 2014-15	8.75	6.50	Q3
National Providers 2015-16	8.70	6.80	Q3
Bespoke group 2013-14	8.63	7.06	Q2
Bespoke group 2014-15	7.89	6.77	Q4
Bespoke group 2015-16	8.89	7.60	Q3



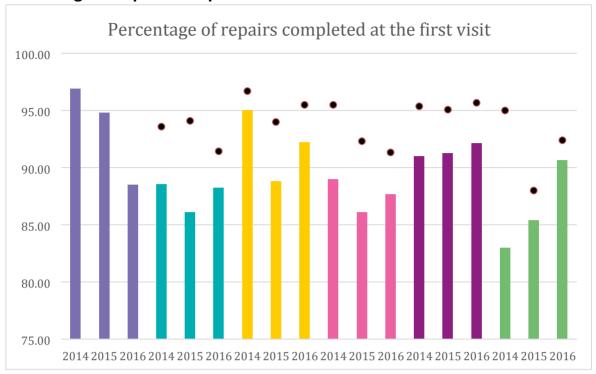
9. Appointments kept as a percentage of appointments made



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	99.83		
BHP 2014-15	99.70		
BHP 2015-16	89.62		
London ALMOs 2013-14	96.65	99.36	Q1
London ALMOs 2014-15	95.00	98.42	Q1
London ALMOs 2015-16	95.96	97.88	Q4
London Councils 2013-14	97.54	99.31	Q1
London Councils 2014-15	97.97	99.01	Q1
London Councils 2015-16	94.12	99.21	Q3
London HAs 2013-14	97.40	99.04	Q1
London HAs 2014-15	97.56	98.92	Q1
London HAs 2015-16	93.87	98.32	Q3
National Providers 2013-14	97.66	99.23	Q1
National Providers 2014-15	97.60	99.26	Q1
National Providers 2015-16	98.02	99.42	Q4
Bespoke group 2013-14	97.34	99.20	Q1
Bespoke group 2014-15	94.54	98.27	Q1
Bespoke group 2015-16	92.43	97.88	Q3



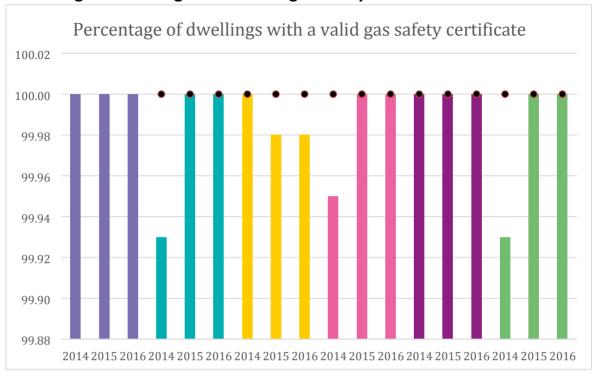
10. Percentage of repairs completed at the first visit



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	96.90		
BHP 2014-15	94.80		
BHP 2015-16	88.50		
London ALMOs 2013-14	88.55	93.59	Q1
London ALMOs 2014-15	86.11	94.09	Q1
London ALMOs 2015-16	88.25	91.43	Q2
London Councils 2013-14	95.00	96.70	Q1
London Councils 2014-15	88.80	94.00	Q1
London Councils 2015-16	92.20	95.50	Q4
London HAs 2013-14	89.00	95.50	Q1
London HAs 2014-15	86.10	92.32	Q1
London HAs 2015-16	87.70	91.33	Q2
National Providers 2013-14	91.00	95.37	Q1
National Providers 2014-15	91.25	95.08	Q2
National Providers 2015-16	92.12	95.68	Q3
Bespoke group 2013-14	83.00	95.00	Q1
Bespoke group 2014-15	85.40	88.00	Q1
Bespoke group 2015-16	90.63	92.40	Q3



11. Percentage of dwellings with a valid gas safety certificate



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	100.00		
BHP 2014-15	100.00		
BHP 2015-16	100.00		
London ALMOs 2013-14	99.93	100.00	Q1
London ALMOs 2014-15	100.00	100.00	Q1
London ALMOs 2015-16	100.00	100.00	Q1
London Councils 2013-14	100.00	100.00	Q1
London Councils 2014-15	99.98	100.00	Q1
London Councils 2015-16	99.98	100.00	Q1
London HAs 2013-14	99.95	100.00	Q1
London HAs 2014-15	100.00	100.00	Q1
London HAs 2015-16	100.00	100.00	Q1
National Providers 2013-14	100.00	100.00	Q1
National Providers 2014-15	100.00	100.00	Q1
National Providers 2015-16	100.00	100.00	Q1
Bespoke group 2013-14	99.93	100.00	Q1
Bespoke group 2014-15	100.00	100.00	Q1
Bespoke group 2015-16	100.00	100.00	Q1



12. Total cost per property of housing management



Dataset	BHP/M	UQ Peer	BHP Quartile
BHP 2013-14	549.57		
BHP 2014-15	497.23		
BHP 2015-16	434.17		
London ALMOs 2013-14	341.18	315.71	Q4
London ALMOs 2014-15	366.48	319.78	Q4
London ALMOs 2015-16	435.41	385.55	Q2
London Councils 2013-14	417.58	344.95	Q4
London Councils 2014-15	418.48	364.97	Q4
London Councils 2015-16	419.81	372.78	Q3
London HAs 2013-14	585.05	503.49	Q2
London HAs 2014-15	585.37	522.4	Q1
London HAs 2015-16	619.31	505.36	Q1
National Providers 2013-14	427.54	342.63	Q4
National Providers 2014-15	443.29	355	Q3
National Providers 2015-16	443.37	364.06	Q2
Bespoke group 2013-14	489.47	354.65	Q3
Bespoke group 2014-15	484.74	365.33	Q3
Bespoke group 2015-16	470.77	402.29	Q2









Appendix 5 – Recovery Plan Target Outcomes

BHP Business Recovery Plan - July to September 2016

Key and notes overleaf

Ref	Business Recovery	Indicator	End of Year	End of Year	End of Year	2015/16	June 2016	July 2016	August 2016	Sept 2016	2016 YTD	Sept 2016	LBB		louseMark Ber k quartiles hav thresholds of	e been used t	o define the	Outcome
	Priority		2013/14 Position	2014/15 Position	2015/16 Position	Target	position	Position	Position	Position	Position	Target	Corp Standard	Q1 (High Performing)	Q2	Q3	Q4 (Low Performing)	
ВР	Capital Programme Management	Tenant Satisfaction with the way in which we manage Repairs and Maintenance	/	New for 15/16	65.8%	no target set	69%	Measur -ed quarterl y	68%	64%	67%	73%	n/a	>71%	70-67%	66-65%	<64%	To increase tenant satisfaction and reduce
R2	and Delivery	Leasehold Satisfaction with the way in which we manage Repairs and Maintenance	/	New for 15/16	34.3%	no target set	35%	Measur -ed quarterl y	35%	33%	34%	40%	40%	n/a	n/a	n/a	n/a	reduce complaints and members enquiries
P		Tenant satisfaction with overall service	/	New for 15/16	69%	no target set	74%	Measur -ed quarterl y	70%	67%	70%	73%	n/a	>81%	80-75%	74-71%	<70%	Increased levels
Page 2		Leaseholder satisfaction with overall service	/	New for 15/16	48%	no target set	46%	Measur -ed quarterl y	53%	51%	49%	50%	50%	n/a	n/a	of satisfa	of satisfaction	
2₹3°	Landlord Service Performance	Average time taken to answer a call	New for 14/15	123 secs	125 secs	no target set	130 secs	80 secs	45 secs	108 secs	103 secs	60 secs	60 secs	n/a	n/a	n/a	n/a	To increase tenant satisfaction and reduce complaints and
		Stage 1 complaints responded to within 20 days	85%	56%	80%	93%	97%	100%	100%	100%	99%	100%	93%	n/a	n/a	n/a	n/a	
		Members Enquiries Answered within 10 Days	85%	69%	98%	100%	100%	100%	100%	100%	100%	100%	100%	n/a	n/a	n/a	n/a	members enquiries
		Turnaround time for Standard Voids	New for 14/15	55.7	30.7 days	27 days	24 days	26.4	34.6	24.9	26.6 days	24 days	n/a	<21	22-24	25-30	>31	To Support the Financial Viability of the HRA
BP	Efficiency	Turnaround time for Major Voids	New for 14/15	73.9	59.4 days	75 days	48 days	42	48.2	53.2	48.4 days	61 days	n/a	<53	54-86	87-102	>103	
R5	and Effectiveness	Rent Collection	99.2%	98.5%	98.50%	100%	99%	98%	99%	97.80%	98.7%	99.50%	n/a	>100.10 %	100.09- 99.64%	99.63- 99.30%	<99.29%	
		Audit Recommendation s Completed	/	New for 15/16	100%	100%	100%	Measur -ed quarterl y	Measur -ed quarterl y	100%	100%	100%	100%	n/a	n/a	n/a	n/a	To Strengthen the Control Environment

Note:

* HouseMark benchmarking figures are based on BHP's selected peer group of London Housing Associations, ALMOs and London Boroughs with stock size between 5000 - 15000. The peer group is made up of 18 organisations not including BHP.

Appendix 5 Key	
Indicator is meeting or above target	
Indicator is within 5% tolerance	
ြောdicator is not meeting target	
This colour denotes where BHP has met that level of benchmarking or corporate andard	

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Cabinet 15 November 2016

Report from the Strategic Director Community Wellbeing

Wards Affected: ALL

Authority to Participate in the Joint Procurement of Community Equipment and Services with the London Boroughs of Harrow and Barnet

1.0 Summary

- 1.1 Cabinet approval was obtained on 15th August 2016 to participate in a collaborative procurement with the London (Community Equipment) Consortium for the establishment of a framework for provision of community equipment and services led by the London Borough of Hammersmith & Fulham (LB H&F).
- 1.2 The LB H&F framework was intended to commence on the 1st April 2017 but due to delays in the LB H&F procurement process officers have been informed that the deadline of 1st April 2017 may not be met.
- 1.3 Brent's current community equipment and services contract is due to expire on 31st March 2017 and in order to address the risk of not having a new contract (and community equipment service in place) at the expiry of the current contract, Barnet Council have agreed to lead on an accelerated tender procurement process for the establishment of a framework for community equipment and services, in collaboration with the London Boroughs of Harrow and Brent. Approval is therefore sought to take part in this collaborative procurement, as required under the Council's Contract Standing Order 85.
- 1.4 The Council will retain the right to also access the LB H&F agreement once it is established should it offer greater value for money.

2.0 Recommendations

- 2.1 That Cabinet give approval for Brent Council to participate in a collaborative procurement led by the London Borough of Barnet to establish a framework for community equipment and services.
- 2.2 That Cabinet give approval to the collaborative procurement exercise detailed in 2.1 above being exempt from the normal requirements of Brent Council's Contract Standing Orders and Financial Regulations for good operational and/or financial reasons in accordance with the Contract Standing Order 84(a) and 85(c).
- 2.3 That Cabinet give approval to the pre tender considerations set out in at paragraph 3.15 of this report.
- 2.4 That Cabinet delegate authority to the Strategic Director of Community Wellbeing in consultation with the Lead Cabinet Member for Community Wellbeing to approve the award of a call-off contract from the Barnet framework agreement for community equipment and services to ensure that service provision is in place for the 1st April 2017.

3.0 Detail

Background

- 3.1 Local authorities have a statutory duty (under the Care Act 2014, Children and Families Act 2014) to make arrangements for the provision of disability aids and community equipment, to meet the assessed eligible needs of individuals who are resident in their area.
- 3.2 On 15th August 2016 Cabinet approval was obtained for the Council to participate in a collaborative procurement of community equipment Services as part of the London (Community Equipment) Consortium.
- 3.3 The Cabinet report of 15th August 2016 referenced the increasing demand for community equipment services (and tele-care solutions) within the borough and the increasing use of technological solutions as alternatives to traditional models of care. It also set out the operational and financial benefits of the current and future collaborative arrangements to procure and develop community equipment services.
- 3.4 Under the existing framework agreement Medequip supplies and delivers community equipment on behalf of the 20 Consortium members who access the current framework. Prior to obtaining Cabinet approval on 15th August 2016, officers' reviewed options for a new procurement as the current framework is due to expire on 31 March 2017. The intention was to use the LB H&F framework once established but there

- have been further delays in the procurement process, in addition to that detailed in the Cabinet report of 15th August 2016.
- 3.5 Officers understand that LB H&F issued an invitation to tender (ITT) at the end of August 2016 but due to errors in the procurement documentation the procurement was cancelled and a new (ITT) was issued at the end of September 2016. This has caused a four week delay in the process and it now appears unlikely that the new LB H&F framework will be in place at the expiry of the existing contract. Even if the LB H&F framework is put in place prior to the expiry of the existing contract, officers consider it is doubtful the successful tenderer (a single provider) will be able to mobilise operations across the 20 authorities who will access the framework, including Brent, by 1 April 2017. This will clearly impact on the delivery of the community equipment services within Brent.
- 3.6 As a result of this delay, Barnet Council proposed the establishment of a separate framework agreement with Brent and Harrow Councils. Officers have been informed that Barnet have in place dedicated resources and a clear timetable and strategy to ensure the procurement timetable is delivered to deadline, given that a single provider will be mobilising operations across only the three boroughs.
- 3.7 Participating in the collaborative procurement will provide Brent Council with the ability to fulfil its duty to deliver community equipment services from 1st April 2017, and will deliver the financial and operational benefits detailed in the 15th August 2016 report to Cabinet referenced in paragraph 3.2 above, rather than operating independently to procure its own single borough contract. Given the tight deadline, Barnet Council has already issued their Invitation to Tender. Brent has been named in the ITT as able to access any framework that may be let, but this is without any obligation or commitment to participate at the current time.
- 3.8 Whilst it is proposed that Brent, Barnet and Harrow Councils will have full input into the procurement process going forward, Barnet Council will act as a central purchasing body for the purposes of undertaking this procurement exercise and concluding framework agreement with the successful tenderer. Each party will access the framework by signing an access agreement. The parties consider that to save costs Barnet Council's Standing Orders should be used for the procurement process, as they are the lead authority.
- 3.10 It is proposed that the new framework will run for a period of four (4) years from 1st April 2017.
- 3.11 It is proposed that Brent will call-off from the framework immediately after it is established. Call off contracts would also run for a period of four (4) years from 1st April 2017, with the option for the Council to extend the contract by a further 2 years. The Council can also terminate the contract at any time by giving six (6) months written notice to the

- provider. A report has been submitted to Cabinet addressing the call-off and the proposed arrangements under s75 of the NHS Act 2006 with Brent Clinical Commissioning Group.
- 3.12 Officers consider that there are good financial and operational reasons to participate in a collaborative procurement either with the LB H&F or the London Boroughs of Barnet and Harrow. The intention is for the Council to use the Barnet Framework from 1 April 2016 and also retain the right to access the LB H&F framework once it is established should it offer greater value for money
- 3.13 Due to the tight timescales between award of the Barnet framework and the end of the current contract, delegated approval to award is required.

The tender process

3.14 The tender will follow a single stage open process. The advert and invitation to tender (ITT) was published on the 30th September 2016 in the Official Journal of the European Union (OJEU).

3.15 Pre-tender considerations

In accordance with the Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of Cabinet:

Ref.	Requirement	Response					
(i)	The nature of the	Framework of Community Equipment and Services					
	service.						
(ii)	The estimated	Brent's estimated contract	value is £6.6m. (This figure				
	value.	is based on the actual but	dget and not the estimated				
		budget as reported to mem	bers in August 2016.)				
(iii)	The contract	4 years plus option to exter	nd by a further 2 years				
` ´	term.						
(iv)	The tender	Open procedure (Single sta	ige process) due to the				
` ′	procedure to be	limited number of suppliers	• . ,				
	adopted.	market.	'				
v)	The procurement	Indicative dates are:					
′	timetable.						
		Advert	30 th September 2016				
		lagua invita ta tandan	00th 0 1 1 0010				
		Issue invite to tender 30 th September 2016					
		Deadline for tender 4 th November 2016					
		submissions					
	1						

Ref.	Requirement	Response	
		Panel evaluation	18 th November 2016
		Consortia members seek individual authority to enter Access Agreements and award framework / call off contracts	24 th November 2016
		Standstill period ends	12 th December 2016
		Barnet awards framework and consortia members award call-off contracts	12 th December 2016
		Contract mobilisation	December 2016 – March 2017
		Contract start date	1 st April 2017
(vi)	The evaluation criteria and process.	levels, for example. All awa methodology are included in	er documentation which requirements and els. There will be some all include documents and include documents and include and scoring in the ITT documents and include is 55:45. Tenderers the products, delivery sir proposed solutions. The de the quality of online anagement system (IT unity equipment service ity (evaluated on a sample logue items which we set y and performance and and the Tenderer will have to native products with the enderer will have to native products with the enderer will also be considered for is better, and tenderers esparately showing the by documentation showing rmance compared to the entity evaluation criteria.

Ref.	Requirement	Response		
	·	Quality:	Weight	
		Г	Method Statement	\
			Question	Weight
			Service Model	10%
		Ī	Mobilisation	12%
		Ī	Equipment Catalogue	23%
			Management of Service	16%
			Delivery / Collection	5%
			Cleaning / Contamination	2%
		<u> </u>	Customer Service	8%
		<u> </u>	Service Development	8%
			Information Management	5%
			Data Protection	6%
		LS	Social Value	5%
		Price:		
			ipment 5	55%
		Active		20%
			•	25%
(vii)	Any business		ic business risks are	
(*,	risks associated		with entering into the pro	
	with entering the		mar emering and are pro	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	contract.			
(viii)	The Council's	The compe	etitive procurement of a f	ramework supports
` ′	Best Value duties.		l's Best Value duties.	
(ix)	Consideration of	See section	n 8.0 below	
` ′	Public Services			
	(Social Value) Act			
	2012			
(x)	Any staffing	See Sectio	n 7 below.	
	implications,			
	including TUPE			
	and pensions.			
(xi)	The relevant	See section	n 4.0 and 5.0 below	
	financial, legal			
	and other			
	considerations.			

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £0.5m shall be referred to the Cabinet for approval.
- 4.2 The potential for procurement savings are expected to be limited due to an expectation that the overall contract price will increase given the limited number of suppliers in the community equipment services marketplace.
- 4.3 Under Section 75 of the NHS Act 2006 Brent Council has pooled their community equipment budget with Brent Commissioning Clinical Group (CCG) to jointly commission the service, managed by Brent Council. The budget is split with Brent Council contributing 41% and the CCG 59%.
- 4.5 The estimated value of the services that Brent Council would call off under the framework agreement would be £1.1m per annum, equating to £6.6m over the 4 year period of the contract including the option to extend a further two years.

5.0 Legal Implications

- 5.1 Under the EU procurement regulations, a framework for the provision of Community Equipment & Services falls within Schedule 3 of the Public Contracts Regulations 2015 ('PCR 2015). As detailed in this report, the framework will be procured in accordance with the requirements of the EU procurement regulations and in compliance with the Treaty principles of equal treatment, proportionality and transparency.
- 5.2 The framework will be established through a collaborative procurement exercise to be undertaken on behalf of Barnet, Brent and Harrow Councils by the Barnet Council. It is a requirement of the Council's Contract Standing Order (CSO) 84(a) that every contract entered into in connection with the Council's functions shall be procured in accordance with the European legislation, the CSOs and Financial Regulations unless for good operational and/or financial reasons the Cabinet agrees otherwise.
- 5.3 The estimated value of the framework and indeed the contract which the Council would call off under the framework agreement during its lifetime is in excess of £500,000. It is therefore subject to the requirements of the CSO 85(c) which provides that any collaborative procurement shall comply with the Council's Standing Orders and Financial Regulations unless in the case of High Value Contract the agreement of the Cabinet is obtained under the CSO No 84(a).
- 5.4 As detailed in this report, the framework will be procured in accordance with the EU procurement regulations but it is intended that Barnet Council's standing orders will be used for the procurement and

exemption from the normal requirements of Council's Contract Standing Orders and Financial Regulations is sought from Cabinet, as it is a High Value Contract and for good operational and/or financial reasons set out in paragraph 3.7 and as detailed in this report, in accordance with the Contract Standing Order 85(c) and 84(a) respectively.

- 5.5 As indicated in paragraph 3.13, it is proposed that Brent will call-off from the framework immediately after it is established. Given the restricted timescales for the procurement and contract implementation Cabinet approval to award is requested to be delegated to the Strategic Director of Community Wellbeing in consultation with the Lead Cabinet Member for Community Wellbeing.
- 5.6 Should the Council wish to have the ability to access the LB H&F agreement should it offer greater value for money, officers will need to ensure that any call-off from the Barnet framework allows for termination on notice.

6.0 Diversity Implications

The proposals in this report have been subject to screening and officers believe that there are no negative diversity implications. However, it is expected that diversity and equality perspectives will be incorporated into the assessment process, with consideration given to diversity and equality issues during pre-tender stage of the procurement.

7.0 Staffing/Accommodation Implications

- 7.1 Whilst there are no direct staffing implications relating to the establishment of the proposed framework, there are likely to be staff that will transfer from the current contractor to any new contractor pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) on the commencement of any call-off contract.
- 7.2 The service is currently provided by an external provider Medequip, so there are no implications for Council staff arising from the award of any call-off contract. Should another external provider be appointed to the framework, it is likely that TUPE will apply to some of the staff of the existing provider on the award of the call-off and Tenderers will in view of that be provided with employee liability information so that they can take into account the implications when submitting their tenders.

8.0 Public Services (Social Value) Act 2012

8.1 Since 31st January 2013, the Council, in common with all public authorities subject to the EU Regulations, has been under duty pursuant

to the Public Services (Social Value) Act 2012 to consider how the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract as Services over the threshold for application of the EU Regulations are subject to the requirements of the Public Services (Social Value) Act 2012.

- 8.2 The community equipment market is high value and specialist in nature, with a limited number of suppliers. Dividing the contract into small "lots" to facilitate bids from small local businesses with specialist skills, would have the following disadvantages:
 - Substantially increased contract and supplier management costs
 - Increased communication difficulties
 - o Remove economies of scale
- 8.3 Officers believe this will be better addressed enabling smaller specialist businesses in the Brent area to access the market via possible subcontracting opportunities with the appointed provider.
- 8.4 Officers will also explore introducing specific measures to improve the economic, social and environmental well-being of the Brent area such as:
 - Setting targets for local apprenticeships and /or local employment for both the prime contractor and sub-contractors
 - Advertising the opportunity (and /or any sub-contracting or supply opportunities) to local suppliers and /or encouraging them to bid (through our forums and engagement with providers on upcoming opportunities)
 - Improving environmental footprint is currently fulfilled through loaning, sharing, refurbishing and disposing of equipment and use of electronic systems to operate the service.

9.0 Background Papers

None.

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PHIL PORTER Strategic Director Community Wellbeing



Cabinet 15 November 2016

Report from the Strategic Director Community Well-being

Wards Affected: ALL

Authority to enter into partnership arrangements under Section 75 of the National Health Service Act 2006

1.0 Summary

- 1.1 This report seeks approval for the Council to enter into three separate partnership arrangements under Section 75 of the National Health Service Act 2006 in respect of:
 - the delivery of the approved Better Care Fund Plan with NHS Brent Clinical Commissioning Group (Brent CCG);
 - the provision of Brent's Integrated Community Equipment Services (BICES) with Brent CCG and
 - the delivery of adult mental health social care with Central North West London NHS Foundation Trust (CNWL)
- 1.2 This report details the operational benefits of the longstanding collaboration between the Council, Brent CCG & CNWL for the provision of integrated and jointly commissioned services. With the exception of BICES, these agreements have been short term and subject to regular approvals. All of the s75 agreements need to be renewed, and given that health and social care integration continues to be a national and local long-term priority, officers consider it would be beneficial to have longer term arrangements.
- 1.3 This report also seeks delegated authority to award Mental Health contracts with a value of up to £1m.

2.0 Recommendations

- 2.1 That Cabinet delegates approval to the Strategic Director Community Wellbeing in consultation with the Chief Finance Officer and Chief Legal Officer to enter into partnership agreements pursuant to Section 75 of the National Health Service Act 2006 for such period or periods as may be agreed but with all partnership agreements to conclude by 31 March 2023, in respect of the following:
 - the delivery of the approved Better Care Fund Plan with NHS Brent Clinical Commissioning Group (Brent CCG);
 - the provision of Brent's Integrated Community Equipment Services (BICES) with Brent CCG and
 - the delivery of adult mental health social care with Central North West London NHS Foundation Trust (CNWL).
- 2.2 That Cabinet give approval for the Council to act as lead agency on behalf of the partners for the continued operation of a pooled budget with Brent CCG and CNWL under the partnership agreement of which Brent Council will be the budget holder.
- 2.3 That Cabinet give approval for the transfer of the Council's pro rata contribution as set out in paragraph 4.1-4.3.1 for the financial year 2016/17 to relevant pooled budgets with annual financial contributions to the pooled budgets for subsequent financial years to be delegated to the Strategic Director of Community Wellbeing in consultation with the Chief Finance Officer provided that there is no substantial change in Partnership arrangements.
- 2.4 That Cabinet delegate to the Strategic Director Community Wellbeing, in consultation with the Chief Legal Officer and the Chief Finance Officer the exact form of that written agreement required to enter the proposed partnership agreements as detailed in 2.1.
- 2.5 That Cabinet delegate to the Strategic Director Community Wellbeing, in consultation with the Chief Legal Officer and the Chief Finance Officer award of Mental Health contracts with a value not exceeding £1m.

3.0 Detail

Background

3.1 Integration of health and social care services and joint working has been a national and local priority for some time, during which the Council has worked together with CNWL and Brent CCG (prior to that the Primary Care Trust) to provide a range of integrated and or commissioned services. Following the introduction of the National Service Act 2006 ("NHS Act 2006) this co-operation has been pursuant to s75 of that Act. Parties have entered into partnership agreements pursuant to Section 75 of the NHS Act 2006 ("Section 75 partnership

agreements"). Under Section 75 partnership agreements the parties pooled their budget to jointly provide or commission services. Under the Section 75 partnership agreements the Council has been the budget holder of the pooled budget and in most circumstances, the lead commissioner.

- 3.2 The Better Care Fund (BCF) formerly the Integration Transformation Fund aims to support closer integration between health and social care. The initial plan was approved by Government on 29 October 2014. Details of the various schemes within the scope of the BCF plan and governance are appended to this report at Appendix A. Section 121 of the Care Act 2014 requires BCF arrangements to be underpinned by pooled funding arrangements, the Cabinet meeting of 29th June 2015 gave approval (to pool funds with Brent CCG) for one year.
- 3.3 The services under BiCES includes provision of equipment such as profiling beds, pressure care, hoists and slings and specialist bespoke equipment (including tele-care equipment) to support adults and children in Brent. Further details of the service are appended to this report at Appendix B. By pooling Brent's community equipment budget, the Councils purchasing power has doubled resulting in savings in equipment prices and lower activity price. The partnership has also promoted the efficient sharing of business processes, IT systems and also the redistribution of community equipment borough wide, this could not have been achieved without joint working. Subject to Cabinet approval and completion of relevant procurement process for the supply of community equipment, the intention would be for the Council to enter into a contract with a provider to deliver BICES from 1 April 2017 for up to four years with an option for the Council to extend for a further two years. Further details in respect of our procurement intentions to deliver BICES next year are set out in a report to be considered by members.
- 3.4 The Council delivers its adult mental health and social care responsibilities in partnership with Central and North West London NHS Foundation Trust (CNWL). Further details of the service are appended to this report at Appendix C. The delivery of various mental health services with CNWL has existed since April 2001 and has been successively extended. At the Cabinet meeting on 17th February 2014 a S75 agreement with CNWL was agreed to continue building upon the Mental Health Service Improvement Programme, developing integrated commissioning arrangements with CNWL.
- 3.5 The partnerships has achieved positive outcomes for service users who have benefited from; service improvements to equipment services, early intervention services across health and social care and the development of whole systems integrated care approach within mental health (focusing not only on service users mental health but also their physical wellbeing), by promoting independence and enabling service users to remain in their own homes or within the community for longer.

By working collaboratively, service users have access to seamless support that is responsive to their changing needs and delivered by health and social care professionals with a common purpose and assessment criteria, wherever they access services.

- 3.6 Officers met with Brent CCG and CNWL to review current arrangements and considered that continuation of the Section 75 partnership agreements are the most operationally advantageous way forward for the Council, Brent CCG and CNWL to continue to fulfil their work in a seamless and integrated way to improve outcomes for service users as outlined in paragraph 3.5 of this report.
- 3.7 In discussions with Brent CCG concerning the proposed partnership arrangement for the Better Care Fund and for community equipment, it was considered that the Council should continue to host the pooled budget which both parties will continue to contribute to. In order to tie in with the proposed contract for the supply of community equipment as detailed in paragraph 3.3 and long term integration priorities, it is proposed that the new agreements will conclude by 31 March 2023.
- 3.8 For the reasons detailed in paragraph 3.2-3.5, officers wish to enter into Section 75 partnership agreements in respect of the following:
 - 3.8.1 the delivery of the approved Better Care Fund Plan with Brent CCG:
 - 3.8.2 the provision of Brent's Integrated Community Equipment Services (BICES) with Brent CCG; and
 - 3.8.3 the delivery of adult mental health social care with CNWL.
- 3.9 Whilst officers from the Council, Brent CCG and CNWL favour Section 75 partnership agreements culminating on 31 March 2023 this term has not to date been agreed by the relevant governing bodies of these organisations. In the circumstances, delegated authority is sought to enable the Strategic Director Community Wellbeing in consultation with the Chief Finance Officer and Chief Legal Officer to enter into Section 75 partnership agreements for such period or periods as is considered appropriate by the relevant parties, subject to no agreement expiring beyond 31 March 2023.
- 3.10 Due to the increased value and volume of mental health contracts as a result of commissioning services with health, delegated authority is sought to enable the Strategic Director of Community Wellbeing in consultation with the Chief Legal Officer and the Chief Finance Officer to award mental health contracts with a value of up to £1m.
- 3.11 In July 2016, Cabinet gave approval for the award of two accommodation based mental health contracts, valued at £482k per annum. Following a review of the evaluation, an alternative provider's proposal was identified as the Most Economically Advantageous (MEAT) offer. The details of the evaluation process and the bidder's

rankings will be presented to the Strategic Director of Community and Wellbeing when the request to award will be made in late November 2016.

4.0 Financial Implications

- 4.1 Better Care Fund
- 4.11 The BCF is worth £3.9bn nationally. Brent Council and Brent CCG has a pooled fund of £23.7m for 2016/17.
- 4.1.2 The Council's contribution to the BCF pooled fund in 2016/17 is £9.8m inclusive of the Disabilities Facilities Grant (DFG) of £3.6m.

Contribution	£m's
Brent CCG	13.8
LB Brent	9.9
BCF Total	23.7

4.1.3 The Council and the CCG will charge to the pooled budget any expenditure they have incurred up to the maximum amount that they have contributed to the pool and therefore the agreement does not include a specific risk share arrangement with any overspends being picked up by the relevant commissioning organisation.

4.2 BICES

- 4.2.2 The proposed financial arrangements are that Brent CCG contribute 59% of the pooled budget, and Brent Council contribute 41%. This is considered equitable by both parties and is in line with current spend. Any spend over or under budget, should it occur, would be applied pro rata.
- 4.2.2 The total pooled budget for 2016/17 is £1.1m, with £0.45m being Brent Council's contribution.

Contribution	£m's
Brent CCG	0.45
LB Brent	0.65
BiCES Total	1.1

4.3 Brent Mental Health Service

4.3.1 The Council and CNWL agreed not to pool their main resources for mental health services and their individual financial contribution for the financial year 2016/17 is summarised in the table below. Any spend over or under budget, should it occur, would be managed by each individual organisation.

Budgets	£m's
CNWL	19.9
LB Brent	4.6
Mental Health Service	
Total	24.5

4.4 Accommodation Based Mental Health Contracts

4.4.1 As stated in paragraph 3.11, the award of the two accommodation based mental health contracts was previously considered by Cabinet in July 2016 but following a review of the evaluation, an alternative provider's proposal was identified as the most economically advantageous offer. The total cost of the two contracts equates to £1.44m over the life of the 3 year contracts. This estimate falls within the Adult Social Care budget allocation for this service.

5.0 Legal Implications

- 5.1 Section 75 of the NHS Act 2006 provides the legal basis under which local authorities and health bodies can work together to improve health and social care provision. This includes making arrangements for flexible funding and working, such as arranging for the pooling of budgets and delegating responsibility for commissioning health related functions to the other. The parties are required to enter into a Section 75 partnership agreements to record their intentions as regards the integration of the services and the establishment of a pooled fund.
- 5.2 The Council's Contract Standing Order 85 provides that no partnership arrangement may be entered into unless they are approved by the Chief Finance Officer and a formal written agreement covering the arrangement is signed by the parties.
- 5.3 Cabinet approval is sought to delegate authority to the Strategic Director Adults Social Care, in consultation with the Chief Legal Officer and Chief Finance Officer to enter into Section 75 partnership agreements as detailed in paragraph 3.8 for such period or periods as may be agreed, such agreements to conclude by 31 March 2023. Delegated authority is also sought for the Strategic Director to also agree the final form of the written Section 75 partnership agreements required for the proposed partnership arrangement. Section 75 partnership agreements should include express provision permitting termination on notice to enable the council to withdraw from the long term arrangements proposed should this be considered appropriate.

5.4 Under section 3(1) of the Local Government Act 1999, Brent Council, as a "best value authority" is under general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Under the duty of best value, the Council should consider overall value, including environmental and social value, when reviewing service provision. In March 2015 the Government circulated revised Best Value Statutory Guidance and the full guidance is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418505/Revised Best Value Statutory Guidance final.pdf

- 5.5 Officers have indicated in the report, specifically at paragraphs 3.5 and 3.6, ways in which Section 75 partnership agreements assist the Council in achieving best value.
- 5.6 The Equality Act 2010 (the Act) introduced a new public sector equality duty requiring the Council in the exercise of its functions, to have due regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
 - advance equality of opportunity between people who share a protected characteristic and those who do not
 - foster good relations between people who share a protected characteristic and those who do not
- 5.7 Members are referred to Section 6 below and will note that there are no negative diversity implications.
- 5.8 Chief Officers have powers delegated to them under Part 4 of the Constitution to inter alia award contracts with a value of up to £500k. Delegated authority is sought to enable the Strategic Director of Community and Wellbeing in consultation with the Chief Legal Officer and the Chief Finance Officer to award mental health contracts with a value of up to £1m for the reasons detailed in paragraph 3.10.

6.0 Diversity Implications

The proposals in this report have been subject to screening and officers believe that there are no negative diversity implications.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 A Joint Pooled Fund Manager is funded through the Section 75 partnership agreement pooled budget arrangement in respect of the BICES service. The post holder (managed by the Council) is responsible for managing the operations and development of the BICES contract.

- 7.2 The mental health services included in the Section 75 partnership agreement (appended to this report at appendix C) will be provided from Brondesbury Road Mental Health Resource Centre, and operate under a single management structure in which management responsibility for Council staff is delegated to the Trust. The Council will continue to employ existing Council staff in the integrated services under existing terms and conditions appended to this report at appendix C. It is not currently anticipated that any job losses will occur in relation to Council staff.
- 7.3 There are no staffing implications in the Section 75 partnership agreement in respect of the delivery of the approved Better Care Fund Plan with Brent CCG.

8.0 Public Services (Social Value) Act 2012

- 8.1 Since 31st January 2013, the Council, in common with all public authorities subject to the EU Regulations, has been under duty pursuant to the Public Services (Social Value) Act 2012 to consider how services over the EU threshold being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement and whether the council should undertake consultation.
- 8.2 Authority is being sought to enter into a partnership arrangement under S75 of the NHS Act 2006 in respect of BCF, BICES & Mental Health Services with Brent CCG & CNWL which does not involve undertaking a procurement of services. However, details of how the services being procured to deliver BICES for both the Council and Brent CCG might improve the economic, social and environmental well-being in the Brent area was reported to members on 15 August 2016 when approval was sought to participate in the collaborative procurement of Community Equipment Goods and Services as part of the London Consortium.

9.0 Background Papers

Cabinet Report - 15th August 2016 – Authority to Participate in the Joint Procurement of Community Equipment Goods and Services as part of the London Community Equipment Consortium

Appendices A (BCF), B (BICES) & C (MH)

Contact Officers

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APPENDIX A

Better Care Fund – Description of services

The Better Care Fund Schemes are as follows:

1. Whole System Integrated Care (WSIC)

The WSIC model of care and provider model are designed to improve quality, experience and outcomes for patients with LTCs and their carers whilst reducing costs to the system. In 16/17 we plan to improve the productivity and efficacy of the model, increasing the capacity and capability within multidisciplinary teams, embedding new interventions and roles, and overcome barriers to integrated working between different professionals, teams and services. The scheme supports adults with LTCs with goals of:

- Move from reactive care to proactive care though better planning, prevention and management
- Move from fragmented care to coordinated and integrated care
- Moving from professionally led care to a model of support to self-care and selfmanagement - with personal goal-based care plans
- Continuity of care is achieved through the relationship between the patient, their carer(s) and their own GP
- Care is delivered at the appropriate time and in the appropriate setting out of hospital wherever possible

In the community Brent has a significant capacity gap within its District Nursing (DN) workforce. DN's are sometimes supported by a Home Care provider to provide domiciliary care. We plan to develop this Home Care market to help maximise the effectiveness of available resource and plug the capacity gap in the District Nursing workforce by providing support for the simpler DN tasks.

2. Integrated Rehabilitation and Reablement

In the current state, if a patient or service user is assessed for a community based reablement service, this service may be provided by one of over twenty home care providers. There have been recurring issues with these providers in relation to: service continuity and missed calls; following the instruction of the health professionals; and effective communication between the providers and the health professionals. This has served to reduce service quality and impact on the time of health professionals and the contract manager. In essence, this means that we are spending more for services which do not deliver more than is provided by many standard home care providers. The *Integrated Rehabilitation and Reablement* scheme will bring together the STARRS Rehab service (provided by LNWHT) with Reablement and Enhanced Reablement (provided by the Council) into an integrated assessment and therapy service which delivers intensive, short term (4-16 weeks) assessment and therapeutic support in the community to maximise independence in daily living skills and achieve rehab goals. The scheme will streamline the services clients receive when exiting hospital and/ or while being supported within a community setting.

3. More effective hospital discharges

A primary goal for this scheme is to reduce the negative impacts of the winter period in the Brent health and social care economy by joint commissioning appropriate support in the community. We plan to improve patient flow from hospital into the community and reduce delayed transfers of care designed to make a positive impact and contribution for the 2016/17 winter period.

The current hospital discharge system is for each local authority to be responsible for the discharge of their residents irrespective of whether the hospital is within the borough boundary. This creates confusion for hospitals to discharge via multiple borough procedures and difficulty for Brent council to resource discharge across a significant number of hospitals. A key goal for this work is to move towards a common approach to discharging irrespective of which of the eight London Borough Councils (as members of the West London Alliance) are involved.

4. Nursing Care Home Market changes

The Nursing Care home market does not currently deliver what is required locally in Brent to meet current needs in relation to capability, quality, capacity and price. The CCG and LA commissioners plan to develop an integrated approach to commissioning from the market and to develop new models to ensure we can improve quality and capacity as well as manage the price of nursing home provision more effectively.

APPENDIX B

Brent Integrated Community Equipment Services

- 1 Service Description
- 1.1 The aim of the Service is to supply, deliver, fit, adjust, service, collect, refurbish, recycle or dispose of items of equipment requisitioned by authorised Prescribers on behalf of Service Users.
- 1.2 The Service is predominantly provided to adults, when a need has been identified for equipment to assist care. A limited range of equipment may be used for children.
- 1.3 The Service Provider is required to:-
 - 1.3.1 procure, supply, deliver and install equipment (in compliance with the standards set out in CECOPS Code Standards 11 and 20) for daily living or nursing equipment to Service Users on either a short term or indefinite loan basis; and
 - 1.3.2 maintain, collect and refurbish equipment (examination and inspection in accordance with the standards)
 - 1.3.3 store a range of equipment to assist with personal care, mobility and independent living for people in a community setting.
 - 1.3.4 respond to service referrals in an efficient and appropriate manner;
 - 1.3.5 ensure all equipment supplied to Service Users is in a clean and safe condition and in good working order;
 - 1.3.6 maintain and repair all items of equipment on issue at no cost to the Service User or their carer;
 - 1.3.7 collect all items of equipment from the Service User's home when no longer required; and
 - 1.3.8 offer advice regarding equipment to Service Users as requested.
 - 1.3.9 provide suitable storage facilities for the purposes of providing the service;
 - 1.3.10 provide on-site technical advice, working with clinicians [e.g. Occupational Therapists, District Nurses, Physiotherapists], attending joint visits and advising clinicians on all aspects of
 - 1.3.11 provide a procurement service for special purchases and one off items including paediatric equipment;
 - 1.3.12 deliver to Service User equipment specified by the Prescriber within the timescale instructed by the Prescriber;
 - 1.3.13 in accordance with the manufacturer's instructions, allow sufficient time to install, fit, and/or adjust the equipment;
 - 1.3.14 provide the Service User with all necessary instructions on the cleaning and use of the equipment provided and fitting if appropriate;
 - 1.3.15 service and maintain the equipment supplied in accordance with the manufacturers recommendations, including regular service of hoists and any other equipment specified by the Prescriber while the equipment is on issue to the Service User, in the warehouse and before re-issue;
 - 1.3.16 on request from the Prescriber, Service User, or persons acting for the Service User, collect equipment from the Service User's address;
 - 1.3.17 where cost effective clean, and where appropriate, decontaminate equipment collected from or returned by Service User's to enable its re-

- use as quickly as reasonably practicable;
- 1.3.18 where cost effective, undertake minor repairs to equipment collected from or returned by Service Users to enable its re-use;
- 1.3.19 safely dispose of all items of equipment collected from or returned by Service Users where the equipment is unsuitable for re-use and beyond economic repair;
- retain all items designated for disposal for a period of seven calendar days and make them available to the Authorised Officer for inspection;
- 1.3.21 deliver equipment to Hospitals, Therapist/District Nurse bases, Health Centres, General Practitioners, Schools and Day Centres where instructed by the Prescriber;
- 1.3.22 adhere to the Prescriber's right to require that equipment be delivered to or collected from any address in each (any of the) Contracting Authority boundaries adjacent of 5 miles;
- 1.3.23 at the request of a Prescriber accept back into storage equipment currently issued to Service User;
- 1.3.24 Prescribers can request a Trusted Assessor (TA) Service when they have completed a clinical assessment of the client's needs, but have not seen or assessed the environment. Trusted Assessors must be accredited as a minimum at Level 2 by the National Qualification Framework, Open College Network (OCN) or similar equivalent and certified as competent to assess, use and fit daily living equipment.
- 1.3.25 The TA will visit a Service User at home, to assess the environment and select and install (during the same visit as the trusted assessment) the appropriate equipment item(s) of the type(s) identified by a Prescriber. The TA will demonstrate how to use the equipment and ensure the Service User's safety. The TA will make decisions about the position and height of equipment, including any folding support rails, grab rails or banister rails and will install these during the visit. A pre-agreed range of Equipment can be provided where the person has already been assessed by the relevant Prescriber as meeting the requirements of the Care Act 2014 and CES Joint Eligibility Criteria. (For the avoidance of doubt other equipment, including complex items, can also be delivered and/or collected as part of the same trusted assessor visit.)
- 1.3.26 The Service Provider's TA service shall provide items which shall include, but shall not be limited to:
 - Grab rails
 - Furniture raisers
 - · Raised toilet seats and toilet frames
 - Straight stair rails
 - Commodes
 - Bathboards
 - Key safes
 - Bed/Chair sensors

- 1.3.27 obtain and provide equipment for trial use with Service User's and for assessment purposes and provide a schedule of charges for provision of equipment for this purpose;
- 1.3.28 immediately notify the Prescriber should equipment issued to the Service User be misused, abused or removed from any property to which it has been delivered without their express consent;
- 1.3.29 deliver all items of equipment to the Service User or the Prescriber in a clean, safe condition and in good working order and have waterproof labels bearing the name, address and telephone number of the vice;
- 1.3.30 where appropriate, cleaning of all equipment before delivery;
- 1.3.31 notify the originating Prescriber (or Prescriber Team Manager) if a Service User has refused to accept equipment. Notification shall be given within 24 hours or one working day whichever is sooner;
- 1.3.32 establish close working links with Clinicians, Prescribers and other stakeholders; and have in place systems, including IT infrastructure, to enable Prescribers to incorporate the service within their respective care management systems.
- 2 Hours of Service
- 2.1 The Service Provider shall provide two levels of Service, namely: -
 - 2.1.1 Normal Working Hours Service; and
 - 2.1.2 Out of Hours Service.
- 2.2 During Normal Working Hours Service the Service Provider is to provide the full range of activities, including delivery and collection.
- 2.3 Out of Hours Service relates to the supply and repair of essential Equipment at all other times. The Out of Hours Service may include collection of Equipment where it is not reasonably practical to collect at any other time.

APPENDIX C

Brent Mental Health Services

The overarching aim of the agreement tis to ensure the integrated provision of high quality, cost effective mental health services which meet local health and social care needs and delivers personalised, recovery focused care and choice to individuals and their Carers.

The service will focus on a period of personalised intervention (for up to two years) whilst the individual recovers and is then enabled to move on from receiving secondary care services when that level of support is no longer required.

The services included in Section 75 agreement are:

- Community Mental Health Team North
- Community Mental Health Team South
- Early Intervention Team
- Mental Health Act Team

Key objectives for service improvement:

- Clear pathways for individuals to 'step down' from residential and supported living provision when this level of support is no longer required.
- All individuals identified as subject to S117 to have a care plan identifying S117 needs which are reviewed regularly and individuals discharged as appropriate.
- Clear and monitored care pathways for all individuals, including those transitioning from adolescence to adulthood, which ensure safety, equality, quality and consistency of care.
- A health and social care needs assessment, risk assessment and carer's assessment will be carried out following referral from the Single Point of Access (SPA).
- An outcome based care and support plan will be put in place for each individual, with progress reviewed against this plan on a regular basis by the care coordinator.
- The service will enable individuals to become as independent as possible thus facilitating a return to support from primary care services as soon as possible.
- Improved health and social care support at point of access to services and better liaison with services within primary care. Partners will work together to ensure the Transformation agenda of Shifting Settings of Care is implemented and that individuals identified as being able to be supported by primary care are discharged safely following the agreed protocols with General Practitioners ("GPs").

- The service will engage with people to ensure they are involved with employment support services, training and other activities designed to promote independence and recovery and to avoid social isolation.
- A co worker / buddy system will be implemented so that there is continuity of service for individuals and their carers if a member of staff is unavailable for a period of time, another member of the team will be available to provide support.
- Improved Information Technology ("IT") systems and an integrated approach to data collection, which reduces duplication of data entry and data collection. All staff will have greater accessibility to the Council's IT resources to ensure more effective communication between the Partners.
- Improved workforce planning which ensures a strategic and joint response to recruitment and improved staff development and career progression.
- Improved delivery of personalised care, individual budgets and social inclusion, including support to maintain and find employment, maximising individual's potential and engagement with the local community.
- Harmonisation of all clinical and non-clinical practices for staff to avoid duplication and increase efficiency.



Cabinet 15 November 2016

Report from the Strategic Director of Regeneration & Environment

For Action Wards affected: Kilburn

South Kilburn Regeneration Programme – Carlton & Granville Centres Site – Development Options

1 Summary

- 1.1 This report provides an update to the 25 July 2016 Cabinet report Carlton and Granville Centres, Granville Road, NW6 5RA redevelopment and investment proposals.
- 1.2 This report provides Members with feedback from the public consultation which has been carried out in respect of the Carlton and Granville Centres site.
- 1.3 This report provides Members with feedback from the engagement events conducted by officers with the current occupiers of the Carlton & Granville Centres
- 1.4 This report seeks approve to progress with Phase 1 of the redevelopment and approval to commence the procurement of a Design Team to progress Phase 2.

2 Recommendations

That Cabinet:

- 2.1 Agree to the Phase 1 of the Carlton and Granville Centres site redevelopment being the refurbishment and reconfiguration of the Granville Centre to allow for an interim Enterprise Hub to be established.
- 2.2 Delegate authority to Head of Estates Regeneration in consultation with the Lead Member for Regeneration, Growth, Employment and Skills to enter into all agreements with the Greater London Authority in respect for the funding for the refurbishment of the Granville Centre.
- 2.3 Delegate authority to the Chief Executive in consultation with the Lead Member for Regeneration, Growth, Employment and Skills to enter into legal agreements, including any lease with the South Kilburn Trust (SKT) and also with the GLA to secure their funding contribution; in return for project delivery of the interim Enterprise Hub by March 2018.

- 2.4 Delegate authority to the Chief Executive in consultation with the Lead Member for Regeneration, Growth, Employment and Skills to oversee scheme development through further viability testing, local consultation, and planning consent;
- 2.5 Approve the procurement of an architecturally led multidisciplinary design team to develop a detailed planning application for redevelopment of Carlton and Granville Centres site as Phase 2 of the work by either:
 - i) calling off the Greater London Authority (GLA) and Transport for London (TfL)
 Architecture, Design and Urbanism Panel (ADUP) or such other appropriate OJEU
 compliant framework; and evaluating those tenders in accordance with the relevant
 Framework; or alternatively
 - ii) carrying out an OJEU compliant procurement process and inviting tenders on the basis of the pre-tender considerations set out in paragraph 3.30 of this report and evaluating the tenders on the basis of the evaluation criteria set out in that paragraph
 - iii) The cost of the design team and associated consultants is anticipated to be in the region of £1m. £350,000 has already been assigned to this project so the balance will be up to £650,000 to be funded "up-front" by the Council.
- 2.6 Note that irrespective of which procurement option detailed in 2.5 above is selected, Officers will report back to Cabinet to seek Member approval to award the proposed contract, once a preferred design team has been identified.

3 Detail

Background

3.1 A report went to Cabinet on 25 July 2016 in respect of the Carlton and Granville Centres site and an option for the redevelopment of the Carlton and Granville Centres site was approved by Cabinet. The approval included that the site be included within the wider Masterplan Review and for there to be local consultation, amongst other recommendations.

3.2 The full decisions were:

- (i) that approval be given to Option 2 for redeveloping the Carlton & Granville Centres, Granville Road, London, NW6 5RA (the subject site) to deliver 95 new homes, an Enterprise Hub and 3274sqm of additional community use space;
- (ii) that a further update be provided to formally approve final scheme plans and the required capital investment to bring forward the phased redevelopment of the Carlton and Granville Centres and ensure continuity of occupation for the Enterprise Hub within the site;
- (iii) that the site be included within the scope of the South Kilburn Masterplan review to ensure wider place making considerations are incorporated;
- (iv) that the Strategic Director for Resources in consultation with the Strategic Director for Regeneration and Environment, Chief Legal Officer and Chief Finance Officer enter into a legal agreement with the South Kilburn Trust and the GLA to secure their funding contributions in return for project delivery of the Enterprise Hub by March 2018, and setting out Council commitment to underwrite the shortfall in project funds;
- (v) that authority be delegated to the Strategic Director for Resources in consultation with the Strategic Director for Regeneration and Environment, Chief

Legal Officer and Chief Finance Officer to oversee scheme development through further viability testing, local consultation, and planning consent;

- (vi) that authority be delegated to the Strategic Director for Resources in consultation with the Strategic Director for Regeneration and Environment, Chief Legal Officer and Chief Finance Officer in respect to any works and/or professional services contracts for scheme development to agree pre-tender considerations, invite tenders and thereafter award the contract.
- 3.3 The project was also moved from the Property Team to the Estates Regeneration Team in order to fulfil the requirements for it to be included within the wider South Kilburn Masterplan Review.

South Kilburn Masterplan Review 2016

- 3.4 The Masterplan aims to change South Kilburn into a sustainable and mixed community, through a series of phased and sequential developments. The Masterplan aims to deliver 2400 new high quality homes, around half of which will be made available to existing South Kilburn secure tenants, while the balance will be high quality homes for private sale, to maintain the viability of the regeneration programme in the long term.
- 3.5 The Council has appointed an urban design-led team to undertake a comprehensive strategic review of the current Masterplan in collaboration with the community. This is involving reviewing the current phasing proposals, timelines, public realm, and much more to ensure that the revised Masterplan will address current community needs, programme requirements, new planning policies and the latest standards set by institutions such as the GLA (Greater London Authority). The proposals will need to be viable and deliverable. The review is currently on-going with the Final Public Exhibition due at the end of 2016.
- 3.6 The Council will also be revising the South Kilburn Supplementary Planning Document 2005 which is a planning policy document and sets the design and policy requirements for South Kilburn. The Masterplan Review will also impact the revisions to SPG17, another Planning Policy Document. Consultation on the South Kilburn Supplementary Planning Document 2005 is due to start following the conclusion of the Masterplan Review 2016. This will have a formal consultation process and will report to Cabinet in mid-2017.
- 3.7 The Carlton and Granville Centres site has historically not been included within the regeneration proposals for the Masterplan. However the opportunity to secure external funding for an Enterprise Hub together with the current low level usage of these centres has brought forward an opportunity to consider the longer term future for this site. This initially culminated in the July report to Cabinet but which, given the time constraints of responding to the GLA time frame for LRF funding, did not provide an opportunity to consider the site in the context of the masterplan. Therefore whilst the conclusions from the wider public consultation will be presented at the end of the year this report specifically addresses the issues of the Carlton & Granville Centres site opportunities.
- 3.8 Consequently there has been a site specific public consultation which has run in parallel to the wider master plan consultation process. The first public exhibition (19 July 2016) included the possibility of including the Carlton and Granville Centres site, this was prior to the 25 July 2016 Cabinet paper. Following the Cabinet paper the site was included as a site within the Masterplan Review. It was decided that a public consultation event should be held specifically on the Carlton and Granville Centres site to provide the community with an opportunity to be consulted on the proposal which went to Cabinet ahead of the next public exhibition on the 13 September 2016. The latest date which was feasible to allow for some initial feedback to be fed into the event on the 13 September was the 1 September 2016.

Consultation

3.9 A series of consultation events were carried out:

Public Consultation

- Public Consultation Event held on 1 September 2016 for the Proposed Redevelopment of the Carlton and Granville Centres site. This event was widely leafleted to the local community. A feedback form was available at the event.
- South Kilburn Masterplan Review 2nd Public Exhibition included the Proposed Redevelopment of the Carlton and Granville Centres site. This event was widely leafleted to the local community. A feedback form was available at the event.
- The public consultation for the Carlton and Granville Centres site ran from 1-27 September. Information was available on the Council website along with an online feedback form.

One to One meetings with Occupiers of the two Centres were held, the consultation response for occupiers was extended beyond the public consultation date to give them time to have a one to one meeting and respond:

- Brent Start 6 September 2016
- Granville Plus Nursery School 8 September 2016 (meeting with Headteacher).
 23 September 2016 (meeting with parents).
 3 October 2016 (Governors meeting)
- Barnardos Children Centre 15 September 2016
- Granville Kitchen and Otherwise Club 21 September 2016
- Concorde Café 5 October 2016
- 3.10 Consultation material for the event is attached as part of appendix 1. The option which was agreed by Cabinet on 25 July 2016 was shown alongside how this could be taken into the Masterplan adhering to the principles of the earlier Cabinet report.
- 3.11 The results of the public consultation are in appendix 1 and appendices 2-6 include notes on the Councils engagement with the occupiers of the two centres.

Carlton and Granville Centres site Feedback

3.12 Overall there has been a negative reaction to the proposals for the two Centres, with respondents not believing the proposals are good enough. There was more concern reported in the consultation response than support for the proposal.

Information from a maximum of 76 respondents showed (numbers in brackets below show the number of specific response to that item):

Top support

- 1. More housing and community facilities and for the community (9)
- 2.Employment opportunities created by the Enterprise Hub with a permanent location for SK Studios (5)
- 3.Creation of a comprehensive community hub (5) through the Enterprise Hub combined with other uses such as an arts centre, live/work housing, education facilities, a cafe, small shops and flexible community spaces

Top concerns

1.Mix of uses not clear neither seen as ideal (31)

- 2.Demolition of a heritage building and community asset such as the Nursery School (30)
- 3. Biased consultation and unclear communication (24)

Top suggestions

- 1.Including all current uses in the project especially the Nursery School (21)
- 2.Including affordable facilities and housing typologies (19)
- 3. Refurbishing the building instead of redeveloping it (19)
- 3.13 Key feedback from the consultation and through officer meetings has been that the community has been upset that there has been a lack of consultation prior to the 25 July 2016 report and that they were not presented with options for the site. It should be noted that the 25 July 2016 Cabinet paper was focused on meeting timescales in order to adhere to a tight timescale for the Greater London Authority (GLA) funding (described below). There has been upset that the occupiers were not engaged and that the services which are being delivered were not understood by the Council. There was a large response that would not wish to see the buildings being demolished and for the current facilities to stay within the buildings. The current occupiers, whilst also wishing the building not to be demolished, would be amenable to development as long as they stayed on the site.
- 3.14 The outcome of what housing types was preferred, was that there was a clear desire for rented property either social or private, with other forms of affordable, co-living and livework housing also popular.
- 3.15 The outcome for mix of community space and enterprise hub was for Nursery School, Childcare, Community Kitchen, Community Hall/Large Flexible space (to rent) and Community Area/Space.

South Kilburn Masterplan Review Second Public Exhibition

- 3.16 The Wider South Kilburn Masterplan Review exhibition had as the top concern Carlton & Granville Centres demolished and not hosting a nursery and its third highest suggestion Retain Carlton & Granville Centres and the nursery(7)
- 3.17 Comments for the Carlton and Granville Centres site redevelopment (28 comments or dots):
 - Support (7): Relocate SK Trust and Studios, community commercial space, more facilities
 - Concerns (13): Nursery School future, historic building, educational garden removed
 - Suggestions (7): Affordable spaces for local businesses & creatives, keep facades, facilities for the ones with special needs, include Global Skills Centre

Enterprise Hub

- 3.18 Since the 25 July 2016 there has been ongoing dialogue with the Greater London Authority (GLA) in respect of the funding for the Enterprise Hub, who initially were to provide £1.8m towards an Enterprise Hub, however, this came with a tight timescale of delivery of March 2018.
- 3.19 Officers reviewed the timescale to determine what could be delivered with the GLA's March 2018 timescale. It was evident that a new build could not be achieved, and as a result officers, working with the South Kilburn Trust (whom, it is proposed will manage and operate the Enterprise Hub subject to terms being agreed by Brent's Property Services), looked at delivering a Phase 1 option of refurbishing the Granville Centre in the immediate

term to provide for a location for the Enterprise Hub which would meet the GLA timetable. With a Phase 2 option which looks at the wider redevelopment of the Carlton and Granville Centres being developed in due course.

- 3.20 The GLA is supportive of this and has approved for the Council to have £749,058 funding for the Enterprise Hub project phase 1. This figure is greater than the initial proposal which was for £350k for phase 1. In respect of the Phase Two comprehensive scheme the GLA remains supportive but any further funding bid would have to be made through a future funding programme around enterprise and workspace.
- 3.21 The delivery of Phase 1 will allow for the Nursery School and Barnardos Children Centre to stay on site in their current locations. The Granville Kitchen and Otherwise Club would have to make arrangements with the South Kilburn Trust for the space they use and will use within the proposed Enterprise Hub, but to date this is expected to be achievable. The Concorde Café is discussed below.

Phase 2

- 3.22 The Council is seeking to review options for Phase 2 in light of the consultation provided within this report. The Council would seek to engage with a Design Team to take forward a review of the options for the site and to conduct in-depth engagement with the local community. The Council would envisage that the site would still deliver an Enterprise Hub, Education/Community Space and Housing, with the priorities being: to secure a permanent enterprise hub, to secure the future of the Nursery School, to secure the future of the Barnardo's operated Children's Centre (within the South Kilburn area although not necessarily on this site) and to secure the future of the Granville Kitchen and Otherwise Club as being incorporated into the Enterprise Hub space.
- 3.23 The Council would seek that a Nursery School would remain on site, though the location within the site may change as part of a redevelopment. One important aspect to note in regard to the Nursery School is the importance placed on the external area which, in an urban area such as South Kilburn where a number of the children can be expected to live in flats with no external play area, provides a safe environment for them to explore; it is also an integral part of the educational aspect of the Nursery School Therefore the reprovision of suitable external space, if this area is to be utilised in any redevelopment, will be highlighted in the specification provided to the appointed team.
- 3.24 The Council would anticipate that the Granville Kitchen and the Otherwise Club would integrate within the Enterprise Hub space. The Council would envisage that a Children's Centre would continue to be operated within the South Kilburn area, but that this may not necessarily be from the Carlton and Granville Centres Site, though the intention at this time is that it would stay on this site until more detailed options are examined.
- 3.25 Brent Start is due to leave the Carlton Centre in 2017 as they are developing their own property strategy which will see them reduce their permanent physical presence whilst maintaining their offer to residents and a more detailed separate report will be brought to Members in due course to outline this strategy. However for the purposes of this report it is believed reasonable to presume that a future Brent Start function operating within this site is not envisaged beyond mid-2017. As the Concorde Café does appear to be linked with Brent Start, when Brent Start vacates the Carlton Centre, officers would need to consider if the café can continue to operate and it may not be suitable to accommodate this on site. In the longer term the Council would need to consider if a café function is appropriate in this building, especially as a new café is proposed as part of the "Peel" site. Therefore officers will need to enter into discussions with Concorde Café regarding the future of their operation post vacation by Brent Start.

- 3.26 Taking the site forward with a Design Team, the Council would seek to ensure that:
 - There is robust consultation
 - Would review the viability of a complete demolition versus retaining all/parts of the building
 - Consult with English Heritage

Design Team Procurement

- 3.27 The procurement of a design team to develop a detailed planning application for the comprehensive redevelopment of the Carlton and Granville Centres site will be undertaken by either:
 - i) calling off the GLA and TfL ADUP or such other appropriate OJEU compliant framework; or alternatively,
 - ii) inviting tenders using a Restricted procedure under the Public Contracts
 Regulations 2015 ("PCR 2015") on the basis of the pre-tender considerations set
 out in paragraph 3.30 below commencing by placing a notice in the Official Journal
 of the European Union (OJEU).
- 3.28 The decision on which of these options will be pursued will be taken by the Strategic Director of Regeneration and Environment.
- 3.29 Should calling off the GLA and TfL ADUP be the preferred procurement route, officers will conduct a mini-competition under Lot 2 (Architecture) and report back to Cabinet to seek Member approval to award the proposed contract, once a preferred design team has been identified. A similar process will be adopted should the council select an alternative framework.
- 3.30 Should using a Restricted procedure under the PCR 2015 be the preferred procurement route, in accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service/ works.	To procure an architecturally led multidisciplinary design team to prepare a detailed planning application for the comprehensive redevelopment of the Carlton and Granville Centres site
(ii)	The estimated value.	The value of this contract will be determined through the competitive tender process but it is anticipated the value will be approximately £850k.
(iii)	The contract term.	The contract period will be approximately twelve months.
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted otherwise than by electronic means and whether there will be an e-auction.	PCR 2015 compliant restricted procedure procurement route, in which parts of the procedure may be conducted by electronic means but there will not be an e-auction.

Ref.	Requirement	Response
v)	The procurement timetable.	The procurement would be undertaken during start 2017. Indicative milestones/timescales are: Contract Notice placed Expressions of interest/Pre Qualification Questionnaire (PQQ) period – 30 days Evaluation of PQQ responses in accordance with the Council's approved criteria – 10 days Invitation to tender period – 35 days Panel evaluation, interviews and panel decision – 10 days Seek Cabinet approval to award contract Standstill period – 10 calendar days
(vi)	The evaluation criteria and process.	Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the PQQ and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. Officers will evaluate the tenders from the shortlisted bidders on the basis of "most economically advantageous tender criteria" (MEAT) on the basis of percentage quality and percentage price, with a weighting of 30% applied to price and 70% applied to quality criteria. The quality criteria will consider how submissions perform in respect of: Design Approach and Vision (30%) Expertise and Resource Allocation (25%) and Consultation and Stakeholder Management (15%)
(vii)	Any business risks associated with entering the contract.	The Council will ensure the form of appointment and collateral warranty with the preferred design team is drafted to minimise all business risks.
(viii)	The Council's Best Value duties.	The procurement process will seek to ensure best value is achieved.
(ix)	Consideration of Public Services (Social Value) Act 2012.	See Paragraph 8 below.
(x)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(xi)	The relevant	See Paragraphs 4 and 5 below. This proposed

Ref.	Requirement	Response
	financial, legal and other considerations.	procurement process would be in line with the Council Standing Orders and the Public Contract Regulations 2015.

3.31 The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

4 Financial Implications

- 4.1 The Council is seeking approval to enter into the financial agreement with the GLA to deliver phase 1. The Council would not be seeking to put any of its own costs into the Phase 1 works with the exception of officer time and design work (£25k approximately) carried out to date.
- 4.2 This report is seeking a budget of £1million to engage a full design team and associated consultants including a quantity surveyor to progress phase 2. A budget of £350k has previously been approved, as such this would be an additional £650k. Irrespective of the procurement process to be undertaken, it is anticipated that the value of the proposed contract will be in excess of £500k and thus classed as a High Value Contract under the Council's Standing Orders and Financial Regulations. Therefore, approval will be sought from Members to award the proposed contract, once a preferred design team has been identified. This budget should form part of the eventual capital scheme and as such does not represent a Capital project in and of itself.
- 4.3 There is no current rental agreement and the lack of a tenant in the Granville Centre poses a financial risk to the Council and direct financial pressure on Property Services. There is no budget in Property to pay for regular maintenance or health and safety in the Granville Centre, as these are expected to be funded by external income. The scale of that pressure has not currently been calculated, but it is worth noting that Property Services operates either on a full cost recovery basis, or on a profit margin basis for commercial dealings.
- 4.4 There is also the potential for foregone rent due to the fit-out of the Granville Centre. This has not been calculated to date because of a lack of an agreed rent between the Council and its main tenant.

5 Legal Implications

Carlton and Granville Centre Site – Design Team Procurement: use of GLA and TfL ADUP or such other appropriate PCR 2015 compliant framework

5.1 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to PCR 2015 by another contracting authority and where call off under the framework agreement is recommended by the relevant Chief Officer (to include confirmation that there is sufficient budgetary provision for the proposed call-off). However, this is subject to the Chief Legal Officer advising that participation in the framework agreement is legally permissible and approval to participate in the framework being obtained from the Chief Legal Officer. Should calling off the GLA and TfL ADUP or such other appropriate OJEU PCR 2015 compliant framework be the preferred procurement route, approval will be sought and given from the Chief Legal Officer prior to doing so.

Carlton and Granville Centres Site – Design Team Procurement: use of a Restricted Procedure under the PCR 2015

- 5.2 The value of this proposed procurement over its lifetime will be higher than the EU threshold for Services and the procurement of the contract is therefore governed in full by the PCR 2015. The estimated value of the procurement is in excess of £500k and therefore it will be classed as a High Value Contract under Contract Standing Orders and accordingly the Cabinet must approve the pre-tender considerations set out in paragraph 3.30 above (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 5.3 Once the procurement process has been undertaken (whether the Council is using a framework or a Restricted Procedure under the PCR 2015, officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 5.4 Should the use of the Restricted procedure under the PCR 2015 be the preferred procurement route, the Council must observe the requirements of the mandatory minimum ten calendar days standstill period imposed by the PCR 2015 before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing the prescribed information which includes the reasons for the decision and the characteristics and relative advantages of the winning bid. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.
- 5.5 Section 122 Local Government Act 1972 (LGA 1972) allows the Council to appropriate land from one purpose to another which would also allow the Council to override any third party rights currently enjoyed by other parties on the site subject to payment of compensation.
- 5.6 Prior to applying Section 122 LGA 1972 the Council must have concluded that the Property is no longer required for its existing purpose and provide evidence to show how it has arrived at this decision.

6 Diversity Implications

- 6.1 This report seeks Cabinet approval of Phase 1 of the Carlton and Granville Centres site redevelopment which involves the refurbishment and reconfiguration of the Granville Centre to allow for an interim Enterprise Hub to be established. In the meantime, the Council will review the options for Phase 2 in light of the consultation provided within this report and will conduct in-depth engagement with the local community and affected stakeholders who are currently occupying the site, namely the Nursery School, Barnardo's operated Children's Centre, Granville Kitchen and Otherwise Club, Brent Start and the Concorde Cafe.
- 6.2 The Cabinet is also asked to approve Officers' intention to progress the procurement of an architecturally led multidisciplinary design team to develop a detailed planning application for redevelopment of Carlton and Granville Centres site as Phase 2 of the work. The work of the design team will also include proactive consultation and engagement with affected stakeholders, service users and residents with protected characteristics such as:

- the diverse group of children, the majority of whom are from BAME backgrounds and with English as a second language, attending the Nursery School and Barnardo's operated Children's Centre and their parents/families
- SEND children and service users with disabilities
- Residents, elderly and economically disadvantaged groups who use the Granville Kitchen and Otherwise Club.
- 6.3 A full equality analysis, informed by the consultation findings and the potential/likely equality implications arising from the proposal, will support future Cabinet reports related to the redevelopment of the Carlton and Granville Centres site.

7 Staffing/Accommodation Implications

- 7.1 There are Council staffing and accommodation implications. The Granville Plus Nursery Staff are all Council employees. Some staff at the Barnardos Children's Centre transferred pursuant to the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) from Brent Council to Barnardos. Brent Start are Council employees, however, their decision to move from the Carlton Centre has been taken independent of these proposals and as such they are not considered here. In addition there are occupiers of the centre, whilst they are not Council employees will be affected by these proposals.
- 7.2 In Phase 1 there will be accommodation implications for the Granville Kitchen and Otherwise Club as they will need to discuss their requirements with the South Kilburn Trust, as such their accommodation space/access may change. The Concorde Café may not be able to continue to operate when Brent Start moves from the building.
- 7.3 The Phase 2 implication for both staffing and accommodation are currently unknown.

Property Implications

- 7.4 The available space in the Granville Centre is about 915 sqm and has not been marketed due to ongoing resistance, although there would be a market for this space. A modest reasonable rent of £49,245 per annum £53.82 per sq m (£5psf) for a short term lease had been negotiated with SKT, this equates to about £5/sqft representing very good value for money for SKT. Due to the likely level of rent for this space the final terms and conditions of this lease between Brent Council and SKT can be dealt with by way of Delegated Authority by the Head of Property Services. The lease envisages that Brent will need to retain responsibility for a number of common elements including the building envelope. A complicated arrangement would have to be set up in the lease to enable cost recovery by the Council. This is likely to be management intensive and is less than satisfactory particularly given the age of the building.
- 7.5 The Granville building is somewhat complicated, it has Barnardos and Granville Plus both in part of the building and heating, electrical wiring and water are all interlinked. In addition the Otherwise Club have continued to hire space on a part-time basis within the complex. The building if marketed and offered for a period of at least 5 years would attract offers most likely from school and religious groups. There is an urgent need to secure an occupant as health and safety, empty holding costs have not been budgeted for. There is an outstanding requirement for the building including the adjacent Carlton Centre to have a nominated Fire Controller. The London Fire Brigade are aware of this situation. If this is not resolved shortly the Otherwise Club will have to cease operations.

- 7.6 The Carlton Centre will also require the securing of an occupant as no budget exists to hold this building vacant. Here the vacant holding costs will also be substantial. Any occupant is also likely to prove problematic if they are required to vacate the building at lease end. This property was built as a school and could prove attractive to school use. Again this building provides management challenges although most of the services are separate from the Granville Complex apart from fire detection. The Carlton Centre will be marketed in the next few months.
- 7.7 In respect of other users, Barnardos have a crèche within the main Granville Centre held on a lease, albeit terminable on 1 years notice, there is a service contract that is the primary agreement between Brent and Barnardos that may give commitments to reprovide provision should their use in Granville terminate.
- 7.8 The Otherwise Club have an informal hire arrangement on a part time basis and they would pay us £600 per month, we haven't however billed them since 1 April 2016, when the youth service moved out.

8 Public Services (Social Value) Act 2012

- 8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ('the Social Value Act') to consider how the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. This duty applies to the procurement of the architecturally led multidisciplinary design team for the proposed redevelopment of Carlton and Granville Centres site
- 8.2 The services being procured aim to improve the economic, social and environmental well-being of residents of South Kilburn through the preparation of a planning application for the comprehensive redevelopment of Carlton and Granville Centres site to deliver a high quality development.
- 8.3 Where possible the contract will require that the Design Team:
 - provide opportunities for local people or prioritise local people for the employment opportunities that may arise during this contract (e.g. apprenticeships, work placements for disabled people or BAME groups, etc.);
 - 2. pay the London Living Wage as part of the Council's commitment to reduce socio-economic disadvantage;
- 8.4 Consultation will form part of the Design Teams' work and will form a scored element of the procurement process, including identifying how the Design Team will target engagement of disabled people, young people, older residents and BAME groups on the development of an inclusive and accessible design; easy read communications materials; translation and interpreting services, etc.

9 Background Papers

25 July Cabinet Report: Carlton and Granville Centres, Granville Road, NW6 5RA – redevelopment and investment proposals

Maintained nursery schools: hubs for quality in the early years (Early Education: The British Association for Early Childhood Education)

Maintained nursery schools: the state of play report (March 2015, Early Education: The British Association for Early Childhood Education)

https://reports.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/101492

 $\frac{https://reports.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/CARE/EY310088}{\text{constant}}$

10 Contact Officers

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AMAR DAVE Strategic Director Regeneration and Environment



OCTOBER 2016

SOUTH KILBURN MASTERPLAN REVIEW

CARLTON & GRANVILLE CENTRES SITE CONSULTATION

September 2016



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1. Facts & figures

Communication

c.2300 flyers distributed around the site

3 Mailchimp e-newsletter to 90 contacts

Feedback forms distributed to users of the centres by Brent

Participation

pprox. 35 attendees to the Dedicated Public Consultation (1st September/SK Studios)

Approx. 55 attendees to the 2nd Masterplan Review Public Exhibition that displayed a

Gedicated board on the site (13th September/SK Studios)

80+ post-it notes (on boards / mix of uses for Carlton & Granville Centres site)

84 dedicated forms completed (63 paper + 21 online survey)

660+ comments in total

165+ people engaged

2. Representativity check



What is the link of the participants to SK?

(information from 32 people)

- 1. Council tenant (11)
- 2. Employee / worker (8)
- 3. Visitor (5)
- 4. Volunteer (4)
- 5. Private tenant (3)
- 6. Local organisation representative (3)
- 3. Private leaseholder (2)
- 4. Pandowner (2)
- 7. $\mathbf{3}$ ousing association tenant (1)

What age?

(information about 18 people)

- 1. 45-64 (8 44%)
- 2. 25-44 (4 22%)
- 3.65+(3-17%)
- 4. 16-24 (3 17%)
- 5. 0-9 (0)
- 6. 10-15 (0)

- 1. 25-44 (35.6%)
- 2. 45-64 (21.1%)
- 3. 0-9 (13.2%)
- 4. 16-24 (12.5%)
- 5. 65+ (10.6%)
- 6. 10-15 (7%)

Census data for comparison against the Kilburn Ward in Brent

Ref. Office for National Statistics © Crown Copyright 2012

Where do they come from?

(24 postcodes)

- 1. Within SK area (10 42 %)
- 2. Living elsewhere (10 42%)
- 3. Within 1 minute walk of SK (4 17 %)



What gender?

(information about 49 people)

- 1. Female (33 67%)
- 2. Male (16 33%)

Ref. Kilburn census 2011: Female (50.4%) / Male (49.6%)

What ethnicity?

(information about 38 people)

- 1. White (22 58%)
- 2. Other (8 21%)
- 3. Black (3 8%)
- 4. Asian (3 8%)
- 5. Mixed (1 3%)
- 1. White (50%)
- 2. Black (24.6%)
- 3. Asian (11.4%)
- 4. Other (7.1%)
- 5. Mixed (6.9%)

Census data for comparison against the Kilburn Ward in Brent

Ref. Office for National Statistics © Crown Copyright 2012

3. Top comments on the proposal

Comments nature

(information from max 76 participants)

Top support

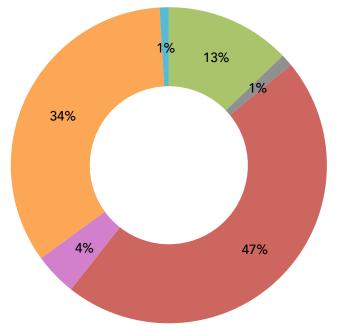
- 1. More <u>housing</u> and <u>community facilities</u> and for the community (9)
- 2. <u>Employment opportunities</u> created by the Enterprise Hub with a permanent location for SK Studios (5)
- 3. Creation of a comprehensive <u>community hub</u> (5) through the Enterprise Hub combined with other uses such as an arts centre, live/work housing, education facilities, a cafe, small shops and flexible community—spaces

spaces ag Top concerns

- 2. Demolition of a heritage building and community asset such as the Nursery School (30)
- 3. <u>Biased consultation and unclear communication</u> (24)

Top suggestions

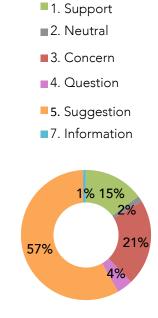
- 1. Including <u>all current uses</u> in the project especially the Nursery School (21)
- 2. Including <u>affordable facilities and housing</u> typologies (19)
- 3. Refurbishing the building instead of redeveloping it (19)



General comments on the proposal

The diagram above shows the nature of the comments on the proposal only, therefore the following comments are excluded:

- Comments on the Analysis of the Existing (to find p.10)
- Votes on Housing & Community Spaces typologies (to find p.11 & 12)



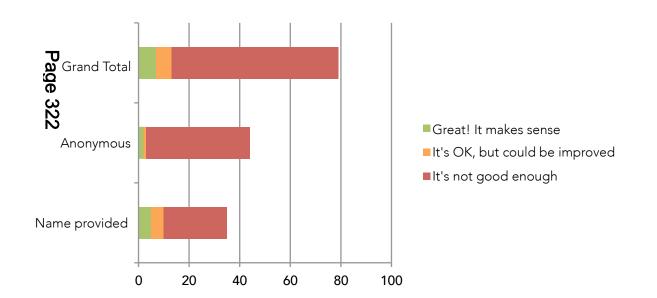
Same comments excluding the ones of some directly impacted users on the proposal

To understand the influence of the 51 forms received via the Centres users, the diagram above shows the nature on the comments on the proposal excluding the responses from the 51 directly impacted that responded.

4. Comments on the idea

What do you generally think about this proposal for the redevelopment of the Carlton & Granville Centres site?

(comments from 66 people including 17 anonymous)



" Please don't destroy our community kitchen"

" Please don't tear the building down because it is very important to us!"

"I and our local community will fight these changes."

"To ruin this beautiful building is heartbreaking."

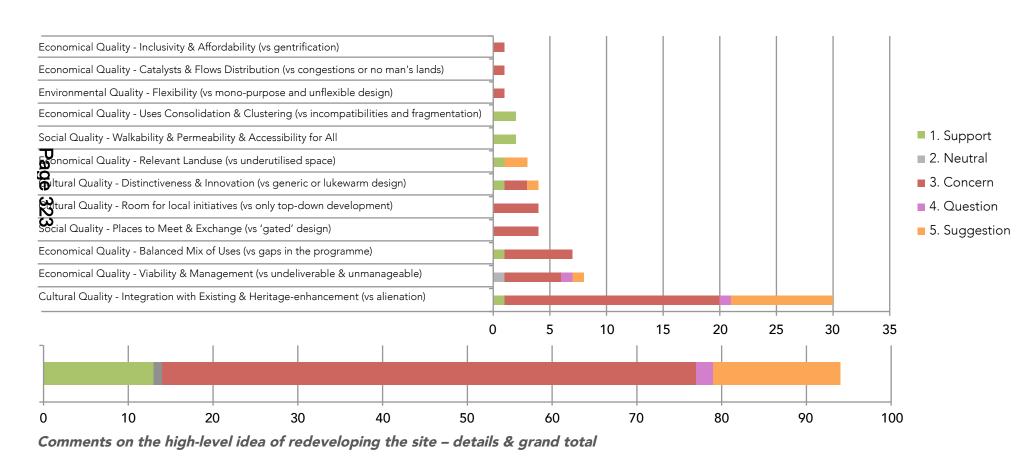
Analysis of the comments about the redevelopment of the site

(comments from 54 respondents)

FLUID ARCHITECTURE URBANISM PARTICIPATION

Why such a result?

- 1. No good integration in the plan of the current community buildings and heritage elements that represent the C&G Centres
- 2. Understanding that the Council is selling common ground and partly renovated and awarded community buildings to make profit
- 3. No clear inclusion of the <u>current diverse uses and users</u> in the plan
- 4. Destruction of a South Kilburn significant and historic hub / place to meet where there is local support and inclusion to find
- 5. Disappointment regarding the consultation especially how current users haven't been approached beforehand



5. Comments by process steps

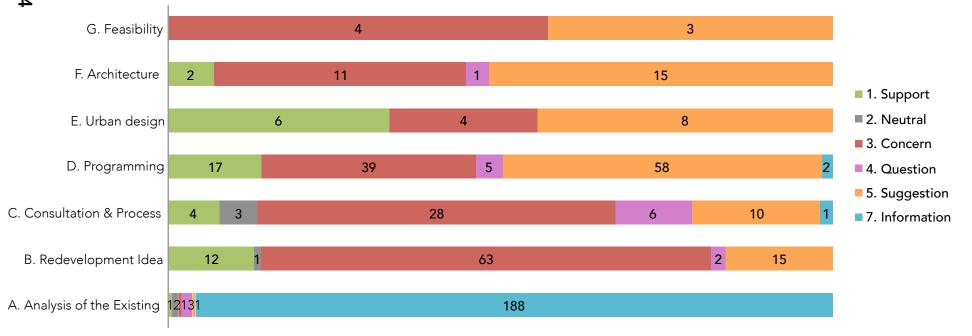
(information from max 76 participants)

Top comments

- Analysis of the Existing: Lots of participants expressed their satisfaction and strong need in the current uses in the centres especially the multiuses Granville Nursery School and Community Kitchen
- Redevelopment Idea: Many are worried of loosing Education, Health and Community assets for always more housing.
- Consultation & Design Process: Origin and purpose of the redevelopment idea not understood by many.
- Programming: agreement on the need of reproviding space to the SK Trust & Studios somewhere and on the need of improving, multiplying and diversifying community facilities in South Kilburn, but not to the detriment of the current Carlton & Granville Centres uses and buildings.
- +Urban Design: Some people would like the accessibility to the Centres improved and the open spaces within and around the Centres better esigned. Some like the idea of opening up Granville Road and creating a street along the new building.

pArchitecture: Many suggest to keep the <u>low-rise characterful historic buildings</u> and at minimum (part of) their <u>facades</u>.

Feasibility: Some people believe that is it a pity to spend taxpayer money in such a project.



About the consultation

(information from 35 people)

Top support

- 1. Visibility (1)
- 2. Organisation (1)
- 3. Community input within the plan (1)

Top concerns

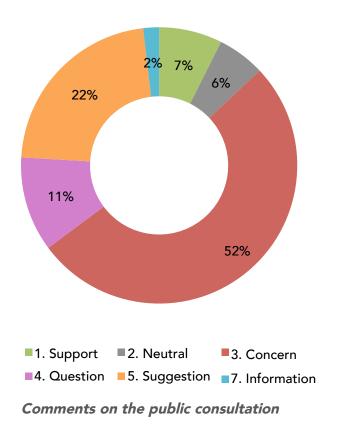
- 1. Community not taken in consideration (ref. 1st South Kilburn Masterplan Review Exhibition- results on the opportunity sites) (12)
- 2. Directly impacted users not approached and informed beforehand (also short consultation & during holidays) (6)
- 3. Unclear redevelopment idea and origin and no option including beeping the buildings and all uses (4)

β p questions

- 1. Why no more options? (5)
- 2. Why no workshops and focus groups? (2)
- 3. Why Carlton & Granville Centres not in original Masterplan? (1)

Top suggestions

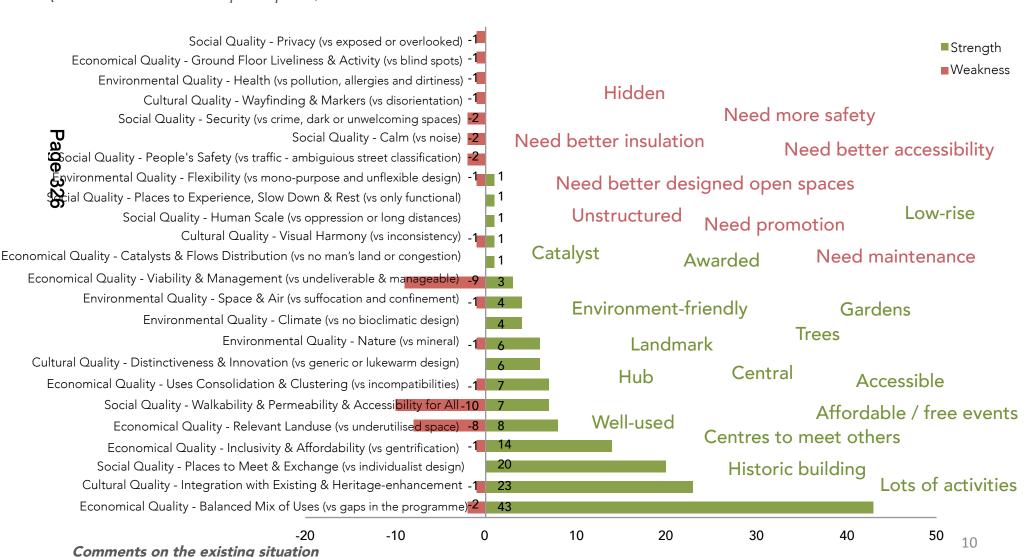
- 1. Co-creation of options with the Carlton & Granville users (4)
- 2. Consultation more accessible (location, form, language) (2)
- 3. More time for participation and studies (2)



FLUID ARCHITECTURE URBANISM PARTICIPATION

Comment analysis by design quality

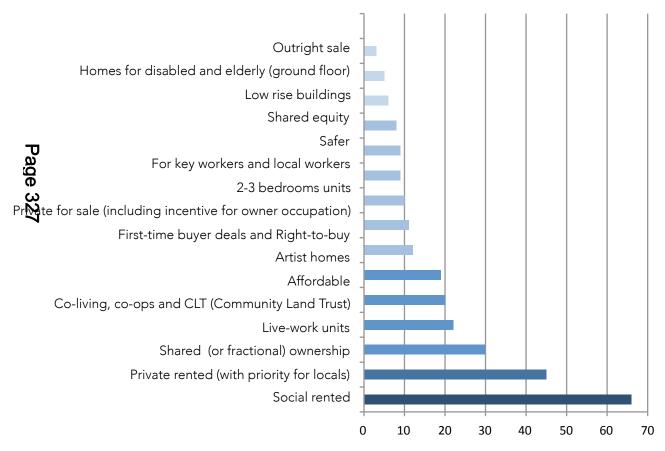
(comments from max 52 participants)



7. Comments by use

Comment analysis / priority in terms of housing

(comments / types of housing / post-its notes and forms – from about 50 participants)



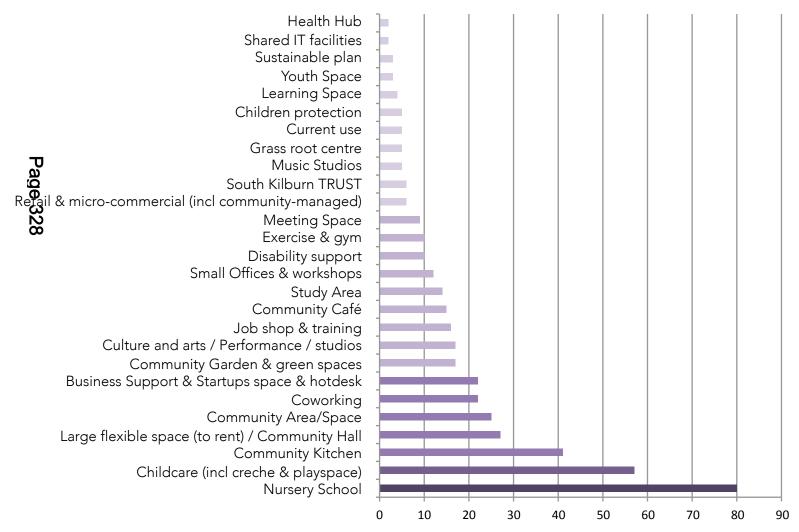
Top 5

- 1. Social rented (score 66)
- 2. Private rented (score 45)
- 3. Shared ownership (score 30)
- 4. Live-work units (22)
- 5. Co-living, co-ops & CLT (Community Land Trusts) (20)

Note: the score has been calculated by multiplying the number of comments by the level of priority (1, 2 or 3) chosen by the participants

Comment analysis / priority in terms of community spaces

(comments / types of community spaces/ post-its notes and forms – from about 50 participants



Top 5

- 1. Nursery School (Score 80)
- 2. Childcare (Score 57)
- 3. Community Kitchen (Score 41)
- 4. Community Hall (Score 27)
- 5. Community Area (Score 21)

8. Consultation and communication tools

Proposed Redevelopment Carlton and Granville Centres site

To include Housing, an Enterprise Hub and Community Space



We are consulting on the proposal for the Carlton and Granville Centres site as part of the South Kilburn Masterplan Review 2016.

The South Kilburn Regeneration Programme aims to transform the area into a sustainable neighbourhood and create a real sense of place and belonging.

Help us shape the future of your neighbourhood and tell us what you think.

South Kilburn Masterplan Review 2016Get involved and have your say



INVITATION TO A PUBLIC CONSULTATION

Come along, learn more about the proposal and give us your views.

DATE & TIME

Thursday 1 September 2016 Drop-in between 3-8 pm

LOCATION

South Kilburn Studios 2A Canterbury Road London NW6 5SW



FOR MORE INFORMATION

WEB www.brent.gov.uk/ southkilburn

TEL 020 8937 2556 (Jill Rennie - Estate Regeneration Team)

EMAIL jill.rennie@brent.gov.uk



FLUID ARCHITECTURE URBANISM PARTICIPATION



South Kilburn Future Matters - Carlton & Granville Centres site Redevelopment Proposal

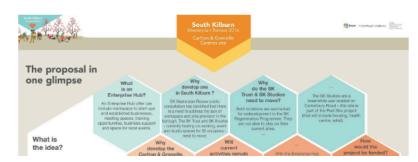
C&G Consultation Feedback Form - September 2016

Welcome and thank you for completing this survey as soon as you can. Responses received by Tuesday 6th September will be considered ahead of the Masterplan Review Exhibition on Tuesday 13th September. The final deadline is Tuesday 27th September 2016 at midnight.

Thank you very much for your contribution.

Before you complete the feedback form, please take time to read the information below

You can zoom in and view each slide in detail via this link: (goo.gl/AZy8k3) You can also refer to the individual slides under each question in the form.



Extract from the online survey (opened from 1 to 27 September 2016)

The public consultation on South Kilburn Masterplan Review 2016 is part of a large comprehensive survey of the area including spatial, economic and environmental studies. The design team and council officers welcome your opinions on the proposals, and will consider how suggestions received could work to help finalise a viable and deliverable reviewed Masterplan.



Seven Consultation Stations

If you can't make the exhibition, from mid-next week you can pick up the new feedback form from the 7 colourful signs located around South Kilburn.

Download the map of the sign locations ...or see if you can spot all 7 yourself!

The form will also be available online.



Cariton & Granville Centres site proposal

It was great to see so many people at the special consultation event about the Carlton and Granville Centres Site last week.

If you are yet to take part,
the information and feedback form
is available online via this link.

The final deadline for submitting your feedback is Tuesday 27th September.

Thank you for your input.

If you'd like more information, please contact us

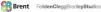
Extract from the e-newsletter (sent on 8, 20 & 26 September 2016)



South Kilburn

Carlton & Granville Centres site





The proposal in one glimpse

What is an **Enterprise Hub?**

An Enterprise Hub offer can include workspace to start-ups and established businesses, meeting spaces, training opportunities, business support and space for local events.

Why develop one in South Kilburn?

SK Masterplan Review public consultation has identified that there is a need to address the lack of workspace and jobs provision in the borough. The SK Trust and SK Studios - currently hosting co-working, event and studio spaces for 30 occupiers need to move.

Why do the SK **Trust & SK Studios** need to move?

Both locations are earmarked for redevelopment in the SK Regeneration Programme. They are not able to stay on their current sites.

The SK Studios are a meanwhile use located on Canterbury Road - this site is part of the Peel Site project (that will include housing, health centre, retail).

What is the idea?

Brent is seeking to work in partnership with the South Kilburn Trust to deliver an Enterprise Hub. The proposal has progressed to one of using the Carlton and Granville Centres site to deliver housing, an Enterprise Hub and Community Space.

Why develop the **Carlton & Granville** Centres site?

- 1. It is a relatively large site.
- 2. It is owned by the Council.
- 3. The space is under-utilised.

Will current activities remain onsite?

We will review what current activities can remain on site, not all activites will remain. Some activites may move to other sites.

With the Enterprise Hub and the Community Space we are seeking to deliver the same amount of usable space which is currently within these two centres.

How would the project be funded?

Funding has been identified through the Greater London Authority, the South Kilburn Trust and the London Borough of Brent (via the development of the site).

Why a proposal now?

Different options were reviewed and a Pre-Masterplan proposal was developed for the re-development of the Carlton and Granville Centres site as a location for an Enterprise Hub and to deliver new homes with additional community space. This proposal was taken to the Cabinet in July 2016.

What is the link with the Masterplan?

The Carlton and Granville Centres site has historically not been part of the Masterplan. The proposal for the site and the current review of the 2005 Masterplan make it the ideal opportunity to bring the Carlton and Granville Centres site into the Masterplan through an

adapted Masterplan proposal.

What is the Masterplan about?

The 2005 Masterplan supports the Regeneration Programme and is currently being reviewed to better match current needs and seize opportunities such as including extra sites with potential.

Why including housing?

The Council must be able to generate a receipt or income to make the development viable. Housing helps to achieve this and also provides private and affordable homes for local people. The current proposal is for private and affordable rented homes, with other options to be explored.

Public Consultation 1 September 2016

Background

Page

South Kilburn Regeneration - Masterplan Review 2016

The regeneration of South Kilburn (SK) is a fifteen year self-funded programme that is approximately half way through. It aims to transform the area into a sustainable and mixed neighbourhood and create a real sense of place and belonging.

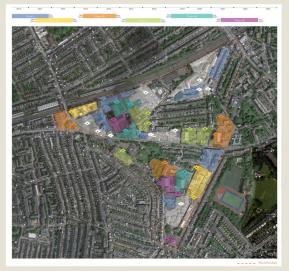
The original Masterplan from 2005 is currently being reviewed by the Council with the help of the appointed multidisciplinary design team.

The programme will re-build around 1,200 affordable homes for social rent for existing SK

secure Council tenants. In order to deliver these homes to a high standard, the same number of market-rate private homes will also be built.

The Council's objective is to provide high quality new homes with values driven from market sales in order to maintain the viability of the Regeneration Programme in the long-term, and to achieve a substantial improvement in the living conditions of existing SK secure Council tenants.

Current Masterplan sites & potential additional sites



The South Kilburn Programme is split into four phases. Carlton & Granville Centres site is one of the additional sites the Council is considering to incorporate in the Masterplan. This is to improve the area in a more comprehensive and complete way.

Additional sites currently being explored

- A. William Dunbar House & William Saville House site
- B. West Kilburn Baptist Church site
- C. UK Albanian Muslim Community & Cultural Centre site
- D. Carlton House site
- E. Canterbury Court, Gorefield House & Royal Mail Kilburn Delivery Office site F. Salvation Army site
- G. St Mungos site
- H. The Educational and Cultural Center I.R. Iran site
- . Carlton & Granville Centres sites J. Malvern Road / Radburn Layout
- Houses site

South Kilburn Future Matters - Public Consultation

The Council strongly believe in engaging the community throughout this process to help make South Kilburn a better place to live. That is why we keep you updated and ask for your input throughout the whole process of the Masterplan review.

Thank you to everyone who visited us at the popups and the first public exhibition which were held between 9-23 July

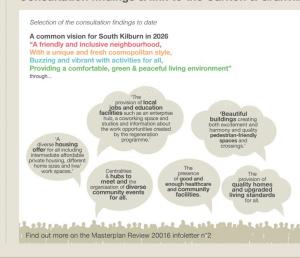
2016. We have collected over 730 comments to date, during events, through the first feedback form and online survey.

Save the date

The second public exhibition will be held on Tuesday 13 September from 3 to 8pm (drop-in event) at the South Kilburn Studios. We are looking forward to seeing you there!



Consultation findings & link to the Carlton & Granville Centre site



The consultation findings are part of a larger comprehensive survey of the area including spatial, economic and environmental studies that ensure that the options and proposals developed are the best possible while remaining viable and deliverable.

Please find on the left a selection of key consultation findings to date. You will notice how our early stage proposal for the Carlton & Granville Centres site is helping deliver many of the needs raised by the community so far.

Public Consultation 1 September 2016

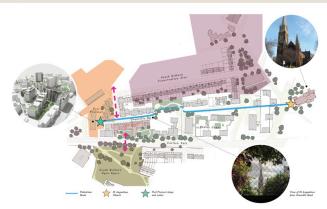
Carlton & Granville centres site now



Please tell us on the feedback form if there are features to add and which ones you believe are:

- Strengths or opportunities to seize.
- Weaknesses or characteristics to improve.

Site, location & access



- 1. Located within the heart of the South Kilburn Masterplan.
- 2. Near the Peel site which is proposed to include residential, a health centre, retail facilities and a new public space.
- 3. Not far from South Kilburn Conservation Area comprising a series of parallel residential streets culminating at Cambridge Gardens.
- 4. Nearby South Kilburn Open Space, the largest green space within the South Kilburn Regeneration boundary.
- 5. Relatively large site of 0.398 hectares.
- 6. Owned by Brent Council.
- 7. Between two urban scales: Carlton Vale (boulevard character) and Granville Road (residential character).
- 8. Close to The Educational and Cultural Center I.R. Iran site, also identified as an opportunity site (see board 2).
- 9. Double access, from Carlton Vale & Granville Road.

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Buildings, spaces & architecture

- 10. Two main buildings from the 19th century were a Victorian school and mission.
- 11. South-facing gardens.
- 12. Large windows, architectural rhythm and ornate brick and gable details.
- 13. Recent extensions include a small glass tower and low block (Carlton Centre), a colourful 2-storeys block with wind turbines (Granville Centre).
- 14. The buildings present an impermeable line along Granville Road that can be considered at odds with the open nature of a community centre.
- 15. Set back and hidden by trees on Carlton Vale.
- 16. Architectural style very different from the rest of Granville Road.
- 17. Ancient insulation and acoustics features.







Uses, events & activities



- 18. Currently 2 identified users within Carlton Centre:
- · Brent Start Services
- · Brent Start Cafe (Concord Cafe)
- 19. Currently 4 identified users within Granville
- · Granville Plus Nursery School
- · Barnados Children Centre
- · Granville Community Kitchen
- Otherwise Club (education)
- 20. The Cabinet approved the proposal for the Carlton and Granville Centres to be redeveloped, to deliver new homes, an Enterprise Hub and additional community use space.
- 21. Granville Centre is locally listed as an Asset of Community Value.
- 22. Buildings significantly under-utilised.

Public Consultation 1 September 2016

For more information please call the Estate Regeneration Team on 0208 937 2556 or e-mail: jill.rennie@brent.gov.uk

15 Exhibition board 3



Spatial principles

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Please find on the right the early spatial principles identified for the redevelopment of the Carlton & Granville Centre site within the context of the Masterplan Review 2016.



Reference: Cabinet Report 25 July 2016 Proposal



A - The current proposal as per the Cabinet report 25 July 2016. Community use at the West side and fronting Carlton Vale, with a connection through the site. Towers of up to 12 storevs along Carlton Vale.

Masterplan proposal - integrated in new Masterplan



B - The location of the site in the Masterplan revision proposals. The community uses should be located close to the Peel site and in relation with Kilburn Open Space.



Masterplan proposal - Heights & street frontage

C - Identified heights along Carlton Vale and a continuous street frontage at the front and back of the development.

Masterplan proposal - Usages & connections



D - A new Enterprise Hub and Community Space for South Kilburn connected with Kilburn Open Space and the new Peel development. Housing sits on top of the communal use in the centre of the site.

Masterplan proposal - Orientations & views



E - The taller residential buildings follow a North-South orientation to optimise the sunlight use. Lower residential building along Carlton Vale makes sure the courtvard will receive sufficient sunlight. The potential building along the East side of the plot depends on development of the neighbouring site.

Phasing principles

Phase 1



Phase 1 would include an immediate move of South Kilburn Trust (SKT) and South Kilburn Studios (SKS) to the Granville Centre.

This would allow for delivery of workspace and allow SKT to immediately operate the Enterprise Hub and accommodate the SKS's businesses.

A temporary Nursery building could be accommodated in the space in front of the Granville Centre.

Carlton Centre site could then be redeveloped.



Phase 2 seeks to maximise the redevelopment potential of the Carlton & Granville Centres site for housing, an Enterprise Hub and Community Spaces.

The new residential development proposes to use the Granville Centre site and the Educational and Cultural Center I.R. Iran site and to include a through access to Granville Road.

Public Consultation 1 September 2016





Carlton & Granville Centres site

Ideal mix for a new place

Programme

The future Carlton and Granville Centres site would combine three types of uses:

- · Housing,
- · an Enterprise Hub,
- · Community spaces.

Please find to the right a series of ideas for different Enterprise Hub / Community uses and housing types that could be included in the new development. The desired programme will be tested and adapted to make sure the usage mix is viable and address market and community needs.

Housing

The Council is starting with a 50% affordable housing target. The remainder is proposed to be private rented accommodation - the option will be tested in terms of viability and wider housing need.

























Do you want to see other types of housing such as the ones above? Tell us your priorities and why by using the post-it notes. Tell us more on the feedback form.















Below some early ideas to address different community needs on Carlton & Granville Centres site. They would need to be tested in terms of viability to be included in the programme.



































are not physically or financially



Which activities above would you want to see on the Carlton and Granville Centres site or if not possible, in the nearby area within South Kilburn? Tell us your priorities and why by using the post-it notes.



Tell us more on the feedback form.

Public Consultation 1 September 2016

Tell us what

you think of

the Carlton

Centres site used as a location for housing, an enterprise hub and community space on the feedback form.

and Granville



South Kilburn Masterplan Review 2016

Public Consultation

Feedback Form September 2016

Date:

It is also possible to take this survey online on **goo.gl/HYMV4S**

Board 1. The proposal in one g	١.	. The	proposal	in	one	alimpse
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1. What do you generally think about this proposal for the redevelopment of the Carlton & Granville Centres site?									
Great! It makes sense	enough								
Please explain why									
Ţ,									
a Q									
<u> </u>									
Board 2. Background									
ω									

Board 3. Carlton and Granville Centres site now

Please tell us about any current features you would like to ADD to the lists, and what you think are the current STRENGTHS or WEAKNESSES of the Carlton & Granville Centres site.								
Site, location & access	Buildings, spaces & architecture	Uses, events & activities						
Additional existing features are:	Additional existing features are:	Additional existing features are:						
Strengths (or opportunities to seize / things to keep) are:	Strengths (or opportunities to seize / things to keep) are:	Strengths (or opportunities to seize / things to keep) are:						
Weaknesses (or characteristics to improve / things to change) are:	Weaknesses (or characteristics to improve / things to change) are:	Weaknesses (or characteristics to improve / things to change) are:						
For more information please call the Estate Regeneration Team on 0208 937 2556 or e-mail: jill.rennie@brent.gov.uk								

Board 4. Early design principles

4. Please tell us what you think about the principles proposed for the redevelopment of the Carlton & Granville Centres site.								
4	What do you like best and think will work well? Why?	-	Anything you are unsure about? Why?	+	Any improvements or additions you would make? Why?			

Board 5 Ideal mix for a new centre

board 5. Ideal fillx for a flew certife									
5. What do you think of the Carlton and Granville Centres site redeveloped as a location for housing, an enterprise hub and community spaces?									
6. Please let us know your priorities for what you would like to see in terms of HOUSING, COMMUNITY SPACES and the ENTERPRISE HUB on this site, and why. Housing types Community Spaces & Enterprise Hub									
Housing types	Community Spaces & Lin	terprise riub							
Priority 1	Priority 1	Priority 4							
Priority 2	Priority 2	Priority 5							
Priority 3	Priority 3								

About you

7. Your profile Your link to South Kilburn: I am a
Landowner Leaseholder Visitor
Council secure tenant Housing association tenant
Private tenant Worker Business owner
Volunteer Representative of a local organisation
Other:
Do you have any specific needs or interests in making further links in the area? e.g you're keen to open a business in the area, buy a property, start a community project, etc.
Age: Sex: F M Prefer not to say
Is your gender identity different to that you were assumed at birth? Yes No Prefer not to say
Do you consider yourself to have a disability? Yes No Not sure Prefer not to say
How would you describe your ethnicity?
What is your sexual orientation?
What is your religion or faith?
Thank you for felling us a bit more about you to help us ensure that all our services are delivered fairly. We appreciate that some of these questions are personal. We ask for this information to help us ensure that we are meeting the needs of all our service users. If you do not wish to answer please select 'prefer not to say'. The information will be treated confidentially in line with the Data Protection Act 1998.

8. Your details
First name
Last name
Name of local organisation or business in SK (if applicable)
Address (house name or number)
Postcode (required)
Email address (please write clearly)
Phone number
Tick here if you do not want to receive news about the project.



Thank you for your contribution.

Please return your feedback ASAP.
Forms received by Tuesday 6 September have been considered for the Masterplan Review Exhibition Tuesday 13 September.
Final deadline is Tuesday 27 September 2016.

Pagen is interim consultation report has been soduced by:

Fluid

148 Curtain Road London EC2A 3AT **E** | mail@fluidoffice.com **W** | www.fluidoffice.com

Any queries should be referred to the **South Kilburn Regeneration Team**

E | jill.rennie@brent.gov.uk

T | 0208 937 2556



FLUID ARCHITECTURE URBANISM PARTICIPATION This page is intentionally left blank

Appendix 2

Background Information on Granville Plus Nursery School

Granville Plus Nursery School is a Nursery School, Nursery Schools have a different distinction from a nursery. The Maintained nursery schools: the state of play report (March 2015, Early Education: The British Association for Early Childhood Education) identifies that "maintained nursery schools are local authority funded schools, with a headteacher and qualified teachers leading a team of specialist early years practitioners", they also identify that just over 400 remain in England. Within Brent only a few Nursery Schools remain.

The latest Ofstead inspection report for the Nursery School (they are inspected under two separate Ofsted frameworks, in the Nursery School (including Horizon, their Additionally Resourced Provision for children with autism), and in their Rainbow provision), both received a "Good" from Ofsted. The Maintained nursery schools: hubs for quality in the early years (Early Education: The British Association for Early Childhood Education) report states that "Nursery Schools are inspected under the Ofsted criteria used for primary schools, rather than those used for early years settings in the private and voluntary sector, with inspections lasting two days rather than half a day."

Council Officers visited with the Nursery School Headteacher on the 8 September and were shown around the building which includes a recent extension. Key points highlighted included the importance of the outdoor space as an educational tool and for children who live in the surrounding area which is predominantly flat accommodation. The Nursery School has an identified offer for children with Special Education Needs and Disabilities. Below is information provided from the Headteacher in regards to the Nursery School.

Officers also met with the parents and with the Governors on two separate events. Information from these meetings are imbedded into this report. From all three meeting the clear message was that they wish to stay on their current site and would not wish to be part of a nursery attached to another school (this is driven partly by not wishing to lose the status of being a Nursery School).

Information provided by the Headteacher:

- 74% of the children are from NW6, with a further 14% from NW10 (Harlesden).
- 94% are from ethnic minorities, and 86% have English as an Additional Language.
- 17% of our children have significant Special Educational Needs and Disabilities (SEND), including 11 in our additionally resourced provision for children with autism, and a further 8 places for children with a range of significant needs including physical disabilities and medical needs.
- The children with SEND are fully integrated within our mainstream environment, and our SEND provision, including the autistic provision, was judged outstanding in our latest Ofsted.
- 8% of places are for Children in Need (usually with social care needs, including child protection)
- All these specialist places are allocated by a borough-wide panel.
- We are open 8am to 6pm for 48 weeks of the year, with a flexible fees structure, to support parents back to work or college.
- 51% of places are babies and 2-3 year olds, with nearly all the 2-3 year olds funded by the "vulnerable 2 year olds" NEG2 funding.

- We provide training placements for NVQ Level 3, and in partnership with the Institute of Education have trained staff to become qualified teachers.
- We employ a number of local people, some of whom had their children here and whom we supported back into employment.
- Many families have a long association with the school, emphasising their sense
 of community, so that ex-pupils bring their children to us, and in some cases
 their grand-children, due to our early years education specialism and ethos.
- We equally welcome new arrivals, providing a place and an approach that connects them into a community network.
- The Nursery garden is an integral part of our early years curriculum, and an oasis within a highly urban environment for children that do not have gardens and who are reliant on public space.

Appendix 3 Background Information on Brent Start

Brent Start is currently based within the Carlton Centre. Through other unrelated reorganisations of the service, there will shortly no longer be a Brent Start presence within the Carlton Centre.

Appendix 4

Background Information on Barnardos Children's Centre

Barnardos received a contract in 2016 to deliver Children's Centres for Brent Council. Barnardos are based within the Granville centre. They are commissioned to deliver 14 Children's Centres in the borough for a 4 year period with an option for a fifth year.

During a meeting with officers from Barnardos they stated a preference that they wished to stay within the Granville Centre, as the families which they work with come from the local area. They also explained that children's centres could not "just be closed down".

Information provided by representative of Barnardo's following the meeting

Granville Plus Children's Centre, Granville Road, Kilburn NW6 5RA

Supporting all families in the local area with children aged 0-4. Services delivered By Barnardo's on behalf of Brent Local Authority.

The purpose of our Children's Centres is to support families of children from conception to 5 years to improve outcomes for the future by supporting the earliest years of a child's life where there are opportunities to enhance their development. Centres promote outreach services to engage families in their communities rather than expect them to access buildings. Varied programmes and activities are offered that include working with partner agencies including Health Visiting, Midwifery, Citizen's Advice Bureau Services and Speech and Language Therapists.

The vision for Barnardo's Children's Centres in Brent is to provide excellent support, guidance and services for all of our children and their families so they achieve their full potential. We want to ensure that their intervention has a positive and lasting impact on each and every family that they are in contact with, for better outcomes and to improve their life chances.

Information regarding numbers of children under 5 in the Granville Plus Children's Centre Catchment area

Registration and attendance figures (Children 0-4years) at Granville Plus CC

Number of children living in Granville Plus reach	(Mar 2016)	1172
Children aged 0-5 registered with centre	(Oct 2016)	902
Individual children seen in past year	(Oct 2015-Oct 2016)	755
Individual children seen in past month	(Sept 2016-Oct 2016	3) 99
Number of "target" (vulnerable 70%IMD) children	living in reach	
(Sept 2015)		417
Individual target children seen in past year (Conta	ct)	345

Number of children under 5 by LSOA

Lower Super Output	Under 1	Age 1	Age 2	Age 3	Age 4	Grand Total	IMD Category
Area (LSOA)							
Granville Plus Children's	241	246	245	245	195	1172	

Centre							
E01000544	33	25	21	24	8	111	30% IMD
E01000547	36	23	39	30	24	152	70% IMD
E01000548	26	36	14	35	25	136	30% IMD
E01000549	17	31	29	26	25	128	70% IMD
E01000550	26	28	31	22	25	132	30% IMD
E01000551	40	38	42	42	40	202	30% IMD
E01000552	32	33	40	32	24	161	30% IMD
E01000583	31	32	29	34	24	150	70% IMD

Granville Plus Children's Centre Catchment – Claimant Households

Description	February 2011	December 2012	December 2013	December 2014	December 2015
Number of 0-4 year olds in claimant households	204	207	206	210	178
Households with a claimant lone parent	121	127	124	136	113
Households with a claimant teenage parent	0	2	0	1	0
Households with a claimant on disability benefit(s)*		27	13	13	14
- Total number claiming disability benefit(s) within these households*		28	14	13	14

Appendix 5

Background information on the Granville Kitchen and Otherwise Club

The Granville Kitchen and Otherwise Club occupy space within the Granville Centre. During the meeting the following was discussed in regards to the range of activities carried out by the two functions:

- Providing free meals to those in need they receive food donations from local retailers including the newly opened Mark and Spencer's Simply Food in South Kilburn. This can be up to 150 meals at a time.
- Provide donated items for people to take freely such as clothes
- Provide children's activities
- Provide fitness activities
- Has a community garden where people can learn about food and where food used in the kitchen is grown
- Provide meeting space
- Provide access to computers

One of the key points raised in regards to the Granville Kitchen and the meals it provides was that the space that they operate from was welcoming and that people felt comfortable to come into the space to have a meal.

Information provided directly by representative following the meeting:

The Otherwise Club has 50-60 families a year who are members since we started at the Granville Plus Centre in February 1993. We also have at least 2 families each month who just visit.

That amounts to more than 250 individuals using our services a year; as a family is made of at least 2 people and often up to 6 or 7. One long term member family has 9 people in it.

We are mostly self-funded but also receive some small grant and volunteer run. We are a registered charity for over 15 years (Charity number 1071831)

Last year we had 8 young people taking 20 GCSEs between them, with 90% passing with B or above. We have done numerous trips within the UK including an annual trip for 30 people to a farm outside of Glastonbury.

We have taken groups of young people to Germany 4 times, Spain twice, France, 3 times, Italy 4 times and are planning a trip to Cuba in December 2016

We started Granville Community Kitchen over 2 years ago

It is now serving 120-150 meals at our weekly free community dinner.

We have regular film nights and dance nights with up to 30 people attending these evenings

We serve lunch on Thursdays in term time serving 30-50 meals each week.

The Kitchen ran a Summer Scheme in July -August 2016 with 85 children and young people attending mostly from the South Kilburn area

We collect surplus food from the local Marks and Spencers since the day it opened and from M&S Kilburn for nearly a year.

We also receive surplus food drops from food redistribution charity City Harvest London.



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Appendix 6

Background information for the Concorde Café

The Concorde Café is situated in the Carlton Centre. The Concorde Café sits as an axis of the National Algerian Centre, previously it was located at Albert Road. The Café believes it complements Brent Start as it sits within the building and can offer opportunities to those studying in the food sector opportunities to engage with the café. The café believes that it provides more than a café service through having volunteers (some with special needs) engaged to work within the café, and run a number of community events. Local supermarkets donate food to the café.

The café would wish to remain on site. They would also wish to see improvement to the visibility of the café.

A feedback form has been received from the Concorde Café.



Cabinet

15 November 2016

Report from the Strategic Director – Regeneration and Environment

For Action Wards Affected: ALL

On-Street Parking Management Review

1.0 Summary

- 1.1 This report sets out the approach for a review of the management of on-street parking in the borough. It provides detail of how the review will be scoped and how operational changes to parking management will be implemented.
- 1.2 There are currently 40 Controlled Parking Zones (CPZs) in Brent, and also the Wembley Stadium Protective Parking (WSPPS) scheme which operates within an approximate radius of 1.5 miles of the Wembley National Stadium on event days. CPZs cover approximately 35% of the borough with the WSPPS covering a further 35%, so therefore approximately 70% of the borough's streets have a permit parking scheme in operation, some or all of the time. The WSPPS also operates in some areas that are already in CPZs. This scheme would not preclude streets covered by the WSPPS and not currently in a CPZ, approximately 25% of the borough, from being included in a future CPZ.
- 1.3 CPZs reserve on street parking for residents and businesses through the provision of permit user parking spaces and discourage commuter parking. They encourage the use of sustainable transport and can also benefit road safety and accessibility through the introduction of parking restrictions at junctions.
- 1.4 Brent has the characteristics of both an inner and outer London Borough and predominantly CPZs are situated in the south of the borough. Historically CPZs have not proved to be so popular in the north of the borough and approximately 30% of the borough has no parking controls other than waiting and loading restrictions.
- 1.5 Changes to parking restrictions can potentially be controversial and therefore communication, consultation, and implementation of a review programme will require careful consideration.

1.6 The demand for, implementation costs and the impact of any operational changes to the boroughs CPZs, the WSPPS and potential new CPZs are unknown at this time.

2.0 Recommendations

- 2.1 That Cabinet approve the approach for an on street parking management review.
- 2.2 That Cabinet considers the levels of demand, a proposed programme and the financial implications for a review of CPZs and implementing new CPZs, at a future cabinet meeting.

3.0 Background

CPZ schemes and coverage

- 3.1 CPZs are introduced to reserve parking for residents and businesses and encourage the use of sustainable travel through preventing commuter parking. They also benefit road safety through the management of parking in the area and introduction of waiting restrictions, typically near junctions. Residents and their visitors require permits to park during operational days / hours in allocated parking bays, or shared use bays (pay and display bays).
- 3.2 The Council implemented its first CPZ in March 1970 in the Wembley area, with other schemes designed and implemented in the 1990's and 2000's, in response to the introduction of the London Congestion Charging Scheme, mainly in the south of the borough around underground and rail stations using TfL funding. There was also a rolling programme of CPZ reviews to take into consideration any changes in demand.
- 3.3 There are currently 40 CPZs in the borough providing around 33,000 on-street parking places to some 56,000 households. A full list of the boroughs 40 CPZs and their hours of operation is provided in **Appendix A**.
- 3.4 CPZs cover approximately 35% of the borough with the Wembley Stadium Protective Parking Scheme (WSPPS) covering a further 35% so around 70% of the boroughs streets have a permit parking scheme in operation. A borough plan showing Controlled Parking Zones / Wembley Stadium Protective Parking is provided in **Appendix B**.
- 3.5 Approximately 30% of the borough does not have area wide parking controls other than localised waiting and loading restrictions to facilitate access and improve safety.

Cabinet decision

- 3.6 Cabinet has made a commitment to review on-street parking management;
 - Cabinet 14 March 2016 On-Street Parking Service Offer and Charges

"Cabinet has committed to a programme of reviews of existing CPZs, including the boundaries, time of operation, assessment of the adequacy of Pay & Display and dual-use bays. This programme will need to include a review of the Wembley event day zone. This report does not seek to deal with wider concerns regarding CPZs which will be subject to this further review, and a subsequent report to Cabinet." Paragraph 3.6

Cabinet 27 June 2016 On-Street Parking

CPZ Concerns

2.13 To note that a further report detailing and scoping a comprehensive review of the operation of CPZs will come to Cabinet in the autumn.

"Finally, Cabinet has committed to a programme of reviews of existing CPZs, including the boundaries, time of operation, assessment of the adequacy of Pay & Display and dual-use bays. This programme will need to include a review of the Wembley event day zone. This report does not seek to deal with wider concerns regarding CPZs which will be subject to this further review. A business case is in preparation which will be considered by officers at the June Investment Board, and then reported to Cabinet in the autumn." Paragraph 3.9

Demand

- 3.7 The Council has become aware of increasing levels of demand from the public in recent years to either review the operation of existing CPZs, or for requests for new CPZs, particularly in areas where there are high levels of development.
- 3.8 Population growth and increases in car ownership in some areas will also impact on-street parking opportunities. Parking controls encourage the use of sustainable modes of transport including active travel, such as walking and cycling which benefit the health of our communities and air quality.
- 3.9 This is an emerging policy area, but it is unarguably the case that the rapid rise in the population creates more demand for controlled parking. The Council seeks to mitigate this through the Local Development Framework; planning policies that cover the requirement for the number of car spaces depending on the locality and access to public transport. Parking facilities in the borough are finite and whilst the Council can through policy seek to create a place where car ownership is not essential, only in car free developments are residents not granted permits.
- 3.10 Any changes to parking management arrangements are subject to analysing the results of a public consultation process to gauge public demand. Therefore, the financial impacts for a business case will depend on good traffic and parking management rationale, public support for changes and affordability. Parking controls and permit charges are emotive with many residents and businesses having polarised views on the costs and derived benefits. Recently the Council consulted on introducing a new CPZ in Alperton using S106 developer funding following a petition. Although initially there was positive response to public

consultation, there was later a further petition against the proposal and the scheme was later abandoned.

- 3.11 The main drivers for introducing new CPZs and CPZ reviews include;
 - Increased number of requests from residents living in CPZs for the Council to consider changes, typically several per week for 2015/16. Over 3000 responses were received from over 25,000 parking account holders consulted on On-street Parking and Charges 2016 in May 2016. Of these, over 200 requested CPZ changes (although not part of the consultation), these will be analysed in further detail as part of the review
 - Ensuring effective on-street restrictions are in place, proportionate to demand and boundaries between zones maximise parking opportunities
 - Appropriate types of parking bays are available to meet local needs i.e. disabled parking, pay and display / pay by phone, or shared use parking bays
 - Review of signage and markings to ensure clarity and compliance to regulations for efficient enforcement
 - Supporting the economic viability of town centres and local shopping areas by optimising short stay parking opportunities and providing loading facilities
 - Potential impact of new area parking and traffic management schemes on the network.

Wembley Stadium Protective Parking Scheme

- 3.12 The WSPPS covers a wide geographical area and was developed in 2004 and became operational in 2006 at a cost in the region of £1.6M. In 2008 the restrictions operational on Wembley National Stadium event days were changed from 8am Midnight on to 10am Midnight. There have been no reviews of the operation of the scheme since 2008.
- 3.13 Non-official car and coach parking takes place in car parks and on private commercial land in the vicinity of Wembley stadium on event days, offering a cheaper rate than the official car parks. This is estimated to amount to an additional 2,000 cars being parked in the area on event days adding to traffic congestion in the area and difficulties with crowd management arrangements.
- 3.14 This constitutes a change in land use under planning law and therefore enforcement action can be taken unless land owners can prove this practice has continued for 10 years since the first official stadium event, namely, the FA Cup Final on 19 May 2007. Officers are planning to take enforcement action before April 2017 and will consider the potential impact of parking displacement and potential additional controls and enforcement requirements.
- 3.15 Tottenham Hotspur Football Club are playing their home UEFA Champions League matches at Wembley stadium for the 2016/17 season, and may play all their home matches at Wembley Stadium for the 2017/18 season while White Hart Lane is being developed. This may impact on the operational and enforcement requirements for the WSPPS.

4.0 Detail

- 4.1 Officers will undertake a review of on-street parking management and the operation of the boroughs 40 CPZs, WPPS and areas where there are no area controls. Appendix C Review Programme Key stages provides details of the process.
- 4.2 It is envisaged that over a 4 month period, officers in the Highways and Infrastructure and the Parking and Lighting teams will scope a CPZ review programme.
- 4.3 The review scope will include a technical assessment considering the suitability of existing CPZ boundaries and whether these areas should be increased or decreased in size. It will involve a desktop analysis of available on-street parking spaces considering supply and demand.
- 4.4 It will also include improving the operational review process, the methodology for reviewing and amending CPZs in the borough.
- 4.5 The scope will consider the following factors;
 - Strategic objectives in the borough plan
 - Numbers and categories of parking and loading bays e.g. residents shared use, Pay & Display / Pay by Phone, disabled parking bays
 - Permit data and parking space availability
 - Enforcement and PCN issuance data
 - Local amenities e.g. places of worship, schools, shops and
 - Development areas
 - Event day parking arrangements
 - Accident and congestion data
 - Prioritisation and programme development
 - Residents and businesses comments and concerns
 - Consultation process improvements and information made available to the public
- 4.6 This information would be used to assess demand for parking changes in the borough and inform the programme for CPZ reviews and for introducing new CPZs.
- 4.7 To gauge levels of demand, officers will create an online form which will be available on our Parking webpages and collate and consider requests.
- 4.8 The online form will ask residents and businesses the following type of questions;
 - Do you experience parking problems in your street and the local area?
 - Would you like the Council to consider a CPZ in your area?

Or for those already in a CPZ;

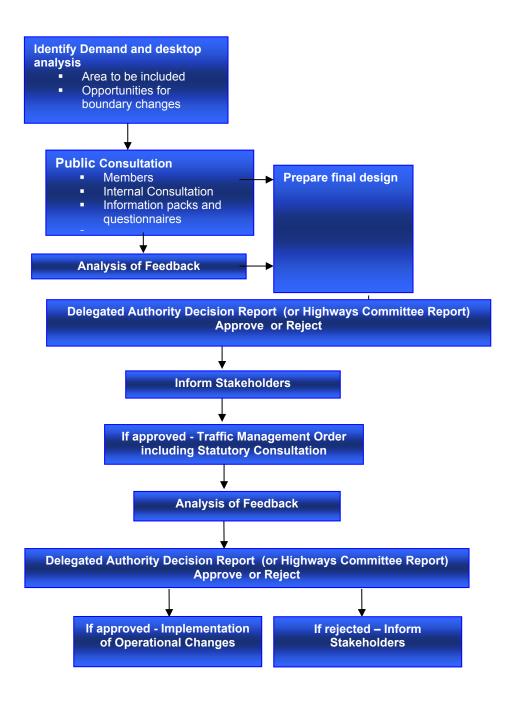
- Are you satisfied with the operational days / hours in your CPZ?
- In your opinion, should the operational days / hours be increased or decreased?
- Are the types of parking bays provided in your area (Resident's Permits, Pay and Display / Pay by Phone, Shared use etc.) suitable?
- Do you have any specific concerns?
- 4.9 The online form, survey questions, key messages and information available on our website will be developed in consultation with the Lead Member for Environment.
- 4.10 Information from the online forms and previous requests will be analysed to help develop the approach to the review programme.
- 4.11 The approach will be to target the review of areas where there are numerous requests for change and evidence of on-street parking pressures.
- 4.12 Parking surveys will also be used to evidence on-street parking demand and parking pressures. For new CPZs the surveys would identify resident and non-resident parking in the area, and for existing CPZs, establish parking demand and availability during the hours of operation and when not in operation.
- 4.13 The approach would include setting guidelines for introducing new parking controls or reviewing existing parking controls, for example;
 - New CPZs will be considered in areas where on-street parking pressure can be evidenced
 - Individual streets will not be considered as this would result in parking displacement; only clusters of several streets would be considered
 - There would need to be evidence of support for new CPZs to avoid abortive preliminary design and consultation costs, either through requests online or from petitions
 - Similarly, existing controls would only be reviewed where there is evidence of a high level of support for change
- 4.14 In summary, the review process and targeted approach based on levels of demand will enable the Council to:
 - Collate requests from stakeholders for new CPZs or changes to the operation of their existing CPZ or the WSPPS via our website
 - Undertake an analysis of existing parking management arrangements and on-street supply and demand in areas where requests are received and evidenced
 - Develop a programme for implementation of parking management changes
 - Prioritise schemes based on set criteria and develop a better understanding of future costs and budget implications
 - Consider any opportunities for changes to CPZ boundaries to improve parking availability and consistency in operational controls in the area

Improve on-street parking management arrangements on an area wide basis

Operational Review Key Stages

4.15 Where it is evident that changes to on-street parking arrangements are a priority, schemes will be progressed to the operational review stage see Fig 1.

Fig 1 – Operational review key stages and decisions



- 4.16 The process for new CPZs would be the same as detailed in Figure 1.
- 4.17 Where there is majority support for a scheme, the Head of Highways and Infrastructure shall approve a delegated authority decision report that will be

made available to the public via the consultation pages on the Councils website. If the outcome is not conclusive or there are significant objections, the decision would be referred to the Highways Committee.

5.0 Milestones

5.1 Table 1 identifies the key milestones in the on-street parking review programme;

Table 1 – Key on-street parking review milestones

Milestone	Description (incl. dependencies)	Date
Cabinet approval of On - Street Parking Management Review	Members approve approach and initial funding for the development of the on-street parking / CPZ review programme	15 th November 2016
Appoint project team	Resource to scope programme and manage online request process	November / December 2016
Online information and forms	Develop online information and forms for requesting changes to on-street parking and analyse results	December 2016 and on-going
Programme developed	Programme developed based on data, number of requests and a financial appraisal	December 2016 - February 2017
Cabinet approval for On-street Parking Management Review Programme	Members approve review programme and funding	February 2017
Recruit staff	Resource team depending on outcome	March 2017
Programme commences	Design, consultation and implementation of schemes	April 2017

6.0 Financial Implications

- 6.1 This report sets out the approach for a review of the borough's parking arrangements in response to demand.
- 6.2 The policy intent will be to manage traffic and parking in the borough better and to meet residents' concerns as regards parking, to the extent that it is possible to do so. However, in the council will also need to be mindful of the financial implications associated with a future review programme.
- 6.3 An initial estimate of £40,000 has been identified for the developing the approach and online forms and information. It may be possible to carry out some of the data analysis and website development in house, by re-prioritising existing resources, which would reduce this cost.

- 6.4 Where new CPZs are proposed as a result of this policy work, then there will be costs associated with implementation. Usually these are limited to signage, road marking, traffic management orders, and further P&D machines where appropriate. Where new CPZs are proposed (and subsequently implemented) as a result of policy choices to improve traffic and parking management, they generate a financial payback.
- 6.5 The exact timing of this payback would depend on factors such as the size of the CPZ and the level of subsequent compliance with its terms. However, experience shows that in purely financial terms the costs of implementation are usually recovered within one year. The decision to implement a CPZ would not be determined by this payback calculation, and to re-emphasise the point, changes to existing parking controls would be made where shown to meet residents' concerns and to improve traffic and parking management.
- 6.6 However, the economic reality is that the financial business case for any new CPZs proposed would usually be sound. The costs of implementation would tend to be recovered within one year, and thus it would not be difficult to identify resources necessary to meet demand, since the costs could quickly be recovered.

7.0 Legal Implications

- 7.1 The requirements for publication and consultation regarding the making of Traffic Management Orders are set out in the Road Traffic Regulation Act 1984 (as amended and hereafter referred to as "the 1984 Act"). On-street parking restrictions are created by orders made by a local traffic authority under the provisions sections 1 and 2 of the 1984 Act (orders prohibiting or restricting the waiting of vehicles or loading and unloading of vehicles); 32(1)(b) of the 1984 Act (parking for which no payment is required) and section 45 of the 1984 Act (parking bays for which payment is made by the motorist). Other related traffic restrictions may be made by traffic management orders made under other provisions of the 1984. Controlled Parking Zones are defined in Regulation 4 of the Traffic Signs Regulations and General Directions 2002, which was made pursuant to the powers set out in the 1984 Act and the Road Traffic Act 1988.
- 7.2 Under section 55 of the 1984 Act, enforcement authorities must keep account of their income and expenditure in respect of on-street parking places. The 1984 Act requires that any surplus must be applied towards specific purposes as set out under Section 55(4) of the 1984 Act.
- 7.3 The civil parking enforcement powers of local authorities are set out in the Traffic Management Act 2004. The Secretary of State for Transport has given statutory guidance under section 87 of the Traffic Management Act 2004 to which local authorities must give due regard when exercising their parking management functions.

8.0 Diversity Implications

8.1 The public sector duty set out at Section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct

prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic.

8.2 There are no diversity implications arising from this paper and its recommendations at this time.

9.0 Staffing / Accommodation Implications

- 9.1 Additional staff resources (internal or external) will be required to deliver the onstreet parking review programme as this cannot be accommodated within the existing staff structure in Highways and Infrastructure. A new Project Lead in the Project Development Service in Highways and Infrastructure will be appointed; initially this will be on a short term contract to develop the scope of the review and programme.
- 9.2 A new team in Project Development to deliver a programme of CPZ reviews and new CPZs with resources depending on the approach, level of public demand and the funding made available.

10.0 Environmental Implications

10.1 There are no negative environmental implications of note arising from this report at this time.

Appendices

Appendix A - Controlled Parking Zones

Appendix B - Controlled Parking Zones / Wembley Stadium Protective Parking - Plan

Appendix C - Review Programme Key Stages

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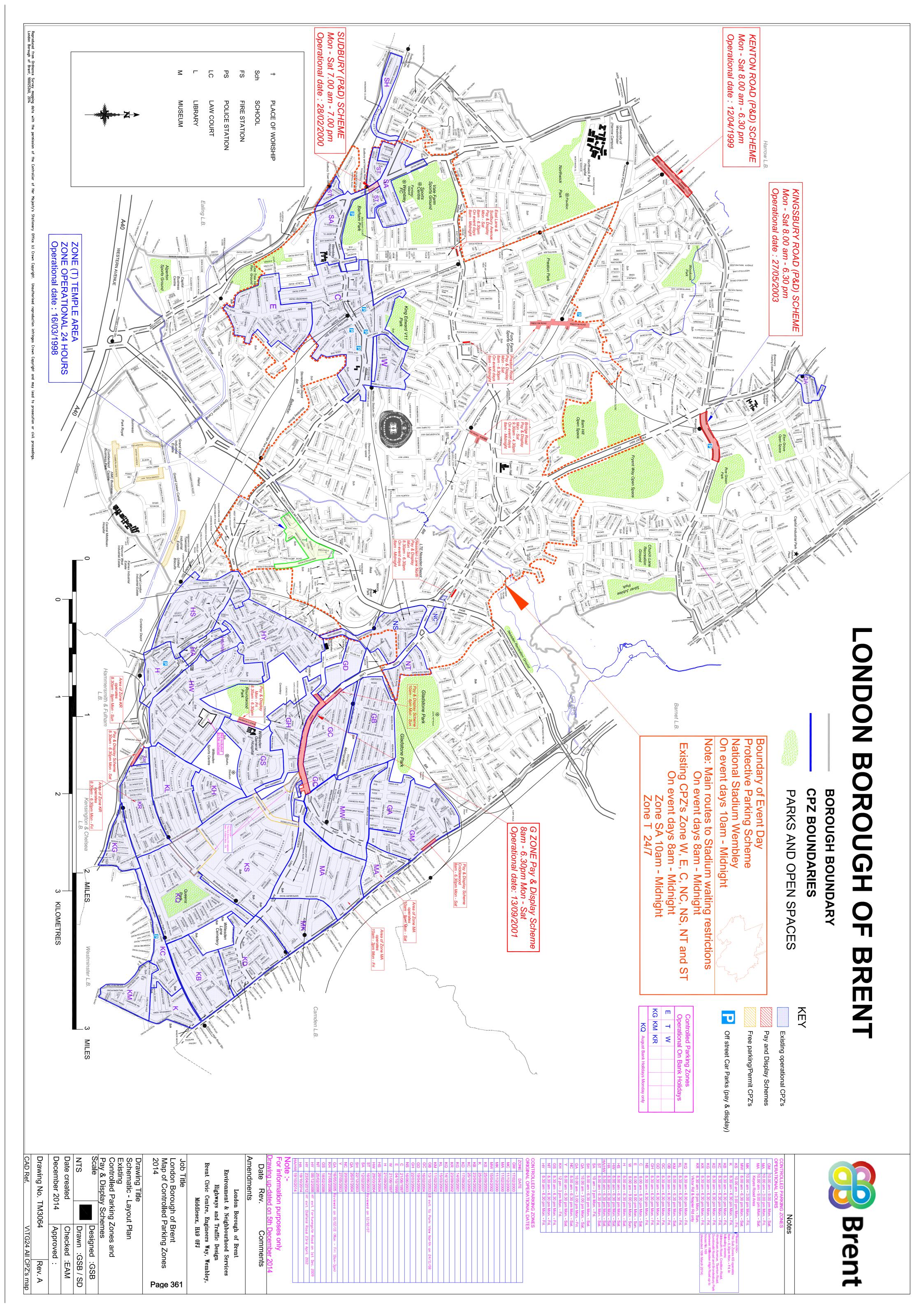
Appendix A - Controlled Parking Zones

Zone	Location	Hours of Operation
С	Wemble y Central	8am – 6.30pm Monday to Saturday excluding Bank Holidays
E	Ealing Road	8am – 9pm every day including Bank Holidays
G	Willesden	8 am - 6.30pm Monday to Saturday
		excluding Bank Holidays 10am – 3pm Monday to Saturday
GA	Anson Road	excluding Bank Holidays
GB	Dudden Hill	8.30 am – 6.30pm Monday to Friday excluding Bank Holidays
GC	Dollis Hill Station	8:30am to 6:30pm Monday to Friday excluding Bank Holidays
GD	Denzil Road	8.30 am to 6.30pm Monday to Friday
GH	Pound Lane	excluding Bank Holidays 8.30 am to 6.30pm Monday to Friday
	r dana zano	excluding Bank Holidays 10am – 9pm Monday to Saturday
GM	Cricklewood	excluding Bank Holidays
GS	Donnington Road	8.30 am – 6.30pm Monday to Friday excluding Bank Holidays
		8am – 6.30pm Monday to Saturday
Н	Harlesden	excluding Bank Holidays
HS	Craven Park	8 am to 6.30pm Monday to Saturday excluding Bank Holidays
HW	Wrottesley Road	8 am to 6.30pm Monday to Saturday excluding Bank Holidays
нү	Cobbold Road	8.30 am to 6.30pm Monday to Friday
		excluding Bank Holidays 8.30am – 6.30pm Monday to Friday
K	Kilburn	excluding Bank Holidays
KB	Brondesbury	8.30 am - 6.30pm Monday to Friday
KC	Canterbury Terrace	excluding Bank Holidays 8.30am – 6.30pm Monday to Friday
	Canterbury Ferrace	excluding Bank Holidays
KD	Dyne Road	8.30 am – 6.30pm Monday to Friday including Bank Holidays
KG	Kilburn Lane	8.30 am – 6.30pm Monday to Friday
KH	All Souls Avenue	including Bank Holidays 12 noon – 3pm Monday to Friday
KII	All Souls Averide	excluding Bank Holidays
KL	Kensal Rise	8.30 am to 6.30pm Monday to Friday excluding Bank Holidays
KM	Malvern Road	8am – 6.30pm Monday to Saturday including Bank Holidays
KQ	Queens Park	8.30am – 6.30pm Monday to Friday excluding Bank Holidays but including August Bank Holiday
LD	Kensal Green	8.30 am - 6.30 pm Monday to Friday
KR	Victor Rd & Napier Rd only	including Bank Holidays 8.30am – 9 pm Monday to Sunday
Ve.		8am – 6.30pm Monday to Friday
KS	Brondesbury Park	excluding Bank Holidays

Zone	Location	Hours of Operation
 Kin ach	ury Road	8am – 6.30pm Monday to Saturday
Killysu	ury Road	excluding Bank Holidays
MA	Mapesbury Road	10am – 3pm Monday to Friday excluding Bank Holidays
MC	Anson Road	10am – 9pm Monday to Saturday excluding Bank Holidays
MK	Christchurch Avenue	10am – 3pm Monday to Friday excluding Bank Holidays
MVV	Walm Lane	8am – 6.30pm Monday to Saturday excluding Bank Holidays
N	Kenton	8am – 6.30pm Monday to Saturday excluding Bank Holidays
NC	Neasden Town Centre	8am – 6.30pm Monday to Saturday excluding Bank Holidays
NS	Neasden Town Centre	8.30 am – 6.30pm Monday to Friday excluding Bank Holidays
NT	Normanby Road	8.30 am – 6.30pm Monday to Friday excluding Bank Holidays
Park R	o yal	7 am to 7 pm Monday to Saturday excluding Bank Holidays
QA	Queensbury	10am – 3pm Monday to Saturday excluding Bank Holidays
S	Sudbury	7 am – 7pm Monday to Saturday excluding Bank Holidays
SA	Sudbury	10am – 3pm Monday to Friday excluding Bank Holidays
SH	Sudbury Hill	8am – 6.30pm Monday to Saturday excluding Bank Holidays
ST	Sudbury Town	8am – 6.30pm Monday to Saturday excluding Bank Holidays
Т	Brentfield Road	At Any Time including Bank Holidays
W	Wemble y Hill	8am – 9pm every day including Bank Holidays

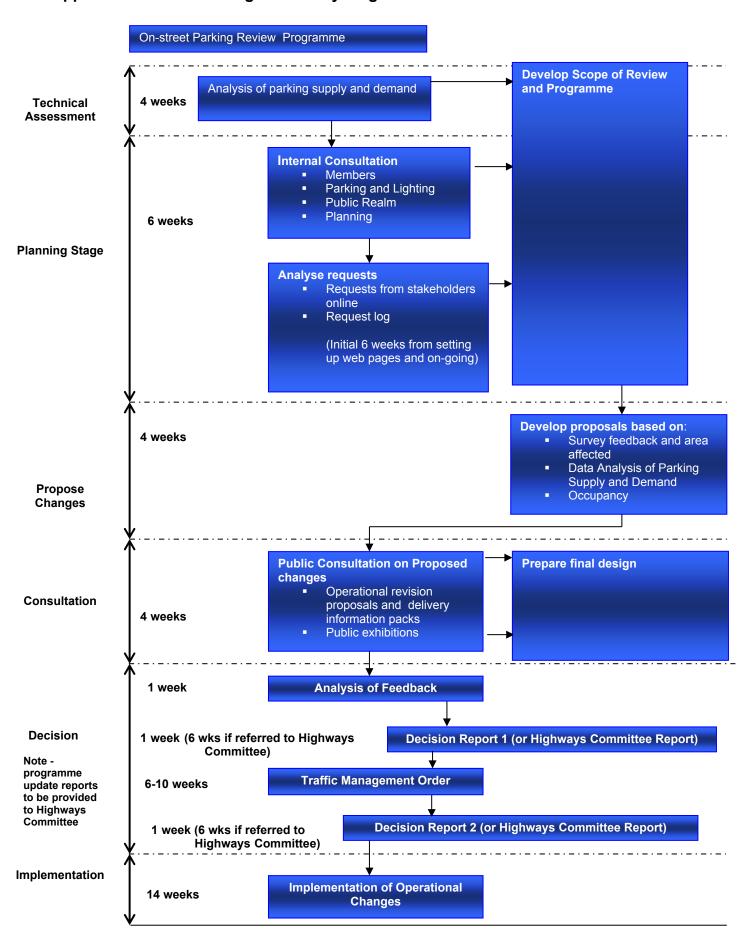
Appendix B – Controlled Parking Zones / Wembley Stadium Protective Parking - Plan

Separate plan provided



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Appendix C - Review Programme Key stages



Date: 19.10.16





Cabinet

15 November 2016

Report from the Strategic Director Regeneration and Environment

For Information

Wards affected:
ALL except parts of those wards in
Tokyngton, Stonebridge, Harlesden,
Kensal Green that fall within the Old
Oak and Park Royal Development
Corporation boundary

Brent Development Management Policies Local Plan Adoption

1.0 Summary

1.1 This report explains that the Council has received an Inspector's report into the Examination of the Development Management Policies Local Plan. The Inspector has found the document 'sound' subject to recommended 'main' modifications being made. Cabinet is being apprised of the modifications and and outline of the next stages. Cabinet is recommended to recommend to Full Council that the Development Management Policies Local Plan incorporating modifications is adopted.

2.0 Recommendations

- 2.1 Cabinet accept the main modifications and minor modifications to the Development Management Policies Local Plan that the Council submitted for Examination as set out in Appendix 1 and Appendix 2 to this report
- 2.2 Cabinet recommends to Full Council that the modified Development Management Policies Local Plan is adopted.
- 2.3 That the Strategic Director Regeneration & Environment is authorised to make further editorial changes to the document prior to it being adopted by Full Council.

Meeting Cabinet
Date 15th November 16

Version no.1.2 Date 13th October 16

3.0 Detail

Background

- 3.1 The reasons for producing the Development Management Policies Local Plan (DMP) derive from the need to remove and replace 'saved' policies of the Unitary Development Plan adopted in 2004. It concludes, as identified in accordance with the Council's Local Development Scheme, the folder of Development Plan Documents (DPDs) that will comprise the borough's local plan, also referred to as its development plan. The other documents that comprise Brent's local plan are the Brent Core Strategy adopted in 2010, the Brent Site Specific Allocations Plan adopted in 2011 and the Wembley Area Action Plan adopted in 2015. Other components of the development plan for Brent are the London Plan (as amended in 2016), the West London Waste Local Plan adopted in 2015 and the Sudbury Neighbourhood Plan adopted in September 2015.
- 3.2 The DMP sets out a number of policies that supplement and amplify the strategic policies set out in the Brent Core Strategy and London Plan. These are used for the determination of planning applications where Brent is the local planning authority. However, it will not apply in the areas of Brent that fall within the boundary of the Old Oak and Park Royal Development Corporation (OPDC) as there Brent Council is no longer the local planning authority. The OPDC is taking forward its own local plan for the area, which is anticipated will be adopted in 2017/18.
- 3.3 Cabinet considered the content of the DMP Plan on 21st September 2015. It approved the submission version for publication for representations to be received and recommended to Full Council that it was subsequently submitted for examination. Full Council on 18th January 2016 approved the submission of the DMP, along with proposed modifications to address representations made, to the Planning Inspectorate for examination.
- 3.4 The DMP was subject to examination by an independent Planning Inspector, who held hearing sessions to consider oral evidence on 3rd and 4th May 2016. A number of modifications to the document were proposed before, during and after the hearing sessions (Full Council delegated to officers the ability to propose modifications post submission to allow soundness issues raised by the Inspector to be satisfactorily be addressed). These were made available for representations to be received for the period from the 14th June until the 8th August 2016.
- 3.5 Scrutiny Committee on 12th July 2016 considered the proposed modifications but made no comment that necessitated consideration of a revision of the modifications proposed. All representations were subsequently submitted to the Inspector for consideration, alongside those made prior to submission and the positions set out by representors as part of the hearings process. The Council has now received and published the Inspector's report.

Meeting Cabinet
Date 15th November 16

Version no.1.2 Date 13th October 16

Inspector's Report

- 3.6 The Inspector considers that the DMP subject to a number of recommended 'main' modifications is sound and therefore capable of adoption. Main modifications are essentially those which change policy or materially affect its interpretation in implementation. In addition to these the Council proposed minor modifications; these for the most part deal with factual updates and grammatical errors. These have also been seen by the Inspector and were issued in association with the modifications issued for representations as set out in paragraph 3.4.
- 3.7 The main modifications can be summarised as:
 - a) Inclusion of further detail regarding the development planning framework and the geographical coverage of the Plan.
 - b) Changes to reflect the importance of heritage assets, in line with national policy.
 - c) Changes to policies on retail development, transport, employment and housing so that they are justified, effective and consistent with national and local policy.
 - d) Insertion of new policies and text relating to flood risk and surface water management, in line with national and local policy.
 - e) Insertion of reference to 'local carbon off-setting' and the location of open space mapping.
 - f) Additions to the monitoring indicators in chapter 12 of the Plan.
- 3.8 The main modifications proposed by the Council were for the most part accepted by the Inspector following the representations made in the period 14th June until the 8th August 2016. However, minor amendments to policies related to development in the flood plain as proposed by the Environment Agency and protection of heritage assets in conservation areas as proposed by Historic England were accepted by the Inspector (following correspondence with officers).
- 3.9 The Inspector also made some amendments to the supporting text for policy EMP14 which were considered too detailed to be incorporated in the Plan. This related to the assumed land value of employment land in any viability study supporting a reduction of affordable housing. Although ideally officers would have preferred the original modification to be kept, it is accepted that there was an element of 'gold-plating' in what was proposed. The Inspector has essentially still captured the essence of what the Council was trying to achieve in fewer words, i.e. the existing site's value should be pegged at that of a low quality employment site.

Meeting Cabinet
Date 15th November 16

Version no.1.2 Date 13th October 16

- 3.10 In addition the Inspector noted that one of the minor modifications proposed by the Council in relation to minimum residential operational parking standards was in their opinion a main modification. However, they felt incapable of recommending it as a main modification in their report as they did not consider it accorded with London Plan Policy 6.13E and supporting text, which refers to maximum standards, whilst 'operational parking' is associated with commercial development. This will be removed as a minor modification and not included in the adopted verison of the Plan. It is not considered that this will have an adverse impact as it was only seeking to clarify a point on what has essentially been the Council's approach to the application of parking standards set out in the UDP.
- 3.11 The recommended main modifications included in the Inspector's report are more fully set out and attached as Appendix 1. In addition in Appendix 2 a list of minor modifications to the DMP are shown.
- 3.12 The Inspector's report is not binding on the Council, in the sense that the Council is not obliged to proceed to adoption. It could choose to not adopt the plan. It however cannot decide to adopt the plan through only selecting some of the main modifications and not others. If circumstances warranted it, it does have the potential to legally challenge the content of the Inspector's report to seek reconsideration or removal of parts it might feel particularly aggrieved about and then decide whether to proceed to adoption or not.
- 3.13 As identified, the proposed modifications for the most part were drafted by the Council taking account of representations received, the Inspector's changes to these have been relatively minor. It is considered that the Inspector's amendments will not prejudice to such an extent the operation of the policies initially proposed by the Council and therefore a decision to not proceed to adopt the Plan, or to legally challenge the Inspector's report would not be warranted.
- 3.14 Not adopting the DMP would mean the Council would have to continue to rely on very old policies in the UDP 2004 in the determination of applications. It also potentially puts at risk initiatives such as the housing zones, or finding acceptable sites for secondary schools which are in part reliant on DMP Policy 14 being adopted; adoption of this policy will put in place a more permissive approach to using Strategic Industrial Land for housing and other uses. Other priorities which would be put at risk are those supporting the Council's public health agenda related to limiting takeaways, betting shops, pay day loan shops/pawnbrokers, adult gaming centres and shisha cafes in Brent's town centres, neighbourhood parades and near secondary schools.
- 3.15 When adopted the Plan will replace existing 'saved' policies within the UDP 2004. This will bring planning policies more up to date and therefore improve the efficiency of the planning service in terms of decision making, this will be related to time and clarity of position, which should reduce the potential for appeals and make the Council's position more robust.

Meeting Cabinet
Date 15th November 16

- 3.16 Where a Local Plan is not up to date, Government has indicated its intention to intervene and potentially appoint a responsible party to write a Local Plan for the Local Planning Authority and to claim back the associated expenses. Brent is not considered to be at significant risk currently due to its ability to show it can meet a five year housing target. However, it does need to take forward a review of the Local Plan soon to continue to limit this risk.
- 3.17 The adoption of a Development Plan Document is in statute required to be a decision of Full Council. On this basis, it is recommended the Cabinet recommend to Full Council that the DMP Plan submitted for examination incorporating proposed modifications as set out in Appendices 1 and 2 is adopted. The adopted plan will be accompanied by an adoption statement and final sustainability appraisal.

4.0 Financial Implications

4.1 The Planning Inspectorate has confirmed the cost of Examination as approximately £32k. The examination is the main expense associated with this stage of the Plan and its adoption, but there will also be minor costs associated with printing, although most people now download or access the documents via the website. The expenditure associated with the Examination and related costs will be met from existing Planning budgets.

5.0 Legal Implications

Planning applications are to be determined in accordance with Development Plan unless there are significant material considerations that indicate otherwise. The provisions of the Development Plan are likely to hold the most weight where the Local Plan is up to date and consistent with National and London Plan policy. The DMP has passed these tests. The Housing and Planning Act 2016 and associated regulations will be setting out what the Government considers to be an up to date Local Plan and mechanisms that will allow it to intervene to ensure that an up to date Local Plan is in place where required.

6.0 Diversity Implications

- 6.1 The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Council must, in exercising its functions, have "due regard" to the need to:
 - 1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - 2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

- 3. Foster good relations between people who share a protected characteristic and those who do not.
- 6.2 Full statutory public consultation has been carried out in the process of preparing and adopting the Local Plan. An Equalities Analysis Assessment has been undertaken at each stage of the Plan adoption process. The impacts have been assessed as being positive in relation to younger people, ethnic minority groups and those with a disability, specifically related to policies around limiting takeaways and shisha premises in the vicinity of schools, limiting betting shops and pay day loans and also in seeking to provide suitable affordable housing to meet needs.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None arising specifically from the adoption of the DMP Plan.

Background Papers

Brent Core Strategy 2010

Brent Site Specific Allocations DPD 2011

Wemblev Area Action Plan 2015

Brent Development Management Policies Plan Publication Version 2015

Brent Development Management Policies Proposed Modifications June 2016

Report On The Examination Of The Brent Development Management Policies

Local Plan September 2016

Cabinet 21st September 2015 Development Management Policies Plan

Publication

Full Council 18th January 2016 Development Management Policies Plan Submission

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Appendix 1 - Main Modifications as Approved by the Planning Inspector

The modifications below are expressed in the conventional form of strikethrough for deletions and **bold** for additions of text.

The page numbers and paragraph numbering below refer to the submission Brent DMP Plan (September 2015), and do not take account of the deletion or addition of text.

Ref	Page	Policy/ Paragraph	Main Modification
MM1	4	1.1	Amend paragraph 1.1 as follows:
			'This Development Management Policies document.—It sets out the Council's policies which along with other policies within the Development National Planning Policy Framework, London Plan, Brent Local Plan and Neighbourhood Plans will be used for the determination of planning applications for development in the borough. The National Planning Policy Framework and associated National Planning Practice Guidance sets out the Government's requirements from the planning process in England. Local Planning Authorities are required to plan for their areas and make decisions on planning applications that are consistent with national policy. Within London there is strategic policy set out by the Mayor in the London Plan, this also has to be consistent with national policy. Brent's Local Plan has to be consistent with both national policy and the London Plan. There is also an opportunity but not a requirement for neighbourhoods to adopt neighbourhood plans. Neighbourhood Plans generally seek to provide a finer grain of planning policy for their areas, focussing on very local issues. Again however, they have to be consistent with national policy and strategic policy set out in the London Plan and Brent's Local Plan. To date, whilst there has been interest in neighbourhood planning in Brent, only one neighbourhood plan has been adopted in Brent; the Sudbury Town Neighbourhood Plan in 2015. It will complete Brent's new Local Plan (previously known as the Local Development Framework), and will replace Brent's remaining saved UDP policies.'
MM2	4	1.1	Insert new paragraph after 1.1 as follows (with renumbering of subsequent paragraphs in chapter 1):
			1.2 From 1 st April 2015 a Mayoral Development Corporation, the Old Oak and Park Royal

Ref	Page	Policy/ Paragraph	Main Modification
			Development Corporation (OPDC), became the Local Planning Authority for the purpose of plan making and determining planning applications within the OPDC area. This includes areas within the administrative boundaries of the London Boroughs of Brent, Ealing and Hammersmith and Fulham. The OPDC is taking forward its own Local Plan for its area which it is anticipated will be adopted in 2017. As such the Brent Development Management Policies Document only applies to the remaining area of Brent outwith the OPDC boundary, where the Council continues to be the Local Plan making authority. The existing adopted Brent Local Plan documents will remain as within the OPDC boundary until they are replaced by the OPDC Local Plan.
ММ3	4	1.2	Amend numbering and text as follows:
			1.2 1.3 The Council is required to prepare the Local Plan by the Planning and Compulsory Purchase Act 2004 (as amended). The Local Plan is made up of a number of documents. This includes this Development Management Policies document, as well as the Core Strategy (this sets out strategic policies such as the number of houses to be built and additional to be provided jobs in the Borough), Site Specific Allocations Development Plan Document (which identifies uses and development principles for major development sites in Brent), the Wembley Area Action Plan (focusing on Wembley town centre and the regeneration around the National Stadium) and the Joint West London Waste Plan (identifying sites for waste facilities and how waste will be dealt with). Policies within the Wembley Area Action Plan area will take precedence where there are locally specific policies covering subjects that might also be covered by this Plan. The Local Plan will also be supplemented by more detailed guidance in the form of Supplementary Planning Documents. The documents that make up the Local Development Plan are illustrated in Figure 1. Alongside the London Plan, these documents provide the planning framework for the borough, guiding change to 2029 and beyond.'
MM4	6	Policy DMP 1	Amend criteria d and g in Policy DMP 1 as follows:
		Development Management	d. preserving conserving or enhancing the significance of heritage assets and their settings;
		General Policy	g. not unacceptably increasing exposure to flood risk, noise, dust, contamination, smells, waste, air quality, light, other forms of pollution and general disturbance or detrimentally impacting on air or water quality ;

Ref	Page	Policy/ Paragraph	Main Modification
MM5	7	2.8	Amend paragraph 2.8 as follows: 'Heritage assets include a wide variety of statutorily designated and non-designated features. Some are protected by law and cannot be materially altered without consent, e.g. listed buildings and scheduled monuments. This statutory protection together with national planning policy also places a legal duty on the Council to seek to preserve conserve or enhance the significance \(\pm \) of such assets and their settings. As such, developments affecting a heritage asset will be required to show that it seeks to conserve preserve or enhance its significance and its setting.'
MM6	9	Policy DMP 2 - Supporting Strong Centres	Delete the design section from Policy DMP 2, as follows: Design Proposals for shop fronts and forecourts will be required to retain shop fronts of architectural or historic merit, demonstrate a high quality of design, complementing the building and adjoining properties. Forecourt trading will be permitted where it does not cause an obstruction to pedestrians or nuisance to neighbouring residential occupiers.
MM7	10	Policy DMP 3 - Non-Retail Uses	Amend Policy DMP 3 as follows: Betting shops, adult gaming centres and pawnbrokers Betting shops, adult gaming centres and pawnbrokers will be permitted where it will result in:- • no more than 4% of the town or neighbourhood centre frontage consisting of betting shops; • no more than 3% of the town or neighbourhood centre frontage consisting of adult gaming centres or pawnbrokers/payday loan shops; • no more than 1 unit or 10% of the neighbourhood parade frontage, whichever is the greater, consisting of betting shops, adult gaming centres or pawnbrokers/payday loan shops;

Ref	Page	Policy/ Paragraph	Main Modification
			a minimum of 4 units in an alternative use in-between.
			Takeaways
			Subject to other policies within the development plan, takeaways will be approved except where it would result in:-
			 an A5 use within 400 metres of a secondary school or further education establishment entrance/exit point;
			 more than 6% of the units within a town or neighbourhood centre frontage in A5 uses; more than 1 unit or 15% of the units within a neighbourhood parade, whichever is the greater, in A5 use;
			 less than two non-A5 units between takeaways; or
			 on-street parking in front of the premises creating highway safety problems.
			Policy WEM 26 in the Wembley Area Action Plan applies to takeaways in Wembley and Wembley Park centre.
			Shisha Cafés
			Shisha Cafés will only be permitted outside 400 metres of a secondary school or further education establishment entrance/exit point .
MM8	11	Policy DMP 4	Amend policy title as follows:
		Neighbourho od Centres	'Neighbourhood Centres Parades and Isolated Shop Units'
		and Isolated	Amend policy text as follows:
		Shop Units	'Loss of A1, A2, or A3 uses or launderettes in neighbourhood centres parades or isolated shop units outside designated town centres will be permitted where the centre parade or unit; a. is within 400 metres of equivalent alternative provision; and

Ref	Page	Policy/ Paragraph	Main Modification
			 a. is unviable; or e. b. the proposal will provide a community facility for which there is a demonstrable need.
			Where there is no equivalent alternative provision within 400 metres, loss will not be permitted unless retention is unviable for these range of uses with associated evidence to show that the premises having been vacant and actively marketed for a minimum of 2 years.
			Where permitted sympathetic retention of any existing shop front will be required unless a high quality alternative more sympathetic to the building's qualities or street scene will be delivered.'
MM9	12	3.14	Insert new sub-section title and text after paragraph 3.14 as follows (and carry out subsequent paragraph renumbering in chapter 3):
			Shop Front Design and Forecourt Trading
			3.15 Shop fronts play a key role in establishing the character of Brent's town centres and neighbourhood parades. Policy DMP 4a is to ensure shop fronts and forecourts contribute to an attractive environment. It is supplemented by detailed guidance in the emerging Shop Front Supplementary Planning Document.
MM1 0	12	Policy DMP 4a - Shop	Insert new Policy DMP 4a after new paragraph 3.15, as follows:
		Front Design and Forecourt Trading	'Proposals for shop fronts and forecourts will be required to retain shop fronts of architectural or historic merit, and demonstrate a high quality of design, complementing the building and adjoining properties.
			Forecourt trading will be permitted where it does not cause an obstruction to pedestrians or nuisance to neighbouring residential occupiers.'
MM1	13	Policy DMP 6 – Visitor	Amend second paragraph in Policy DMP 6 as follows:
		Accommodat	'Proposals for hotel development must be inclusive and accessible and are with applications for

Ref	Page	Policy/ Paragraph	Main Modification
		ion and Attractions	detailed planning permission to be accompanied by Accessibility Management Plans'
MM1 2	18	Policy DMP 7 – Brent's Heritage Assets	Amend Policy DMP 7 as follows: 'Proposals for or concerning affecting heritage assets should: a. demonstrate a clear understanding of the archaeological, architectural or historic significance and its wider context; b. provide a detailed analysis and justification of the potential impact (including incremental and cumulative) of the development on the heritage asset and its context as well as any public benefit; c. retain buildings, structures, architectural features, hard landscaping and spaces and archaeological remains, where their loss of which would cause harm; d. sustain and enhance the significance of the heritage asset, its curtilage and setting, respecting and reinforcing the streetscene, frontages, views, vistas, street patterns, building line, siting, design, height, plot and plan form and ensure that extensions are not overly dominating; e. contribute to local distinctiveness, built form, character and scale of heritage assets by good quality, contextual, subordinate design, and the use of appropriate materials and expertise, and improving public understanding and appreciation; f. where demolition is proposed within a conservation area detailed plans for any replacement building will be required to allow consideration of whether the replacement would contribute positively to the character or appearance of the area. In cases where demolition is permitted conditions and/or legal agreements will be applied to ensure construction of the approved scheme is implemented together with agreed mitigation measures.'
MM1 3	19	4.23	Amend paragraph 4.23 as follows: 'Policy DMP 7 'Brent's Heritage Assets', therefore, specifically seeks to protect Brent's heritage and seeks to ensure that the case for conservation and enhancement is fully considered when assessing all proposals for new development. There must also be The Policy also seeks to safeguard the potential for further investigation on sites and buildings where the heritage asset's significance may hitherto be acknowledged and as archaeological sites become available be previously undiscovered. Archaeological Priority Areas and Archaeological Sites indicate where, according to existing information, there is significant known archaeological interest or particular potential for new discoveries. However,

Ref	Page	Policy/ Paragraph	Main Modification
			sites of archaeological importance could be discovered elsewhere in the borough.'
MM1 4	19	4.25	Amend paragraph 4.25 as follows: 'The Council supports and recognises that change is necessary, but change needs to be managed in a way which does not compromise heritage significance and exploits opportunities for enhancement. Any proposal must have special regard to the desirability of preserving a heritage asset or its setting or any features of special archaeological, architectural or historic interest which it possesses This is because some forms of development, including extensions, roof extensions, dormers and outbuildings may not be subordinate (overly dominating) to the a property, harming its character, integrity and appearance' Add additional paragraph after 4.25 as follows (with subsequent paragraph renumbering in chapter 4): 'Special regard will be given to proposals near or affecting heritage assets identified as at risk on Historic England's Heritage at Risk Register. The Council will use its development management and other planning powers to secure the future beneficial viable use of the borough's heritage assets. For archaeological assets, the layout of the development, extent of basements and design of foundations may need to provide for physical preservation. If significant archaeological remains are not to be preserved in-situ then appropriate investigation, analysis, publication and archiving will be required.'
MM1 5	20	4.26	Amend paragraph 4.26 as follows: 'When considering any planning application (including demolition) that affects a conservation area the Council will require the retention of all buildings and structures which make a positive contribution to the significance of a conservation area. Similarly new proposals must pay special attention to the desirability of sustaining conserving or enhancing the character or and appearance of that area. This can be achieved either by a positive contribution to preservation or by development which leaves character or and appearance unharmed, that is to say sustained conserved. Development located within, adjacent to, or otherwise affecting the setting of a conservation area will be permitted where the visual and functional impact of the proposals can be demonstrated to conserve preserve or enhance:'

Ref	Page	Policy/ Paragraph	Main Modification
MM1 6	24	Policy DMP 9 – Waterside Development	Amend section b of Policy DMP 9 as follows: b. Developments adjacent to the Blue Ribbon network and other tributaries, or with potential to negatively impact on its water quality will be required to contribute towards restoration and naturalisation of waterways, and seek to enhance water quality and biodiversity in accordance with the objectives of the Water Framework Directive and Thames River Basin Management Plan.
MM1 7	26	6.5	Amend paragraph 6.5 as follows: 'The boundaries of the borough's Quiet Areas, as shown on the Policies Map, are considered to be consistent with the open space designations for Fryent Country Park, open space on the north side of The Welsh Harp, Roundwood Park/Willesden New Cemetery, Paddington Cemetery and Alperton Cemetery as shown on the Policies map, and can be provided by the Planning Policy Team on request.'
MM1 8	30	6.22	Insert additional sentence at the end of paragraph 6.22 as follows: 'This has to take account of the latest climate change allowance as identified by the Environment Agency, but take a precautionary approach to reducing long term risk based on the fact that such allowances are subject to periodic review.'
MM1 9	30	Policy DMP 9a – Managing Flood Risk	Insert new Policy DMP 9a after paragraph 6.23, as follows: 'A. Proposals requiring a Flood Risk Assessment must demonstrate that the development will be resistant and resilient to all relevant sources of flooding including surface water. The design and layout of proposals requiring a Flood Risk Assessment must contribute to flood risk management and reduction and: a. minimise the risk of flooding on site and not increase the risk of flooding elsewhere; b. wherever possible, reduce flood risk overall; c. ensure a dry means of escape; d. achieve appropriate finished floor levels which should be at least 300mm above the modelled 1 in 100 year plus climate change flood level; and

Ref	Page	Policy/ Paragraph	Main Modification
			e. not create new basement dwellings in areas of high flood risk.
			B. Proposals that would fail to make appropriate provision for flood risk mitigation, or which would increase the risk or consequences of flooding, will be refused.
			C. Opportunities will be sought from the redevelopment of sites in functional floodplain (flood zone 3b) to restore the natural function and storage capacity of the floodplain. Proposals that involve the loss of functional floodplain or otherwise would constrain its natural function, by impeding flow or reducing storage capacity, will be resisted.'
MM2	30	6.26	Amend sub-title 6.26 as follows:
0			6.26 On Site Water Management and Surface Water Attenuation
MM2 1	30	6.26	Insert new paragraph after 6.26 as follows (with subsequent paragraph renumbering in chapter 6):
1			'The London Plan in Policy 5.15 'Water Use and Supplies' identifies the pressure on London's water supply related to existing scarcity which will be exacerbated by climate change and population growth. Similar to most of London, Brent also has areas of combined sewer network which does not have the capacity to deal with extreme events, consequently causing pollution to water courses. As such, consistent with London Plan policy, it is necessary to ensure that water use is limited to protect supply, but also reduce potential for pollution. The 105 litres target is consistent with Part G2 of the optional requirement of the 2010 Building Regulations which specifies maximum consumption values for water fittings. Conditions will be applied to planning permissions to ensure the requirement to meet these building regulations.'
MM2 2	30	Policy DMP 9b - On Site	Insert new Policy DMP 9b after paragraph 6.27, as follows:
2		Water Management and Surface Water	'A. Proposals for new development will be required to make provision for the installation and management of measures for the efficient use of mains water and for the control and reduction of surface water run-off. Substantial weight will be afforded to the target for mains water consumption of 105 litres or less per person per day and to the achievement of greenfield run-off

Ref	Page	Policy/ Paragraph	Main Modification
		Attenuation	rates. Where greenfield run-off rates cannot be achieved this should be clearly justified by the applicant.
			B. The design and layout of major development proposals will be required to:
			a. use appropriate sustainable drainage measures to control the rate and volume of surface water run-off;
			 b. ensure where feasible separation of surface and foul water systems; c. make reasonable provision for the safe storage and passage of flood water in excessive events; and
			d. demonstrate adequate arrangements for the management and maintenance of the measures used.
			C. Proposals for minor developments, householder development, and conversions should make use of sustainable drainage measures wherever feasible and must ensure separation of surface and foul water systems.
			D. Proposals that would fail to make adequate provision for the control and reduction of surface water run-off will be refused.'
MM2	32	7.8	Amend paragraph 7.8 as follows:
			'Only where it is clearly demonstrated carbon reduction targets cannot be fully met on site, any shortfall may be off-set through 'Allowable Solutions' local carbon off-setting.'
MM2	33	7.13	Amend paragraph 7.13 as follows:
·			'Only if the feasibility study in the Energy Assessment demonstrates that all on-site options have been considered and are not feasible, will Allowable Solutions carbon off-setting be considered. In accordance with emerging London Plan Policy 5.2 developers should actively seek to deliver their remaining Allowable Solutions carbon savings through local carbon saving projects. Brent Council will establish a price per tonne for carbon or use a nationally recognised price such as that set by the Zero Carbon Hub, and seek

Ref	Page	Policy/ Paragraph	Main Modification
			payment into a local fund which will be used to deliver Brent's emerging Allowable Solutions carbon off-setting in the borough Strategy.'
MM2 5	37	Policy DMP 11 – Forming an Access onto a Road	Amend the first section of Policy DMP 11 as follows: 'Other than the North Circular Road, TLRN and London Distributor Roads applications for the creation of an access to a highway or where development will result in the increased use of existing access points will be acceptable where:'
MM2 6	38	8.18	Insert additional sentence on the end of paragraph 8.18 as follows: 'In relation to criterion c) of the policy, greater flexibility to the loss of more than one parking space may in exceptional cases be justified. An example might be where off-street parking provided as part of a proposed development together with other measures would reduce the onstreet parking demand compared to the existing use.'
MM2 7	43	Policy DMP 14 – Employment Land within SIL and LSIS	Amend the second section of Policy DMP 14 as follows: 'For developments falling under criteria a) the development shall incorporate employment uses providing high density employment an efficient use of land on approximately 20% of the site area. The Council will expect the existing restrictive allocation of the site as SIL or LSIS and the fact that the site will be of low quality for employment use to be recognised in the residual land value assumed for the site.'
MM2 8	43	Policy DMP 14 – Local Employment Sites	Amend the third section of Policy DMP 14 as follows: 'Where non-employment uses are proposed the site shall incorporate the maximum amount of existing floorspace type or Managed Affordable Workspace possible or if unviable employment space that meets an identified need in the borough.'
MM2	44	9.2	Amend paragraph 9.2 as follows:

Ref	Page	Policy/ Paragraph	Main Modification
9			'To help retain an appropriate balance of supply and demand of industrial land over the planning period the Brent Employment Land Demand Study identifies low quality employment sites, where a more flexible approach to changes of use away from industrial uses could be appropriate. This will be taken into account in identifying which sites are suitable for release, alongside the need to achieve the strategic objectives in the Development Plan, to achieve at least 50% affordable housing on sites and to meet an identified need for secondary schools. Sites within SIL and LSIS which scored highly in the qualitative assessment and remain suitable for employment uses will be retained. It is recognised for instance that some sites might have unusually high remediation or other abnormal costs to be met to make them acceptable as a residential environment. As such, in the evidence used within any viability testing to support the case for any affordable housing provision below 50% on an individual scheme, the Council will expect the benchmark land value of the site to be consistent with the Existing Use Value (EUV) of its allocation as SIL or LSIS. An appropriate site specific premium over the EUV to provide a competitive return to the landowner will be expected, which reflects the low quality of the employment site.'
MM3 0	44	9.2	Insert new paragraph after 9.2 as follows, and renumber subsequent paragraphs accordingly: 'To create mixed use areas and limit the loss of employment land and jobs, where redevelopment for predominantly residential purposes is proposed where possible (and subject to viability) approximately 20% of the site area should be used for employment purposes. The type of employment use will depend on the characteristics of the site and its compatibility with the residential development, however the Council would prefer higher employment ratios and the efficient use of sites to maximise employment generation. Where the viability of delivery of affordable housing is being affected by the re-provision of employment space, the Council will seek to prioritise affordable housing delivery whilst recognising that successful places usually comprise a mix of uses, rather than being wholly residential.'
MM3 1	47	Policy DMP 15 – Affordable Housing	Amend point 2 in Policy DMP 15 as follows: 2. on major phased development sites or major sites where housing development commences 18 months after consent is issued, the proportion of affordable housing agreed is significantly below 50%

Ref	Page	Policy/ Paragraph	Main Modification
			appropriate provisions to re-appraise scheme viability will be sought at agreed stages in S106 agreements to secure contingent obligations.
MM3 2	47	Policy DMP 15 – Affordable Housing	Insert two additional criteria in the Vacant Building Credit section of Policy DMP 15 as follows: 3. buildings where evidence of concerted marketing activity at appropriate rents levels and terms for the quality of the existing accommodation has taken place 4. buildings that have not been abandoned, made vacant for the purposes of development or subject to extant or recently expired planning permission for the same or substantially the same development
MM3 3	48	10.9	Amend paragraph 10.9 as follows: 'The predominant Brent affordable housing need is for social/affordable rented accommodation (as evidenced by the latest Brent Strategic Housing Market Assessment). This accommodation requires significant amounts of subsidy to be provided in new developments. Changes in national policy mean that for those submitting planning applications social rented properties are less likely to be provided as the preferred rented accommodation for affordable dwellings. In the majority of cases affordable rented dwellings (defined as up to 80% market rent) are most likely to be proposed. The incorporation of affordable rented accommodation (rather than social rent) within developments has been assumed in the latest viability assessment used to support affordable housing policies. As a recognised affordable tenure the provision of such accommodation where social rent is not possible to otherwise meet affordable needs is accepted and supported by the Council. Nevertheless within the policy the Council has incorporated social rent to allow for situations where the Council (as a developer/landowner) or other registered providers are seeking to provide such tenures as part of the affordable housing mix. The need for intermediate affordable housing (such as shared ownership) is more limited, as such the tenure mix target ratio for affordable housing is set at 70:30 rent to intermediate housing. Whilst in terms of meeting needs this is the appropriate ratio for the borough, site specific viability considerations, site and area characteristics may result in a different appropriate mix, such exceptions could include:'

Ref	Page	Policy/ Paragraph	Main Modification
MM3 4	49	10.14	NPPG provides some guidance on Vacant Building Credit. However, further clarity is needed to define qualifying buildings, floorspace measures and vacancy and whether the application of the credit is assisting a development opportunity in addition to that which might otherwise have occurred in any case. The Community Infrastructure Levy (CIL) regulations clearly define what a building is. As it is likely an assessment of existing floorspace will be used to reduce CIL liability it is sensible for the same measure to be used. The same is true of building measurements, which use gross internal area. CIL regulations also set out a timescale related to minimum time of occupation to gain exemptions to CIL liability. There is a logic in using an approach to identify the qualifying periods for vacancy that is consistent with this approach. NPPG sets out where the credit will not apply. It outlines scenarios which the local planning authority may take into account in its application having regard to the intention of national policy. It regards the intention of the national policy of the Credit of encouraging development of long term vacant sites where there is no realistic prospect of that site being used for its existing use, or there not being a realistic prospect of it being developed for other purposes without the financial incentive afforded by the Credit. Therefore to avoid any doubt it seeks to confirm that it will apply the scenarios set out in NPPG in Policy DMP 15 to remove the possibility of perverse incentives to delay development or provide rewards on sites that have or would in any case be subject to development proposals. In support of applications, as well as proof of vacancy for the time period, evidence of concerted marketing activity at appropriate rents levels will be required. The Council will also want to be assured in addition that no other mechanisms, such as the terms of the lease are such that they would act as a disincentive to occupation and thus promote the building's continued vacancy, e.g.
MM3 5	50	Policy DMP 16 -	Amend criteria b and c in Policy DMP 16 as follows:

Ref	Page	Policy/ Paragraph	Main Modification
		Resisting Housing Loss	b. de-conversion of flats would create a family size home (3 bed or more) resulting in the net loss of no more than one dwelling of 2 bedrooms or less;
			c. providing social or physical infrastructure is provided to meet an identified local need;
			Insert new criteria d in Policy DMP 16 as follows:
			d. the proposed loss of housing would radically improve the neighbourhood.
MM3	50	10.23	Amend paragraph 10.23 as follows:
0			'As identified in the SHMA and as a priority provision in Brent Core Strategy Policy CP 2 provision of family accommodation (3 bed or more dwellings) to meet Brent's needs is a priority. Consequently, the deconversion of flats into a family size dwelling will be supported where it results in the net loss of no more than one dwelling of 2 bedrooms or less.'
MM3 7	51	10.28	Amend paragraph 10.28 as follows:
			'The policy seeks to allow for efficient use of existing housing stock through the conversion of existing larger dwellings to assist in meeting housing targets. However, it also seeks to ensure continued provision of family sized housing (3 bedroom or more), houses or flats, suitable for occupation by families to meet Brent's housing needs. Consequently where larger properties are suitable for conversion, schemes should include at least a 3-bed or more dwelling suitable for at least 4 people. Ideally the family sized accommodation will This will normally be at ground floor (if there is no access to a lift) to provide for ease of entry and also have direct access to associated amenity space. to maintain the quality and accessibility of existing family housing. In larger properties consideration should be given to the provision of 4-bed units for at least 5 people. Individual solutions, including modest extensions, may be appropriate to accommodate the required family size units dwellings. Effort should be made to provide all additional flats with amenity space.'
MM3 8	51	Policy DMP 17 -	Amend Policy DMP 17 as follows:

Ref	Page	Policy/ Paragraph	Main Modification
		Conversion of Family Sized Dwellings	'To maintain family size housing conversion of a family sized home (3 bedrooms or more) to two or more other dwellings will only be allowed where the following criteria are met: a. the existing home is 130 sq.m. or more and b. it results in at least a 3-bedroom dwelling, preferably with direct access to a garden/amenity space. Exceptions to this will only be allowed where the amenity of the existing family sized home is so deficient that family occupation is unlikely and it could not reasonably be changed to overcome such deficiencies.'
MM3 9	52	Policy DMP 18 – Dwelling Size and Residential Outbuildings	Amend Policy DMP 18 as follows: 'The size of dwellings should be consistent with London Plan Policy 3.5 Table 3.3 Minimum Space Standards for New Development Dwellings. In order to prevent the potential for overcrowding planning permission will only be granted where dwellings intended for occupation by one person is internally laid out as studio accommodation. Planning permission will only be granted for outbuildings that will not be residential accommodation or do not support the increased occupation of a dwelling.'
MM4 0	52	10.32	Amend paragraph 10.32 as follows: 'The policy seeks to reduce the potential for overcrowding of residential properties to be controlled through means available through the planning process. In particular it clarifies the standard for one person dwellings and seeks to reduce the potential addition or use of outbuildings to increase the capacity of a dwelling's occupation.'
MM4 1	52	10.34	Delete paragraph 10.34 as follows: 'The policy identifies that the provision of smaller dwellings will only be acceptable where it makes good use of space when a two person dwelling cannot be accommodated. A property designed as a one person one bed home through the provision of a separate bedroom provides a greater opportunity for over-occupation. Its layout as a studio reduces this potential. It gives an indication to occupiers (including potential renters) that the property has essentially been designed for occupation by one person. Consequently dwellings

Ref	Page	Policy/ Paragraph	Main Modification
			smaller than 50 sq.m. will be expected to be laid out as a studio.'
MM4 2	53	10.37	Delete paragraph 10.37 as follows:
			`For dwellings for occupation by one person, a drawing showing an internal layout as a studio'
MM4 3	54	Policy DMP 20 -	Amend Policy DMP 20 as follows:
		Accommodat ion with Shared	'Proposals for student accommodation, non-self contained or self-contained residential accommodation with shared facilities'
		Facilities or Additional Support	
MM4 4	57	10.67	Insert additional sentence at the end of paragraph 10.67 as follows:
			'It also protects existing sites where there is currently such provision.'
MM4 5	59	Policy DMP 21 – Public	Amend the wording and order of Policy DMP 21 as follows:
		Houses	'The Council will only support the loss of public houses where:
			 a) its continued use as a pub or as an alternative community facility within the D1 use class is not economically viable as demonstrated by meeting the marketing requirements in paragraph 11.9;
			€ b) the proposed alternative use will not detrimentally affect the character and vitality of the area and will retain as much of the building's defining external fabric and appearance as a pub as possible; and
			$\pm c$) the proposal does not constitute the loss of a service of particular value to the local community; and

Ref	Page	Policy/ Paragraph	Main Modification
			a- d) if registered as an Asset of Community Value the premises can be shown to have been offered for sale to local community groups and no credible offer has been received from such a group at a price that is reflective of the condition of the building and its future use as a public house. The Council will treat registration as an Asset of Community Value as a material planning consideration.'
MM4 6	60	11.9	Amend paragraph 11.9 as follows: 'Where applications for a change of use or redevelopment of a public house are received, to make an
			 assessment against criteria in Policy DMP 21, the Council will require evidence that: the public house has been marketed for 24 months as a public house and for an alternative local community facility, at a price agreed with the Council following an independent professional valuation (paid for by the developer) and there has been no interest in either the free-or lease-hold either as a public house or as a community facility falling within 'D1' use class; the public house has been offered for sale locally, and in the region, in appropriate publications and through specialised licensed trade agents; all reasonable efforts have been made to preserve the facility, including all diversification options explored – and evidence supplied to illustrate this; the CAMRA Public House Viability Test, or a similar objective evaluation method, has been employed to assess the viability of the business and the outcomes demonstrate that the public house is no longer economically viable;
			 there has been public consultation to ascertain the value of the public house to with the local community; an assessment has been made of there are alternative licensed premises within easy walking distance of the public house; and any whether such alternative premises offer similar facilities and a similar community environment
			to the public house which is the subject of the application.'
MM4 7	61	Chapter 12 - Delivery and Monitoring	Insert new monitoring indicators in table as follows: Performance Measure - Percentage of affordable housing within major development with an

Ref	Page	Policy/ Paragraph	Main Modification
			affordable housing planning obligation Target - 50%
			Specific policy to be monitored – DMP 15 Affordable Housing
			Performance Measure - Tenure split of affordable housing within major development with an affordable housing planning obligation Target - 70% social/affordable rent, 30% intermediate Specific Policy to be monitored - DMP 15 Affordable Housing
			Performance Measure - Number of public houses lost to development Target - No loss of viable public houses Specific policy to be monitored - DMP 21 Public Houses

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Appendix 2

Development Management Policies Development Plan Document Submitted For Examination January 2016.

Table of minor modifications to the Publication Version of the Plan September 2015

(N.B. Modifications that were proposed on submission of the Plan for Examination are shown in red, modifications proposed as a result of the Examination Hearings are shown in blue. Modifications post the Examination being closed are shown in Purple. The existing text deleted shown as struck-through and new text inserted is underlined. Repositioned text shown in green.

Policy / paragraph / map	Amendment	Reason
Foreword	This document has been produced as part of the on-going process of replacing the Unitary Development Plan. It includes the Council's Development Management Policies which are necessary for determining planning applications in the borough. This document reflects Brent's Core Strategy which aims for Brent to be a great place, a borough of opportunity and an inclusive borough. At Brent we are committed to providing a high quality and responsive Planning Service. This includes full community involvement in the preparation of important development plan documents. These contribute to delivering the aims and objectives of Brent's Community Strategy.	To update
	I hope you will take this opportunity to participate in the process of drawing up the new plan. If we are to shape the borough the way you want to see it then we need to hear from you. Please tell us what you think.	

Councillor Margaret McLennan, Brent's Lead Member for Housing and Development

This new Development Management Plan contains detailed policies which will guide the development of the borough.

The plan sets out Brent Council's policies towards housing, town centres, open spaces, employment, community facilities, the built environment (for example, listed buildings, historic parks and conservation areas) and transport - all of which contribute to making Brent a vibrant place to live and work.

We're working hard to improve living standards, make Brent safer, cleaner and greener, support residents to be healthier and happier, and provide more opportunities to learn and work in the borough. This plan aims to help make this happen, by giving clear guidance; such as what can be built, where, how, for what use, where restrictions apply and why.

We're committed to providing a high quality, responsive Planning Service, and realise how important it is to involve the community in helping us create a better service.

That's why this powerful plan is the result of ongoing community involvement.

Thank you to everyone who took the opportunity to participate in the process of developing these policies.

Councillor Mashari

Lead member for Regeneration, Growth, Employment and Skills

HOW TO GIVE YOUR VIEWS

The Development Management Policies Publication Stage Document is published for comments on its soundness. Further copies of this document can be downloaded from the Brent Council website at www.brent.gov.uk/dmp.

Make your comments by the following ways: Online via the interactive web version of this document at www.brent.gov.uk/dmp

By email to ldf@brent.gov.uk

In writing addressed to: Planning Policy and Projects Team, Planning and Regeneration, London

	Borough of Brent, Brent Civic Centre, Engineers Way, Wembley, Middlesex HA9 0FJ	
	Please reference your comments to the relevant policy or paragraph of the document.	
	All comments must be received by 5pm on 5 th November 2015.	
	Any representations made in relation to this document will be made available to the public.	
The Process <u>es</u>	This reflects, and builds upon, a consultation stage in June 2007 which proposed some preferred	To update related to stage in
So Far that	options for policy at that time. Due to significant changes in the planning system since 2007, including	the adoption process
the Plan went	the publication of the National Planning Policy Framework (NPPF) in 2012, and the new challenges and	
through to	opportunities for Brent, it was necessary to undertake a further consultation on revised policies	
<u>adoption</u>	between June and July 2014. This resulted in publishing a version of the Plan for representations to be	
	received and submitted for Examination to the Secretary of State in January 2016. Following	
1. 3 4	Examination Hearings further modifications to the Plan were proposed, representations sought and	
	considered by the Planning Inspector. These modifications were incorporated into the Plan which was	
	adopted by the Council in XX 2016.	
1.4	There is now an opportunity to comment on the publication version of the Plan before it is submitted	Update related to the stage
	for Examination by an independent Planning Inspector. At this stage comments should relate to	that the Plan has met when
	whether you consider that the Plan is 'sound'. To be 'sound' a plan should be positively prepared,	adopted.
	justified, effective and consistent with national policy.	
1.5	National & London Plan	Clarification sought by the
	Each of the green boxes throughout the Plan will be amended where necessary to make clearer	Inspector sought by the
	reference to the more strategic policy that has been identified which either informs or will be used in	Inspector during the
	association with the policy in the Plan, or will be used in the absence of a policy in this plan e.g. NPPF,	examination hearings.
	London Plan or Core Strategy.	
2.3	The Council aims to ensure that development complies with appropriate national and local planning	Clarification to identify the
	policy and guidance through effective enforcement action. Enforcement action will be considered against	Council's pro-active but
	unauthorised development and will be guided by national guidance and the priorities set out in the Brent	proportionate approach to
	Enforcement Plan which includes a test of expediency.	enforcement.
2.7	Development will be expected to provide any associated infrastructure required to make it <u>acceptable</u>	Typographical corrections and
	accessible from a planning perspective. This includes elements such as on or of off-site physical	amendment agreed with the
	infrastructure for example transport improvements, <u>water and sewerage infrastructure</u> , or surface water	Environment Agency to
	drainage or social infrastructure such as additional capacity in schools or health practices.	identify water related
		infrastructure.
		NA:
3.1	It builds on Core Strategy Policy 16 which establishes the town centre hierarchy, by providing detailed	Minor modification for
3.1	It builds on Core Strategy Policy 16 which establishes the town centre hierarchy, by providing detailed guidance to support the development of strong town centres. It also updates the hierarchy to include	clarification as sought by the

	Church End as a local centre due to its function and scale, <u>based on the findings of the Town Centre Background Report (2015).</u>			Inspector at the Hearings
	Town Centre Hierarchy			
	<u>Major</u>	District	Local	
	<u>Kilburn</u>	Burnt Oak	Church End	
	Wembley	Colindale/ The Hyde	Kensal Rise	
		Cricklewood	Queen's Park	
		Ealing Road	Sudbury	
		<u>Harlesden</u>		
		<u>Kenton</u>		
		<u>Kingsbury</u>		
		<u>Neasden</u>		
		<u>Preston Road</u>		
		Wembley Park		
		Willesden Green		
3.5	Frontage will be considered periphe	eral where it is outside of the prima	ry shopping area (primary and	Minor modification for
	adjoining or closely related seconda	•	ıld not result in residential	clarification
	development between frontage in	main town centre use.		
3.12	Neighbourhood Centres Parades ar	d Isolated Shop Units		Minor modification for
				clarification as identified in
	Outside of town centres, neighbour		shop units provide convenient	the Inspector's Main Issues for
	access to goods and services which			the ExaminationHearings
3.13	In determining applications for plar	- •	·	Removal of repetition and for
	prior approval, development result	_	•	clarification
	permitted unless there is alternativ	· · · · · · · · · · · · · · · · · · ·		
	reasonable walking distance (5 min	<u> </u>	•	
	local services. Provision will be cons			
	same need, such as the need for fre			
	demonstrating an active marketing			
	premises were vacant or in 'meanw			
	also be applied in assessing applica	tions for retail to residential permitt	ced development prior approval.	
Following 4.5,	Active Design, Sport England			Clarification

green national & London Plan guidance box Following 4.7,	Easy Access to Historic Buildings, English Heritage-Historic England	To update reflecting change in
green national & London Plan guidance box	Easy Access to Historic Landscapes, English Heritage Historic England	name.
4.15	Consistent with the approach to landscaping, the design and provision of all elements, including hard and soft landscaping, lighting, furniture and public art, should be coordinated and well located, to make a positive contribution, avoid unnecessary clutter, and ensure a safe, informative and attractive environment. This is consistent with other parts of the Plan of making areas have better accessibility and improving streets and places for walking and cycling.	Clarification
4.16	<u>National Planning Practice Guidance (NPPG)</u> provides advice on when this is the case and the grounds on the acceptability of advertisements should be determined on the criteria of amenity and public safety.	Clarification
4.20	Brent's statutory listed buildings, conservation areas and registered parks and gardens are all designated heritage assets. Its locally listed buildings, areas of distinctive residential character, sites of archaeological importance and archaeological priority areas are non-designated heritage assets. Non-designated heritage assets include buildings, structures, monuments, earthworks, street furniture, sculpture, shopfronts, sites, places, areas or landscapes identified as having a degree of significance meriting consideration in planning decision stage. Guidance on Brent's heritage assets, as set out in the local guidance box in this chapter, is available at www.brent.gov.uk/conservation. This guidance forms part of the Local Plan evidence base and will also be a material consideration in the determination of applications for development. Applicants should refer to these documents early on to ensure that their proposals are based on an understanding of the significance of heritage assets that may affected.	Clarification as the policies related to areas of distinctive residential character set out in the UDP are not proposed for retention following adoption of the DMP. The evidence base identified will also inform decision making in relation to applications that affect heritage assets.
4.21	The purpose of this policy is to provide greater clarity on the specific additional requirements applicable in Brent taking account of existing NPPF, NPPG, London Plan, and Brent Core Strategy policies and local evidence base.	Clarification
Following DMP 7, orange local	Heritage Asset Guidance Sites of Archaeological Importance and Archaeological Priority Areas Conservation Area Design Guides	Clarification to provide greater detail on supporting information in implementing

guidance box	Conservation Area Article 4 Directions Heritage at Risk Register Listed Buildings Local List	the policy.
4.22	Brent's heritage assets include a wide range of architectural styles from Victorian Italianate, Gothic Revival, suburban 'Arts & Crafts', 'Tudorbethan', 'Old World', Modern and Brutalist as well as planned 'village' settlements. Furthermore, its formal public gardens, cemeteries together with the trees and gardens in the 20th century residential developments have matured contributing to setting. However, its archaeological discoveries from early prehistory are scarce, because sites have been built over and there are limited places where archaeologists could can now investigate. However, aArchaeological exploration records suggests that there were settlements in the area from prehistoric times. New discoveries would be significant partly because so little is known during the Palaeolithic, Mesolithic and Neolithic periods (800,000 years ago to 2500 BC).	Correction
4.24	4.24 The Council supports and recognises that change is necessary, but change needs to be managed in a way which does not compromise heritage significance and exploits opportunities for enhancement. Any proposal must have special regard to the desirability of preserving a heritage asset or its setting or any features of special architectural or historic interest which it possesses. When granting consent, special regard will be given to matters of detailed design, especially within main frontages, prominent elevations and roofs, and to the nature, quality and type of materials proposed to be used.	Typographical correction – duplicate text removed
4.28	The Council will also require the identification of non-designated heritage assets, including building or structures contained on the Local List, areas of distinctive residential character, archaeological priority areas, sites of archaeological importance and sites contained within the London Parks & Gardens Trust's Inventory of Historic Spaces at the beginning of the design process for any development, especially where this may impact on their significance.	Clarification as the policies related to areas of distinctive residential character set out in the UDP are not proposed for retention following adoption of the DMP.
4.29	The Council will resist significant harm to or of loss of such a heritage assets. It will assess proposals which would directly or indirectly impact on heritage assets in the light of their significance and the degree of harm or loss which would be caused. Where the harm would be less than substantial, it will be weighed against any public benefits of the proposal, including securing optimum viable use of the heritage asset and whether it would enhance or better reveal the significance of the conservation area. For demolition or alteration to be approved, there will need to be clarity about what will be put in its place within a suitable time frame. It should be noted designation as a Locally Listed building does not provide further statutory protection but it draws attention to the special qualities of the building.	Correction

4.32	A Heritage Statement <u>is required where a proposal is for or affects a heritage asset. It</u> must describe and demonstrate a clear understanding of the significance of any heritage assets affected by proposals and the impact on their significance, including any contribution from their setting.	Clarification
5.2	London Plan policy 7.17 Metropolitan Open Land (MOL) is given the same level of protection as the Green Belt.	Correction
5.2	Exceptions to this are where it can be clearly shown to be surplus to requirements, equivalent local provision is made or the benefit or the development is for alternative sports and recreational provision the need for which outweighs the loss.	Correction
Following DMP 9, green nation & London Plan guidance box	Draft-Thames River Basin Management Plan, Environment Agency	To update
Following DMP 9, orange local guidance box	Brent Biodiversity Action Plan	Clarification
5.11, first bullet point	deculverting and removing unnatural structures such as obsolete weirs and bank and bed reinforcements.	Clarification
5.12	Such developments should also contribute to the delivery of the Brent River Corridor Improvement Plan, produced by the Brent Catchment Partnership, <u>Brent Biodiversity Action Plan</u> , and the London Rivers Action Plan. Specific projects in the Brent catchment are identified on the interactive map on the River Restoration Centre website.	Clarification
6.11	Air quality <u>directly</u> adjacent the North Circular Road is very poor, therefore sensitive uses such as housing will <u>generally</u> not be acceptable in this location.	Clarification to provide greater flexibility taking account of a variety of site characteristic
6.18	A general indication of the location of historic industrial sites is provided by Map 1 below. In accordance with DMP 1 development will not be permitted if it would lead to the future contamination of the land or elsewhere or have a detrimental impact on water quality.	Clarification as agreed with the Environment Agency.
	· · · · · · · · · · · · · · · · · · ·	Clarification sought by the

	the Environment Agency, but take a precautionary approach to reducing long term risk based on the	Inspector
	fact that such allowances are subject to periodic review.	ilispectol
6.25	Development proposals in flood risk zones 2 and 3, and all development proposals for sites of 1 ha or above in flood risk zone 1, should be accompanied by a Flood Risk Assessment (FRA) to consider all forms of flooding. The borough Strategic Flood Risk Assessment (SFRA) sets out sustainable flood risk mitigation measures and level of detail to be included in site-based FRA dependant on the flood zone. This should form the basis of all FRA. In accordance with the SFRA all FRA should demonstrate how the development seeks to reduce flood risk.	Clarification as agreed with the Environment Agency.
6.27	Lack of capacity in our drainage network can increase flood risk, therefore developments should aim to ensure wherever feasible the separation of surface and foul water systems.	Minor modification proposed in relation to the Inspector's Main Issues Questions for the Hearings. Greater flexibility clarified in relation to concerns raised by the Inspector at the Examination Hearings on not increasing burdens on developers without flexibility if viability would be otherwise undermined.
6.29	The developer is to provide Water Quality and Biodiversity statement and cost benefits <u>analysis</u> for conventional and SuDS system <u>s</u> .	Clarification
8.4	The eCouncil has concentrated its efforts to date on improving key stations, interchanges and bus services to and between them. Investment has been made to increase capacity at the three Wembley stations. Similar investment is required at other key interchanges to enhance the usability of the network as a whole. Particular focus is needed on improving orbital links and key interchange points on them. With improved orbital bus links comes the need for bus stands and facilities, and consideration will need to be given to their location.	Clarification
8.7	Where significant impacts arise including during development construction, mitigation measures should be proposed and the residual impacts assessed.	Clarification
8.8 – second bullet point	Public transport improvements sufficient to service the scheme or to integrate it with the surrounding area. Developments attracting a significant number of trips in areas with low or moderate public transport accessibility or causing capacity issues to the existing network will only be acceptable when	Clarification

	significant public transport improvements are secured which are both viable and justifiable in the longer term.	
Following DMP 10, green national & London Plan guidance box	London Cycle Design Standards, TFL	Clarification of additional advice available on cycle parking and cycling facilities.
8.21	Proposals which would affect the M1 Motorway shall require consultation with the Highways Agency England.	To update flowing name change
8.27	The amount of parking provided in accordance with parking standards is a balance between a number of factors. These include seeking to reduce unnecessary car trips, promoting effective use of land, 9making development viable and not creating on street parking pressure which undermines the quality of life.	Typographical correction
8.28	TfL's Emerging Design of Car Parking guidance will also provide advice on this matter.	Correction
Following 8.31, pink evidence base box	Brent's Parking Standards (2013), Steer Davies Gleave	Correction to identify recent evidence to support the policy.
9.1	The NPPF and London Plan emphasise the importance of allowing sufficient flexibility to adapt to changing circumstances by supporting managed conversion release of surplus employment land.	Clarification
9.1	Employment uses are those within the B use class and closely related sui generis uses.	Minor modification for clarification
9.4	 Alternatively, in exceptional circumstances, where redevelopment or re-use of a Local Employment Site would not give rise to a material loss of employment, a mixed-use development incorporating non-employment uses may be appropriate on part of the site. The applicant must demonstrate that redevelopment will result in: the maximum economically feasible amount of employment floorspace on the site; the accommodation of the existing employment use, or where the site is vacant employment floorspace, to meet development needs of businesses in Brent, particularly SMEs; delivery of wider regeneration benefits to the community; and employment floorspace with a very strong prospect of being occupied. 	Clarification

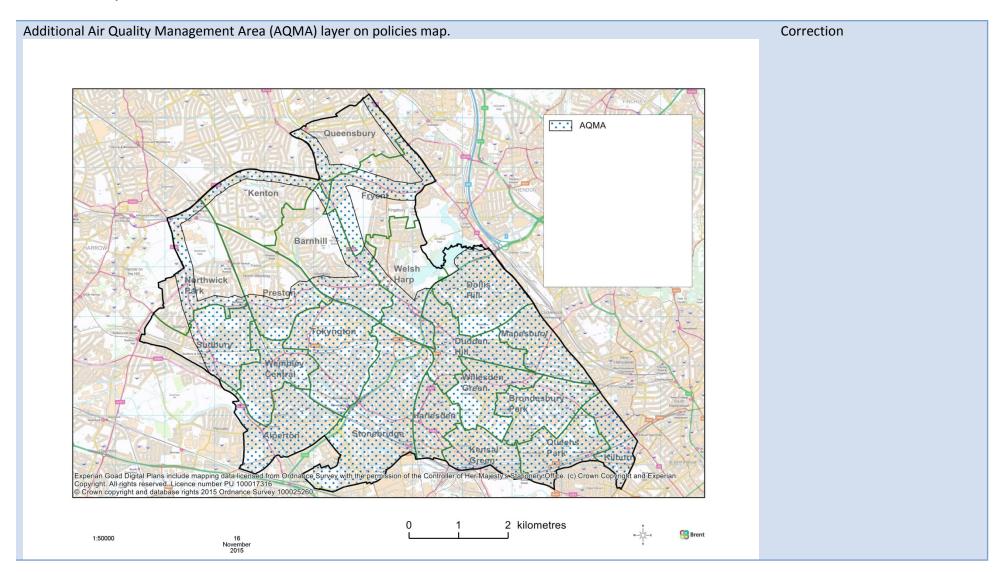
10.1	Further Alterations to the London Plan adopted in 2015 have subsequently increased Brent's annual housing target (including non self-contained accommodation) to a minimum of 1525 units. The Borough will continue to bring forward additional housing development capacity to supplement its housing target to meet local and strategic need.	Clarification
10.7	NPPF, NPPG and the London Plan give clarity that the amount of affordable housing expected to be provided in a development can be reduced if the development would otherwise be unviable viability is a consideration when determining the maximum reasonable affordable housing.	Clarification
10.8	h. priority to be accorded to provision of affordable family housing.	Typographical correction
10.11	The Council has used this approach and will continue to do so in the future, but will take a proportionate approach to using this mechanism. It will be applied to developments where the proportion of affordable housing agreed is significantly below the 50% target, on sites of 200 dwellings or more where there is a phased approach to the development and on sites where the majority substantial implementation of the development is likely to be delivered beyond 18 months of the initial consent.	Clarification
Following 10.15, green box	London Borough Viability Protocol, London Borough Viability Group	Clarification
10.24	Exceptional circumstances may arise in Brent where a loss of residential floor space will be acceptable in order to achieve Brent's strategic priorities. Situations include regeneration through improving the local environment so that it proves to be a more sustainable location where current poorly designed housing which cannot be economically altered is creating wider problems, e.g. the surrounding neighbourhood. Alternatively this could be in meeting an essential identified local need, e.g. overcoming a deficiency of local social infrastructure such as a new school, open space or physical infrastructure such as a significant transport improvement.	Modification following comments from the Inspector and concerns about the appropriateness of the use of 'sustainable'.
10.29	Effort should be made to provide all additional flats with amenity space. In exceptional circumstances the Council may accept the conversion of a family sized dwelling to two or more 1 or 2 bedroom dwellings. This will be appropriate where the existing dwelling is likely to be so deficient in terms of its amenity for family accommodation and it could not reasonably be changed to overcome such deficiencies. In the event that an existing family size flat does not have access to a garden, the layout and accessibility of the unit and the characteristics of accommodation in the area will be considered to assess its value as a family size dwelling. Lack of a garden/amenity space will not automatically allow for the conversion of dwelling into smaller dwellings. Other amenity factors will also be taken into account	Modification sought by the Inspector to eliminate inconsistencies between the policy and supporting text

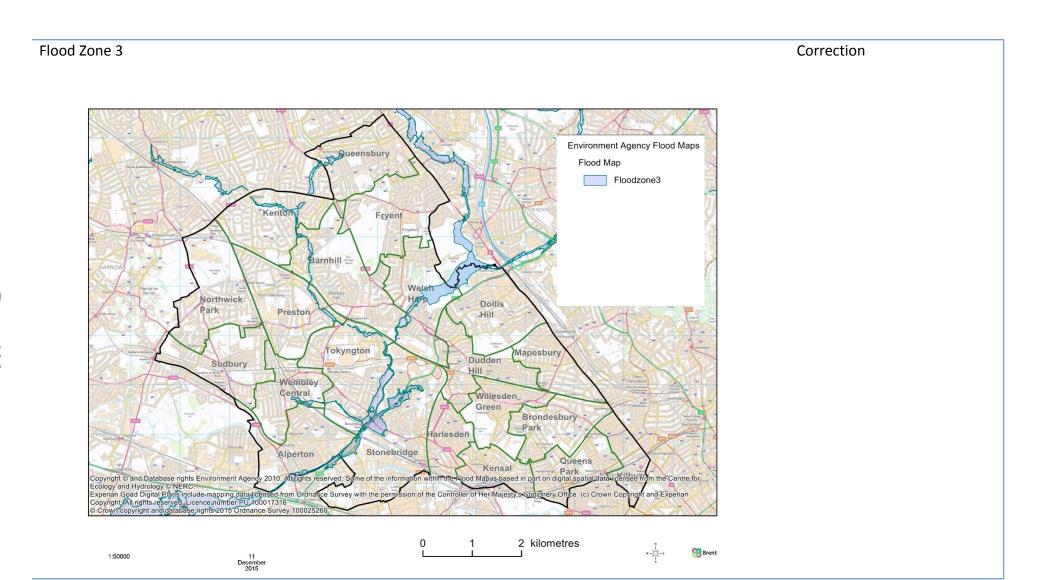
	in deciding whether an existing family sized dwelling provides or has the potential to provide a good family environment. This will included be location and other amenity factors e.g. above a retail parade	
	in a centre may have adverse <u>associated</u> impacts <u>associated with user uses</u> such as <u>disturbance caused</u> <u>by</u> hours of opening, noise, smells, constrained access width to upper floors, etc.	
10.32	The policy seeks to reduce the potential for overcrowding of residential properties to be controlled through means available through the planning process.	Correction
10.44	These types of uses makeing a significant contribution to meeting local and in the case of students, London needs.	Correction
10.46	To ensure that residential accommodation meets needs over time, London Plan policy requires 10% wheelchair accessible dwellings. The accommodation covered by this policy is likely to be meeting needs of specific sectors of the population. On this basis the Council will be willing to depart from the minimum 10% wheelchair where evidence is compelling to indicate why it might not be appropriate. e.g. where occupants are less likely to suffer from mobility disabilities compared to the general population. In other forms of accommodation there could be a need for a higher proportion, e.g. disability orientated housing.	Clarification
10.48	Residential amenity means both that of the potential occupiers (Brent's private sector stock condition survey indicated the majority of HMOs <u>are</u> not suitable for habitation) and those adjoining the development.	Correction
10.51	Where appropriate it will seek to ensure that at least initially and in some cases subsequent for subsequent occupiers that priority for such housing is made available to people in Brent.	Correction
10.58	The London Plan anticipates that the numbers of students in London will to-continue to grow and requires boroughs to ensure that both demonstrable local and strategic student housing needs are addressed Refer to 3.5.3 more SHLAA targets inform the 1525 gives an assumed mix on student housing provision.	Typographical error
11.3	London Plan policy 3.16 and Brent's Core Strategy policy CP 23 protects existing community and cultural facilities that support community participation and development, and requires mitigation for any loss. The London Plan also requires the suitability of redundant premises for other forms of social infrastructure to be assessed before alternative developments are considered.	Correction
Following 11.3, green box highlighting	3.1: Ensuring Equal Life Chances for all 4.8: Supporting a successful and diverse retail sector and related facilities and services	Clarification

related national & London Plan guidance		
11.8	As such, and in keeping with the NPPF, public houses are classed as social infrastructure and proposals which would result in their loss will be subject to this policy. In addition, due to the contribution public houses make to the borough's local character and distinctiveness, policy DMP7 Brent's Heritage Assets will normally apply.	Clarification
Appendix 1	The standards for residential development reflect this pattern and the fact that where public transport is less accessible, residents will make use of their cars for essential trips more often and therefore require the facility to park a car at their property. Family homes are more likely to need car parking. Residential parking standards are maximum standards. However, minimum operational parking may be required on sites depending on its circumstances, the following are examples but should not be regarded as the only situations where minimums will be sought: to cater for essential trips which cannot be made by public transport; where there are existing high levels of on-street parking pressure; or to accommodate disabled parking.	No change proposed following comments by Inspector on receipt of final report.
Appendix 1	Table numbers to be corrected throughout.	Correction
Appendix 3	Forecourt Trading: trading from a designated area which is connected to the frontage of a shop and either on the public footway or private land. Also known as street trading.	Correction
	Major Developments: 10 or more residential units (or if a number is not given, where the area is more than 0.5 hectares), or 1000 sq m (or more) gross commercial floorspace.	
	Neighbourhood Centres Parades and Isolated Shop Units: Neighbourhood Centres and isolated units are located outside of designated town centres. These shops serve a local retail need and play an important social role in the community as well as contributing to the character and function of the local area.	
	Open Space: All land in Brent that is predominantly undeveloped other than by buildings or structures that are ancillary to the open space use. The definition covers a-the broad range of types of open space, whether in public or private ownership and whether public access is unrestricted, limited or restricted.	
	Primary Shopping Area: Area where retail development is concentrated comprising the primary and	

adjoining secondary frontages.

Policies Map















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FOREWORD

This new Development Management Plan contains detailed planning policies which will guide the future development of the borough. The plan sets out Brent Council's policies towards housing, town centres, open space, employment, community facilities, the built and natural environment (for example, listed buildings, historic parks and conservation areas) and transport – all of which contribute to making Brent a vibrant place to live and work.

We're working hard to improve living standards, make Brent safer, cleaner and greener, support residents to be healthier and happier, and provide more opportunities to learn and work in the borough. This plan aims to help make this happen, by giving clear guidance; such as what can be built, where, how, for what use, where restrictions apply and why.

We're committed to providing a high quality, responsive Planning Service, and realise how important it is to involve the community in helping us create a better service. That's why this powerful plan is the result of ongoing community involvement.

Thank you to everyone who took the opportunity to participate in the process of developing these policies.

Councillor Mashari

Lead member for Regeneration, Growth, Employment and Skills





Purpose of the Development Management Policies Document

1.1 This Development Management Policies document sets out the Council's policies which along with other policies within the National Planning Policy Framework, London Plan, Brent Local Plan and Neighbourhood Plans will be used for the determination of planning applications for development in the borough. The National Planning Policy Framework and associated National Planning Practice Guidance sets out the Government's requirements from the planning process in England. Local Planning Authorities are required to plan for their areas and make decisions on planning applications that are consistent with national policy. Within London there is strategic policy set out by the Mayor in the London Plan, this also has to be consistent with national policy. Brent's Local Plan has to be consistent with both national policy and the London Plan. There is also an opportunity but not a requirement for neighbourhoods to adopt neighbourhood plans. Neighbourhood Plans generally seek to provide a finer grain of planning policy for their areas, focussing on very local issues. Again however, they have to be consistent with national policy and strategic policy set out in the London Plan and Brent's Local Plan. To date. whilst there has been interest in neighbourhood planning in Brent, only one neighbourhood plan has been adopted in Brent; the Sudbury Town Neighbourhood Plan in 2015. It will complete Brent's new Local Plan (previously known as the Local Development Framework), and will replace Brent's remaining saved UDP policies.

Figure 1: Documents in the Local Plan LOCAL DEVELOPMENT **MONITORING** REPORT **SCHEME KEY** LOCAL STATEMENT OF **SUPPLEMETARY** REQUIRED COMMUNITY **PLAN** INVOLVEMENT **OPTIONAL** DOCUMENTS PROJECT PLAN **DEVELOPMENT PLAN DOCUMENTS WEMBLEY** DEVELOPMENT CORE **POLICIES** SITE SPECIFIC WEST LONDON AREA ACTION **MANAGEMENT STRATEGY** МАР ALL OCATIONS PLANS WASTF PLAN **POLICIES** PLAN

Area of Brent in which the Brent **Development Management Policies Document will apply**

- 1.2 From 1 April 2015 a Mayoral Development Corporation, the Old Oak and Park Royal Development Corporation (OPDC), became the Local Planning Authority for the purpose of plan making and determining planning applications within the OPDC area. This includes areas within the administrative boundaries of the London Boroughs of Brent, Ealing and Hammersmith and Fulham. The OPDC is taking forward its own Local Plan for its area which it is anticipated will be adopted in 2017. As such the Brent Development Management Policies Document only applies to the remaining area of Brent
- outwith the OPDC boundary, where the Council continues to be the Local Plan making authority. The existing adopted Brent Local Plan documents will remain as within the OPDC boundary until they are replaced by the OPDC Local Plan.
- **1.3** The Council is required to prepare the Local Plan by the Planning and Compulsory Purchase Act 2004 (as amended). The Local Plan is made up of a number of documents. This includes this Development Management Policies document, as well as the Core Strategy (this sets out strategic policies such as the number of houses to be built and additional to be provided jobs in the Borough), Site Specific Allocations Development Plan Document (which identifies uses and development principles for major

development sites in Brent), the Wembley Area Action Plan (focusing on Wembley town centre and the regeneration around the National Stadium) and the Joint West London Waste Plan (identifying sites for waste facilities and how waste will be dealt with). Policies within the Wembley Area Action Plan area will take precedence where there are locally specific policies covering subjects that might also be covered by this Plan. The Local Plan will also be supplemented by more detailed guidance in the form of Supplementary Planning Documents. The documents that make up the Development Plan are illustrated in Figure 1. Alongside the London Plan, these documents provide the planning framework for the borough, guiding

change to 2029 and beyond. The Process that the Plan went through to adoption

1.4 This document reflects and builds upon, a consultation stage in June 2007 which proposed



some preferred options for policy at that time. Due to significant changes in the planning system since 2007, including the publication of the National Planning Policy Framework (NPPF) in 2012, and the new challenges and opportunities for Brent, it was necessary to undertake a further consultation on revised policies between June and July 2014. This resulted in publishing a version of the Plan for representations to be received and submitted for Examination to the Secretary of State in January 2016. Following Examination Hearings further modifications to the Plan were proposed, representations sought and considered by the Planning Inspector. These modifications were incorporated into the Plan which was adopted by the Council on 21 November 2016.

Structure of the Development Management Policies

- are set out on a topic basis. They relate to the objectives and strategic policies included in the Core Strategy and the London Plan. Each chapter includes a brief introduction setting out the purpose of the development management policy, and the role it plays in responding to and building on the Core Strategy and London Plan. Where a locally specific policy is not required, relevant policy in the NPPF, London Plan and Core Strategy is cross-referenced.
- **1.6** Policy and guidance is followed by explanatory text, providing more information on how policy will be applied and explaining any technical terms. This text sets out any supporting material

- that should generally be submitted as part of a planning application in order to show how the proposal addresses policy requirements. Key information is shown in italics.
- **1.7** Chapter 11 'Delivery and Monitoring' shows the relationship between the objectives and policies and includes a set of indicators by which progress towards meeting the objectives is to be assessed.

POLICY NAME

DMP X

Policy text is shown in a purple box. Each policy has a reference number beginning DMP. The policy generally sets out one or more key development management principles along with any supporting criteria that are required.

BRENT COUNCIL

Orange boxes highlight related local policy and guidance.

NATIONAL & LONDON PLAN

Green boxes highlight related national and London Plan policy and guidance.

EVIDENCE BASE

Relevant evidence base documents are highlighted at the end of each chapter in a pink box.

2. GENERAL DEVELOPMENT MANAGEMENT POLICY



- 2.1 The Council has a positive attitude towards development and the potential benefits that it can provide to residents, businesses and visitors. Brent seeks to support the presumption in favour of sustainable development within the NPPF and Development Plan documents consistent with this including the London Plan and Brent Core Strategy. To reduce the potential for repetition within policies within the Brent Local Plan a General Development Management Policy is included. This also gives a broad overview of issues that developments should address and seek to satisfactorily resolve prior to a planning application being submitted and subsequently being approved.
- 2.2 In considering the appropriateness of developments a number of factors as outlined in the policy may be applicable, whilst for some, relatively few will apply. A number of the criteria are inter-related. For each criterion there is also likely to be more specific policy considerations in the NPPF and associated Planning Practice Guidance, the London Plan and the Brent Local Plan and associated Supplementary Planning Documents.
- 2.3 Where approved, the impact of the majority of developments is likely to be controlled through approving a set of plans, along with a limited number of associated conditions. For larger scale developments the number of conditions is likely to be larger with potential additional information needing to be supplied prior to commencement or occupation of the development. In a small number of cases legal agreements between the developer and the

DEVELOPMENT MANAGEMENT GENERAL POLICY

DMP₁

SUBJECT TO OTHER POLICIES WITHIN THE DEVELOPMENT PLAN, DEVELOPMENT WILL BE ACCEPTABLE PROVIDED IT IS:

- a. of a location, use, concentration, siting, layout, scale, type, density, materials, detailing and design that provides high levels of internal and external amenity and complements the locality;
- satisfactory in terms of means of access for all, parking, manoeuvring, servicing and does not have an adverse impact on the movement network;
- c. provided with the necessary physical and social infrastructure;
- d. conserving or enhancing the significance of heritage assets and their settings;
- e. and maintaining or enhancing sites of ecological importance;

- f. safe, secure and reduces the potential for crime;
- g. not unacceptably increasing exposure to flood risk, noise, dust, contamination, smells, waste, light, other forms of pollution and general disturbance or detrimentally impacting on air or water quality;
- h. retaining existing blue and green infrastructure including water ways, open space, high amenity trees and landscape features or providing appropriate additions or enhancements; and
- i. resulting in no loss of community facilities or other land/buildings for which there is an identified need.

Council (and others) might be required to ensure that certain actions or payments are undertaken to ensure that a development is acceptable. The Council aims to ensure that development complies with appropriate national and local planning policy and guidance through effective enforcement action. Enforcement action will be considered against unauthorised development and will be guided by national guidance and the priorities set out in the Brent Enforcement Plan which includes a test of expediency.

2.4 Some uses have specific policy that prioritises their direction towards certain locations, e.g.

main town centre uses within town centres; others in principle might be appropriate in a wider variety of locations, e.g. residential. Whilst an individual development of a particular use might be acceptable, a concentration of the same or similar uses might not be, for example if giving rise to potential increases in antisocial behaviour, or exacerbating an adverse environmental issue.

2.5 In relation to the siting, layout, scale, type, density, materials, detailing and design of a development, the surroundings of the site will be an important consideration and in particular,

the quality of the development and how it would relate to existing buildings and spaces together with its impact on neighbouring occupiers. In areas with a set of consistent characteristics that create a sense of place this does not necessarily mean a slavish reproduction of existing styles or architecture. Modern interpretations based on a demonstrable appreciation of local context can add variety and interest to complement rather than detract from the attributes of recognised high quality areas. For those in the development and neighbours it is important that the development creates a high quality environment, addressing issues like spaces between buildings, privacy, outlook, daylighting, shadowing, micro-climates and amenity space.

- The accessibility of a development is a fundamental component of its success. From an equalities perspective development should be as accessible as possible to individuals whatever their characteristics. In addition movements by walking, cycling and public transport should be maximised and functioning of existing movement networks not undermined. Where buildings need to be served by parking and require accessibility for servicing this needs to be fit for purpose in terms of amount and layout.
- 2.7 Development will be expected to provide any associated infrastructure required to make it acceptable from a planning perspective. This includes elements such as on or offsite physical infrastructure for example transport improvements, water and sewerage

- infrastructure, surface water drainage or social infrastructure such as additional capacity in schools or health practices.
- 2.8 Heritage assets include a wide variety of statutorily designated and non-designated features. Some are protected by law and cannot be materially altered without consent, e.g. listed buildings and scheduled monuments. This statutory protection together with national planning policy also places a legal duty on the Council to seek to conserve or enhance the significance of such assets and their settings. As such, developments affecting a heritage asset will be required to show that it seeks to conserve or enhance its significance and its setting.
- 2.9 Similarly with ecological sites, some have statutory designations, e.g. Sites of Special Scientific Interest whilst for ecology in general other legislation statutorily protects flora and fauna such as bats and nesting birds. The emphasis is on protecting and ideally enhancing these types of features. Extensive archaeological priority areas of Brent are identified and similarly in such areas developments should seek to identify potential assets and avoid their harm.
- **2.10** Developments should be safe and not expose users or those in neighbouring areas to an unacceptable risk of danger. In seeking to limit the potential for crime the preference is through good design related to factors such as the layout, use, building orientation and materials, as well as security deterrents such as locks,

- fences, alarms and CCTV.
- **2.11** Developments should ensure that they do not create unacceptable exposure to adverse environmental factors to users/occupiers and those in surrounding areas. National policy seeks to steer development away from areas of flood risk (from rivers and others sources). unless exceptions can be justified. Developments should also control water output to ensure flood risk to other areas is not unacceptably increased. Similarly, this approach applies to a range of other potential environmental factors which will have to be controlled by, for example, location away from receptors, or physical measures to bring potential impacts to acceptable levels. In the case of a takeaway introduced into a shopping parade with residential properties above, this could require filters and positioning of extraction fans/flues to reduce the impact of noise, smells and diminished air quality, whilst limits on opening hours might be required to regulate general disturbance from patrons at night.
- 2.12 Environmental assets such as blue and green infrastructure enhance the appearance, quality and bio-diversity of Brent, provide a recreational resource, improve air quality and reduce the potential impacts of climate change. As such wherever possible and in particular where they are of high quality they should be retained. In addition to this developments are encouraged to take every opportunity to provide additional features or where adjacent provide extensions to or enhance the setting of such features.

2.13 Brent's predicted increase in population size, along with its continuing trend for increased diversity will put pressure on the capacity of supporting community facilities. This allied to the need to provide new homes and employment opportunities means that community facilities which have a low value may be under-pressure for redevelopment for higher value uses. Communities have the potential to identify Assets of Community Value, in addition to this in Brent emphasis will be placed on ensuring that such community facilities are not lost where they meet or could meet a potential need.







2.1 This chapter seeks to ensure Brent's town centres provide customer choice and a diverse retail offer as required by the NPPF and London Plan. It builds on Core Strategy Policy 16 which establishes the town centre hierarchy, by providing detailed guidance to support the development of strong town centres. It also updates the hierarchy to include Church End as a local centre due to its function and scale, based on the findings of the Town Centre Background Report (2015).

Supporting Strong Centres

Policy DMP 2 'Supporting Strong Centres' seeks to ensure Brent's town centres provide customer choice and a diverse retail offer as required by the NPPF and London Plan. It sets a locally appropriate threshold for retail impact assessments.

MAJOR	DISTRICT	LOCAL
Kilburn Wembley	Burnt Oak Colindale/ The Hyde Cricklewood Ealing Road Harlesden Kenton Kingsbury Neasden Preston Road Wembley Park Willesden Green	Church End Kensal Rise Queen's Park Sudbury

Table 1. Town Centre Hierarchy

DMP₂

SUPPORTING STRONG CENTRES

DIVERSITY OF USES

Non-A1 or A2 uses will be permitted within town centres where:

- a. it would not reduce the proportion of frontage in A1 and A2 use to less than 65% of the primary frontage; or
- b. if vacancy rates exceed 10% of primary frontage it would not reduce the proportion of frontage in A1 and A2 use to less than 50%; and
- c. the proposal provides, or maintains, an active frontage.

Unviable secondary frontage on the periphery of town centres will be acceptable for residential development.

RETAIL IMPACT ASSESSMENTS

Proposals involving 500 sqm gross retail floorspace or above, which are outside of town centres and do not accord with the Local Plan, should be accompanied by a Retail Impact Assessment.

MEANWHILE USES

The use of vacant sites or buildings for occupation by temporary uses that will benefit a town centre's viability and vitality will be permitted.

NATIONAL & LONDON PLAN

London Plan policy 2.15: Town Centres Town Centre Supplementary Planning Guidance (2015), GLA

BRENT COUNCIL

Core Strategy Policy CP 16: Town Centres and the Sequential Approach to Development
Shopfront Supplementary Planning Document

- 3.3 The policy approach will also be applied in assessing permitted development prior approval applications for retail to residential and retail to a restaurant or café.

 The proportion of frontage is to be calculated based on the length of the primary frontage in metres in the centre as a whole.
- 3.4 Main town centre uses, as defined in the NPPF, will be considered acceptable in designated frontage subject to meeting other policy requirements. As an exception the conversion of peripheral secondary frontage to residential development will be permitted where this will not impact on the vitality and viability of the town centre.
- 3.5 Frontage will be considered peripheral where it is outside of the primary frontage and its conversion would not result in residential development between frontage in main town centre use.

- the frontage is unviable by providing evidence that the unit has been vacant for a year despite an active marketing campaign, or that vacancy levels are such that uses could reasonably be relocated elsewhere in the centre. Marketing must be through a commercial agent at a price that genuinely reflects the market value in relation to use, condition, quality and location of floorspace. A professional valuation of the asking price and/or rent will be required from at least three agents to confirm that this is reasonable.
- A 'meanwhile use' is the temporary use of vacant buildings or land for a socially beneficial purpose until such a time that they can be brought back into commercial use again. A 'meanwhile use' is not the same as a normal temporary lease or license because it recognises that the search for a commercial use is ongoing.

Abon-Retail Uses

- 3.8 To ensure there is not an over-concentration of particular uses within any single length of frontage the policy seeks to prevent adult gaming centres, pawnbrokers, betting shops and takeaways locating in close proximity to a unit in the same use.
- 3.9 The NPPF states planning policy is to take account of and support local strategies to improve health, social and cultural wellbeing. Local studies have found that takeaways and shisha cafés are impacting negatively on the health of Brent residents, particularly young people. Accordingly, to support local health

- strategies, this policy sets a limit on the proximity of these uses to secondary schools and further education establishments.
- 3.10 Brent's town centre health checks indicate in the borough pawnbrokers often also provide a payday loan service, and these uses are often indistinguishable from each other, therefore for the purposes of this policy the term pawnbrokers
- is inclusive of payday loan companies.
- **3.11** Further education establishments are those which deliver post-compulsory education for people over 16. The hot food takeaway policy applies to all town centres with the exception of Wembley and Wembley Park, which are covered by policy WEM 26 in the Wembley Area Action Plan.

NON-RETAIL USES

BETTING SHOPS, ADULT GAMING CENTRES AND PAWNBROKERS

Betting shops, adult gaming centres and pawnbrokers will be permitted where it will result in:-

- no more than 4% of the town centre frontage consisting of betting shops;
- no more than 3% of the town centre frontage consisting of adult gaming centres or pawnbrokers/payday loan shops;
- no more than 1 unit or 10% of the neighbourhood parade frontage, whichever is the greater, consisting of betting shops, adult gaming centres or pawnbrokers/payday loan shops;
- a minimum of 4 units in an alternative use in-between each.

TAKEAWAYS

Subject to other policies within the development plan, takeaways will be

approved except where it would result in:-

- An A5 use within 400 metres of a secondary school or further education establishment entrance/ exit point;
- More than 6% of the units within a town centre frontage in A5 uses;
- more than 1 unit or 15% of the units within a neighbourhood parade, whichever is the greater, in A5 use;
- less than two non-A5 units between takeaways; or
- on-street parking in front of the premises creating highway safety problems.

Policy WEM 26 in the Wembley Area Action Plan applies to takeaways in Wembley and Wembley Park centre.

SHISHA CAFÉS

Shisha Cafés will only be permitted outside 400 metres of a secondary school or further education establishment entrance/exit point.

Neighbourhood Parades and Isolated Shop Units

3.12 Outside of town centres, neighbourhood parades and isolated shop units provide convenient access to goods and services which are needed on a day to day basis. To promote sustainable communities the loss of retail and services will be resisted in under-served areas.

it provides a similar offer which meets the same need, such as the need for fresh food or a financial service. Marketing evidence will be required demonstrating an active marketing campaign for a continuous period of at least a year whilst the premises were vacant or in 'meanwhile use', which has shown to be unsuccessful. A change of use to a community facility such as a community centre will be

the possible effect on the amenity of adjoining residential properties. The Council's Shopfront SPD provides further guidance on sympathetically converting shops to residential units.

Shop Front Design and Forecourt Trading

3.15 Shop fronts play a key role in establishing the character of Brent's town centres and neighbourhood parades. Policy DMP 4A is to ensure shop fronts and forecourts contribute to an attractive environment. It is supplemented by detailed guidance in the emerging Shop Front Supplementary Planning Document.

NEIGHBOURHOOD PARADES AND ISOLATED SHOP UNITS



Loss of A1, A2, A3 uses or launderettes in neighbourhood parades or isolated shop units outside designated town centres will be permitted where the parade or unit is within 400 metres of equivalent alternative provision and; a is unviable; or

b. the proposal will provide a community facility for which there is a demonstrable need.

Where there is no equivalent alternative

provision within 400 metres, loss will not be permitted unless retention is unviable for these range of uses with associated evidence to show that the premises having been vacant and actively marketed for a minimum of 2 years.

Where permitted sympathetic retention of any existing shop front will be required unless a high quality alternative more sympathetic to the building's qualities or street scene will be delivered.

- 3.13 In determining applications for planning permission and retail to residential permitted development prior approval, development resulting in the loss of local retail and service provision will not be permitted unless there is alternative equivalent provision within 400 metres. This is considered a reasonable walking distance (5 minutes for the average person) to access convenience shopping and local services. Provision will be considered equivalent where
- permitted where it can be demonstrated there is a need for such provision. Demonstration of need must include evidence of consultation with service providers and the local community and an audit of existing provision within the local area.
- **3.14** Where a loss of retail or local service is allowed, the most appropriate alternative use would be housing. In considering applications for alternative uses, particular regard will be given to

SHOP FRONT DESIGN AND FORECOURT TRADING

DMP 4A

Proposals for shop fronts and forecourts will be required to retain shop fronts of architectural or historic merit, demonstrate a high quality of design, complementing the building and adjoining properties.

Forecourt trading will be permitted where it does not cause an obstruction to pedestrians or nuisance to neighbouring residential occupiers.

Markets and Carboot Sales

3.16 Markets can make an important contribution to the vitality of town centres and therefore are to be retained and enhanced. However,



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₩ 1007 if poorly designed or managed, markets and carboot sales can cause harm to surrounding areas. This policy establishes the factors the Council will consider when determining an application for such uses.

Applications for markets and carboot sales must be accompanied by site layout plans

and Management Plans. For carboot sales the layout plan should indicate vehicle trading areas, maximum number of vehicles, spacing and aisle widths. Management Plans must include details of time and duration of the sale, arrangements for marshaling access, parking, servicing, safety measures and signage, with arrangements for the display and/or collection of sellers' details.

- **3.18** Management Plans for the operation of such sales should satisfactorily address the following considerations:
 - a. The proposal should include adequate arrangements for the storage and/or collection of waste during the sales, as well as its disposal afterwards;
 - b. The scale of activity, in terms of the number of pitches, is not excessive in relation to the scale of the centre;
 - c. Any additional traffic generated by the sales would not cause unacceptable impact

- on the existing road network nor constitute a safety hazard;
- d. The access and parking arrangements for both trading and customer vehicles would not cause noise disturbance to nearby residents at unsociable hours; and
- e. In the case of carboot sales that provision for the parking of all trading vehicles is made on-site.
- 3.19 Any permission granted for carboot sales would be for a limited period only (normally 18 months) and subject to a condition waiving an appropriate proportion of permitted development rights on the cessation of the planning permission. In all cases, permission will be made personal to a named person or persons, to ensure the responsibility and arrangements for the operation of the sale do not change without the knowledge and express consent of the planning authority.
- **3.20** In addition to planning controls, the Council manages proposals for new markets through its role in determining applications for street trading licenses.

DMP 5

The Council will protect and promote markets by:

MARKETS AND CARBOOT SALES

- resisting the permanent loss of existing retail market sites unless comparable provision is made or there is no demand for continued market use;
- b. supporting the improvement of existing retail markets, including storage and preparation space for traders to meet public health

requirements; and

c. giving favourable consideration to proposals for new markets in town centres which help diversify provision.

Planning permission for new markets and carboot sales will be subject to a Management Plan being agreed by the Council.

Visitor Accommodation and Attractions

3.21 Core Strategy Policy CP 23 provides guidance on protecting existing cultural facilities, whilst the Wembley Area Action Plan encourages leisure, tourism and cultural uses within the Wembley Strategic Cultural Area. In accordance with London Plan policy 4.5 this chapter includes detailed policy to ensure visitor accommodation provides inclusive access, and is not occupied by permanent residents.



<u>VISITOR ACCOMMODATION</u> <u>AND ATTRACTIONS</u>

Visitor accommodation and attractions will be encouraged in Wembley Strategic Cultural Area and in town centres in accordance with the sequential approach, and permitted when not compromising the supply of land for new homes on allocated housing sites and the Council's ability to meet its housing targets.

Proposals for hotel development must be inclusive and accessible with applications for detailed planning permission to be accompanied by Accessibility Management Plans.

accommodation is not occupied by permanent residents.

3.22 In addition to hotels visitor accommodation includes aparthotels, guesthouses, bed and breakfast accommodation, self-catering facilities and youth hostels. Conditions will be applied to ensure visitor accommodation is managed appropriately as short term accommodation and rooms are not occupied for periods of 90 days or more. It will be relevant to apply conditions to premises such as aparthotels, self-catering facilities and youth hostels to ensure they are not occupied on a more permanent basis.

3.23 Design and Access Statements are to be sufficiently detailed to demonstrate that inclusive access is integral to the design and, in the case of hotels, an adequate choice of accessible room types is provided to all customers. Applications for hotel development are required to be accompanied by an Accessibility Management Plan (AMP) to demonstrate that the management and operation of accessible rooms is considered from the outset of the design. An AMP is distinct from a Design and Access Statement as its purpose is to ensure accessibility and inclusion are monitored and maintained throughout the life of the development. Both are to be prepared in keeping with the criteria set out in the Mayor's Town Centres SPG.

NATIONAL & LONDON PLAN

London Plan policy 4.5: London's Visitor Infrastructure

Town Centre Supplementary Planning Guidance (2015), GLA

BRENT COUNCIL

Core Strategy Policy CP 23: Protection of existing and provision of new Community and Cultural Facilities

EVIDENCE BASE

Brent Young Persons Cigarette and Shisha Audit (2012), London Borough of Brent and NHS Brent

Retail Impact Assessments Background

Report (2013), London Borough of Brent

A Fair Deal: Betting Shops, Adult Gaming Centres and Pawnbrokers in Brent (2013), London Borough of Brent

Takeaway Policy Background Report (2013), London Borough of Brent

Town Centre Background Report (2015), London Borough of Brent



PERSONAL PROPERTY.



- 4.1 The London Borough of Brent forms part of London's urban/suburban fringe. The River Brent, which gives the borough its name, provides a natural division between Willesden (mostly built up by the end of the 19th Century) and the uplands of Wembley and Kingsbury (only made suburban between the wars). The areas on either side of the river are now quite distinct in architecture. Typical of much of London there is a multi-centred structure from amalgamated villages. Main roads well-defined by densely developed frontages link the
- centres to each other and the wider north/west London area.
- its accessibility from London. The British Rail lines and the Metropolitan Railway enabled suburban 'Metroland' development. This was boosted by the British Empire Exhibition in Wembley Park in 1924/25. Much of the architecture of Brent reflects the styles of these times. This has been added to by new cultural groups who have introduced new
- architectural styles, an example of which is the Swaminarayan temple in Neasden.
- 4.3 Within Brent the scale of development associated with meeting housing, employment, social infrastructure needs means there are undoubtedly the opportunities to create new and distinctive areas. However, there is also a necessity to respect the characteristics of those high quality areas that exist and where possible supplement positive attributes such as landscape features.

Achieving Design Quality

- **4.4** A challenge for Brent is to ensure that all development is of a high design quality. This is consistent with the Brent Core Strategy and London Plan aim of delivering sustainable places as a key aspect of sustainable development. The Core Strategy sets out Brent's strategic approach in areas where identified high levels of growth are anticipated and in seeking to protect Brent's distinctive character from inappropriate development. Outside these areas a high standard of design of buildings and spaces will need to be achieved. This will be through the incorporation of effective urban design measures and the introduction of landscape improvements and enhanced biodiversity.
- **4.5** London Plan policies provide both strategic and decision making criteria against which proposals affecting the built environment will be measured. Additional documents such as the Housing SPG add further detail which applicants will need to address.



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Core Strategy Policy CP 5: Placemaking

Core Strategy Policy CP 6: Design and Density in Place Shaping

Core Strategy Policy CP 17: Protecting and Enhancing the Suburban Character of Brent

Emerging Residential Extensions
Supplementary Planning Document

Emerging Designing Brent Supplementary Planning Document

NATIONAL & LONDON PLAN

ndon Plan 7.3: Designing out Crime

Condon Plan 7.4: Local Character

Condon Plan 7.5: Public Realm

London Plan 7.6: Architecture

London Plan 7.7: Location and Design of Tall and Large Buildings

4.6 Brent uses independent Design Review panels to support the achievement of high quality design. These provide independent and constructive advice to inform design and decision making. In addition the Council's emerging Residential Extensions SPD and 17 Designing Brent SPD provide more detailed guidance on locally specific design matters.

Inclusive and Accessible Design

1.7 The London Plan highlights the need for developments to be designed and located to be inclusive and accessible. This is further supported by the concepts of Lifetime Neighbourhoods and the Mayor's SPG: Accessible London: Achieving an Inclusive Environment and DFT Guidance on Inclusive Mobility.

NATIONAL & LONDON PLAN

London Plan 7.2: An Inclusive Environment

Easy Access to Historic Buildings, Historic England

Easy Access to Historic Landscapes, Historic England

Inclusive Mobility, DFT

Active Design, Sport England

- 4.8 Consideration must be given to access at the start of the design process of new developments. It needs to ensure that public buildings and spaces are fully accessible in their location, physical design and in terms of overall legibility. Design & Access statements are the appropriate place in an application submission to demonstrate how this is achieved by a proposal and how it will continue to be managed.
- **4.9** For heritage assets such as listed buildings, conservation areas and historic parks and gardens access requirements of people with restricted mobility will have to be balanced against impacts of changes. Guidance by Historic England (formerly known as English Heritage) gives helpful advice on how to sensitively deal with this issue.

Landscaping and Trees

4.10 The London Plan supports and promotes urban greening. An element of urban greening is sought from all new development including extensions and alterations as well as developments affecting public spaces. It seeks a range of site specific appropriate solutions including tree planting, green roofs and walls, soft landscaping, gardens, communal open

NATIONAL & LONDON PLAN

London Plan 2.18: Green infrastructure: the multi-functional network of green and open spaces

London Plan 5.10: Urban greening

London Plan 7.21: Trees and woodlands



areas, spaces between buildings and wildlife habitats. Aligned with the promotion of additional greening is the retention of existing trees of value, replacement of any trees lost and additional trees where possible.

4.11 These policies are applicable to all landscaping proposals included through development. The Council will place emphasis on designs which reflect and enhance the proposed use of the building or space and the needs of its users, the natural character of the locality and surrounding buildings. This will include soft landscaped frontages, boundary treatments

NATIONAL & LONDON PLAN

London Plan policy 7.5: Public Realm age

RENT COUNCIL

Brent Placemaking Guide

and the retention/reinstatement of features of landscape character.

4.12 As well as trees, mature shrubs and hedges that make a significant contribution to the streetscape should be kept. This will require appropriate space and conditions to allow their long term health to be maintained. Detailed specification for new planting, promoting native species, and including like for like or a higher quality of replacement trees will be sought in support of applications. In addition, a coordinated and appropriate approach to

NATIONAL & LONDON PLAN

National Planning Policy Framework (2012), Paragraph 67

National Planning Practice Guide: Advertisements

BRENT COUNCIL

Brent Shopfront Supplementary Document

landscape, surfaces and outdoor furniture to provide an amenable, safe and attractive landscape will be required.

4.13 If a scheme is unable to make sufficient landscape improvements within its own land then the Council will seek planning obligations to provide enhanced off site provision, for example, street trees, where necessary to make the scheme acceptable in planning terms.

Public Realm

4.14 The 'public realm', as distinct from the private domain, refers to all the physically and visually accessible space such as; forecourts, streets, pavements, squares, parks, open spaces and the facades of the buildings, or other structures, that define them. It is, as the main setting for human interaction, arguably, the

NATIONAL & LONDON PLAN

National Planning Policy Framework (2012), Paragraphs 42-46



most important part of the built-environment.

4.15 London Plan policy 7.5 addresses public realm. A high quality of design and materials will be required for the public realm. Consistent with the approach to landscaping, the design and provision of all elements, including hard and soft landscaping, lighting, furniture and public art, should be coordinated and well located, to make a positive contribution, avoid unnecessary clutter, and ensure a safe, informative and attractive environment. This is consistent with other parts of the Plan of making areas have better accessibility and improving streets and places for walking and cycling.

Advertisements

4.16 Some advertisements benefit from deemed consent. This means that advertisement consent from the Local Planning Authority is not required. National Planning Practice Guidance (NPPG) provides advice on when this is the case and the grounds on the acceptability of advertisements should be determined on the criteria of amenity and public safety.

4.17 For shop advertisements and signs the Shopfront SPD provides additional advice on what the Council is likely to regard as acceptable.

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National Planning Policy Framework (2012), Paragraph 67

National Planning Practice Guide: Advertisements

NATIONAL & LONDON PLAN

National Planning Policy Framework (2012), Paragraphs 42-46

Brent's Heritage Assets

4.19 Brent's heritage assets make a substantial contribution to the borough's local character and distinctiveness. They are a unique and irreplaceable resource which justifies protection,

conservation and enhancement in a manner appropriate to their significance. The Council recognises and identifies both designated and non-designated assets through the planmaking or planning application process. It is acknowledged that they hold value to society at many levels and identification allows protection and consideration in planning decisions.

4.20 Brent's statutory listed buildings, conservation areas and registered parks and gardens are all designated heritage assets. Its locally

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Telecommunications are an essential component of modern economic infrastructure and their design and siting can impact on the public realm. Some telecommunications equipment will not require planning permission. Where permission is required proposals will be considered against national policy and advice. This seeks to reduce adverse impact by limiting the number of new masts. promoting sympathetic design and using camouflage where appropriate. It also seeks to address safety aspects through ensuring exposure to radiation is within guidelines and that interference with other forms of communication does not occur.

BRENT'S HERITAGE ASSETS

Proposals for or affecting heritage assets should:

- a. demonstrate a clear understanding of the archaeological, architectural or historic significance and its wider context;
- b. provide a detailed analysis and justification of the potential impact (including incremental and cumulative) of the development on the heritage asset and its context as well as any public benefit;
- c. retain buildings, structures, architectural features, hard Landscaping and spaces and archaeological remains, where their loss would cause harm:
- d. sustain and enhance the significance of the heritage asset, its curtilage and setting, respecting and reinforcing the streetscene, frontages, views, vistas, street patterns, building line, siting, design, height, plot and planform and ensure that extensions are not

overly dominating;

- e. contribute to local distinctiveness, built form, character and scale of heritage assets by good quality, contextual, subordinate design, and the use of appropriate materials and expertise, and improving public understanding and appreciation;
- f. where demolition is proposed within a conservation area detailed plans for any replacement building will be required to allow consideration of whether the replacement would contribute positively to the character or will be applied to ensure construction of the approved scheme is implemented together with agreed mitigation measures appearance of the area. In cases where demolition is permitted conditions and/or legal agreements will be applied to ensure construction of the approved scheme is implemented together with agreed mitigation measures.

London Plan 7.8: Heritage Assets and Archaeology

London Plan 7.9: Heritage-led regeneration

Historic England Guidance

Greater London Archaeology Advisory Service

BRENT COUNCIL

Core Strategy Policy CP 17: Protecting and Enhancing the Suburban Character of Brent

tites of Archaeological Importance and Crown and Crown and Crown archaeological Priority Areas

Conservation Area Design Guides

conservation Area Article 4 Directions

Heritage at Risk Register

Listed Buildings

Local List

listed buildings, areas of distinctive residential character, sites of archaeological importance and archaeological priority areas are non-designated heritage assets. Non-designated heritage assets include buildings, structures, monuments, earthworks, street furniture, sculpture, shopfronts, sites, places, areas or landscapes identified as having a degree of significance meriting consideration in planning decision stage.

Guidance on Brent's heritage assets, as set out in the local guidance box in this chapter, is available at www.brent.gov.uk/conservation. This guidance forms part of the Local Plan evidence base and will also be a material consideration in the determination of applications for development. Applicants should refer to these documents early on to ensure that their proposals are based on an understanding of the significance of heritage assets that may affected.

- **4.21** The purpose of this policy is to provide greater clarity on the specific additional requirements applicable in Brent taking account of existing NPPF, NPPG, London Plan, Brent Core Strategy policies and local evidence base.
- **4.22** Brent's heritage assets include a wide range of architectural styles from Victorian Italianate, Gothic Revival, suburban 'Arts & Crafts', 'Tudorbethan', 'Old World', Modern and Brutalist as well as planned 'village' settlements. Furthermore, its formal public gardens, cemeteries together with the trees and gardens in the 20th century residential developments have matured contributing to setting. However, its archaeological discoveries are scarce, because sites have been built over and there are limited places where archaeologists could investigate. However, archaeological records suggests that there were settlements in the area from prehistoric times. New discoveries would be significant partly because so little is known.
- **4.23** Heritage assets are valued by the public as established and tangible evidence of the past culture, providing a sense of permanence and

- belonging. Once lost or detrimentally altered, heritage assets cannot easily be reinstated and it is important that the most valuable are not needlessly or inadvertently destroyed. Policy DMP7 therefore, specifically seeks to protect Brent's heritage and ensure that the case for conservation and enhancement is fully considered when assessing all proposals for new development. The Policy also seeks to safeguard the potential for further investigation on sites and buildings where the heritage asset's significance may be previously undiscovered. Archaeological Priority Areas and Archaeological Sites indicate where, according to existing information, there is significant known archaeological interest or particular potential for new discoveries. However, sites of archaeological importance could be discovered elsewhere in the borough.
- **4.24** The Council supports and recognises that change is necessary, but change needs to be managed in a way which does not compromise heritage significance and exploits opportunities for enhancement. Any proposal must have special regard to the desirability of preserving a heritage asset or its setting or any features of special archaeological, architectural or historic interest which it possesses. When granting consent, special regard will be given to matters of detailed design, especially within main frontages, prominent elevations and roofs, and to the nature, quality and type of materials proposed to be used. This is because some forms of development, including extensions, roof extensions, dormers and outbuildings may not be subordinate (overly dominating) to the

property, harming its character, integrity and appearance. It is also important to be mindful that even the most minor changes or incremental alterations such as window replacement and the loss of original fittings and features can harm the significance of a property and a heritage asset.

4.25 Special regard will be given to proposals near or affecting heritage assets identified as at risk on Historic England's Heritage at Risk Register. The Council will use its development management and other planning powers to secure the future viable use of the borough's heritage assets. For archaeological assets, the layout of the development, extent of basements and design of foundations may need to provide for physical preservation. If significant archaeological remains are not to be preserved in-situ then appropriate investigation, analysis, publication and archiving will be required.

When considering any planning application (including demolition) that affects a conservation area the Council will require the retention of all buildings and structures which make a positive contribution to the significance of a conservation area. Similarly new proposals must pay special attention to the desirability of conserving or enhancing the character and appearance of that area. This can be achieved either by a positive contribution or by development which leaves character and appearance unharmed, that is to say conserved. Development located within, adjacent to, or otherwise affecting the setting of a conservation area, will be permitted where the visual and functional impact of the proposals



can be demonstrated to conserve or enhance:

- the distinctive characteristics of the area, including important views into and out of the area
- the general design and layout of the area, including the relationship between its buildings, structures, trees and characteristic open spaces; and
- the character and setting of the buildings and other elements which make a positive contribution to the appearance and special character of the area.



- **4.27** Development involving demolition in a conservation area will only be supported if a befittingly-designed replacement has been granted planning permission with appropriate mitigation measures in place to ensure the replacement is constructed.
- 4.28 The Council will also require the identification of non-designated heritage assets, including building or structures contained on the Local List, archaeological priority areas, sites of archaeological importance and sites contained within the London Parks & Gardens Trust's Inventory of Historic Spaces at the beginning of the design process for any development, especially where this may impact on their significance.
- **4.29** The Council will resist significant harm to or loss of heritage assets. It will assess proposals which would directly or indirectly impact on heritage assets in the light of their significance and the degree of harm or loss which would be caused. Where the harm would be less than substantial. it will be weighed against any public benefits of the proposal, including securing optimum viable use of the heritage asset and whether it would enhance or better reveal the significance of the conservation area. For demolition or alteration to be approved, there will need to be clarity about what will be put in its place within a suitable time frame. It should be noted designation as a Locally Listed Building does not provide further statutory protection but it draws attention to the special qualities of the building.

Application Requirements

- **4.30** Outline planning applications are not acceptable in conservation areas as full details of the proposed development are required to make a decision.
- **4.31** A Heritage Statement is required where a proposal is for or affects a heritage asset. It must describe and demonstrate a clear understanding of the significance of any heritage assets affected by proposals and the impact on their significance, including any contribution from their setting. The level of detail must reflect the importance of the asset and clearly identify the potential impact of the proposal. Where development is proposed for a site which includes or has the potential to include heritage assets with archaeological interest, developers must submit an appropriate desk-based assessment and, where necessary, a field evaluation. heritage assets affected by proposals and the impact on their significance, including any contribution from their setting. The level of detail must reflect the importance of the asset and clearly identify the potential impact of the proposal. Where development is proposed for a site which includes or has the potential to include heritage assets with archaeological interest, developers must submit an appropriate desk-based assessment and, where necessary, a field evaluation.



5.1 The provision of open space is important for sustainable communities, contributing to health and well-being. Brent's areas of open space, including Metropolitan Open Land, open space of local value, green chains and wildlife corridors, are shown on the Policies Map.

Open Space

5.2 Core Strategy policy CP18 protects all open space from inappropriate development. It also seeks improved provision in areas of deficiency and where additional pressure will be placed on open space. Metropolitan Open Land (MOL) is given the same level of protection as the Green Belt. Essential ancillary facilities will only be acceptable on MOL where they maintain its openness. Paragraph 74 Page 432 of the NPPF applies to open space, sports and recreational buildings and land, including playing fields, outside of MOL. This protects existing open space, sports and recreational buildings and land, including playing fields. Exceptions to this are where it can be clearly shown to be surplus to requirements, equivalent local provision is

- made or the development is for alternative sports and recreational provision the need for which outweighs the loss. Policy DMP 9 'Open Space' builds on this by setting local requirements for the creation of new open space, areas for food growing, and the protection of wildlife corridors.
- **5.3** To meet the requirements of policy DMP 9, whether new or replacement provision, is to be designed in consultation with the Council's Parks Team, and will be expected to address the following:
 - Location and security easily accessible by noncar means. Contribute to a sense of security by applying the principals of London Plan policy 7.3 Designing Out Crime;
 - Long-term management plan to ensure the space will be managed in the long term to ensure its continuation as a well used high quality space;
 - Layout and design –usable and practical spaces, well suited for a variety of users. Good linkages and permeability will encourage movement within the site:

- Habitat Creation which assist in achieving Brent Biodiversity Action Plan targets. balancing undisturbed habitat zones and areas that people can enjoy and relax in;
- Integration –with proposed and existing green routes including green corridors and the All London Green Grid;
- Ownership Preferably local community input into the design of the open space to meet needs, promote a sense of ownership, respect, territorial responsibility and community;

NATIONAL & LONDON PLAN

London Plan 2.18: Green infrastructure: The multi functional network of green and open spaces

London Plan 7.17: Metropolitan Open Land

London Plan 7.18: Protecting open space and addressing deficiency

London Plan 7.19: Biodiversity and access to nature

London Plan 7.21: Trees and woodland

OPEN SPACE

Where open space is proposed it should be:

- a. publicly accessible;
- b. appropriately designed to be safe, usable and integrated into the development site;
- c. enhance biodiversity and integrate into the existing green infrastructure network; and
- d. include a suitable long-term management plan.

DMP8

Existing sites for food growing will be protected and food growing opportunities within major residential developments will be encouraged.

Green chains and wildlife corridors will be protected from development which would compromise its biodiversity or recreational function.

BRENT COUNCIL

Core Strategy Policy CP 18: Protection and enhancement of open space, sports and biodiversity

Brent Biodiversity Action Plan

Food Growing and Allotment Strategy

Review of Sites of Importance for

Nature Conservation, EPR

- **5.4** Management and maintenance is to be considered from the outset. Transfer of land to the Council will be subject to agreement of the Parks Team and a suitable commuted sum for on-going maintenance being secured in a planning obligation.
- Food Growing Provision Strategy identifies a need for allotments, particularly in the south of the borough, as well as opportunities for temporary food growing. The Council will encourage temporary options for food growing as 'meanwhile' uses. It will also seek the integration of food growing opportunities into new major residential developments where appropriate to meet demand.
- All development is required to make a positive contribution to biodiversity, and contribute to the targets of the Brent and London Biodiversity Action Plan wherever possible. Developments should be designed with an understanding of their wider ecological context. The promotion of nature conservation is regarded as integral to the scheme not as an 'add on'.
- 5.7 London Plan policy 7.19 includes a hierarchy for decision making where a development may directly, indirectly or cumulatively affect a site of nature conservation value. Designated sites in Brent are identified on the Policies Map and include Welsh Harp, which is designated as a Site of Special Scientific Interest (SSSI) of national importance; Fryent Country Park and London Canals which are Sites of Metropolitan Importance. In addition Sites of Importance for Nature Conservation (SINC) are important

- wildlife habitats at the borough level. The Brent Sites of Importance and Nature Conservation Study (2014) identifies the biodiversity resources present in these sites. It also makes site specific recommendations to enhance their biodiversity. Development with potential to impact on a SINC will be expected to have regard to the Study and contribute to delivering its recommendations.
- or more continuous areas of open space which allow for the movement of plants and animals and may provide an extension of the habitats they join. In Brent green corridors include areas such as railway embankments and the Blue Ribbon network and are identified on Brent's Policies Map. These routes will be protected from development which would impede movement. In exceptional circumstances it may be appropriate to provide an alternative route, providing it can be robustly demonstrated this will continue to support movement.

Waterside Development

Brent's Blue Ribbon Network includes the River Brent, Grand Union Canal and Welsh Harp Reservoir. Other tributaries such as Wealdstone Brook, Brent Feeder Canal and Dollis Brook, also play an important role in Brent's network of waterways. Waterways offer amenity, opportunities for recreation and improved biodiversity. London Plan policy 7.28 requires developments to enhance the Blue Ribbon Network. DMP 10 'Waterside Development' builds on this policy by setting out the local approach to how enhancements are to be achieved.



WATERSIDE DEVELOPMENT

DMP9

The Council will promote the enhancement and use of the Blue Ribbon network:

- a. Proposals for development adjacent to river and canal edges are required to improve access to the waterways and provide an appropriate landscaped set-back which may include public open space.
- b. Developments adjacent to the Blue Ribbon network and other tributaries, or waterways with potential to negatively impact on its water quality will be required to contribute towards restoration and naturalisation of waterways, and seek to enhance water quality and biodiversity in accordance with the objectives of the Water Framework Directive and Thames River Basin Management Plan.

London Plan 7.27 Blue Ribbon Network: Supporting Infrastructure and Recreational Use

London Plan 7.28: Restoration of the blue ribbon network

London Plan 7.30 London's Canals and Other Rivers and Waterspaces

The London Rivers Action Plan and UK Projects Map, The River Restoration Centre

Thames River Basin Management Plan, **Environment Agency**

PRENT COUNCIL
Prent River Corridor Improvement Plan, **Rrent River Catchment Partnership Brent &** Bodiversity Action Plan

5.10 Development adjacent to a main river or its tributaries is required by the Environment Agency to have a minimum set back of 8m for a number of reasons. It enables ease of general waterway maintenance, protects their open character and protects and allow the enhancement of habitats for wildlife. It also enables opportunity for sustainable and cost effective flood risk management options. The appropriate set back for developments adjacent to the canal will be established by an assessment of the character and context. This will also need to balance the protection and

enhancement of biodiversity and the multiple needs of the users of canal and towpath. In Brent development adjacent to the Grand Union Canal in particular provides an opportunity to create new towpaths, public open spaces and access points.

- **5.11** The Water Framework Directive is a European Union Directive which commits all member states to achieving 'good status' for all water bodies. In the Brent Riverside catchment Grand Union Canal, Lower River Brent and Wealdstone Brook are not achieving good status. This is due primarily to pollution and physical modification from urban development, transport and the water industry. In Brent waterside developments and other developments which could negatively impact on water quality, such as those where connecting to a combined sewer is unavoidable, will be expected to mitigate impacts by contributing to the delivery of the emerging Thames River Basin Management Plan. The Plan sets out the following measures to enhance the Brent catchment:-
 - deculverting and removing unnatural structures such as obsolete weirs and bank and bed reinforcements.
 - bypassing barriers to fish passage, such as weirs improving native aquatic plants and wildlife presence by restoring or creating new and enhanced natural physical and wetland habitats throughout the river corridor.
 - control and management, of invasive nonnative species.

5.12 Such developments should also contribute to the delivery of the Brent River Corridor Improvement Plan, produced by the Brent Catchment Partnership, Brent Biodiversity Action Plan, and the London Rivers Action Plan. Specific projects in the Brent catchment are identified on the interactive map on the River Restoration Centre website.





6.1 The NPPF requires local planning authorities to contribute to and enhance the natural and local environment by preventing both new and existing development from contributing to or being put at unacceptable risk from, or being adversely affected by, unacceptable levels of soil, air, water or noise pollution or land instability. The planning system also has an important role in contributing to addressing public health issues linked to poor air quality and noise pollution. This chapter covers land-use policies which protect specific features of the environment, such as air and water quality.

Noise and Vibration

London Plan policy 7.15 requires development to mitigate and minimise the existing and potential adverse impacts of noise and vibration. This relates to impacts on the development itself from existing sources, or that which it might generate either on or off site, directly or indirectly that could have an adverse impact on those in the vicinity. The London Plan also requires boroughs to designate and protect Ouiet Areas.

6.3 Sources of noise pollution in the borough are numerous. They include ambient noise, which is long-term 'background' noise. This might be from transport and industry. This ambient noise can be supplemented by more periodic local (or neighbour) noise such as construction, roadworks, late night venues, public events, street activities, and ventilator/ extractor units.

6.4 Areas adjacent to the North Circular Road in Brent have been identified as amongst the most affected by traffic noise in the UK. In addition development at Wembley can be impacted by noise on events days at the National Stadium.

NATIONAL & LONDON PLAN

National Planning Practice Guide: Noise London Plan 7.15: Reducing and managing noise, improving and enhancing the acoustic environment and promoting appropriate soundscapes

- Action Plan: Agglomerations, published by DEFRA in January 2015 the Council has identified Quiet Areas. These are areas of tranquility, usually open spaces and green network areas, which have remained relatively undisturbed by noise and have recreational and amenity value for this reason. The boundaries of the borough's Quiet Areas are consistent with the open space designations for Fryent Country Park, The Welsh Harp, Roundwood Park/Willesden New Cemetery, Paddington cemetery an Alperton Cemetery as shown on the Policies map and can be provided by the Planning Policy Team on request.
- 6.6 In order to reduce potential disruption to residents and neighbours caused by major construction schemes we require developers to sign up to the Considerate Constructors Scheme.

6.7 Information in support of applications

- **6.8** Noise and vibration assessments undertaken in accordance with the appropriate British Standards are required for residential developments located close to significant noise sources such as railway, industry and busy roads. Internal resting conditions must be consistent with the standards prescribed within the British Standards.
- 6.9 Noise assessments are also required for the installation of plant or uses that generate excessive noise. The assessment shall include mitigation measures to minimise the potential for nuisance.

Air Quality

- 6.10 London Plan policy 7.14 requires boroughs to seek reductions in levels of air pollutants and states that major development should be at least air quality neutral and not lead to further deterioration of existing poor air quality. Development proposals are to minimise increased exposure to existing poor air quality and make provision to address local problems of air quality.
- **6.11** Brent's Air Quality Action Plan identifies Nitrogen Dioxide and Particulate Matter as the pollutants

NATIONAL & LONDON PLAN

National Planning Practice Guide: Air Quality London Plan 7.14: Improving Air Quality Sustainable Design and Construction Supplementary Planning Guidance (2014), GLA

BRENT COUNCIL

Brent's Air Quality Action Plan, London Borough of Brent

of most concern in the borough. An Air Quality Management Area (AQMA) covering areas of the borough where EU limit values are not, or are unlikely to be, met has been declared. AQMAs are shown on the Policies Map. Air quality directly adjacent the North Circular Road is very poor, therefore sensitive uses such as housing will generally not be acceptable in this location.

- 6.12 For major development to be 'air quality neutral' it must meet the building emissions benchmarks set out in appendix 5 and 6 of the Mayor's Sustainable Design and Construction SPG.
 Proposals should demonstrate how air quality targets will be met through an Air Quality Impact Assessment. This is to be produced in accordance with guidance in the Mayor's SPG.
- **6.13** Where an Air Quality Impact Assessment cannot be made at the application stage, for example if the final technology decisions have not been made, it will be required by condition.

6.14 Information in support of applications

6.15 An Air Quality Impact Assessment by a suitably qualified person, is required for all major developments and installations of CHPs/large communal boilers. The assessment will address baseline local air quality; whether the proposed development could significantly change air quality during the construction and operational phases; and/or whether there is likely to be a

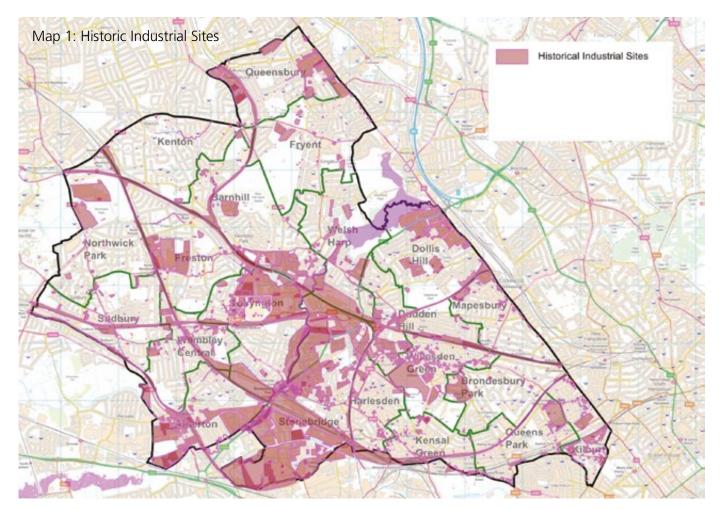
significant increase in the number of people exposed to poor air quality. It will also include mitigation measures proposed to create an acceptable development. Mitigation measures will be site specific but could include for example urban greening or promoting the use of sustainable modes of transport.

6.16 Post-completion stack emission monitoring may be required, to demonstrate that any approved

energy plant meets the emission standards specified in the Impact Assessment.

Contaminated Land

6.17 Brent has a significant amount of industrial land or former industrial land that could be contaminated. Contaminated land presents a potential hazard to people, ecological systems, animals and buildings.



- London Plan policy 5.21 requires appropriate measures to be taken to ensure that development on previously contaminated land does not activate or spread contamination.
- **6.18** A general indication of the location of historic industrial sites is provided by Map 1. In accordance with DMP 1 development will not be permitted if it would lead to the future contamination of the land or elsewhere or have a detrimental impact on water quality.

National Planning Practice Guide: Land Affected by Contamination

Lundon Plan 5.21: Contaminated Land

R11: Model Procedures for the Management of Land Contamination, Defra

Audidance for the Safe Development of Housing on Land Affected by Contamination, R&D66; NHBC, Environment Agency and CIEH

6.19 Information in support of applications

6.20 For development on contaminated or potentially contaminated land a Preliminary Risk Assessment (PRA) undertaken by a suitably qualified person is required.
This will include information on past and current uses and a Conceptual Site Model of potential pollutants, pathways and receptors.
An intrusive site investigation may be required should a plausible pollutant linkage exist.

assessments must be undertaken by competent persons in accordance with the appropriate British Standards and guidance.

Remediation is required where unacceptable risks are identified. After remediation land must be suitable for use, and as a minimum, should not be classified as contaminated under Part IIA of the Environmental Protection Act 1990. All remediation will require in-situ verification reporting to demonstrate that the required standards have been achieved.

Flood Risk

6.22 Consistent with national and London Plan policy development in Brent will not be

allowed that unacceptably increases the risk of flooding. Development proposals must comply with the flood risk assessment and management requirements set out in the NPPF and the associated technical guidance on flood risk over the lifetime of the development. In accordance with national policy the sequential test will be applied to ensure development is steered to areas with the lowest probability of flooding. Where suitable sites of lower flood risk are not available, the Exceptions Test is a method to demonstrate and help ensure flood risk to people and property will be managed satisfactorily. Developments which are required to pass the Exceptions Test will need to address flood resilient design and emergency

MANAGING FLOOD RISK

- A. Proposals requiring a Flood Risk Assessment must demonstrate that the development will be resistant and resilient to all relevant sources of flooding including surface water. The design and layout of proposals requiring a Flood Risk Assessment must contribute to flood risk management and reduction and:
 - a. minimise the risk of flooding on site and not increase the risk of flooding elsewhere;
 - b. wherever possible, reduce flood risk overall;
 - c. ensure a dry means of escape;
 - d. achieve appropriate finished floor levels which should be at least 300mm above the modelled 1 in 100 year plus climate change flood level; and

DMP9A

- e. not create new basement dwellings in areas of high flood risk.
- B. Proposals that would fail to make appropriate provision for flood risk mitigation, or which would increase the risk or consequences of flooding, will be refused.
- C. Opportunities will be sought from the redevelopment of sites in functional floodplain (flood zone 3b) to restore the natural function and storage capacity of the floodplain.

 Proposals that involve the loss of functional floodplain or otherwise would constrain its natural function, by impeding flow or reducing storage capacity, will be resisted.

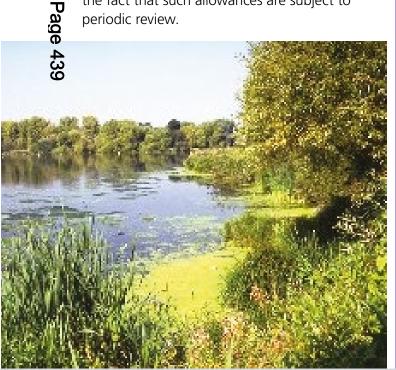
National Planning Practice Guide: Flood Risk and Coastal Change

London Plan 5.12: Flood risk management

BRENT COUNCIL

Brent Strategic Flood Risk Assessment, Jacobs

planning in accordance with London Plan policy 5.12. This has to take account of the latest climate change allowance as identified by the Environment Agency, but take a precautionary approach to reducing long term risk based on the fact that such allowances are subject to periodic review.



6.23 Zone 3 flood zones are shown on the Policies Map. However, flood risk zones are shown on maps produced by the Environment Agency, available on their website and updated annually.

6.24 Information in support of applications

6.25 Development proposals in flood risk zones 2 and 3, and all development proposals for sites of 1 ha or above in flood risk zone 1, should be accompanied by a Flood Risk Assessment (FRA) to consider all forms of flooding. The borough Strategic Flood Risk Assessment (SFRA) sets out sustainable flood risk

mitigation measures and level of detail to be included in site- based FRA dependant on the flood zone. This should form the basis of all FRA. In accodance with the SFRA all FRA should demonstrate how the development seeks to reduce flood risk.

On Site Water Management and Surface Water Attenuation

6.26 The London Plan in Policy 5.15 'Water Use and Supplies' identifies the pressure on London's water supply related to existing scarcity which will be exacerbated by climate change and population growth. Similar to most of London,

ON SITE WATER MANAGEMENT AND SURFACE WATER ATTENUATION



- A. Proposals for new development will be required to make provision for the installation and management of measures for the efficient use of mains water and for the control and reduction of surface water run-off. Substantial weight will be afforded to the target for mains water consumption of 105 litres or less per person per day and to the achievement of greenfield run-off rates. Where greenfield run-off rates cannot be achieved this should be clearly justified by the applicant.
- B. The design and layout of major development proposals will be required to:
- a. use appropriate sustainable drainage measures to control the rate and volume of surface water run-off;

- b. ensure where feasible separation of surface and foul water systems;
- c. make reasonable provision for the safe storage and passage of flood water in excessive events; and
- d. demonstrate adequate arrangements for the management and maintenance of the measures used.
- C. Proposals for minor developments, householder development, and conversions should make use of sustainable drainage measures wherever feasible and must ensure separation of surface and foul water systems.
- D. Proposals that would fail to make adequate provision for the control and reduction of surface water run-off will be refused.

London Plan 5.12: London Plan 5.13: Sustainable drainage

Sustainable Design and Construction Supplementary Planning Guidance (2014),

BRENT COUNCIL

Brent Surface Water Management Plan, Hyder

Brent also has areas of combined sewer network which does not have the capacity to deal with extreme events, consequently causing pollution to water courses. As such consistent with London Plan policy it is necessary to ensure that water use is limited to protect supply, but also reduce potential for pollution. The 105 litres target is consistent with Part G2 of the optional requirement of the 2010 Building Regulations which specifies maximum consumption values for water fittings. Conditions will be applied to planning permissions to ensure the requirement to meet these building regulations.

6.27 On 6 April 2015 it became a national requirement for all major development and all developments in areas of flood risk to utilise sustainable urban drainage systems (SuDS), unless demonstrated to be inappropriate. London Plan policy 5.13 requires development to aim to achieve greenfield run -off rates and ensure that surface water is managed as close to its source as possible in accordance with the drainage hierarchy. Brent

Council will assess applications involving SuDS in its role as lead local flood authority.

6.28 Information in support of applications

6.29 The developer is to provide Water Quality and Biodiversity statement and cost benefits analysis for conventional and SuDS systems. It must also be demonstrated SuDS have been designed in a way which contributes to the delivery of Brent's Surface Water Management Plan and other policy objectives, including enhancements to biodiversity and water quality.





7.1 The NPPF promotes sustainable development and the transition to a low carbon future, through the delivery of renewable and low carbon energy. Brent's Core Strategy policy CP19 sets out the targets which all major developments in Brent should achieve to contribute towards achieving sustainable development, including climate change mitigation and adaptation.

Sustainable Design

The Mayor's Sustainable Design and Construction SPG provides detailed guidance on how to achieve environmental sustainability policy objectives in the London Plan effectively. This includes London Plan policy 5.3 on Sustainable Design and Construction and policy 5.15 on minimising water use. London Plan policy 5.9 sets out a cooling hierarchy which applies to major developments. Minor developments should seek to reduce potential overheating and reliance on air conditioning system through good design.

NATIONAL & LONDON PLAN

London Plan 5.3: Sustainable Design and Construction

London Plan 5.9: Overheating and Cooling

London Plan 5.15: Water Use and Supplies

Sustainable Design and Construction Supplementary Planning Guidance, GLA

BRENT COUNCIL

Core Strategy Policy CP19: Brent Strategic
Climate Change Mitigation and Adaptation
Measures

- **7.3** Core Strategy Policy CP19 requires major non-residential development to achieve a rating of BREEAM excellent.
- 7.4 Information in support of applications
- 7.5 Core Strategy Policy CP 19 requires major developments and proposals for sensitive uses (education, health and housing) in Air Quality Management Areas, to be accompanied by a Sustainability Statement demonstrating at the design stage, how sustainable design and construction measures will mitigate and adapt to climate change over the intended lifetime of a development. The statement must demonstrate the scheme has incorporated the advice set out in the Mayor's Sustainable Design and Construction SPG and meets the requirements of London Plan policy.
- **7.6** For major non-residential development a Design Stage BRE interim certificate of compliance and a Post Construction Certificate will be required to demonstrate achievement of a BREEAM rating of Excellent.
- 7.7 For residential development a Water Efficiency Assessment will be required providing evidence the development will meet the target of 105 litres or less per head per day, excluding an allowance of 5 litres or less per head per day for external water use.

Energy

- 7.8 London Plan policy 5.2 requires development proposals to minimise carbon dioxide emissions in accordance with the energy hierarchy use less energy, supply energy efficiently and use renewable energy. Major developments are required to achieve carbon emissions reduction targets leading to zero carbon. The carbon reduction targets should be met on-site. Only where it is clearly demonstrated carbon reduction targets cannot be fully met on site, any shortfall may be off-set through local carbon offsetting.
- **7.9** The Mayor prioritises the development of decentralised heating and cooling networks. London Plan policy 5.6 requires major development proposals to evaluate the feasibility of Combined Heat and Power (CHP) systems. Major development proposals should select energy systems in accordance with the hierarchy: 1. Connect to existing heating and cooling networks; 2. Site wide CHP network; 3. Communal heating and cooling. Where future network opportunities are identified proposals should be designed to connect to these networks. Brent actively promotes decentralised energy systems. The Wembley Area Action Plan, informed by an energy masterplan, requires developments within Wembley growth area to connect to, provide or contribute towards, a decentralised energy system, whilst plans for a system are also being advanced in South Kilburn. The Council will maintain a record of constructed/approved developments

which have been designed to allow connection to a network.

- 7.10 The incorporation of on-site renewable energy generation makes a valuable contribution to the reduction of a site's carbon emissions and the London Plan has a presumption that developments should achieve a 20% reduction through the use of on-site renewables. London Plan policy 5.7 requires major developments to provide a reduction in expected carbon dioxide emissions through the use of on-site renewable energy generation, where feasible. Minor developments will be encouraged to maximise opportunities for on-site renewable energy generation, where feasible.
- 7.11 While sustainability standards are rising for new build developments, improvements to the energy efficiency of Brent's existing building stock will be necessary to achieve carbon reduction targets. Improvements to the sustainability of the existing building stock will be supported.

7.12 Information in support of applications

7.13 An Energy Assessment will be required to demonstrate that major developments will be constructed to achieve energy targets in accordance with London Plan policy 5.2. Energy Assessments are to be prepared in accordance with the guidance in Appendix D of the Sustainable Design and Construction SPG. An Energy Assessment Review will be required no later than two months after completions confirming whether the development achieved the energy targets. Only if the feasibility study in the

NATIONAL & LONDON PLAN

London Plan 5.2: Minimising carbon dioxide emissions

London Plan 5.3 Sustainable design and construction

London Plan 5.6: Decentralised in development proposals

London Plan 5.7: Renewable energy

The London Heat Network Manual (2014), GLA

Sustainable Design and Construction Supplementary Planning Guidance (2014), GLA

Energy Assessment demonstrates that all on-site options have been considered and are not feasible, will carbon offsetting be considered. In accordance with London Plan Policy 5.2 developers should actively seek to deliver their remaining carbon savings through local carbon saving projects. Brent Council will establish a price per tonne for carbon or use a nationally recognised price such as that set by the Zero Carbon Hub, and seek payment into a local fund which will be used to deliver carbon offsetting in the borough.

7.14 The Heat Network Manual (2014) sets out the issues which are to be considered in viability and feasibility assessments for CHP. Where connection to an existing or future heat network is feasible and viable, a commitment to connection may be secured via a legal agreement; this may include provision for a financial payment to Brent Council to enable

connection. Planning conditions may also be used to ensure the connection is implemented. If a planned network is not operational within 5 years of the permission being issued (or other agreed timescale as informed by the energy masterplan) the connection charge, required on commencement of the planning permission, will be used by Brent to achieve similar carbon savings or the development should install a CHP.

7.15 In complex schemes or in the event of a dispute the applicant will be required to pay for an impartial consultant to assess Energy Assessments and/or viability and feasibility assessments on behalf of the Council.



- 8.1 Policies contained in this chapter are concerned with those aspects of transport planning which affect the determination of planning applications. They seek to supplement existing policy in the NPPF, London Plan, Core Strategy and Wembley Area Action Plan. They consider issues around integration of land use planning and transport planning. This will help to meet Objective 8 of the Core Strategy, which is to reduce the need to travel and improve transport choices.
- **8.2** This will ensure consistency with Brent's Long Term Transport Strategy and Local Implementation Plan.
- **8.3** Overall Brent has generally good transport links. It is the joint top borough for the number of rail and underground stations in London. It has many bus routes serving town centres Page 445 within and outside the borough. Its roads however have experienced increasing levels of congestion at key hotspots and an 8% volume increase from 1997 to 2008. Road access to orbital and radial routes, especially the Strategic Road Network is good. These routes do however become congested, particularly at peak times. Historically, as with London as a whole, car ownership and car use in the borough has increased. Nevertheless the 2011 Census indicated increases in car ownership had slowed substantially.
- **8.4** The Council has concentrated its efforts to date on improving key stations, interchanges and bus services to and between them. Investment has been made to increase capacity at the three Wembley stations. Similar investment is required at other key interchanges to enhance

- the usability of the network as a whole. Particular focus is needed on improving orbital links and key interchange points on them. Good pedestrian and cycle access will be an important feature in facilitating delivery of improved usability of the public transport network. With improved orbital bus links comes the need for bus stands and facilities, and consideration will need to be given to their location.
- 8.5 The Council seeks to promote an integrated transport system by shaping patterns of development in terms of its location, scale, density and mix of land uses. It looks to further the London Plan Policy 6.1 through its actions in Brent.

Transport Implications of New Development

- **8.6** London Plan Policy 6.3 sets out the need for developments to appropriately address impacts on the movement network in order to gain consent. It also identifies the need for transport assessments and associated travel plans to be submitted in association with major developments.
- 8.7 Where significant impacts arise including during development construction, mitigation measures should be proposed and the residual impacts assessed. This includes mitigation on small scale schemes where issues are not caused by levels of generated traffic, but by poor design. Planning obligations may be sought to fund mitigation measures or conditions may be imposed on a planning permission to restrict impacts. These measures will be related to the specific development, but it is unlikely that every development proposal can be made

- acceptable in transport terms.
- 8.8 The range of mitigation for which planning obligations may be sought includes, but is not restricted to, the following. These have been selected as examples as they either encourage use of sustainable modes or manage those trips which need to be made by car on the highway network:
 - Travel Plans
 - Public transport improvements sufficient to service the scheme or to integrate it with the surrounding area. Developments attracting a significant number of trips in areas with low or moderate public transport accessibility or causing capacity issues to the existing network will only be acceptable when significant public transport improvements are secured which are both viable and justifiable in the longer term.
 - The extension or bringing forward of on-street parking controls or waiting restrictions due to an unacceptable impact on road safety, emergency vehicle access or traffic management.
 - Improvements to pedestrian and/or cycle facilities.
 - Traffic calming measures.
 - Acceptable road safety and essential highway improvements, not necessarily restricted to the immediate development area.
 - Programmes to reduce car usage (car pooling, car clubs).

Public Transport Integration

8.9 Development should benefit from and not harm

London Plan 6.3: Assessing Effects of Development on Transport Capacity Transport Assessment Best Practice Guidance, TFL Travel Plan Guidance, TFL

the operation of the public transport network. It should be located where public transport accessibility is sufficient to service the scale and intensity of use. Development in appropriate locations should enhance opportunities to provide interchange between public transport services. Brent's Local Implementation Plan has highlighted the following interchanges which are in urgent need of major improvement: Queen's Park, Stonebridge Park, First Central (Park Royal), Kenton and ongoing improvements at Wembley Central.

8.10 Developments at public transport interchanges should contribute towards the improvement of that interchange and access to and from the site.

Cycling and Walking

8.11 The promotion of cycling and walking has long been a priority of the Council and is considered essential in order to support growth whilst reducing the environmental impact of travel. Provision for

NATIONAL & LONDON PLAN

London Plan 6.2: Providing Public Transport Capacity and Safeguarding Land for Transport cycling and walking are also promoted by the London Plan in policies 6.9 and 6.10. Brent's Cycling and Walking strategies will ensure an integrated approach to greater promotion of these forms of movement. Developments will be expected to play their part in maximising these forms of movement to and from their site. Brent's Cycling Plan aims to encourage cyclists to become actively involved in the design of schemes contributing to make the cycling environment safer and more convenient. Particular emphasis will be placed on cycle routes and lanes not ending abruptly in unsafe or inconvenient locations and on improving designs of junctions and roundabouts. The provision for safe and secure cycle parking in accordance with the London Cycling Design Standards is also an important consideration along with the provision of on-site showers and changing facilities. A 'walkable' development should offer safe, convenient and direct routes for pedestrians, and take account of existing desire lines, as well as improving the quality of the pedestrian environment generally and pedestrian legibility specifically.



The Capital Ring

- **8.12** The Capital ring is a strategic London wide walking route, some of which passes through Brent. This policy seeks to ensure that its role, form and function is maintained and where possible enhanced by new development.
- **8.13** The policy seeks to ensure that development positively addresses the network, this will be thorough for instance appropriate proximity,

CAPITAL RING

DMP 10

Development on or near the Capital Ring (as shown on the Policies Map) will be expected to take full account of the need to protect its character and, where appropriate, contribute towards its improvement.

NATIONAL & LONDON PLAN

London Plan 6.9: Cycling

London Plan 6.10 Walking

London Plan Pedestrian Comfort Guidance for London, TFL

London Cycle Design Standards, TFL

BRENT COUNCIL

Emerging Brent Walking Strategy
Emerging Brent Cycling Strategy

scale and orientation of buildings, active frontage, or landscaping, improving access to and from it, or seeking its potential upgrade to enhance its potential use by occupiers of the development.

The Highway Network

8.14 The priority to promote sustainable modes of transport will help to reduce pressure on the existing highway network. Nevertheless, it is also important that the network should operate efficiently and safely for all users. There is a requirement for a balance to be achieved between

different road users' needs. This will depend to a large extent upon the character of the road and its role within the road hierarchy. Where new development requires access to the road network, account needs to be taken of these factors and ensure no adverse highway safety impact.

8.15 The North Circular Road is an important route for Brent. It forms a Corridor Link between Brent Cross and Ealing (two major interchange points by public transport as well as by road). It provides a parallel option for through traffic which can help take pressure off the Brent Cross to Wembley and Wembley to Ealing routes

DMP 1



which will carry more locally based traffic.

- **8.16** The North Circular Road is a Transport for London Route Network (TLRN) road. It is one where Brent is keen to see more of a balanced approach with emphasis on other modes, rather than the needs of car users dominating. The road forms a key element in the London road network in channelling essential traffic, especially freight, away from inner London. To this end there is a general presumption against locating new accesses on to the route. Nevertheless, it is recognised that sometimes additional access is necessary to facilitate regeneration, or that safety improvements could be made thorough alternative provision. For other strategic movement corridors a similar approach to ensuring its function is not unacceptably impacted upon by the development is sought either through capacity or safety issues.
- 8.17 Heavily Parked Streets have been identified across the borough. This has been done for two reasons: To help manage new residential development parking without detrimental impact on highway safety; and so that any new access created would not result in an excessive loss of on-street parking spaces where there is a current shortage. In relation to criterion c) of the policy, greater flexibility to the loss of more than one parking

FORMING AN ACCESS ON TO A ROAD

Other than the TLRN and London Distributor Roads applications for the creation of an access to a highway or where development will result in the increased use of existing access points will be acceptable where:

- a. the location of the access would be at a safe point;
- b. the access and amount of off-street parking proposed would be visually acceptable (having regard to existing highway verges and trees affected);
- c. on Heavily Parked Streets, the proposal does not result in the loss of more than one on-street car parking space, and where there is controlled parking does not result in the creation of more off-street spaces than set out in the parking standards;

On the North Circular Road new accesses will be resisted in all cases except where offering improved road safety for all users. Similarly, new accesses on TLRN and London Distributor Roads should be resisted where alternative access is available to the side or rear and turning facilities should be provided where possible.

On London Distributor Roads (as shown on the Policies Map) increased use of existing safe access points will be allowed where it does not harm the road's strategic traffic distribution role and particularly that of bus movement.

A preliminary safety audit must be submitted with all major development proposals which abut the TLRN.

8. TRANSPORT

space may in exceptional cases be justified. An example might be where off-street parking provided as part of a proposed development together with other measures would reduce the on-street parking demand compared to the existing use.

8.18 Brent is keen to maintain and enhance the street scene through the provision of green infrastructure. It has an extensive programme of street tree planting. Loss of street trees, or of off street car parking has occurred, something which the Council wishes to avoid in the future.

Road Safety and Traffic Management

- 8.19 In relation to transport matters in development proposals priority should be given to safety issues. This includes the convenience and safety of vulnerable road users such as pedestrians and cyclists.
- **8.20** TFL has a strategic management function in minimising congestion on its Strategic Road Network. It requires consultation on proposals which would affect this network, which includes Edgware Road and Harrow/Watford Road corridors. Proposals which would affect

NATIONAL & LONDON PLAN

London Plan 6.7: Better Streets and Surface Transport

London Plan 6.11: Smoothing Traffic Flow and Tackling Congestion

London Plan 6.12: Road Network Capacity

- the M1 Motorway shall require consultation with Highways England.
- **8.21** Brent's London Distributor Roads generally have to provide access to adjacent land uses, but their primary function must be to act as part of the network for through traffic.
- **8.22** Improvements to road safety should follow recognised guidance, including for example the Road Safety Action Plan (TFL). This advises that a preliminary safety audit should be submitted with all major development proposals and associated transport changes on the Transport for London Road Network (TLRN/GLA).
- **8.23** Where a developer is required to undertake works to the highway to make their access acceptable, this will be expected via a section 278 agreement (see Glossary).

Parking

8.24 London Plan policy 6.13 addresses parking and has associated parking standards. Brent has characteristics associated with both Inner and Outer London. Brent's standards do not significantly deviate from those in the London Plan. Managing the impact of parking covers the role of car free development. It also ensures that requests for additional parking meet a number of conditions which mean that the local area is not negatively impacted upon by parking. This policy is supported by the parking standards which are set out in Appendix 1. Parking in town centres deals with existing parking and additions to or losses of parking. The requirements for electric charging points



and cycle parking must be consistent with London Plan policy 6.13. Preference is for electrical charging points to be provided within the highway, or publicly accessible to encourage greater use.

- **8.25** The policy seeks to support the Council to ensure that parking levels do not encourage unnecessary traffic generation. It seeks to ensure that car parking impacts positively on its environment. It also seeks to maintain the viability and vitality of our town centres.
- 8.26 The amount of parking provided in accordance with parking standards is a balance between a number of factors. These include seeking to reduce unnecessary car trips, promoting effective use of land, make development viable and not creating on street parking pressure which undermines the quality of life. The standards promote fewer spaces in locations better served by alternative transport. The emphasis is on not trying to provide spaces where they are unnecessary. Opportunities for car free development might include locations close



PARKING

Parking standards and managing the availability of car parking

Developments should provide parking consistent with parking standards in Appendix 1. In appropriate locations benefiting from high levels of public transport access, generally with PTAL 4 or above, opportunities for car free development should be considered.

In areas with Controlled Parking Zones access to on-street parking permits for future development occupiers other than for disabled blue badge holders will be removed or limited.

Contributions secured through a planning obligation to car clubs and pool car schemes will be strongly encouraged in place of private arking in developments.

MANAGING THE IMPACT OF PARKING

Additional parking provision should not have negative impacts on existing parking, highways, other forms of movement or the environment. The removal of surplus parking spaces will be encouraged. Development will be supported where it does not:

- a. add to on-street parking demand where on-street parking spaces cannot meet existing demand such as on heavily parked streets, or otherwise harm existing onstreet parking conditions;
- b. require detrimental amendment to existing or proposed Controlled Parking Zones;

 c. create a shortfall of public car parking, operational business parking or residents' parking;

The Council will require off-street parking to:

- d. preserve a building's setting and the character of the surrounding area;
- e. preserve any means of enclosure, trees or other features of a forecourt or garden that make a significant contribution to the visual appearance of the area; and
- f. provide adequate soft landscaping (in the case of front gardens 50% coverage), permeable surfaces, boundary treatment and other treatments to offset adverse visual impacts and increases in surface run-off.

Public off-street parking will be permitted only where it is supported by a transport assessment and is shown to meet a need that cannot be met by public transport.

PARKING IN TOWN CENTRES

The Council will accept the loss of short-term publicly available parking only where this would not lead to under-provision.

In town centres where there is a deficiency of short term public car parking, subject to development viability, the Council will seek additional provision within major developments.

NATIONAL & LONDON PLAN

London Plan 6.13: Parking Emerging Design of Car Parking, TFL

BRENT COUNCIL

Heavily Parked Streets

to public transport interchanges where space for parking is constrained. Other areas within Controlled Parking Zones that are easily accessible by public transport may also be suitable for car free development. Where development is car free, or there is a limit on the number of occupiers able to park on-street, legal agreements or conditions will be used to ensure that future occupants are aware they may not be entitled to on-street parking permits. Reductions in parking provision can also be delivered through car clubs and pool cars which promote more efficient use of spaces.

- **8.27** The design of car parking should be consistent with supporting other objectives for Brent. These include improving design quality and a sense of place, green infrastructure provision, bio-diversity and sustainable drainage. TfL's Emerging Design of Car Parking guidance will also provide advice on this matter.
- **8.28** For the most part town centres require some form of customer parking to support their vitality and viability. Whilst some centres have the right amount, others do not or their placement and quality means that their role is diminished.

The Council will seek the retention of short term publically available parking spaces where they are needed to support centre vitality and viability. In order to support town centres, support sustainable provision and promote efficient land use, the Council will seek public use of car parking where car parking is required for new developments in town centres. New public off -street parking will be subject to a legal agreement to control the layout of the parking spaces, the nature of the users and the pricing structure. Where parking is created or reallocated, Brent will encourage the allocation of spaces for low emission vehicles, car clubs, pool cars, cycle hire and parking, and electric vehicle charging equipment.

Wovement of Goods and Materials

- freight. Policy 6.14 states that existing and new sites should be safeguarded to enable the transfer of freight to rail and water. Under 6.15, the need for rail freight interchanges are emphasised which must deliver modal shift from road to rail. Brent's Core Strategy (CP20) supports maximising opportunities to move freight by non-road means (such as water and rail). It also seeks to minimise the impact of industrial and employment use on the road network.
- **8.30** London Plan policy 6.3 identifies that Construction Logistics Plans and Delivery and Service Plans should be secured in line with the London Freight Plan. Efficient handling and transport of freight is crucial for the regeneration of the industrial areas of the borough. Rail and water are much more

DMP 13

MOVEMENT OF GOODS AND MATERIALS

PROVISION AND PROTECTION OF FREIGHT FACILITIES

Development that would generate significant movement of goods or materials, both during construction and in operation, should minimise the movement of goods and materials by road. The use of more sustainable alternatives, i.e. by rail and canal, is encouraged.

For longer distance movements, the provision of sidings within suitable new developments adjoining railway lines is supported. Warehousing development, adjoining rail lines where rail access can be provided, should include sidings.

Existing sidings will be protected where these are adaptable to serve anticipated needs.

SERVICING IN NEW DEVELOPMENTS

The provision of servicing facilities is required in all development covered by the Plan's standards in Appendix 2 The Council will work with developers to provide the optimum servicing and delivery arrangements for new developments. Wherever possible servicing should be provided off the highway.

Loss of existing servicing will be resisted where it is still required to meet operational needs.

NATIONAL & LONDON PLAN

London Plan 6.3: Assessing Effects of Development

London Plan 6.14: Freight London Freight Plan, TFL

sustainable means of transporting freight over longer distances than by road and can be more economic. Even where movement by road is necessary for part of the journey, transshipment to rail/water for the remainder is to be preferred. There are opportunities for rail freight related development within the Park Royal and Wembley Strategic Employment Areas. The railway sidings and Grand Union Canal within and adjacent to the Old Oak Opportunity Area also provide an opportunity to reduce road movements in its regeneration.

8.31 Optimum servicing of development is an important consideration. The Council balances up the need to achieve efficient use of land, maintain capacity of transportation networks and not undermine the amenity of adjoining occupiers. The Council has standards for the servicing of new developments as set out in Appendix 2.

EVIDENCE BASE

Brent's Local Implementation Plan
Brent's Parking Standards (2013), Steer Davies
Gleave



9.1 The NPPF and London Plan emphasise the importance of allowing sufficient flexibility to adapt to changing circumstances by supporting managed release of surplus employment land. An unmanaged approach to the loss of employment land will affect the availability of business accommodation, and impact on economic growth within the borough. Core Strategy policy CP20 safeguards Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS) for employment uses. This policy builds on CP20 by setting criteria to determine where the conversion of surplus employment land, both in SIL, LSIS and non- designated Local Employment Sites, to nonemployment uses will be acceptable based on the findings of the Brent Employment Land Demand Study. It also sets out the Council's policy approach to facilitate genuine Work- Live development. Employment uses are those within the B use class and closely related sui generis uses.

9.2 To help retain an appropriate balance of supply and demand of industrial land over the planning period the Brent Employment Land Demand Study identifies low quality employment sites, where a more flexible approach to changes of use away from industrial uses could be appropriate. This will be taken into account in identifying which sites are suitable for release, alongside the need to achieve the strategic objectives in the Development Plan, to achieve at least 50% affordable housing on sites and to meet an identified need for secondary schools. It is recognised for instance that some sites might have unusually high remediation or other abnormal costs to be met to make them

EMPLOYMENT SITES

To encourage appropriate mixed use environments and local employment generation the Council will support the continued provision of employment sites. It will seek to limit their loss to approximately 11.5 ha in the period to 2029.

Employment Land within SIL and LSIS

In recognition of the weight attached to retaining SIL and LSIS allocations in policies elsewhere in the Development Plan SIL and LSIS will only be released where:

- a. it is a low quality employment site identified as suitable for release in the Employment Land Demand Study; and
- b. it can be shown to be integral to and delivered as part of a wider comprehensive housing-led regeneration scheme with substantial benefits to Brent, providing at least 50% affordable housing, and consistent with the wider objectives of the Development Plan and/ or is of strategic significance to London; or
- when it delivers social and physical infrastructure of a substantial scale, for example secondary schools, for which there is a significant identified Brent need and which

DMP14

cannot reasonably be provided on other sites in the Borough.

For developments falling under criteria a) the development shall incorporate employment uses providing an efficient use of land on approximately 20% of the site area.

The Council will expect the existing restrictive allocation of the site as SIL or LSIS and the fact that the site will be of low quality for employment use to be recognised in the residual land value assumed for the site.

Local Employment Sites

The Council will allow the release of Local Employment Sites to non- employment uses where:

- a. continued wholly employment use is unviable; or
- significant benefits consistent with the wider objectives of the Development Plan are achieved.

Where non-employment uses are proposed the site shall incorporate the maximum amount of existing floorspace type or Managed Affordable Workspace possible.

acceptable as a residential environment. As such, in the evidence used within any viability testing to support the case for any affordable housing provision below 50% on an individual scheme, the Council will expect the benchmark land value of the site to be consistent with the Existing Use

Value (EUV) of its allocation as SIL or LSIS. An appropriate site specific premium over the EUV to provide a competitive return to the landowner will be expected, which reflects the low quality of the employment site.

9.3 To create mixed use areas and limit the

loss of employment land and jobs, where redevelopment for predominantly residential purposes is proposed where possible (and subject to viability) approximately 20% of the site area should be used for employment

NATIONAL & LONDON PLAN

London Plan 2.17: Strategic Industrial Locations

BRENT COUNCIL

Core Strategy Policy CP 20: Strategic Industrial **Locations and Locally Significant Industrial Sites**

purposes. The type of employment purposes. The type of employment use will depend on the characteristics of the site and its compatibility with the residential development, however the Council would prefer higher employment ratios and the efficient use of sites to maximise employment generation. Where the viability of delivery of affordable housing is being affected by the re-provision of employment space, the Council will seek to prioritise affordable housing delivery whilst recognising that successful places usually comprise a mix of uses, rather than being wholly residential.

9.4 To demonstrate there is no demand for a Local Employment Site for ongoing employment use the applicant must submit evidence that the site is vacant and a thorough marketing exercise at realistic prices for the area has been sustained over a 24 month period. Marketing must be through a commercial agent at a price that genuinely reflects the market value in relation to use, condition, quality and location of floorspace. A professional valuation of the asking price and/or rent will be required from at least three agents to confirm that this is reasonable. It must be demonstrated that consideration has been given to alternative layouts and business uses, including smaller premises with short term flexible leases appropriate for SMEs.

- 9.5 Alternatively, in exceptional circumstances, where redevelopment or re- use of a Local Employment Site would not give rise to a material loss of employment, a mixed-use development incorporating non-employment uses may be appropriate. The applicant must demonstrate that redevelopment will result in:
 - the maximum economically feasible amount of employment floorspace on the site;
 - the accommodation of the existing employment use, or where the site is vacant employment floorspace, to meet development needs of businesses in Brent, particularly SMEs;
 - delivery of wider regeneration benefits to the community; and
 - employment floorspace with a very strong prospect of being occupied.
- **9.6** As evidence the employment space will be occupied the Council will require a letter of agreement from the current employment use operating from the site stating their intent to occupy the proposed floorspace. Alternatively, where the site is vacant employment floorspace



should comprise affordable workspace for start up companies or 'move on' space for SMFs to meet the identified need for these forms of employment space in the borough. To demonstrate the units are affordable the applicant should submit evidence of agreement to lease the space to an approved Managed Workspace Provider at no more than 50% of comparable local market rate for at least 10 years. This will be secured via a s106 planning obligation. The fit out of the workspace should be to ready to occupy level, to a specification agreed with the Managed Workspace Provider.

9.7 Work-Live is the combination of living accommodation (Use Class C3) with workspace (Use Class B1, but not B2 or B8) within a single self contained unit. Applications for Work-Live development must be supported by a management plan agreed by the Council which demonstrates the units will be managed by an organisation committed to their long term management primarily for employment. An indicative ratio of 70:30 in favour of the work element will be sought.

EVIDENCE BASE

Employment Land Demand Study, URS



- of identifying and planning for local housing needs with particular emphasis on providing affordable family housing. Further Alterations to the London Plan adopted in 2015 have subsequently increased Brent's annual housing target (including non self-contained accommodation) to a minimum of 1525 units. The Borough will continue to bring forward additional housing development capacity to supplement its housing target to meet local and strategic need.
- The London Plan contains not only strategic housing policy, but also relatively detailed information on what to consider when determining planning applications (development management policies). To support these policies the Mayor of London has also adopted more detailed guidance for private, affordable and specialised housing such as the Housing Supplementary Planning Guidance (SPG).
- to maintain and provide a balanced housing stock that meets a range of housing needs, the affordable housing percentage sought from qualifying housing developments, an emphasis on providing family housing and mixed and balanced communities. Together the London Plan and Core Strategy provide the majority of relevant policy on what decision makers are likely to require from housing developments in order for them to be given planning permission. Annex 1 Summary of Quality and Design Standards within the Mayor of London Housing SPG

- provides a good reference point for checking the issues that need to be addressed when assessing Housing development. For extensions to existing residential properties the Council has provided specific guidance in the emerging Residential Extensions SPD and Designing Brent SPD.
- 10.4 The size of properties across tenure types that are most likely to meet needs are identified in Brent's Strategic Housing Market Assessment (SHMA). The SHMA will be updated periodically. This document will inform the Council's position in relation to housing size mix for both market and affordable dwellings whilst taking account of Brent Core Strategy Policy CP2 of seeking 25% of new dwellings in the Borough to be 3 bed dwellings or more.
- **10.5** Additional housing or its loss is likely to occur in the borough through a variety of sources: redevelopment/new build of existing residential or non-residential sites, conversion of existing residential or nonresidential buildings or change of use. These situations will be addressed by other policies within the London Plan and Brent's development plan. This chapter seeks to supplement these other policies by dealing with additional Brent specific issues. This is through providing greater clarity on: the affordable mix sought, priority for residential size; situations where loss of housing will be allowed; where conversions of family sized dwellings will be appropriate; internal layout of single person accommodation;

where accommodation with shared facilities/ supported housing will be allowed.

NATIONAL & LONDON PLAN

London Plan 3.3: Increasing Housing Supply London Plan 3.4: Optimising Housing Potential London Plan 3.5: Quality and Design of Housing Developments

London Plan 3.9: Mixed & Balanced Communities
Housing Supplementary Planning Guidance, GLA

BRENT COUNCIL

Core Strategy Policy CP2: Population and Housing Growth

Core Strategy Policy CP21: A Balanced Housing Stock

Emerging Residential Extensions

Supplementary Planning Document

Emerging Design Guidance

Supplementary Planning Document

Affordable Housing

10.6 The London Plan requires the Council to set an overall target for the amount of affordable housing provision and separate targets for social/affordable rented and intermediate housing. This purpose of this policy is to

AFFORDABLE HOUSING

- at agreed stages in \$106 agreements to secure contingent obligations.
- a. Brent's Core Strategy policy CP2 sets the target that 50% of new homes delivered in the borough will be affordable. The maximum reasonable amount of affordable housing will be sought on individual residential and mixed use developments on sites with the capacity to provide 10 or more homes.
- b. 70% of new affordable housing provision should be social/affordable rented housing and 30% intermediate housing at affordability levels meeting local needs.

Where a reduction to affordable housing obligations is sought on economic viability grounds, developers should provide a evelopment appraisal to demonstrate that whemes are maximising affordable housing output. The Council will rigorously evaluate such appraisals and:

- the developer will be required to underwrite the reasonable costs of a Council commissioned economic viability assessment.
- 2. on major phased development sites or major sites where the proportion of affordable housing agreed is significantly below 50% appropriate provisions to reappraise scheme viability will be sought

3. in most circumstances the Existing Use Value plus a premium (EUV+) approach to assessing benchmark land value in development appraisals and viability assessments should form the primary basis for determining the benchmark land value.

Vacant Building Credit will only be applicable to:

- the Gross Internal Area of buildings (buildings as defined in the as defined in the Community Infrastructure Regulations).
- buildings that have been in lawful use for a continuous period of less than six months in the three years before which planning permission first permits the chargeable development.
- 3. buildings where evidence of concerted marketing activity at appropriate rents levels and terms for the quality of the existing accommodation has taken place.
- 4. buildings that have not been abandoned, made vacant for the purposes of development or subject to extant or recently expired planning permission for the same or substantially the same development.
- address tenure mix and provide greater detail of approach than is set out in the London Plan and Housing SPG related to affordable housing.
- **10.7** Affordable housing is particularly important in Brent in meeting local housing needs. The London Plan policies along with the Mayor

- of London Housing SPG give extensive policy and guidance on affordable housing. The 50% affordable housing target has already been set in Brent's Core Strategy policy CP2. The policy clarifies that on qualifying sites (consistent with London Plan Policy 3.13 thresholds) that the Council will seek to negotiate the maximum reasonable amount to contribute to that target. The policy is applicable to all developments of self contained residential accommodation including that specifically for older people and falling within the C2 Use Class. NPPF, NPPG and the London Plan give clarity that viability is a consideration when determining the maximum reasonable affordable housing.
- **10.8** Consistent with the London Plan, the Council, in determining a scheme's ability to provide the maximum reasonable amount of affordable housing contribution, will have regard to the:
 - a. Current and future requirements for affordable housing
 - b. Core Strategy affordable housing targets
 - c. need to encourage residential development
 - d. need to promote mixed and balanced communities
 - e. size and type of affordable housing needed in particular locations
 - f. specific circumstances of individual sites.
 - g. availability and level of public subsidy
 - h. priority to be accorded to provision of affordable family housing.

10.9

- The predominant Brent affordable housing need is for social rented accommodation (as evidenced by the latest Brent Strategic Housing Market Assessment). This accommodation requires significant amounts of subsidy to be provided in new developments. Changes in national policy mean that for those submitting planning applications social rented properties are less likely to be provided as the preferred rented accommodation for affordable dwellings. In the majority cases affordable rented dwellings (defined as up to 80% market rent) are most likely to be proposed. The incorporation of affordable rented accommodation (rather than social rent) within developments has been assumed in the latest viability assessment used to support affordable housing policies. As a recognised affordable tenure the provision of such accommodation where social rent is not possible to otherwise meet affordable needs is accepted and supported by the Council. Nevertheless within the policy the Council has incorporated social rent to allow for situations where the Council (as a developer/landowner) or other registered providers are seeking to provide such tenures as part of the affordable housing mix. The need for intermediate affordable housing (such as shared ownership) is more limited, as such the tenure mix target ratio for affordable housing is set at 70:30 rent to intermediate housing. Whilst in terms of meeting needs this is the appropriate ratio for the borough, site specific viability considerations, site and area characteristics may result in a different appropriate mix, such exceptions could include:
- a. different type of affordable housing mix is required to satisfy a regeneration objective.
- b. Where there is a need to secure a more balanced mix of tenures in line with London Plan policy 3.9.
- 10.10 Where viability is being used as a reason for reducing affordable provision, applicants will be required to submit a development appraisal. This should be in a format agreed with the Council prior to submission of any application. The applicants will be required to underwrite the Council's reasonable costs in commissioning an impartial consultant to undertake an economic viability assessment of the scheme and the applicant's development appraisal. This will assess the ability of the scheme to ensure
- the maximum reasonable amount of affordable housing is secured to contribute towards the borough's affordable housing targets.
- 10.11 London Plan Policy 3.12 criterion B identifies that provisions for re-appraising the viability of schemes prior to implementation ('contingent obligations') might be required when dealing with affordable housing provision. The Council has used this approach and will continue to do so in the future, but will take a proportionate approach to using this mechanism. It will be applied to developments where the proportion of affordable housing agreed is significantly below the 50% target, on sites of 200 dwellings or more where there is a phased approach to the development and on





sites where substantial implementation of the development is likely to be delivered beyond 18 months of the initial consent.

- **10.12** Within viability assessments there are many variables that can impact on the results. To provide consistency across London, Brent works with other Councils in seeking to have a standard approach to assumptions for viability modelling. One significant variable that impacts on viability is the assumed benchmark land value against which the residual land value of the viability modelling is tested.
- **10.13** A development is typically deemed to be viable if the 'residual land value' is equal to or higher than the benchmark land value. At this level it is considered that the landowner has received a 'competitive return' and will release the land for development. Planning policy and other guidance offers differing approaches to assessing the benchmark land value in development appraisals. The Existing Use Value plus a premium (EUV+) approach is based on the current or Existing Use Value of a site, plus a landowner premium to reflect the incentive needed to release the site for development. The EUV+ approach clearly identifies the uplift in value arising from the grant of planning permission and enables that to be properly considered as a part of the planning process. The Council consider that the EUV+ approach is most conducive to achieving the goals of the planning system and should form the primary basis for determining the benchmark land value in most circumstances. This approach is consistent

with recommendations in the Mayor of London Housing SPG.

10.14 NPPG provides some guidance on Vacant Building Credit. However, further clarity is needed to define qualifying buildings, floorspace measures and vacancy and whether the application of the credit is assisting a development opportunity in addition to that which might otherwise have occurred in any case. The Community Infrastructure Levy (CIL) regulations clearly define what a building is. As it is likely an assessment of existing floorspace will be used to reduce CIL liability it is sensible for the same measure to be used. The same is true of building measurements, which use gross internal area. CIL regulations also set out a timescale related to minimum. time of occupation to gain exemptions to CIL liability. There is a logic in using an approach to identify the qualifying periods for vacancy that is consistent with this approach. NPPG sets out where the credit will not apply. It outlines scenarios which the local planning authority may take into account in its application having regard to the intention of national policy. It regards the intention of the national policy of the Credit of encouraging development of long term vacant sites where there is no realistic prospect of that site being used for its existing use, or there not being a realistic prospect of it being developed for other purposes without the financial incentive afforded by the Credit. Therefore to avoid any doubt it seeks to confirm that it will apply the scenarios set out in NPPG in Policy

DMP 15 to remove the possibility of perverse incentives to delay development or provide rewards on sites that have or would in any case be subject to development proposals. In support of applications, as well as proof of vacancy for the time period, evidence of concerted marketing activity at appropriate rents levels will be required. The Council will also want to be assured in addition that no other mechanisms, such as the terms of the lease are such that they would act as a disincentive to occupation and thus promote the building's continued vacancy, e.g. a short lease period despite significant likely capital expenditure being required by the tenant to make the building fit for purpose for their occupation. Planning applications where both a Vacant Building Credit claim, and a development viability assessment to support lower than a policy level of affordable



housing are submitted, will need to ensure the Credit claim is appropriately treated in the development viability assessment.

10.15 Development Plan Policies/ advice of particular relevance

NATIONAL & LONDON PLAN

London Plan 3.10: Definition of Affordable Housing

London Plan 3.11: Affordable Housing Targets

London Plan 3.12: Negotiating Affordable Housing on Individual Private Residential and Mixed Use Schemes

London Plan 3.13: Affordable Housing Inresholds

Rousing Supplementary Planning Guidance, GLA

London Borough Viability Protocol, London Borough Viability Group

BRENT COUNCIL

Core Strategy Policy CP2: Population and Housing Growth

Core Strategy Policy CP21: A Balanced Housing Stock

10.16 Application Information

- **10.17** Design and access statement to clarify how the preferred size and tenure mix was taken into account in the initial design of the scheme and subsequent amendments.
- 10.18 An affordable housing schedule that provides information and justification on the tenure mix and size of dwellings included within the development. Ideally this should identify the Registered Provider who will own/manage the affordable dwellings.
- **10.19** Viability assessment if this is used as a reason for departure from the preferred affordable tenure/size mix, or for the residential mix for market housing.
- **10.20** For Vacant Buildings Credit evidence of length of vacancy, gross internal floorspace measurements and marketing at suitable rents undertaken and responses received.

Resisting Housing Loss

- 10.21 The housing targets for Brent will be challenging to achieve. Loss of existing housing to make way for other forms of development would exacerbate this. London Plan Policy 3.14 and the Housing SPG deal with potential loss due to a variety of reasons. Examples include regeneration of poorer performing estates. Brent seeks to supplement this policy by providing greater clarity on locally specific circumstances it is likely to consider such loss appropriate.
- **10.22** Some of Brent's housing stock does not meet national housing space standards and has poor standards of occupier amenity.

RESISTING HOUSING LOSS



In addition to circumstances identified in London Plan Policy 3.14 development resulting in the net loss of residential units will be supported where:

- a. sub-standard units would be brought in line with space standards;
- b. de-conversion of flats would create a family size home (3 bed or more) resulting in the net loss of no more than one dwelling of 2 bedrooms of less;
- c. social or physical infrastructure to meet an identified local need:
- d. the proposed loss of housing would radically improve the neighbourhood.

NATIONAL & LONDON PLAN

London Plan 3.5: Quality and design of housing developments

London Plan 3.14: Existing Housing

BRENT COUNCIL

Core Strategy Policy CP2: Population and Housing Growth

This is particularly the case for dwellings created without planning permission but now established. In these situations their loss and replacement with fewer dwellings achieving standards would be supported.

10.23 As identified in the SHMA and as a priority provision in Brent Core Strategy Policy CP2 provision of family accommodation (3 bed or more dwellings) to meet Brent's needs is a priority. Consequently, the de-conversion of flats into a family size dwelling will be supported where it results in the net loss of no more than one dwelling of 2 bedrooms or less.

10.24 Exceptional circumstances may arise in Brent where a loss of residential floor space will be acceptable in order to achieve Brent's strategic priorities. Situations include regeneration through improving the local environment where current poorly designed housing which cannot be economically altered is creating wider problems, e.g. high levels of crime or anti-social behaviour to the substantial detriment of the surrounding neighbourhood. Alternatively this could be in meeting an essential identified local need, e.g. overcoming a deficiency of local social infrastructure such as a new school, open space or physical infrastructure such as a significant transport improvement.

10.25 Application Information

10.26 Supporting evidence showing conformity with the policy, e.g. comparison of existing accommodation with that proposed in meeting current policy requirements around space and amenity, or justification for

exceptional loss of residential accommodation to meet wider community benefits.

Conversions of Existing Family Housing

10.27 Conversion of existing housing stock into smaller dwellings provides many additional homes across London and Brent, Nevertheless, family housing to meet local needs is also a Brent priority. In recognition of this priority it is therefore appropriate to identify circumstances when loss of family housing is likely to be acceptable. Residential conversion in other cases is addressed by London Plan policies, the contents of the Housing SPG and Policy DMP1 General Development Management Policy.

10.28 The policy seeks to allow for efficient use of existing housing stock through the conversion of existing larger dwellings to assist in meeting housing targets. However, it also seeks to ensure continued provision of family sized housing (3 bedroom or more) houses or flats suitable for occupation by families to meet Brent's housing needs. Consequently where larger properties are suitable for conversion, schemes should include at least a 3-bed or more dwelling suitable for at least 4 people. Ideally the family sized accommodation will be at ground floor (if there is no access to a lift) to provide for ease of entry and also have direct access to associated amenity space. Individual solutions, including modest extensions, may be appropriate to accommodate the required family size dwellings. Effort should be made to provide all additional flats amenity space.

10.29 In exceptional circumstances the Council

CONVERSION OF FAMILY SIZED DWELLINGS

To maintain family size housing conversion of a family sized home (3 bedrooms or more) to two or more other dwellings will only be allowed where the following criteria are met:

- a. the existing home is 130 sq.m. or more and
- b. it results in at least a 3-bedroom dwelling, preferably with direct access to a garden/ amenity space.

Exceptions to this will only be allowed where the amenity of the existing family sized home is so deficient that family occupation is unlikely and it could not reasonably be changed to overcome such deficiencies.

NATIONAL & LONDON PLAN

London Plan 3.5: Quality and design of housing developments

Housing Supplementary Planning Guidance, GLA

> may accept the conversion of a family sized dwelling to two or more 1 or 2 bedroom dwellings. This will be appropriate where the existing dwelling is likely to be so deficient in terms of its amenity for family accommodation and it could not reasonably be changed to overcome such deficiencies. Lack of a garden/

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amenity space will not automatically allow for the conversion of dwelling into smaller dwellings. Other amenity factors will also be taken into account in deciding whether an existing family sized dwelling provides or has the potential to provide a good family environment. This will include location and other factors e.g. above a retail parade in a centre may have adverse associated impacts such as disturbance caused by hours of opening, noise, smells, constrained access width to upper floors, etc.

10.30 Application Information

10.31 Supporting evidence showing conformity with the policy, e.g. comparison of existing accommodation with that proposed in meeting current policy requirements around space and amenity, or justification for exceptional loss of family accommodation.

Housing Standards and Quality

- 10.32 The policy seeks to reduce the potential for overcrowding of residential properties through means available through the planning process. In particular it seeks to reduce the potential addition or use of outbuildings to increase the capacity of a dwelling's occupation.
- 10.33 London Plan Policy 3.5 and also the Housing SPG give significant direction on the standards and quality that residential development is expected to achieve. In Brent all new housing should comply with the Housing SPG

DMP 18

DWELLING SIZE AND RESIDENTIAL OUTBUILDINGS

The size of dwellings should be consistent with London Plan Policy 3.5 Table 3.3 Minimum Space Standards for New Dwellings.

Planning permission will only be granted for outbuildings that will not be residential accommodation or do not support the increased occupation of a dwelling.

NATIONAL & LONDON PLAN

London Plan 3.5: Quality and design of housing developments

standards. Brent has a high proportion of overcrowded dwellings. It also has some very poor quality private rented accommodation. The Council is taking measures through its statutory roles related to housing in improving the quality of residential accommodation in the Borough and the reducing the incidences of poor properties. Planning has a complementary role to play in reducing the opportunities for overcrowding to occur.

10.34 'Beds in sheds' are a prevalent issue in Brent.
These are buildings or structures in gardens either used as self- contained accommodation or for 'primary' living accommodation (eg. kitchens, bathrooms, bedrooms and living spaces) ancillary to the main dwelling. Often

this accommodation is built without planning consent and if detected a retrospective application sought for its retention. Brent's experience means the Council considers that such development is unlikely to provide satisfactory residential accommodation for its occupants, or if ancillary for those in the main house, and often adversely impacts on neighbours.

10.35 Application Information

10.36 For buildings ancillary to residential accommodation, clarity on the purpose of the building and agreement to a planning condition restricting use of the building to not include sleeping accommodation, bathrooms, laundry rooms or kitchens.

Residential Amenity Space

10.37 The policy seeks to ensure a suitable level of provision of amenity space in association with residential development. It identifies for Brent a locally distinctive target reflective of historic

<u>RESIDENTIAL</u> <u>AMENITY SPACE</u>

DMP 19

All new dwellings will be required to have external private amenity space of a sufficient size and type to satisfy its proposed residents' needs. This is normally expected to be 20sqm per flat and 50sqm for family housing (including ground floor flats).

NATIONAL & LONDON PLAN

Housing Supplementary Planning Guidance, GLA

approach to provision of amenity space, rather than the minimum standards set in the London Housing SPG Provision of Amenity Space.

10.38 The London Plan Housing SPG sets out a baseline minimum standard amount for the provision of amenity space in new developments and the characteristics it is expected to have. It also deals with children's play space. Brent has historically sought and often delivered within higher density schemes higher levels of amenity space based on its own standard which it considers should be maintained.

New developments should provide private amenity space to all dwellings, accessible from a main living room without level changes and planned within a building to take maximum advantage of daylight and sunlight. Where sufficient private amenity space cannot be achieved to meet the full requirement of the policy, the remainder should be supplied in the form of communal amenity space. The calculation of amenity space does not include any parking, cycle or refuse and recycling storage areas.

Accommodation with Shared Facilities

10.40 The Core Strategy identifies a wide range of specific and special housing needs for different groups to be met within Brent. The majority

will be met through self- contained residential accommodation. However, some of the needs will be met through non-self contained accommodation with shared facilities (such as Houses In Multiple Occupation or purpose built student accommodation). It might also be more institutional in its form as self contained or non-self contained accommodation that shares facilities or requires additional on site support for residents. (such as hostels, or Extracare facilities). The policy seeks to provide greater clarity on how the Council will support development proposals for these uses through the planning process.

10.41 For the purposes of this policy shared housing includes houses in multiple occupation (HMOs), bed-sits, hostels, housing for older people, supported housing for those with special needs and specialist student accommodation. It also includes accommodation providing any level of care, whether non self-contained or self contained units with a small amount of communal facilities. The policy seeks to protect the amenity of existing areas and create a good standard of accommodation in locations that are likely to be more suited to meeting occupiers needs. It also protects existing sites

ACCOMMODATION WITH SHARED FACILITIES OR ADDITIONAL SUPPORT

DMP 20

Proposals for student accommodation, nonself contained or self-contained residential accommodation with shared facilities or on site support/care to assist residents in their daily lives will be supported where the development is:

- a. located in an area with good access to public transport and other amenities, including shops (normally within 400m);
- b. is of an acceptable quality meeting appropriate standards for the needs of its occupants, including external amenity space, appropriate communal facilities, levels of support/care and mobility;
- c. includes management arrangements suitable to its proposed use and size;

d. demonstrates that there is a specific Brent, or in the case of education a London, need for the particular use which are secured by planning agreement relating to use of the land or to its occupation by members of specified educational institutions;

The loss of accommodation will only be acceptable where:

- a. demonstration of no Brent need for the accommodation type, or residents' needs can be better met by other existing accommodation; or
- b. unsatisfactory existing accommodation cannot be improved to achieve current standards.

NATIONAL & LONDON PLAN

London Plan 3.8: Housing Choice

London Plan 3.9: Mixed and Balanced Communities

Housing Design and Supplementary Planning Guidance, GLA

BRENT COUNCIL

Core Strategy Policy CP21: A Balanced Housing Stock

where there is currently such provision.

- Changes in demographics, welfare and lifestyle choices mean that there will be increased demand for these types of accommodation. These types of uses make a significant contribution to meeting local and in the case of students, London needs. They can also assist in developments through increasing viability and vitality and more balanced communities.
- **10.43** The developments are likely to be aimed at people with limited accessibility to personal transport. Consequently there is a need for them to be located close to public transport and other amenities.
- **10.44** The developments could potentially be for people with specialised needs but with lower levels of income. This however should not diminish the quality of the accommodation

provided. Where self-contained rooms are proposed they will be assessed against London Housing Design standards. External amenity space will be required as will appropriate communal facilities to support residents (e.g. meetings rooms to stop residents congregating outside in the vicinity of the development). Where levels of care or support are high provision of staff residential accommodation may be required. Conditions or legal agreements may be used to require that uses have appropriate and permanent management arrangements. To ensure that residential accommodation meets needs over time, London Plan policy requires 10% wheelchair accessible dwellings. The accommodation covered by this policy is likely to be meeting needs of specific sectors of the population. On this basis the Council will



- be willing to depart from the minimum 10% wheelchair where evidence is compelling to indicate why it might not be appropriate e.g. where occupants are less likely to suffer from mobility disabilities compared to the general population. In other forms of accommodation there could be a need for a higher proportion, e.g. disability orientated housing.
- **10.45** Affordable Housing requirements will be applicable to qualifying proposals for accommodation classified as C3 under this policy.
- **10.46** There are also scenarios where these forms of accommodation can particularly impact on residential amenity, character and housing mix of an area. Residential amenity means both that of the potential occupiers (Brent's private sector stock condition survey indicated the majority of HMOs are not suitable for habitation) and those adjoining the development. Adverse impacts are more likely where there are concentrations of one or more of these types of accommodation in an area. Common issues can include: noise and disturbance associated with intensification of the residential use and/or occupant lifestyles; on-street parking pressure; transient populations replacing settled family occupants; social cohesion impacts; changes in supporting community infrastructure such as shops; external alterations undermining clear local character; and poor waste management.
- **10.47** Harmful concentrations are likely to arise when the types of issues identified cumulatively result in detrimental effects on the qualities and characteristics of a place

or where housing choice is reduced to not provide for differing community needs. For example a concentration of accommodation for older or vulnerable people may have implications for local services such as GP's. Where the existence of similar uses in an area means this is identified as a concern, it should be demonstrated that local services have capacity or planned capacity to meet the needs of future occupants. Where this is not the case, and no other mitigation is agreed, the proposal may be unacceptable. Wembley Area Action Plan identifies 20% of the population as students as an appropriate limit in that area.

All of the forms of accommodation addressed by the policy will require information on their intended management to meet residents' needs to reduce the potential for adverse impact on amenity of those surrounding.

10.49 Brent is an area with lower property values than some parts of London, particularly inner London. Pressure created by welfare reform and support agency budgets to reduce costs might provide drivers for relocation to Brent. For the reasons identified in relation to potential adverse factors identified above in relation to concentration, Brent is reluctant to encourage such a move. Consequently it will seek to ensure that with the exception of students, that the accommodation proposed is addressing a Brent population specific need. Where appropriate it will seek to ensure that at least initially and in some cases for subsequent occupiers that priority for such

housing is made available to people in Brent.

10.50 Consistent with London Plan principles of creating long term sustainable buildings, emphasis should be placed on construction methods to assist future conversion to self contained residential accommodation. This may include allowing future rearrangement of internal walls, or a design based on permanent residential layout standards.

HMOs

10.51 HMOs must meet the standards of Brent's HMO licensing scheme, including minimum room sizes. These sizes have been developed in accordance with the Housing Act 2004.

The landlords will be expected to register properties in conformity with the Council's licensing scheme.

Hostels

10.52 Hostels must be designed with a layout to satisfactorily meet the needs of their intended occupants, with suitable communal spaces and rooms to meet any other associated needs

Specialist Student Accommodation

10.53 The London Plan anticipates that the numbers of students in London will continue to grow and requires boroughs to ensure that both



demonstrable local and strategic student housing needs are addressed. There has been a substantial increase in the amount of large scale purpose built specialist student accommodation from national providers in Brent recently, particularly in the Wembley area. This has been provided as either self-contained accommodation or rooms with shared facilities. It is good quality and has high levels of on site management. Continued additional provision particularly as part of a balanced mix of housing types within regeneration areas including Wembley as set out in the Wembley Area Action Plan is supported.

Older Persons Specialist Accommodation

The SHMA identified a need for more specialist accommodation to meet the needs of the growing numbers of older people. The London Plan 2014 sets an annual specialist housing for older people target for Brent of 175 dwellings. Broken down by tenure these are 105 private and 35 intermediate sale/rent and 35 affordable rent.

Losses of Accommodation

10.55 Other than in exceptional circumstances proposals should not result in the loss of permanent self-contained accommodation. Accommodation which provides care will be protected unless it is no longer needed in the borough or it is unsatisfactory and cannot be brought up to current standards.

10.56 Application Information

10.57 Within the Planning Statement how the

- application addresses evidenced local needs or in the case of student accommodation London's needs.
- **10.58** To assess impacts on local amenity, the identification of other uses covered by this policy within a 50 metre radius of the property. For uses that accommodate more than 10 occupants the detail of impact on social infrastructure (such as GPs) and whether this can be accommodated or if sufficient capacity is not available currently how this will be addressed.
- **10.59** Details and mechanisms of how the Council can be assured that the accommodation will be:
 - used by the people in the need identified to support the application, and
 - managed long term to minimise the potential for adverse impacts on the surrounding area
- **10.60** For example through suggested conditions related to restricting type of occupants and an agreed management plan. Where loss is proposed, the justification as to why either the need for the accommodation is no longer required, or the accommodation is no longer fit for purpose and could not reasonably be made to be.

Gypsy and Traveller Accommodation

10.61 Brent currently has 30 pitches of accommodation located on the Lynton Road site. The most recent locally specific needs assessment is the London Gypsy & Traveller Accommodation Needs Assessment' (GLA, 2008). This identified the need for up to a further 24 pitches within Brent. NPPF and

associated guidance Planning Policy for Travellers Sites requires local authorities to quantify accommodation needs and identify appropriate sites for their provision. It has similar provisions to general housing in needing to show a 5 year deliverable supply. A Site Specific Allocations Document is the most appropriate route for identifying sites required to meet needs. Until the Site Specific document this is prepared the Core Strategy policy CP22 in association with NPPF provides suitable decision making criteria for proposals for new pitches. It also protects existing sites where there is currently such provision.

EVIDENCE BASE

Flat Conversions Background Report (2013), London Borough of Brent

Dwelling Size Background Report (2013), **London Borough of Brent**

Affordable Rent and Social Rent Background Report (2013), London Borough of Brent

West London Strategic Housing Market Assessment (2010), West London Housing **Partnership**

Draft Housing Strategy 2013-18 (2013), **London Borough of Brent**

2003 Private Sector Stock Condition Survey (2004), Fordham Research

Shaping Neighbourhoods: Play and Informal **Recreation Supplementary Planning** Guidance (2012), GLA



- 11.1 Social infrastructure (also referred to as community and cultural facilities) plays a vital role in supporting Brent's diverse community, reducing inequality and helping to promote social inclusion and cultural wellbeing. The Council defines social infrastructure as a wide variety of services that are essential to the sustainability and wellbeing of a community. This could include the following:
 - Educational facilities including early years education, primary education, secondary education, further education and adult learning;
 - Health services including primary and secondary health;
 - Sports and leisure facilities including swimming pools, sports halls and outdoor sports spaces;
 - Libraries;
 - Places of worship; Theatres and galleries;



NATIONAL & LONDON PLAN

London Plan policy 3.1: Life chances for all London Plan policy 3.16: Protection and Enhancement of Social Infrastructure London Plan policy 3.17: Health and Social Care Facilities

London Plan policy 3.18: Education Facilities London Plan policy 3.19: Sports Facilities

London Plan policy 4.8: Supporting successful and diverse retail sector and related facilities and services

BRENT COUNCIL

Core Strategy Policy CP 23: Protection of existing and provision of new Community and Cultural Facilities

- Community space, meeting rooms and halls;
- Fire stations, policing and other criminal justice or community safety facilities; and Public houses
- **11.2** This list is not exhaustive and other facilities can be included as social infrastructure.

Protection of Social Infrastructure

11.3 London Plan policy 3.16 and Brent's Core Strategy policy CP 23 protect existing community and cultural facilities that support community participation and



development, and require mitigation for any loss. The London Plan also requires the suitability of redundant premises for other forms of social infrastructure to be assessed before alternative developments are considered.

- 11.4 The following text provides detailed guidance on how London Plan and Core Strategy will be applied. This approach applies to all social infrastructure with the exception of playing fields, where applications will be assessed against relevant criteria in the NPPF, and public houses where policy DMP 21 applies. If it is considered that social infrastructure is no longer needed this is to be demonstrated through the following:-
 - consultation with service providers and the local community;
 - details of alternative social infrastructure in the locality which meets the need in a different way or in a convenient alternative location

- vacancy and marketing data indicating that there is no demand despite continuous marketing at a reasonable rate for a period of 24 months; and
- the potential of re-using or redeveloping the existing site for the same or an alternative social infrastructure use, particularly for educational uses, has been fully considered; or
- redevelopment is part of an agreed programme of social infrastructure reprovision to ensure continued delivery of social infrastructure and related services, as evidenced through a service delivery strategy.
- 11.5 To justify the loss of land or premises for social infrastructure it must be demonstrated to the Council's satisfaction that all of the above have been explored. A convenient alternative location is considered to be 400m, a 5 minute walking distance for an able bodied person. Where a replacement facility is proposed to mitigate the loss it must be demonstrated it will meet the end
- THE TRUE INTERIOR

- users needs in terms of both quality of provision and quantity of floorspace.
- 11.6 The introduction of the Localism Act 2011 provided a new right for residents to nominate certain local public or privately owned buildings or land for recognition as being an Asset of Community Value. Assets of Community Value are designated where it can be demonstrated the asset has furthered the social wellbeing or social interests of the community, and can continue to do so. Further information on the criteria and process is available on Brent Council's website. The Council will give significant weight to the protection of designated Assets of Community Value.
- 3.16, wherever possible, the multiple use of premises will be encouraged. Where relevant, Community Use Agreements (CUA) will be secured to ensure dual use through s106 planning obligations. The development and implementation of CUAs can help support well-managed and safe community access to facilities on educational sites. As well as widening access to facilities and providing clarity on their use CUAs can help to enhance links between educational establishments and sports clubs.

Public Houses

11.8 In recent times Brent has seen an increase in conversion of public houses to other uses. This



PUBLIC HOUSES

The Council will support the loss of public houses only where:

- a. its continued use as a pub or as an alternative community facility within the D1 use class is not economically viable as demonstrated by meeting the marketing requirements in paragraph 11.9;
- b. the proposed alternative use will not detrimentally affect the character and vitality of the area and will retain as much of the building's defining external fabric and appearance as a pub as possible;
- c. the proposal does not constitute the loss of a service of particular value to the local community; and
- d. if registered as an Asset of Community
 Value the premises can be shown to have
 been offered for sale to local community
 groups and no credible offer has been
 received from such a group at a price
 that is reflective of the condition of the
 building and its future use as a public
 house. The Council will treat registration
 as an Asset of Community Value as a
 material planning consideration.

is of concern to the Council as public houses can make a valuable contribution to the community by adding character to the area and providing employment and a place for social interaction. Many public houses provide space for evening classes, clubs, meetings or

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performances. As such, and in keeping with the NPPF, public houses are classed as social infrastructure and proposals which would result in their loss will be subject to this policy. In addition, due to the contribution public houses make to the borough's local character and distinctiveness, policy DMP7 Brent's

- Heritage Assets will normally apply.
- **11.9** Where applications for a change of use or redevelopment of a public house are received, to make an assessment against criteria in policy DMP 21, the Council will require evidence that:



- the public house has been marketed for 24 months as a public house and for an alternative local community facility, at a price agreed with the Council following an independent professional valuation (paid for by the developer) and there has been no interest in either the free-or lease-hold either as a public house or as a community facility falling within 'D1' use class;
- the public house has been offered for sale locally, and in the region, in appropriate publications and through specialised licensed trade agents;
- all reasonable efforts have been made to preserve the facility, including all diversification options explored – and evidence supplied to illustrate this;
- the CAMRA Public House Viability Test, or a similar objective evaluation method, has been employed to assess the viability of the business and the outcomes demonstrate that the public house is no longer economically viable;
- there has been public consultation to ascertain the value of the public house to the local community;
- an assessment has been made of alternative licensed premises within easy walking distance of the public house; and whether such alternative premises offer similar facilities and a similar community environment to the public house which is the subject of the application.



Monitoring is an important part of the continuous planning process. A set of key indicators and targets have been developed so that the effectiveness of policies in achieving the objectives can be assessed. Additional key indicators are contained in the Core Strategy. Where objectives are not being met, appropriate action may be taken which can adjust the outcome or, in some circumstances, a review of policy may be necessary. The targets have been summarised in the tables below, highlighting the relationship between the policies, indicators and targets.

PERFORMANCE MEASURE	TARGET	SPECIFIC POLICY TO BE MONITORED
Proportion of primary frontage in A1 and A2 use.	Proportion of frontage in A1 and A2 use not to fall below 65%, or 50% if vacancy rates exceed 10%.	DMP 2
Concentration of betting shops, adult gaming centres and pawnbrokers	Proportion of frontage in use as betting shops not to exceed 4%, and proportion in use as adult gaming centres or pawnbrokers not to exceed 3%.	DMP 3
Concentration of takeaways and proximity of takeaways to secondary schools and further education establishments.	Proportion of units in use as takeaways in town centres not to exceed 6%, and no further takeaways within 400 metres or a secondary school or further education establishment.	DMP 3
Proximity of shisha cafes to secondary school or further establishments.	No further shisha cafes consented within 400 metres or a secondary school or further education establishment	DMP 3
Protection of Employment Sites	Cumulatively no more than 11.5ha employment land lost.	DMP 14
Percentage of affordable housing within major development with an affordable housing planning obligation.	50%	DMP 15
Tenure split of affordable housing within major development with an affordable housing planning obligation.	70% social/affordable rent 30% intermediate	DMP 15
Number of public houses lost to development.	No loss of viable public houses.	DMP 21

Table 2: Monitoring Targets

APPENDIX 1 - PARKING STANDARDS

A separate set of standards has been developed for the Wembley regeneration area. These are set out in the Wembley Area Action Plan.

Employment Use Classes

The employment areas in LB Brent have significant variations in levels of access to public transport and other individual characteristics.

Where parking is proposed, the following standards, detailed in table 3, should be applied. The poposed standards fall within the London Plan range of standards for B1 but should be applied to employment uses. A distinction is made between areas of the borough to the north and the south of the Dudding Hill railway line as this broadly reflects variations in public transport provision.

The provision of parking in new developments below the standards set out in the table is encouraged (see car free/car capped section). The provision of parking at a higher level than provided by these standards, but in accordance with the London Plan, would need to be justified through a Transport Assessment, and recognise future PTAL ratings.

LOCATION	DEFINITION	MAXIMUM PARKING STANDARD
Inner Brent	South-east of Dudding Hill railway line	1 space per 800m2 gross floor space
Outer Brent	North-west of Dudding Hill rail line	1 space per 200m2 gross floor space
Regeneration exceptions	Opportunity and growth areas	1 space per 100m2 gross floor space

Table 3 - Employment Maximum Parking Standards

The regeneration exception will be subject to a transport assessment verification. Developments in the growth areas and Park Royal Opportunity Area may be permitted more parking to encourage the sustained regeneration of these areas. Developments in these areas will be permitted to use the regeneration exception standard for outer London Boroughs, so long as this is justified through a transport assessment.

More generous parking than that set out in the table above could be acceptable provided that all of the following criteria can be demonstrated:

• Ensuring that there are no significant adverse

impacts on congestion or air quality

- A lack of existing on or off-street parking spaces
- A commitment by the developer to provide space for electric and car club vehicles, bicycles and parking for disabled people above the minimum thresholds; and
- A binding commitment via a Travel Plan to reduce more generous provision over time.

The parking standards for employment to be applied in Wembley are contained in the Wembley Area Action Plan.

Retail Parking Standards

The London Plan is most prescriptive when dealing with retail parking standards. Standards should be consistent across town centre areas to avoid variations in parking over small areas.

The provision of public parking in town centre areas needs to be balanced with the need to deter unnecessary car trips. More restrictive standards away from town centres are designed to reduce the trend for "out of town" developments that are often heavily reliant on the private car for access.

For town centres in the area of the borough classified in Inner London, more restrictive standards are applied to A1 retail parking provision. This is because these areas have good public transport provision relative to elsewhere in the borough. Additional parking would only be acceptable if it assisted in providing public parking for general town centre use where required to assist viability of the town centre

and is charged for in line with on and off street parking charges. Parking standards for the Major Town Centres are shown in Table below.

RETAIL USE	MAXIMUM STANDARD
Food - up to	1 space per 200m2
500m2	gross floor space
Food - up to	1 space per 120m2
2,500m2	gross floor space
Food - over	1 space per 60m2
2,500m2	gross floor space
Non Food	1 space per 100m2 gross floor space
@arden Centre	1 space per 100m2
473	gross floor space
Town Centre/ Shopping Mall/ Department Store	1 space per 100m2 gross floor space

Table 4 - Maximum A1 Retail Parking - Major Town Centres

There are a number of smaller town centres across the borough, which range in accessibility to public transport. It is important that these centres are maintained and encouraged to develop to provide local services and amenities for Brent residents. Parking standards for the rest of the borough are shown in Table 5.

RETAIL USE	MAXIMUM STANDARD
Food - up to 500m2	1 space per 100m2 gross floor space
Food - up to 2,500m2	1 space per 60m2 gross floor space
Food - over 2,500m2	1 space per 30m2 gross floor space
Non Food	1 space per 50m2 gross floor space
Garden Centre	1 space per 50m2 gross floor space
Town Centre/ Shopping Mall/ Department Store	1 space per 50m2 gross floor space

Table 5 - Maximum A1 Retail Parking - Rest of the Borough

For Wembley, the retail parking standards are split between more accessible, and less accessible areas and are shown in the Wembley Area Action Plan.

Residential Parking Provision

Analysis has highlighted that there is a clear correlation in the borough between deprived areas, public transport accessibility and reduced car ownership. The wards in the north of the borough show higher levels of car ownership, lower levels of deprivation and reflect this pattern and the fact that where public transport is less accessible, residents will make use of their cars for essential trips more often and therefore require the facility to park a car at their property. Family homes are more likely to need car parking. Residential parking standards are maximum standards.

HOUSIN	G TYPE		
PTAL	4+Beds	3 Beds	1-2 Beds
1 - 3	2.0	1.5	1.0
	spaces	spaces	spaces
	per	per	per
	unit	unit	unit
4 - 6	1.2	1.2	0.75
	spaces	spaces	spaces
	per	per	per
	unit	unit	unit

Table 6 - Residential Car Parking Standards - Brent

Parking standards for Wembley have been defined in a way which gives an average of 0.50 spaces per unit. The residential standards for Wembley are shown in the Wembley Area Action Plan.

Parking for Hotels

The following standards will be applied to hotels:

- PTAL 4-6: Operational and disabled parking provision only, with minor exceptions where warranted.
- PTAL 1-3: Additional parking allowable up to 1 space per 5 bedrooms if justified by a transport assessment.
- One coach parking space should be provided for every 50 bedrooms.

Only operational and disabled parking should be provided for new hotels in the Major Town Centres of Wembley and Kilburn.

Earking for Residential Institutions

Hospitals

For hospitals, these should be assessed individually due to the differing nature of the parking demands depending on the range of treatments offered. There will be a higher level of operational parking required than for other large institutions. A Travel Plan should be developed to ensure that visitor and employee parking is managed. Where existing hospitals are subject to developments or refurbishment, the existing levels of parking should be the starting point, with any additional requirements justified through a transport assessment.

C2 (Other Residential Institutions)

Other residential institutions such as care homes,

homeless hostels, halls of residence and residential schools and colleges should base the parking provision on the number of bedrooms. It is proposed that a maximum standard of one space per 10 beds is applied. Further visitor parking may be acceptable provided adequate justification is provided through a Transport Assessment.

Where the development is for the provision of student halls of residence, in line with recent consented schemes, we will seek car free schemes, due to the low levels of car ownership amongst students.

Parking for non-residential institutions (D1)

This category covers places of worship, health centres, nurseries and museums, all with varying parking requirements. For all D1 uses, 1 car parking space should be provided per 10 users/visitors on site at any one time. However, for developments situated in high PTAL locations, parking provision should be justified by a transport assessment. Longer stay visitor parking should be deterred.

A separate standard applies for schools:

- PTAL 1-3: one car parking space per 5 staff; and
- PTAL 4-6: operational and disabled provision only, unless otherwise justified through a transport assessment

Parking for Assembly and Leisure

This category covers cinemas, bingo halls and theatres along with leisure centres, swimming pools and gymnasiums.

In locations with PTALs of 4-6, on-site provision should be limited to operational needs, parking for disabled people and that required for taxis, coaches and deliveries/ servicing. In locations with PTAL of 1-3, provision should be consistent with objectives to reduce congestion and traffic levels and to avoid undermining walking, cycling or public transport.

Applicants are encouraged to make use of existing publicly available parking spaces before making onsite provision. Where on- site provision is required, it is proposed that up to 1 car parking space is provided per 10 users/visitors on site at any time. Where venues provide a total capacity over 500 patrons, it is proposed that the level of parking is determined on an individual basis, subject to a detailed transport assessment.

Disabled Parking

For new residential development, a minimum of 10% of parking spaces provided for private units should be dedicated to disabled use. For all other uses, a minimum of 5% parking spaces should be dedicated to disabled use.

Cycle Parking

Cycle parking standards as set out in the London Plan apply in Brent.

APPENDIX 2 -SERVICING STANDARDS

A1 Retail

For A1 retail units less than 500m2 gross floor area, one transit sized bay for service vehicles should be provided. Food retail units of over 500m2 should provide 12m bays for servicing. For larger A1 retail units over 2000m2, one full size lorry bay per 2000m2 for service vehicles should be provided.

If the development forms part of a group of smaller units, the total floor area of the entire groups of units should be used to determine the number of service vehicle bays. Existing service facilities should also be taken into account.

R3 Food and Drink Establishments

sundards should be provided on a site specific basis, depending on the size of service vehicles and each location.

B1 Business

B1 Business use developments should provide service space only for 8m rigid service vehicles, as opposed to maximum sized (i.e.10m) rigid vehicles at each location.

B2 General Industry and B8 Warehouse

Units under 300m2 should provide a loading bay that can accommodate an 8m rigid vehicle. Units between 300m2 and 1000m2 should provide

a loading bay for full-sized (10m) rigid vehicles. Beyond 1000m2, there should be provision of full sized loading bays.

C1 Hotels

In addition to the coach parking provision standards, new hotel developments should also provide a loading bay for at least one 8m sized rigid vehicle. Any specific sites with alternative requirements should be reviewed separately.

APPENDIX 3 - GLOSSARY

Accessibility Management Plan: A plan which sets out how accessibility and inclusion will be monitored and maintained throughout the life of a development.

Adult GamingCentre: An adult gaming centre is a place of gambling where access is restricted to persons over 18.

Air Quality Management Area (AQMA): An area which a local authority has designated for action, based upon a prediction that Air Quality Objectives all be exceeded.

the premises is betting services. Each premises is permitted to have up to four gaming machines, known as fixed odds betting terminals.

Decentralised Energy Network: the local generation of electricity and where appropriate, the recovery of the surplus heat (combined heat and power – CHP) for purposes such as building space heating and domestic hot water production.

Forecourt Trading: trading from a designated area which is connected to the frontage of a shop and either on the public footway or private land. Also known as street trading.

Greenfield Run-off Rates: The rate of run-off that

would occur from the site in its undeveloped and therefore undisturbed state.

Green roof: A green roof, also known as an eco roof, living roof, or vegetated roof, is one that is either partially or completely covered in vegetation on top of the human-made roofing structure.

Heavily Parked Street: Streets where the percentage of cars parked on-street exceeds 80%, the safe and legal maximum level of parking.Live-Work Premises: Purpose-built premises, or purposely converted units, comprising a mix of residential and business uses which cannot be classified under a single class within the Use Classes Order.

Local Employment Sites: Sites, outside of Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS), which provide, or are capable of providing, local employment opportunities. These sites include those on the fringes of SIL and LSIS, scattered large sites and smaller sites dispersed throughout the borough including those in residential areas.

Locally Significant Industrial Sites (LSIS):

Employment sites identified in the Core Strategy as being of significance to Brent's economy. Occupancy within these sites is generally similar to that within SIL, but is more varied and may include office or trade uses.

Lifetime Neighbourhood: Places where, in view of an ageing society, transport, basic amenities, green spaces, decent toilets, and places to meet and relax, are consciously planned for people of all ages

and conditions in mind within easy reach of homes, accessible to all and planned into proposals at the outset.

Major Developments: 10 or more residential units (or if a number is not given, where the area is more than 0.5 hectares), or 1000 sq m (or more) gross commercial floorspace.

Meanwhile Uses: The temporary use of vacant buildings or land for a socially beneficial purpose until such a time that they can be brought back into commercial use again.

Metropolitan Open Land: MOL are strategically important open spaces to London. MOL performs 3 valuable functions:

- 1) to provide a clear break in the urban fabric and contribute to the green character of London;
- 2) to serve the needs of Londoners outside their local area; and
- 3) contains a feature or landscape of national or regional significance. MOL is afforded the same level of protection as the Green Belt and the London Plan stresses that there should be a presumption against development in these areas.

Neighbourhood Parades and Isolated Shop

Units: Neighbourhood Centres and isolated units are located outside of designated town centres. These shops serve a local retail need and play an important social role in the community as well as contributing to the character and function of the local area.

Open Space: All land in Brent that is predominantly

undeveloped other than by buildings or structures that are ancillary to the open space use. The definition covers a the broad range of types of open space, whether in public or private ownership and whether public access is unrestricted, limited or restricted.

Opportunity Areas: Areas designated in the London Plan as London's principal opportunities for accommodating large scale development to provide substantial numbers of new employment and housing.

Pawnbroker: A store which offers loans in exchange for personal property as equivalent collateral. In Brent many of these stores also provide a payday loan service.

stomers small amounts of money at high interest stes, on the agreement that the loan will be repaid interest the borrower receives there next wages.

Playing Field: A playing field is an area containing at least one playing pitch (0.2 ha or more, including run-offs), irrespective of ownership.

Playing Pitches: A playing pitch means a delineated area which, together with any run- off area, is of 0.2 hectares or more, and which is used for association football, American football, rugby, cricket, hockey, lacrosse, rounders, baseball, softball, Australian football, Gaelic football, shinty, hurling, polo or cycle polo as defined in The Town and Country Planning (Development Management Procedure) (England) Order 2010).

Primary Frontages: Frontages comprising a high proportion of retail uses which may include food, drinks, clothing and household goods. Primary frontage is shown on the Polices Map.

Public Transport Accessibility Level (PTAL): A detailed and accurate measure of the accessibility of a point to the public transport network, taking into account walk access time and service availability.

Quiet Areas: The Environmental Noise (England) Regulations 2006 (as amended) require that Noise Action Plans for agglomerations (including much of Greater London) include provisions that aim to protect any formally identified 'Quiet Areas' from an increase in road, railway, aircraft and industrial noise.

Secondary Frontage: That part of a shopping centre outside the primary frontage, usually on the fringe, where units provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses. Secondary frontage is shown on the Polices Map.

Section 278 Agreement: A legally binding agreement between the Local Highway Authority and the developer to ensure that the work to be carried out on the highway is completed to the standards and satisfaction of the Local Highway Authority.

Small and Medium Enterprises (SMEs): Defined in EU law as enterprises which employ fewer than 250 people and which have an annual turnover not exceeding €50m, and/or an annual balance sheet total not exceeding €43m.

Social Infrastructure: A wide variety of services that are essential to the sustainability and wellbeing of a community such as education facilities, places of worship, health provision, community, cultural, recreation and sports facilities.

Strategic Industrial Location (SIL): These comprise Preferred Industrial Locations (PILs) and Industrial Business Parks and exist to ensure that London provides sufficient quality sites, in appropriate locations, to meet the needs of industrial and related sectors including general and light Industrial uses, logistics, waste management and environmental Industries (such as renewable energy generation), utilities, wholesale markets and some transport functions.

Studio Flat: Also known as a studio apartment, a small apartment which combines living room, bedroom, and kitchenette into a single room.

Sustainable Urban Drainage System (SuDS): An alternative approach from the traditional ways of managing runoff from buildings and hardstanding. They can reduce the total amount, flow and rate of surface water that runs directly to rivers through stormwater systems.

Tall Buildings: Buildings or structures that are more than 30m in height or significantly taller than surrounding development.

Transport for London Route Network (TLRN)

Road: The Transport for London Route Network is made up of roads that are owned and maintained by Transport for London (TfL). They are the key routes or major arterial roads in London.

APPENDIX 4 - UDP POLICIES TO BE SUPERSEDED

The Development Management Policies replace the remaining saved UDP policies as follows:

SAVED UDP POLICY	TO BE SU-PERSEDED BY
STR 20 Affordable Housing Threshold T	DMP 15
R 25 Protection of Local	DMP 14
STR29 Town Centre Vitality & Viability. Supporting Wembley & Kilburn	DMP 2
BE24 Locally listed Buildings	DMP 7
BE25-28 Conservation Area Development Issues	DMP 7
BE31 Archaeological sites	DMP 7
H4 Off-Site Affordable Housing	DMP 15

SAVED UDP POLICY	TO BE SU-PERSEDED BY
H6 Protection of Existing Affordable Housing	DMP 16
H17 Flat Conversions	DMP 17
H18a-j, l Flat Conversion Standards	DMP 17
H19 Flat Conversions; Access & Parking	DMP 17
H22 Protection Of Residential Amenity	DMP 1
H23b-c Supported Housing; New Build	DMP 20
H24 Supported Housing; Conversions/Extensions	DMP 20
TRN15 Forming an Access to a Road	DMP 11
TRN22 Parking Standards: non residential	DMP 12
TRN23 Parking Standards: residential	DMP 12

SAVED UDP POLICY	TO BE SU-PERSEDED BY
TRN24 On-Street Parking	DMP 12
TRN25 Parking in Town Centres	DMP 12
TRN27 Retention of Essential Off-Street Parking	DMP 12
TRN28 Restrictions on Off-Street Public Parking & Contract Parking	DMP 12
TRN34 Servicing in New Development	DMP 13
EMP2 Small and medium sized enterprises	DMP 14
EMP9 Development of local employment sites	DMP 14
EMP10 The environmental DMP 1 impact of employment development	DMP 1
EMP13 Bad-neighbour uses	DMP 14
EMP14 Design of business DMP 14 developments	DMP 14

	SAVED UDP POLICY	TO BE SU-PERSEDED BY
	EMP17 Reuse of redundant offices	DMP 14
	EMP18 General industrial developments	DMP 14
	EMP19 Warehouse developments	DMP 14
	EMP20 Creative industry proposals	DMP 14
.	EMP21 Work-live development	DMP 14
Dane 479	SH6-7 Non-Retail Uses, Changes of Use,	DMP 3
ء	SH9 Secondary Shopping Frontages	DMP 2
_	SH10-11 Food & Drink (A3) Uses	DMP 1 & DMP 2
_	SH13 Amusement centres	DMP 1 & DMP 2
	SH14 Minicab Offices	DMP 1 & DMP 2

SAVED UDP POLICY	TO BE SU-PERSEDED BY
SH17-18 Isolated Shops & Other Parades	DMP 4
SH19 Rear Servicing	DMP 13
SH21-24 Shopfronts, Forecourts & Extensions	DMP 2
SH26-27 Existing/New Retail Markets	DMP 5
SH28-29 Car-Boot Sales	DMP 5
TEA6-7 Hotel Development	DMP 6
OS14 Wildlife Corridors	DMP 8

The following policies are now covered by national and London Plan policy and therefore will not be taken forward in the Development Management Polices Document.

POLICIES WHICH WILL NOT BE TAKEN FORWARD IN THE DEVELOPMENT MANAGEMENT POLICES DOCUMENT

STR3 Development on previously developed urban land, STR5 Reducing the need to travel, STR6 Parking Controls and Standards, STR9 GLA Roads and London Distributor Roads, STR12 Protection of Public Health and Safety, STR13 Environmentally Sensitive forms of Development, STR14-15 Urban Design Strategy, STR30 Distribution of shopping facilities, STR36 Protection and enhancement of sites of nature conservation importance, BE1-12 Urban Design Quality and Sustainable Construction, BE13-15 Priority Areas for Townscape and Public Realm Enhancement, BE17 Building Services Equipment, BE19 Telecommunications, BE20-21 Advertisements, BE29 Distinctive Residential Character Areas, BE30 Enabling Development, BE32 Monuments / Earthworks, BE33 Tree Preservation Orders, BE34 Views/Landmarks, EP2 Noise and Vibration, EP3 Local Air Quality Management, EP4 Potentially Polluting Development, EP5 Development affecting existing potentially polluting development, EP6 Contaminated land, EP8 Notifiable Installations, EP10 Protection of Surface Water, EP12 Flood Prevention, EP15 Infrastructure, H5 Key Worker Housing, H11 Housing on Brownfield Sites, H12 Residential Quality; Layout Considerations, H13 Residential Density, H14 Minimum Residential Density, H15 Backland Developments, H20 Flats Over Shops, TRN1-4 Transport Assessment/Impact, TRN6 Intensive Development at Transport Interchanges, TRN8 New Rail Stations Design Considerations, TRN9 Bus Priority, TRN10 Walkable Environments, TRN11 London Cycle Network, TRN12 Road Safety and Traffic Mgt, TRN13 Traffic Calming, RN14 Highway Design, TRN16 London Road Network, TRN17 Restrictions on New Roads, TRN18 North Circular Road, TRN20 London Distributor Roads, TRN29 Station Car Parks, TRN30 Coaches and Taxis, TRN31 Design and Land Take of Car Parks, TRN32 Provision and Protection of Rail and Water Freight facilities, TRN35 Transport Access for Disabled People, EMP3 Childcare facilities in employment developments, EMP6 Employee facilities in strategic employment areas, EMP14 Design of business evelopments, EMP16 Business, EMP22 Home-working, SH2 Town Centres Network and Major Town Facilities/ Waste to Landfill, W12 Aggregate Extraction, PR1 Major Developments In Park Royal, PR3 Public Realm Improvements in Park Royal, PR4 The Grand Union Canal in Park Royal Centres, SH15 Loss of Residential above Shops, SH16 Local Centres, SH31-32 Ealing Road, SH33-35 Design Improvements and Servicing Harlesden, TEA1-2 Location of Tourist, Visitor and ACE uses, TEA4 Public Art, OS1-3 Metropolitan Open Land, OS5 Green Chains, OS9 Dual Use of open space, OS12-13 SSSIs and Sites of Important Nature Conservation, OS14 Wildlife Corridors, OS15 Species Protection, OS16 Welsh Harp and Fryent Country Park, OS17 New Wildlife Habitats, OS18 Childrens Play Areas, OS19 Location of Sports Facilities, OS20 Site Specific Sport Proposals OS21 Metropolitan Walks, OS23 Cemeteries and Crematoria, CF1-2 Location of Community Facilities, CF4 Community Facilities Capable of holding Functions, CF6 School places, CF7-9 School buildings, CF10 Development within school grounds, CF11 Day nurseries, CF13 Health care facilities, CF14 Places of worship, W3 New Waste Management/ Manufacturing Proposals – Environmental and Access, W4-W6 Safeguarding Waste Management Facilities, W8-W9 Construction/ Demolition/ Commercial Waste. W10 Incinerators, W11 Waste Transfer Facilities to PR4 The Grand Union Canal in Park Royal



Cabinet 15 November 2016

Report from Strategic Director of Regeneration and Environment

Wards affected: ALL

Safer Brent - MetPatrol Plus Scheme

1.0 **Summary**

- 1.1 During the 8 May 2016 Safer Brent Partnership (SBP) meeting, the SBP chair recommended that the board progress addressing the option for investing in the MetPatrol Plus scheme. The main purpose for this is to develop options for how the board can develop and operate more purposefully to deliver the key priorities and statutory obligations.
- 1.2 Partners fed ideas into the board meetings regarding this option, as well as addressing what the main objectives for this scheme could focus on for Brent. Partner contributions were also discussed and although minimal contributions were put forward, the general consensus of the board agreed that this was a scheme worth investing in if possible, and the council would take this option forward for consideration. The council Corporate Management Team have been consulted and also agree that this is a scheme worth investment. Revenue Budget growth appears likely to be agreed to fund this scheme for Brent.
- 1.3 This paper considers what objectives the MetPatrol Plus scheme could meet, and the contributions SBP partners could provide.

2.0 Recommendations

- 2.1 That the options are addressed in this paper regarding how the Safer Brent Partnership board can develop and operate more purposefully, making Brent Safer.
- 2.2 That Cabinet give its approval to enter into the proposed Section 92 (of the Police Act 1996) Partnership Agreement and to approve the terms underpinning the scheme, if a growth bid was to be approved.

3.0 Detail

3.1 Safer Brent Partnership

- 3.11 The Safer Brent Partnership (SBP) has a statutory obligation to create a strategy for the reduction of crime, drugs, reoffending and disorder in the area, which is annually reported on.
- 3.12 On 2 December 2014 the Safer Brent Partnership agreed that the following themes should be prioritised:
 - · Reducing Violence against Women and Girls
 - Reducing Gang-related offending
 - Reducing Anti-Social Behaviour
 - Reducing Reoffending
 - Preventing Radicalisation
 - Reducing and Preventing Child Sexual Exploitation
- 3.13 The above priorities will be reviewed December 2016, however many of the same priorities still exist.

3.2 MetPatrol Plus Scheme

- 3.21 The MetPatrol Plus scheme proposes to enhance outcomes in terms of the overall statutory obligations as above, as well as gaining better outcomes for the agreed priorities.
- In 2008 the London Borough of Newham became the first London Borough to secure the services of Metropolitan Police Officers, under section 92 of the Police Act 1996, funded by the council to provide additional policing within the borough. This was part of the Mayor's priority to address serious anti-social behaviour. Since the initial ground breaking agreement in Newham the enforcement capacity, capability and effectiveness of the council, supported by these funded officers, has proven highly beneficial and valuable.
- The scheme, now known as 'MetPatrol Plus' offers a match funding opportunity, i.e. 'Buy One Get One Free', e.g. buy two Police Officers, get two free, totalling four Police officers.
- 3.24 Many other London boroughs have highlighted their plans to invest in additional MetPatrol Plus scheme s.92 Police officer resources via signing up to the MetPatrol Plus scheme due to the positive outcomes which have been achieved elsewhere. I have been informed that the only boroughs not currently investing in this scheme, other than Brent, are Barnet, Bromley, Harrow, Havering, Lewisham, Wandsworth and Richmond. The positive sign up to this scheme from many London Boroughs promotes the positive outcomes achieved by this scheme in terms of helping to reduce crime and disorder (see section 3.46).
- 3.25 The general consensus feedback is that Community Safety Partnerships feel restricted by Police working towards wider MOPAC outcomes, rather than local needs and outcomes. This would localise Brent outcomes.

3.3 Scheme Objectives and Resource

3.31 The main objectives for s.92 officers funded by other London Boroughs have generally related to reducing the overall level of crime, especially violent and alcohol/drug related crime. However most areas have developed these to focus on locally identified problem areas. Below highlights examples of more specific objectives set in other boroughs, utilising this provision:

Newham:

- Increase levels of enforcement activity on the borough.
- To bring about better commercial regulation.
- Reduced levels of crime and anti-social behaviour.

Camden:

- Reduce the impact of antisocial behaviour associated with the Night Time Economy on local residents.
- Improve the level of confidence and feeling of safety amongst the public and businesses.
- Make victims of domestic violence and antisocial behaviour safer.

Kensington and Chelsea:

• Exclusively dedicated to tackling low level Crime and ASB, reducing impact on victims and on local residents, and enforcing PSPOs.

Lambeth:

 Increase levels of enforcement activity for priority issues relating to violent crime on the borough.

Hackney:

Dedicated to increasing Crime Prevention mechanisms on the borough.

3.4 What this means for Brent?

- 3.41 The recent council Outcome Based Reviews conducted was informed by various focus groups, in-depth interviews with residents, partners and professionals around Harlesden. Feedback acknowledged the resident community need and request for a 'Cleaner, Greener, Safer' Brent. The desire for a Safer Brent was cross cutting throughout all communities and all age groups, as example quotes below highlight:
 - "Women are intimidated by large groups of men it doesn't feel safe."
 - "More community police would make a difference, especially when kids come out of school."
 - "There is a different mentality here, like a sort of harassment. I don't go
 out alone at night. There just aren't enough police around".
 - "After 9pm the drinkers come out people stop my mum when she is out at night."
 - "There is a lack of enforcement, dispersal orders are not being enforced especially at the weekend.
- 3.42 The MetPatrol Plus scheme would primarily help towards making Brent Safer,
 - and provide our residents with responses and reassurance which they are hoping for.
- 3.43 The aims and objectives for Brent should focus on Borough wide issues to

maximise the outcomes. Partners have been consulted regarding what these objectives may look like. In general terms, many partners referred to objectives relating to the agreed six SBP objectives in section 3.1. Example measurements for s.92 officer objectives set against several Brent partnership specific priority issues can be seen in Appendix 1.

3.44 Our Violence with Injury incidents (Appendix 2) have been increasing over the past 12 months (as many other London boroughs have also seen). In the past 12 months we have seen a 6.3% increase in Lethal-barrelled gun discharges, a 14.2% increase in knife crime, and an increase in knife injury victims – all linked to gang crime. Violence with Injury figures also include our rise in domestic abuse incidents. Furthermore, Police ASB calls (see

Appendix 2) have also seen a 5.4% increase over the past 12months. These statistics therefore highlight the need for extra support in terms of enforcing on such SBP priorities. Not only are residents feeling the effects, is highlighting the need. The council have started many new interventions and techniques to reduce these issues however the council cannot enforce criminal

3.45 Appendix 1 highlights the extra benefit in terms of additional achieved outcomes

across an array of partner priorities, which this additional MetPatrol Plus asset could provide. For example, in Newham the enforcement and engagement/ prevention capacity, capability and effectiveness of the council, supported by these funded officers, has proven highly beneficial and valuable. Local

residents, businesses and visitors have also responded positively to the council Law Enforcement Officers, who maximise on enforcement visibility around the borough.

- 3.46 A summary of key enforcement output outcomes¹ for the Newham s.92 Officers for 2014/15 included:
 - Arrests 1,375
 - PNDs 479
 - FPNs 245
 - Uninsured vehicles seized 233
 - Stop searches 1,776
 - Partnership operations 254
 - Stop and accounts 1,831
 - Prostitute cautions 218
 - Alcohol Seizures 275
 - 80 brothels closed
 - Over 300 immigration arrests
- 3.47 Following such positive interventions from this model, Newham have recently proposed to increase their s92 Officer team from 16 to 66, funding an extra 25 officer posts (and getting an extra 25 officers free). Given the above positive outcomes.

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¹ Please note the achievements were reflective of their 16 s.92 officers, Brent are requesting to utilise 12 s.92 officers and therefore potential outcomes cannot be fully comparable.

- 3.48 Outcome measurements for Brent would be more specific, based on SBP priorities. Outcome outputs will be reported back to the SBP at each board meeting to govern productivity and operations. Outcome measurements for Brent, agreed with Brent Police can be seen in Appendix 3. Small amendments may be made if this were to commence operations, based on requirements and appraisal.
- 3.49 The implementation timescales to have this extra resource to help make Brent safer on borough would be between 3-6 months from the time all signed

of the s.92 officers could however be in being signed.

agreements were completed. Up to six post within 4 weeks of the agreement

3.50 The standard minimum term agreement is a three year agreement, however the agreement comes with a six month termination clause. Therefore provided that the London Borough of Brent provide notice of termination within the first 18 months of the agreement, we can run the scheme for only two years. If circumstances change and we wish to run the full three years, we would be able to rescind that termination at a later point. This is a practice that a number of Local Authorities adopt due to no long-term certainty over budgets.

4.0 Resource

- 4.1 Partner Contributions
- 4.11 SBP Partners have been consulted on what contributions could be made for this SBP asset to be implemented in Brent. Many partners were not in a position where they could offer remunerator contributions. Some partners have offered to contribute some resource towards this scheme, highlighting their support for the progression of this option to benefit SBP priorities. This resource however will not be additional revenue resource towards this scheme.
- 4.12 Brent Police would offer an additional resource to allow us to form two teams of Additionally, Police would look to overlay existing Neighbourhood Tasking Team (1:6) when shifts allowed to support bespoke dedicated MetPatrol Plus s.92 teams, to further increase resource. Coordination of this resource is detailed in section 8.3 and 8.4.
- 4.13 Option 1 in financial implications would therefore be the more favourable option, as with the Police contribution, we would be able to form two Policing teams of 1:6 which is the equivalent to one carrier, the desired numbers to successfully operate.

4.2 <u>CCTV</u>

- 4.21 Other required resource would be the requirement of intelligence fed from our borough CCTV systems, into the tasking operations for the s.92 officers. Coordination of the MetPatrol scheme would require a robust intelligence input to ensure we were targeting the main hotspot vulnerable locations, focusing on area based deployment.
- 4.22 Our CCTV intelligence feeds into create evidence needed, and therefore would be a large part of this Safer Brent scheme moving forward. The CCTV

consultation from 2015 however highlighted our cameras were archaic and require an upgrade to ensure operational longevity and value for money, as well as enhance our capabilities and income generation opportunity. A business case for proposed capital investment for our CCTV is currently being progressed through the Capital Investment Panel.

5.0 Financial Implications

5.1 Table 1 below summarises the costs quoted by the Met Police to secure services under the MetPatrol Plus scheme. The costs quoted are provided directly from the Met Police commercial contracts team. These include on costs such as: unsocial hours payment, uniform costs, support, pension contribution, accommodation allowance, London allowance and London weighting, plus basic pay. To achieve the desired outcomes detailed in this report, revenue growth of around £400k per annum would be required to create and implement this scheme in Brent.

Team MetPatrol Plus Options - Brent					
		OPTION 1		OPTION 2	
Rates		2016/17	2016/17		
PC	£	66,000	£	66,000	
PS	£	78,000	£	78,000	
Insp (Police contribution)	£	95,000	£	95,000	
Number of officers					
PC		5			4
PS		1			1
PLUS MetPatrol Plus PCs free of charge		6			5
TOTAL OFFICERS SUPPLIED		12			10
Grant per annum	£	408,000	£	342,000	

- No partner contributions have been secured in relation to the proposed implementation of this scheme. The scheme does not meet criteria for external funding streams available to Community Protection for prevention of crime and increased safety, which are specific grant funding streams.
- 5.3 There would be an element of income generation through fines that could Contribute towards costs², but this would not be material to expected costs and there would need to be commitment from the council to fund the majority of the scheme.

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² The Newham model generates a heightened income for the Partnership due to increased enforcement resource. In 2015/16, their 16 s92 officers generated FPN income of £9,600, based on 245 FPN issued by such officers.

- Costs included in Table 1 are reflective of 2016/2017 prices, prices for 2017/18 and 2018/19 have not been confirmed. The Police Remuneration Review Body have recommended a 1% increase to police pay for 2016/17 and could result in additional cost pressure in those years.
- 5.5 The amount payable for each year of this three year agreement will be based on the annual rates pro-rata across the term of the contract. Based on implementation timescales (see 3.48), financial impact of implementing the scheme in 2016/17 would be 25% of quoted full year costs.

6.0 Legal Implications

- 6.1 Section 92 of the Police Act 1996 (as amended by the Police Reform and Social Responsibility Act 2011) gives a local authority the power to make grants to a police force whose police area falls wholly or partly within the borough of Brent, either unconditionally or with the agreement of the Chief Officer of Police, with conditions.
- A section 92 Police Act 1996 Agreement with the Metropolitan Police Authority has been reviewed by the council's Legal Services department. The Chief Officer of Police is not obliged to accept the grant with conditions. The additional police officers will remain under the operational control and direction of the Metropolitan Police Service; however there must be agreement from local borough Police for this council funded resource to be coordinated in conjunction with the council, and only for SBP agreed priorities which will be fed through the Community Protection service.
- Once agreement for this scheme has been made, and funds made accessible, a letter of intent highlighting the number of officers to be required would need to be made to the Met Police, followed by the formal s92 agreement. A letter of intent would be the next stage, if this were to be an agreed scheme for Brent to progress. Ordinarily officers would agree the terms of the proposed agreement and seek approval to enter into such agreement from Cabinet (as the value is likely to be classified a High Value Contract [Contract Standing Orders 85 (c)] prior to the service commencing, therefore negating the need for a formal letter of intent. In any event should a letter of intent be required as part of the funding process then such letter must be approved by the Monitoring Officer in accordance with Contract Standing Orders 109.
- 6.4 For information, the proposed section 92 Police Act 1996 Agreement sets out that the grant (should Members agree to fund the scheme) does not include any elements covering overtime that may be requested of relevant Police Officers under this scheme, that would be an additional expense for the council should overtime be requested.

7.0 Diversity Implications

None

8.0 Staffing/Accommodation Implications

8.1 If the scheme were to be implemented, thoughts around the coordination and management of the MetPatrol Plus partnership tasking groups have been

discussed with Police partners. In terms of which partner and which team would coordinate the tasking groups, monitor and manage performance and where that team would be accommodated.

- 8.2 The ideal base location for this additional partnership resource would be the civic centre. Partnership ASB, licensing, MASH and YOS Police officers are already based within Civic Centre teams. Brent Police agree that this could be agreed and have confirmed that the resource would be better coordinated solely for this purpose if away from their main borough resource. Various locations within the civic centre are being considered as the base would need to be a closed private, secure area.
- 8.3 The SBP would need to have ultimate Governance over this resource as this would be a resource funded by the council. Operational tasking would be directed by the inspector, however recommended to be managed by the Community Protection service, in partnership with the Police. Police have agreed with this concept.
- 8.4 Direction would come from agreed priorities at the SBP meetings, fed through the Community Protection service who would consult fortnightly with the Police Tactical Tasking Coordination Group to agree our MetPatrol Plus operational tasking.

Contact Officers

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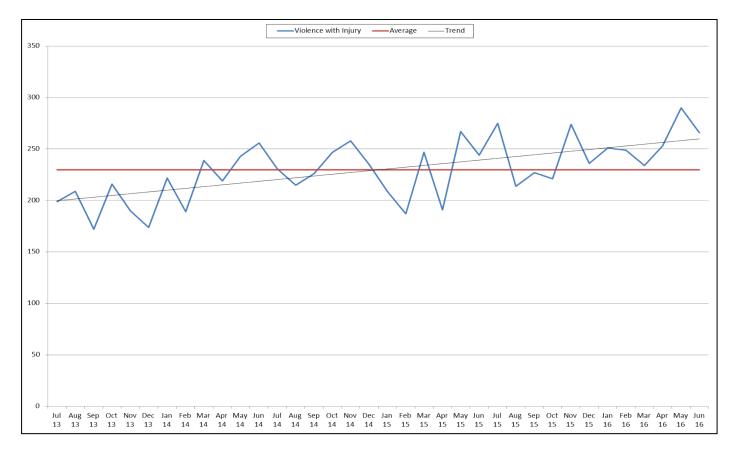
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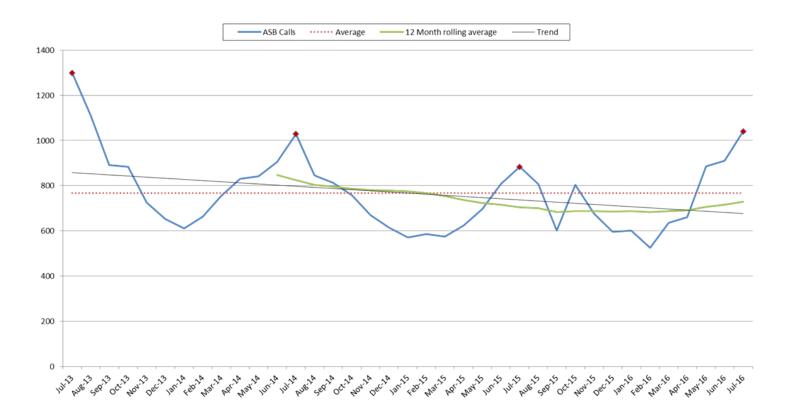
Appendix 1

Activity Benefited	Measure		
Ace Café Partnership action	Increase in number of deployment operations, FPNs issued and s.59 vehicle seizures, reduction in ASB.		
Shisha Cafes Partnership action	Increase in number of joint visits with LA departments (planning, trading standards, LFB) etc. Increase in number of cautions/successful prosecutions.		
Brothel Interventions	Increase in number of closure orders/brothels closed. Number of EXIT street prostitution referrals, sex workers exiting street prostitution, positive outcomes including ETS.		
Operation Ajutor (Joint patrols with LA enforcement and Kingdom)	Reduction in ASB incidents, number of FPNs issues, (income generation re coach seizures).		
Kingdom Commissioned Service (Joint patrols)	Number of FPNs/warnings issued for graffiti, paan spitting, littering, rubbish dumping, dog fouling etc.		
Night Time Economy Partnership action (Euro 16 opportunities)	Increase in patrols with LA partners to recognised NTE hotspots - Planning, Regulatory Services, LFB and Outreach teams re Domestic Abuse (VAWG), ASB and joint Licensing teams - Outcomes re reductions in crimes, ASB, seizures, income generation, closure notices/orders and action plans/licensing reviews.		
Focused ASB action	Decrease in ASB incidents. Increased patrols, increased joint LA patrols to progress Harlesden action plans, decrease in Shisha venue incidents, youth disorder and on street sex work.		
Child Sexual Exploitation/ Missing Children	Increase in disruption/intervention notices issued. Increase in intelligence gathering, increase in joint enforcement and intervention visits. Increase in number of referrals to MASE panel. Greater opportunities re missing person de-brief and pro-active interventions.		
Families, Children and Young People – Early Intervention/Crime Prevention	Increased joint visits for prevention/enforcement (e.g. working with Family Solutions). Increase in early intervention to support Integrated Offender Management/YOS and diversionary projects via LA.		
Domestic Abuse (VAWG)	Increase in number of domestic abuse perpetrators arrested/diverted, increase in victims engaging in Criminal Justice procedures. Increase in arrests for outstanding perpetrators.		
Youth/ Gang Diversion	Identified cohort diverted via increase in joint visits for prevention and enforcement. Increase in cohort engagement in services. Reduction in area based youth crime.		
Reoffending	Increase in outstanding nominals arrested, increase in IOM support to further prevent reoffending for those on community sentence.		

1. Police Violence with Injury data: Year on year rolling 12 month figures as of the 31/07/2016:



2. Police ASB Call data: Year on year rolling 12 month figures as of the 31/07/2016



Appendix 3

Brent Met Patrol Plus Scheme

Aim: To Make Brent Safer

The below outputs have been developed to capture how this additional asset will help to make Brent Safer, focusing and resourcing the Safer Brent Partnership priority outcomes.

Output	MetPatrol Measurement		Number	Period
1	Arrests	Violence With Injury		
	Hate Crime			
		Prolific Offenders		
2	CSE Interventions			
3	Partnership Operations			
4 Closure of Nuisance Premises	Shisha Venues			
	Crack Houses			
	Brothels			
	Licensed Venues			
5	HMO Enforcement			
6 Gang Disruptions	CBO Breaches			
		Proactive Tasking		
		Gang Injunctions		
7	Unauthorised Encampment Disruption			
8	Victim Engagement/Intervention			
9	PSPO	Proactive Policing		
		Warnings		
		FPNs		





Cabinet 15 November 2016

Report from the Strategic Director of Resources

Wards Affected: ALL

Council Tax Support Review

1. Summary

1.1. This report reviews whether changes should be considered to the provision of the localised Council Tax Support Scheme for 2017/18 and makes recommendations accordingly.

2. Recommendations

- 2.1 The following recommendations are submitted for consideration:
 - 2.1.1 That the existing Council Tax Support scheme for Brent Council is retained for 2017/18 for the reasons set out within Section 8 of this report (Financial Implications) and not to invite Full Council to revise the Council Tax Support scheme for 2017/18.
 - 2.1.2 Cabinet note that due to the introduction of Universal Credit additional changes may be necessary in future years if expenditure on Council Tax Support is to be kept within the agreed Council Tax budget.

3. Executive summary

- 3.1 Council Tax Support (CTS) is a local means-tested scheme that provides assistance with Council Tax liability for people on low incomes.
- 3.2 The former national Council Tax Benefit (CTB) scheme was abolished from 1st April 2013 and in its place Councils across England and Wales were required to devise their own local schemes, delivered alongside an average 10% national funding cut (13.7% in Brent) and a change from the

- previous demand-led funding to a fixed grant, since rolled up within the Revenue Support Grant (RSG).
- 3.3 Brent's scheme has remained largely unchanged since that time save for some minor technical changes. A fundamental review of the current scheme was undertaken in 2015 to evaluate the scheme against its original objectives and principles; to identify any unanticipated impacts; to explore the relationship between scheme design and Council Tax collection; and to undertake a comparison with other Councils' schemes across London and nationally.
- 3.4 The review concluded that in terms of legal, financial and equitable robustness, the scheme could be considered a success. There had been no legal challenges brought against the scheme, and from a financial perspective, the scheme had met its objective of achieving a minimum saving of 10% in the first year of CTS. The other key requirements of the scheme protecting vulnerable groups and incentivising work had also been achieved and underpinned by key principles, and from a Diversity perspective, the impact on groups with protected characteristics had been as forecast. There was also a consideration that it was not the right time to be considering a change to a scheme that was broadly performing well and protecting the right claimants.
- 3.5 Since the last review in 2015, the CTS scheme has been delivered within the overall budgeted position. Proposed Government reforms to Tax Credits that would have resulted in reductions in Tax Credit payments for many CTS claimants and consequently led to increases in CTS awards due to the means test applied, were aborted. This has left Universal Credit (UC) roll-out as the future change most likely to impact upon levels of CTS scheme expenditure, due to the protections, albeit relatively minor, which are provided for UC claimants within the Brent CTS scheme. The reasons for this are explained in more detail in paragraph 3.8 below, and paragraph 6.4 of this report.
- 3.6 Due to the cost and risk factors associated with making fundamental changes to the scheme, revisions are primarily considered only when there is a known or anticipated change of economic / environmental conditions and / or financial risk that would make it necessary.
- 3.7 It is not considered that there are any substantially changed conditions which would require or make desirable a change to the scheme in 2017/18. The review in 2015 established that "cost neutral" changes could only minimally affect some claimants at the expense of others and there is no general desire for a scheme revision to save money, or conversely finances available to put into amending the scheme to be more generous.
- 3.8 The existing CTS scheme provides for a maximum CTS entitlement (rebate) of 80% of Council Tax liability where a claimant is in receipt of

certain benefits¹ including Universal Credit. Tax Credits, which are to be incorporated within Universal Credit in the future, are currently subject to a means test for CTS purposes and consequently generally result in a lower level of CTS award than the 80% referred to above for Universal Credit claimants.

- 3.9 The fundamental issue in relation to paragraph 3.8 above therefore concerns the likely timing and pace for the transition of Housing Benefit claims to Universal Credit and consequently whether to defer proceeding with any significant changes to the scheme for a further year. This is because at that time, unless prior changes have been made to the CTS scheme, an increase in CTS expenditure may occur as a consequence of Tax Credit claimants moving to Universal Credit.
- 3.10 This report reviews the existing CTS caseload and trends in caseload over the past four years and the financial implications of phased claim transfer scenarios to Universal Credit and seeks Cabinet approval to the recommendations accordingly.

Detail

4. Background

- 4.1 Council Tax Support is a local scheme providing eligible Council Tax Payers with support by way of a reduction to their Council Tax bill dependent upon their income and circumstances.
- 4.2 Unlike the former national Council Tax Benefit scheme that was fully funded by the Department of Work and Pensions (DWP), the local Council Tax Support scheme, whilst demand-led, is funded by a fixed amount that is "rolled up" within the Council's revenue support grant allocation and therefore not separately identifiable. Consequently, the financial risk arising from fluctuations in caseload and associated expenditure now rests solely with the Council.
- 4.3 The Council has a statutory duty to provide a local Council Tax Support Scheme within its area incorporating the following provisions:
 - Pension credit age claimants are subject to statutory provisions determined on a national basis and that must be incorporated within each authority's local scheme.
 - Local schemes must support work incentives.
 - Appropriate consideration must be given to support for other vulnerable groups, including those which may require protection under other statutory provisions including the Child Poverty Act 2010, the Disabled Persons Act 1986 and the Equality Act 2010, amongst others.

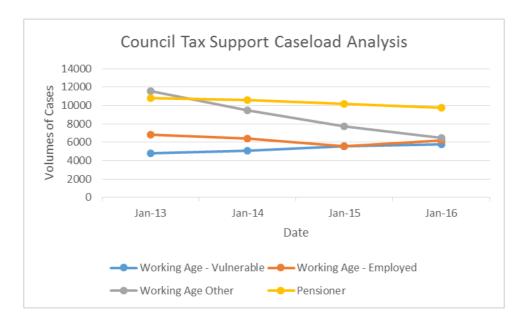
¹ Income Support, Job Seekers Allowance (Income Based) and Employment Support Allowance (Income Related).

- ➤ The Local Government Finance Act 2012 states that a Billing Authority must have regard to any guidance issued by the Secretary of State.
- 4.4. Under the Local Government Finance Act 2012, the Council must, in the following order, consult with major precepting authorities (i.e. the GLA), publish a draft scheme in such manner as it thinks fit and consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 4.5 A Billing Authority must consider whether to revise or replace its scheme with another one on an annual basis. The decision to make the scheme and amend the scheme is reserved for Full Council and cannot be delegated, though it is not necessary for a decision to retain the current scheme to go to Full Council as the current CTS scheme for this financial year will roll over on to the following financial year if no changes are made by Full Council by 31 January 2017.
- 4.6 Any revision to a scheme must be made by the Council by the 31st January immediately preceding the financial year in which it is to take effect and will require consultation arrangements to be applied. Additionally, consideration must be given to providing transitional protection where support is to be reduced or removed.
- 4.7 Brent Council determined its local Council Tax Support scheme in December 2012 and this has been broadly sustained with minor amendments over the past three years.
- 4.8 At the Cabinet meeting held in October 2015, a recommendation was agreed to further review the CTS Scheme during 2016/17 when there would perhaps be greater clarity regarding the impact of other welfare reforms on the scheme, with a view to introducing any changes agreed by Full Council from 1st April 2017. This report is therefore in compliance with that recommendation.

5.0 The Existing Brent Council CTS Scheme

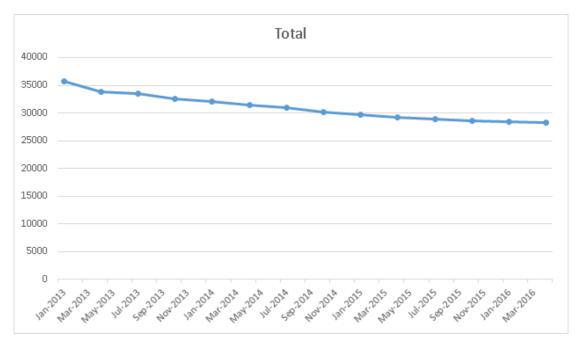
- 5.1 The Brent Council local scheme was determined by Full Council and became effective from 1st April 2013 having been preceded by extensive consultation. The provisions relating to CTS pensioner claims are prescribed by the Government and have to be included within the local scheme determined by the Council. The Brent Council scheme incorporates six key principles and two key features which are set out in Appendix A to this report.
- 5.2 Immediately prior to the introduction of the local CTS scheme in Brent, there were 35,792 live Council Tax Benefit claims. By April 2016, this had reduced to 28,238. A representation of the changes in CTS caseload is shown below in Chart 1 CTS Caseload by Claim Type below.

Chart 1 – CTS Caseload by Claim Type



- 5.3 Approximately 3,200 of the total reduction in claims of 7,554 occurred as an immediate consequence of the changeover from CTB to CTS in April 2013 to reduce expenditure to within the level of grant funding as set out in paragraph 3.1 of this report. Interestingly, an analysis of the caseload since 2013, has indicated a reduction of 1,240 has occurred for pension credit age claims alone which are unaffected by the introduction of the localised arrangements for working age claimants.
- 5.4 The overall trend in CTS caseload is shown in Chart 2 below.

Chart 2 - Trend in CTS Caseload



5.5 The Brent Council scheme was entirely financed within the CTS grant during the first year of operation (i.e. 2013/14). However, the position for subsequent years cannot be quantified as the fixed grant for Council Tax

Support received in year 1 was "rolled-up" within the overall Revenue Support Grant settlement.

6.0 Review of the current CTS scheme

- 6.1 The current scheme's original objectives were to design a robust scheme that would:
 - Achieve the required savings;
 - Withstand legal challenge;
 - Be able to run for at least two years;
 - Be fair and equitable;
 - Protect the most vulnerable.
- 6.2 The scheme was fundamentally reviewed during 2015/16 with the outcome that no changes were recommended to the scheme for 2016/17, on the basis that the scheme was meeting its objectives, not exceeding financial targets; and that without further financial investment, only minimal changes were possible to certain groups at the expense of other cohorts. The content of that report is attached at Appendix B to this report for reference.
- 6.3 Across the country from April 2016, only 41 councils (out of 326) are continuing to provide the levels of support available under the former Council Tax Benefit system, down from 58 in April 2013. Appendix C lists the names of the Authorities concerned together with their rankings for levels of deprivation and the majority political party. The most common change that local authorities have made from the former CTB system has been to introduce a "minimum payment" which requires everyone to pay at least some council tax regardless of income. From April 2016, 259 schemes include a minimum payment, up from 250 in April 2015, 245 in April 2014 and 229 in April 2013. This is consistent with the Brent Council CTS scheme that seeks a minimum 20% contribution rate to Council Tax unless the claimant is otherwise protected under the terms of the scheme.
- 6.4 The greatest potential impact upon the future level of Brent CTS expenditure arises from Universal Credit (UC) roll-out. This is because the existing Brent CTS scheme provides for a maximum CTS entitlement of 80% of Council Tax liability where a claimant is in receipt of certain benefits² including Universal Credit. Tax Credits, which are to be incorporated within Universal Credit in the future, are currently subject to a means test for CTS purposes and consequently generally result in a lower level of CTS award than the 80% referred to above for Universal Credit claimants. Consequently, when recipients of Working Tax Credit transfer to Universal Credit, they will, under the current CTS scheme arrangements, become eligible for the maximum 80% CTS entitlement rather than the lower level of award that they would currently get as a consequence of the means test applied. The pace and timing of UC roll out is set by the Government and is currently available only to single

-

² Income Support, Job Seekers Allowance (Income Based) and Employment Support Allowance (Income Related).

- jobseekers making new claims in Brent although it includes couples and families in some other parts of the country.
- 6.5 The Universal Credit full Digital Service which has been piloted .in a small number of areas is being rolled-out across more Job Centre areas before a national roll-out of the full service begins. Phases 1 and 2 of the national roll-out are taking place between May and December 2016 although Brent Council is not included in this initial phase.
- 6.6 The full Universal Credit Digital Service will be open to all new claims from all claimant types; this will also include anyone who is currently on existing benefits or Tax Credits and has a change of circumstance that would naturally trigger a new claim to UC, meaning the entire household affected would move to the full service.
- 6.7 The government expects the national roll-out to the full Digital Service to be completed in September 2018. Once the process has been completed, the government will then begin migrating all remaining existing benefit claimants to the full UC service, this part of the process is intended to be completed by March 2022. Locally, the DWP has indicated that at least six months' notice will be given to any changes in the pace and scope of migration.
- 6.8 The potential impact of claimants transferring to Universal Credit has been subjected to financial modelling and is evaluated in Section 8 of this report. (Financial Implications).

7.0 Risks and Issues

7.1 General risks and issues have been identified in relation to the recommendation to retain the existing CTS scheme provisions for 2017/18 and these are detailed in Appendix D to this report.

8. Financial Implications

- 8.1 The Council Tax Base set in January 2016, included provision for 18,634 Band D equivalent homes where the level of Council Tax payable was anticipated to be reduced due to CTS entitlement during 2016/17. Based upon the Band D Council Tax set for 2016/17 of £1,377.24, this number of Band D equivalent properties equates to £25.7m and accounts for both the Brent Council and GLA share of CTS expenditure.
- 8.2 CTS awarded for 2015/16 was £25.3m and has reduced to a forecast level of £25.2m for 2016/17. This is within the £25.7m provided for within the Council Tax Base set for 2016/17 and referred to in paragraph 8.1 above.

- 8.3 The introduction of Universal Credit will tend to increase CTS awards, for the reasons set out at paragraph 6.4 although it is difficult to predict this with accuracy as changes in the caseload arising from local and national factors may impact upon it. However, based upon current CTS claim information, new CTS claims for 2017/18 are forecast to average 718 per month of which the claimant or their partner would be expected to receive Working Tax Credit (WTC) in 15% of them (i.e. 108 cases per month). On the basis that the WTC cases concerned instead receive Universal Credit under the current phased introduction arrangements, this would equate to additional CTS expenditure of £0.1m for 2017/18.
- 8.4 In the event of a 10% increase in the expected volume of new CTS claims for 2017/18 where the claimant receives Universal Credit instead of Working Tax Credit (i.e. 118 claims), additional CTS expenditure would equate to £0.11m. Conversely, a 10% reduction in such claims (i.e. 97 claims), would equate to additional CTS expenditure of £0.09m.
- 8.5 Once universal credit has been fully phased in (currently scheduled to be completed by 2022) the full cost of CTS awards based upon the existing caseload is currently expected to be in the region of £26.2m. However, modelling the costs of policy changes that will not be fully implemented for at least two years is necessarily subject to a number of uncertainties, and this latter figure should be regarded as no more than a guideline at this stage.

9.0 Legal Implications

- 9.1 The Local Government Finance Act 2012 ("LGFA 2012") requires that for each financial year, the Council must consider whether to revise its Council Tax Support scheme or replace it with another scheme and that such decisions need to be made by 31st January in the financial year preceding that for which the revision or replacement scheme is to take effect. Only Full Council has the power to make or amend a Council Tax Support Scheme.
- 9.2 As this report's recommendations propose the retention of the existing scheme for 2017/18 and not to revise the CTS scheme for the next financial year, this matter can be considered by Cabinet. The default position is that if the CTS scheme is not revised or changed by Full Council by 31st January 2017, the CTS scheme for 2017/18 will be the same as the current CTS scheme in 2016/17 subject to any amendments to prescribed rates (e.g. for persons of pension credit age) that are made by central Government.
- 9.3 If changes are proposed to the scheme, the Local Government Finance Act 2012 states that the Council must consult with the GLA, which is a precepting authority, when preparing or amending a Council Tax Reduction Scheme and that thereafter, the Council must publish a draft Council Tax reduction scheme and then consult with other such persons who are likely to have an interest in the operation of such a scheme.

9.4 An independent review of Council Tax Reduction Schemes was provided for within Section 12 of the LGFA 2012 by the Secretary of State within three years of that Act coming into effect. The review was intended to consider effectiveness, efficiency, fairness and transparency and the impact of schemes on the localism agenda, and was to then make recommendations as to whether such schemes should be brought within The independent review of Council Tax Support Universal Credit. Schemes was completed in March 2016 and concluded that it should not be moved into Universal Credit at this time. Whilst a central government response to the recommendations of the review has not yet been published, the report stated that "no-one has prepared for such a move, which would be complex and disruptive to both central and local government at a critical phase in the Universal Credit timetable. It was also believed that it would cause unnecessary financial risk to councils and bring confusion and disruption to CTS recipients".

9.5 Public Sector Equality Duty

- 9.5.1 The public sector equality duty, as set out in section 149 of the Equalities Act 2010, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a "protected characteristic" and those who do not share that protected characteristic.
- 9.5.2 Having "due regard" to the need to "advance equality of opportunity" between those who share a protected characteristic and those who do not includes having due regard to the need to remove or minimise disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and to encourage those who have a protected characteristic to participate in public life. The steps involved in meeting the needs of disabled persons include steps to take account of the persons' disabilities. Having due regard to "fostering good relations" involves having due regard to the need to tackle prejudice and promote understanding.

9.6 Other duties

- 9.6.1 In addition to the Public Sector Equality Duty, the Department for Communities and Local Government has advised that the following should also be taken into account when considering a local CTS Scheme:
 - Child Poverty Duty under the Child Poverty Act 2010;
 - ➤ Homelessness Act 2002;

- Armed Forces Covenant:
- Chronically Sick and Disabled Persons Act 1970,
- Disabled Persons (Services, Consultation and Representation) Act 1986, and the
- Children Acts 1989 and 2004.
- 9.6.2 Each of the above factors was given "due regard" when the existing CTS scheme was designed. Consultation findings and any adverse impact identified were considered in terms of mitigation and considered within the scheme subsequently determined.

9.7 Diversity Implications

The diversity implications arising from the recommendations contained within this report are set out within Appendix B. As the report recommendations propose the retention of the existing scheme, the implications arising are as identified when the scheme was originally determined in 2012 and further confirmed through the fundamental review undertaken in 2015.

Background Papers

Appendix A – Key Principles and Features of Existing CTS Scheme

Appendix B - Report on CTS Scheme Review 2015/16

Appendix C – Local Authorities that have retained the provisions of the former CTB Scheme

Appendix D – Risks and Issues

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Appendix A – Principles and Features of the Existing CTS Scheme

Principle 1: "Everyone should pay something"

 working age claimants (unless protected under principle 2) are required to pay a minimum contribution towards their Council Tax – this is currently set at 20% within the scheme.

Principle 2: "The most vulnerable claimants should be protected" (from the minimum contribution)

Claimants are currently protected from the 20% minimum contribution if they, a partner or a dependant in their household are entitled to a disability premium, enhanced disability premium, disabled earnings disregard, Disability Living Allowance or Personal Independence Payment, Disabled Persons Reduction for Council Tax purposes, War Disablement Pension, War Widow's and War Widower's Pension. Additionally, claimants are also protected if they or their partner are in receipt of a Carer's Allowance or the lower or higher rate of Incapacity Benefit.

Principle 3: "The scheme should incentivise work"

Incentives to work are achieved by letting claimants who are working keep more of what they earn (before means-testing) – the existing scheme incorporates earnings disregards for Single Persons, Couples and Lone Parents earnings that are £10 higher than the level previously set nationally under the Council Tax Benefit scheme. In this context, a disregard means the amount of weekly earnings that may be ignored when calculating entitlement to Benefit.

Principle 4: "Everyone in the household should contribute"

Other adults in the claimant's household ("non-dependants") should contribute more proportionately to their income – the existing scheme incorporates rates of non-dependant deductions that are twice the level of deductions that existed in 2012/13. Additionally, the scheme incorporates a deduction of £6.60 for each other adult residing in the claimant's household who receives Job Seekers Allowance (Income Based) where none previously existed under the former national Council Tax Benefit scheme.

Principle 5: "Better off claimants should pay relatively more so that the least well off receive greater protection."

The existing scheme incorporates a taper of 30%. This is applied in the means test calculation for claimants whose income exceeds their needs. It is the rate at which Council Tax Support is reduced where weekly income exceeds basic living needs. Under the former national Council Tax Benefit scheme, the taper was 20 pence in the pound rather than the 30 pence currently applied.

Principle 6: "Benefit should not be paid to those with relatively large capital or savings"

The existing scheme incorporates a savings cut-off limit of £6,000 rather than the £16,000 limit that previously applied to the national Council Tax Benefit scheme.

Feature 1: The second adult rebate scheme (whereby claimants whose own income is too high to receive CTB, but have other adult(s) in the household whose income is low, can receive a Council Tax discount of up to 25%) was removed for working age claimants.

Feature 2: Premiums and personal allowances used to determine basic living needs for a claimant and their family when calculating entitlement to CTS have been held at the rates that previously applied to the national Council Tax Benefit scheme in 2012/13.



Council Tax Support Scheme Review

17th June 2015

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1. Introduction

When setting the 2015/16 Council Tax Support (CTS) scheme in January 2015, Full Council agreed that a fundamental review of the current scheme should be undertaken during 2015 to inform a new or revised scheme design for 2016/17 revision. This report provides the findings from that review.

The review sought to evaluate the current CTS scheme against its original objectives and principles; to identify any unanticipated impacts; to explore the relationship between scheme design and Council Tax collection; and to undertake a comparison with other Councils' schemes both across London and nationally.

The current scheme's original objectives were to design a robust scheme that would:

- Achieve the required savings
- Withstand legal challenge
- Be able to run for at least two years
- Be fair and equitable
- Protect the most vulnerable

The scheme was also based on the assumption that the Council would achieve in-year Council Tax collection from CTS claimants of between 50-80%

2. Executive Summary

When localised Council Tax Support (CTS) schemes replaced Council Tax Benefit (CTB) in April 2013, Brent designed its scheme with the objectives of; achieving a minimum saving of 10%, protecting vulnerable groups and incentivising work. This was achieved and underpinned by six key design principles.

Scheme design varies nationally, and also within London, and has also seen some authorities change aspects of their scheme since the first year. The most common feature of scheme design is that of a minimum payment requirement, which for this year sees 77% (250 of 326) of local authorities incorporating this aspect within their schemes; 24 of the 33 (73%) local authorities in London require a minimum payment. The range of minimum payments, both nationally and within London, is 5% to 30%. Nationally, Councils have adopted a variety of other features including revised "tapers", savings limits, non-dependant charges and income disregards (which Brent's entire scheme utilises). Some other features (e.g. valuation band caps) were not adopted by Brent.

In-year collection rates for Brent's CTS Customers have exceeded the 50%-80% expectation, coming in at 81.76% and 85.71% for the first two years respectively. Despite this, 19% of all CTS customers currently have some arrears in respect of the previous year, though Working Age Employed customers are those most likely to have arrears at 35% proportionately.

The overall caseload in Brent has decreased by 14% since the start of the localised scheme, with the "working age other" group experiencing the steepest decline in caseload at 31%. However, within this overall decline, the "vulnerable" group has seen a caseload rise of 6% over the same period. The overall reduction in caseload is partly as a result of scheme design – in that the amount of financial support available overall was reduced to achieve the

necessary savings – though it is possible that other macro economic factors such as falling unemployment may have contributed to this.

Expenditure for the first year of CTS was £6.6m less than in the final year of CTB representing a financial reduction of 19%, and has further reduced by £3.17M since. This however should be seen in the context of the original expectation that after the initial reduction, caseload would continue to grow year on year, and also the expectation that in-year collection from CTS claimants could be as low as 50% (whereas in fact they reached 81.76% and 85.71% respectively for the first two years of the scheme). Whilst the above two expectations did not transpire, it can be still be seen that the overall reduction in CTS expenditure is significantly less than the corresponding reduction in the overall Revenue Support Grant, from which CTS is funded on a non-ring-fenced basis.

No strong relationship has been found between collection rates and the minimum payments required under CTS schemes within London Authorities. However, there appears to be a closer relationship between collection rates and the level of deprivation within London Authorities such that lower levels of collection are achieved in areas with higher deprivation.

Working age customers classed as "vulnerable" have an average of £1.30 to pay towards their Council Tax liability compared to the customers in the Pensioner group who have on average £3.16 per week to pay, and working age employed (£9.03) and working-age other (£5.58).

On average, "Single claimant" households (75%) are the most likely group to experience a shortfall between their Council Tax liability and CTS entitlement of up to £5.00 per week. However, "Lone Parents" and "Couples with no dependants" are not too dissimilar at 71% and 68% respectively. On the other hand, 61% of "Couples with dependants" must pay between £5.01 and £15+ per week.

Over the whole working age caseload, 30% of claimants are classed as 'vulnerable', though this proportion rises to 49% for the 55+ age category. The latter category are the most likely to have no Council Tax liability and indeed the older the claimant, the more likely they are to pay nothing. Of the working age caseload, 66% pay £5.00 or less per week.

In conclusion; in terms of legal, financial and equitable robustness, the scheme can be considered as a success. First and foremost, there have been no legal challenges brought against the scheme, whether in terms of matters concerning the consultation arrangements or in terms of compliance with Equality Act requirements.

From a financial perspective, the scheme has met its objective of achieving a minimum saving of 10% in the first year of CTS. Furthermore, in-year Council Tax collection rates for CTS customers have also exceeded expectations. The other key requirements of the scheme – protecting vulnerable groups and incentivising work – were also achieved and underpinned by key principles.

The average weekly amount a working age customer has to pay towards their Council Tax account has remained within the range that was identified prior to the commencement of the local scheme, and from a Diversity perspective, the impact on protected characteristics has been as forecast; namely that the 55+ age group are more likely than other age groups to have a lower amount of contribution; and that the Asian ethnic group is more likely to be affected by a reduction of £5.00 or more per week, due principally to this group tending to have a greater number of non-dependants in their households, and the scheme principle that other adults resident in the household should

contribute more towards their Council Tax (an impact considered acceptable in the original scheme due to the policy intention).

Viewed in this context, the scheme can be viewed as being successful in terms of the objectives set for it and the principles which it set out to realise, and in that no additional unforeseen impact has been identified. Whether the same objectives and principles are sought for any future local Council Tax Support scheme is, of course, a matter for separate consideration.

3. Background & context

This report reviews present CTS arrangements both from a national and local perspective with a view to informing subsequent discussions regarding future scheme design and any consultation that may need to be undertaken as a consequence.

3.1. Introduction of Council Tax Support

CTS was introduced as a replacement for the national Council Tax Benefit (CTB) scheme with effect from 1st April 2013. Unlike its predecessor that was fully funded through the Department for Work and Pensions (DWP), CTS was to be funded by a fixed grant representing a reduction of at least 10% of previous Council Tax Benefit expenditure. It also differed from its predecessor in that the scheme was to be determined by each Local Authority, though with statutory provisions protecting claimants of pension credit age. It was also a requirement that when devising a scheme, each local authority should give consideration to incentivising work and protecting the vulnerable; though leaving the definition of 'vulnerable' to the discretion of each Local Authority.

Local Authorities are required to determine a scheme for their area by the 31st January of the year preceding that in which it is to become effective, ensuring that a draft scheme is published and that those likely to have an interest in the operation of the scheme are consulted, particularly residents and key stakeholders. Consultation – and the final decision on a scheme – must refer to alternative scheme options and the method of funding these.

On an annual basis, each Local Authority must determine whether to revise or replace its scheme, applying the same provisions as outlined above to any proposed changes. Where a change results in claimants experiencing a reduction in their entitlement, consideration must be given to the provision of transitional protection.

Since the first year of the CTS Scheme, the fixed Council Tax Support grant has been "rolled—up" within the overall allocation of Revenue Support Grant, and therefore is no longer ring-fenced. Consequently, it is not possible to provide a "like for like" comparison that shows the financial performance of the scheme in comparison to the original business case.

3.2. Brent's Council Tax Support Scheme

In considering the design of Brent's Localised Scheme, a number of key objectives were identified along with range of supporting principles and features that would enable those objectives to be achieved.

3.3. Original objectives and assumptions

The original objectives of the scheme were as follows:

- To meet the saving requirement from the CTS scheme
- To design a robust scheme which could withstand legal challenge
- To design a scheme which would be fair and equitable to claimants and residents, and to protect the most vulnerable, within the financial constraints
- To design a scheme which would be financially, legally and equitably sufficiently robust to run for at least two
 years
- The scheme was based on the assumption that an in-year Council Tax collection rate of between 50% and 80% would be achieved

3.4. Principles and features

The Brent Council scheme incorporated six key principles and two key features listed below and that have also been referenced within the review report where appropriate.

- **Principle 1: "Everyone should pay something" -** All working age claimants (unless defined as protected) shall be required to pay a minimum contribution (set at 20%) towards their Council Tax
- Principle 2: "The most vulnerable claimants should be protected" Claimants shall be protected from the 20% minimum contribution if they or a dependant are in receipt of a disability benefit or receive an income attracting a disability premium; or if they provide care for someone for over 35 hours per week and receive Carer's Allowance in respect of this; or receive War Disablement Pension or War Widow's Pension.
- Principle 3: "The scheme should incentivise work" Incentives to work are achieved by letting claimants who
 are working keep more of what they earn.
- **Principle 4: "Everyone in the household should contribute"** Other adults in the claimant's household ("non-dependants") should contribute more than under CTB, proportionately to their income.
- Principle 5: "Better off claimants should pay relatively more so that the least well off receive greater
 protection." This is the rate at which Council Tax Support reduces where weekly income exceeds basic living
 needs and was set at 30 pence in the pound rather than the 20 pence previously applied for CTB
- **Principle 6: "Benefit should not be paid to those with relatively large capital or savings" –** Those with savings in of £6,000 or more will not qualify for CTS (down from £16,000 under CTB)
- Feature 1: The second adult rebate scheme abolished for working age claimants This was a scheme whereby those claimants whose own income was too high to receive CTB, but who had other adult(s) in the household on a low income, could receive a Council Tax discount of up to 25%
- **Feature 2: Premiums and personal allowances frozen** 'Applicable Amounts' (the standard national figure which the government believes reflects the basic living needs of an applicant and their family) were held at the rates applied for CTB in 2012/13.

At the time that the 2013 scheme was designed, Universal Credit (UC) rollout plans were uncertain and it was necessary to build in a provision to deal with these claims. It was therefore proposed that as the volume of UC claimants in years 1 and 2 of the scheme would be small, that they should be treated as though they were in receipt of a "passported" benefit by calculating their CTS entitlement based upon a maximum of 80% of their Council Tax liability (subject to being within the capital "cut-off" limit of £6,000). This would mean in some instances that claimants would be treated more favourably under UC than if they had continued to claim their legacy benefit. However, this was considered to be a low financial risk in terms of the potential impact on expenditure.

This has indeed been the case, but UC will eventually be rolled-out for all working-age benefit claimants, whether they are working and in receipt of a small top-up, or unemployed and receiving the maximum level of support. This does therefore pose a significant future financial risk if these claims continue to be treated as 'passported' rather than means-tested. In considering any new scheme design, it will, therefore, be necessary to consider whether the treatment of UC income should be subject to a 'means test' in order to prevent escalating cost over the ensuing years.

3.5. Census Data

In commenting on the Council Tax Support implications, reference has been made where appropriate to data from the 2011 national census. Details of the key census statistics and information relevant to this report can be found in Appendix A with Benefits Caseload data being included in Appendix B.

4. Analysis of Council Tax Support Schemes

The information given in this section summarises the key changes made by Local Authorities since the introduction of CTS in 2013. It focuses initially on the minimum payments required under their local schemes from working age claimants, being that this represents the most common change introduced. Prior to the implementation of CTS, claimants in receipt of "passported" benefits (i.e. Income Support, Job Seekers Allowance (Income Based) and Employment Support Allowance (Income Related)) were eligible for 100% Council Tax Benefit subject to any deductions made for non-dependents residing in the household. Therefore, minimum payment requirements did not apply. Likewise, this was also true for those with an income level below their 'Applicable Amount'.

Concurrently with the introduction of CTS, the Overall Benefit Cap (OBC) and "Bedroom Tax" were introduced for Housing Benefit, bringing additional financial pressures to those households affected. Nationally, 70% of claimants affected by the "Bedroom Tax" have also seen reductions in their Council Tax Support. Conversely, 11% of Council Tax Support claimants have been affected by the bedroom tax.

4.1. Minimum Payments

In the first year of CTS, there were 23 London Authorities that introduced minimum payment requirements under their schemes for working age claimants and 10 that did not. The minimum payments ranged from 5% to 22.5% of the Council Tax liability.

Nationally, in 2013, there were 229 authorities that introduced minimum payments under their local schemes representing 68.4% of the 326 authorities in total. There were 97 Authorities that did not introduce minimum payments. The minimum payments ranged from 5% to 33.1% (in 2013/14).

A minimum payment of 8.5% was commonly applied in the first year of the schemes because transitional grant funding was available if support was not withdrawn from claimants by more than 8.5% in the first year. Brent did not avail itself of the transitional grant available because even with this, it was not financially viable to achieve the necessary savings with such a limitation on the minimum claimant payment.

Annually, more authorities have introduced a minimum payment requirement within their localised scheme, as well as changes to the minimum payment levels. The position with regards to minimum payments at the present time is shown in Table 1 below:

Table 1 - Minimum Payment Schemes (2015):

Minimum Payment Schemes (2015/16)										
Area	Minimum	Authorities wit		Authorities minimum p	Total					
	Payment range	Number	%	Number	%					
London	5% to 30%	24	73%	9	27%	33				
Nationally	5% to 30%	250	77%	76	23%	326				

There are now only 55 Local Authorities continuing to require a small minimum payment (i.e. 8.5% or less), plus 42 who continue to provide the same levels of support as they did under the former Council Tax Benefit system. There are a further 35 Local Authorities who whilst not requiring a minimum payment, have revised their CTS entitlement provisions in other ways following the cessation of the national Council Tax Benefit scheme.

The status of the Brent Council minimum payment requirement of 20% in comparison with other London Authorities indicates that in 2015/16, there are 2 London Authorities with a higher minimum payment requirement. These are Harrow Council with 30% and Barking and Dagenham with 25%. There are 4 London Authorities with an equivalent 20% minimum payment requirement. On a national basis, there are 53 authorities with a minimum payment greater than 20% and 76 authorities with an equivalent 20% requirement.

4.2. Other Scheme Requirements

Whilst the most common change introduced within local schemes has been minimum payments (as outlined above) there are a number of other changes that have been introduced by Local Authorities, which can be summarised as follows:

- 189 Local Authorities have either reduced or removed second adult rebate.
- 75 Local Authorities introduced a valuation band cap to limit the amount of benefit received in higher value properties to the amount provided to those in lower value properties. The most common valuation band cap applied is D.
- 69 Local Authorities reduced the maximum savings limit for eligibility to claim support, with most reducing the cut-off limit to £6,000 - having been £16,000 previously under CTB.
- 23 Local Authorities have changed the income taper (the amount by which support is withdrawn as income increases), ranging between 15% and 30% having been 20% previously under CTB.

5. Council Tax in-year Collection Rates

Prior to the introduction of CTS, average in-year collection rates across the country were on an upward trend. However, this ceased with the introduction of CTS in 2013/14.

Whilst national figures are not yet available for 2014/15, it has been established that in the first year of local support, average Council Tax collection rates diminished by 0.2% in London and 0.4% nationwide. Within London, there were 19 Authorities that experienced a fall in collection rates, 11 where it increased, and 3 where there was no change.

One of the original objectives of the Brent scheme was to achieve in-year collection rates of between 50% - 80% for customers in receipt of CTS. Whilst overall collection rates within Brent have fallen, the collection rates achieved for CTS claimants has exceeded expectations as demonstrated in Table 2.

Table 2 - In-Year Council Tax Collection Rates

Council Tax collection rates for Years 1 & 2 of CTS								
Collection Rate	End of Year 2013/14	End of Year 2014/15						
CTS Claimants	81.76%	85.71%						
Overall	95.70%	95.60%						

5.1. Collection Rates vs CTS Scheme

Chart 1 below shows that within the 23 London Authorities that introduced a minimum payment requirement within their CTS scheme in 2013/14, 74% experienced a reduction in their "in-year" collection rates, 4% experienced no change and 22% experienced an increase.

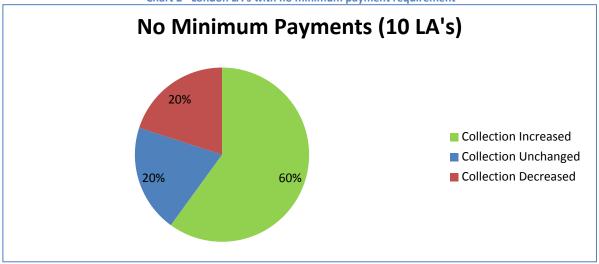
Minimum Payment Introduced (23 LA's)

22%

Collection Increased
Collection Unchanged
Collection Decreased

Chart 2 below shows that within the 10 London Authorities that did not introduce a minimum payment requirement within their CTS scheme in 2013/14, 20% experienced a decrease in their "in-year" collection, 20% experienced no change and 60% experienced an increase.

Chart 2 - London LA's with no minimum payment requirement



The above results appear to suggest a relationship within London Authorities between the minimum payment requirement of a CTS scheme and "in-year" collection result. However, a statistical analysis carried out by ranking 2013/14 collection results and separately ranking the minimum payment requirement under their CTS scheme, reveals only a weak relationship at best. (i.e. a more generous local scheme does not in itself result in an improved "in-year" collection). It is therefore more likely that there are other factors influencing overall levels of collection within an authority. These could for example comprise other aspects of the localised scheme introduced or socio-economic factors within the Local Authority area concerned such as employment levels and size of benefits caseload).

5.2. Collection Rates vs Deprivation

A statistical analysis has been carried out by ranking 2013/14 collection rates of each London Authority and separately ranking their deprivation level by applying a deprivation index. This was to determine whether there was any potential relationship between the deprivation level of a London Authority and their "in-year" Council Tax collection. This has indicated that there appears to be a strong relationship between deprivation levels and "in-year" collection; the greater an Authority's level of deprivation, the lower their "in-year" collection rate.

6. Brent CTS caseload and expenditure analysis

CTS claims are currently categorised by the following groups:

- Pensioners customers who have reached the qualifying age of State Pension Credit
- Working Age Vulnerable Customers protected from the 20 per cent minimum contribution if they, their
 partner or dependants are entitled some form of disability or disabled earnings disregard, or the claimant is
 in receipt of disabled person's reduction for council tax purposes, war disablement pension or war widow's /
 widower's pension, or carers allowance,
- Working Age Employed Customers that are working whether employed or self employed,
- Working Age Other Customers who do not meet the criteria for the other 3 categories, for example, customers in receipt of "out of work" benefits.

6.1. Recent Caseload and Expenditure

Since the introduction of CTS, both expenditure and caseload have experienced a significant downward trend. Whilst the reduction in expenditure was an intended consequence of scheme design, after the initial reduction of caseload resulting from some aspects of the new scheme (e.g. reduction to the savings limit, increased non-dependant deductions), it was expected that the caseload would continue to grow. Chart 3 and Chart 4 below illustrate the reduction in both caseload and expenditure over the final two years of CTB and the first two years of CTS (with forecast expenditure for 2015/16).

It should be noted that the original scheme was also modelled on the expectation that Council Tax collection from CTS claimants could be as little as 50%, an expectation which has in fact been exceeded, but which partially explains the financial caution built into the scheme design. This notwithstanding, it can also be noted that the Revenue Support Grant has decreased by 39.8% between 2013/14and 2015/16 providing the overall context in which the reduction in CTS expenditure should be viewed.

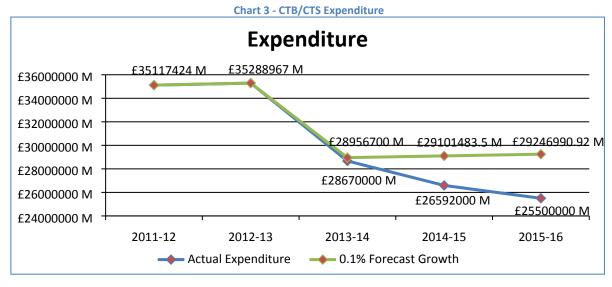


Chart 4 - Caseload Reduction Total Caseload 35000 3959 33566 34000 32649 33000 32179 31569 32000 31106 31000 30293 29816 30000 29133 29000 Apr-2013 Jul-2013 Jul-2014 Oct-2013 Jan-2014 Apr-2014 Oct-2014 Jan-2015 Apr-2015₁

¹ Caseload figures for April 2015 used in Chart 4 and Chart 5 are based on a snapshot taken at 1st April 2015. All other caseload data referenced is based on data extracted on 1st May 2015

It should be noted that not only has the overall caseload decreased steadily, but it has done so across most of the groups, including pensioners, who were not impacted by the change to CTS. The only exception to this is the "vulnerable" group which has actually experienced growth since April 2013. The increase to the "vulnerable" caseload is illustrated in Chart 5 below.

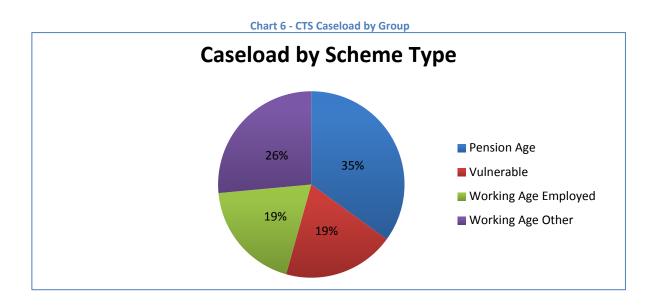
Vulnerable 5800 5738 5739 5724 5664 5661 5700 5585 5600 5499 5500 5402 5400 \$349 5300 Jul-2013 Jan-2014 Apr-2014 Jul-2014 Apr-2013 Oct-2013 Oct-2014 Jan-2015

Chart 5 - Vulnerable Caseload

6.2. **Current Caseload**

Immediately prior to introducing the local CTS scheme, there were 35,792 live claims for Council Tax Benefit of which 24,064 (i.e. 67%) were of working age. By the 1st September 2013, this had reduced to 32,525 claims (i.e. a reduction of 3,267 representing a reduction of 9%). Since that time, caseload has been reducing at a rate of approximately 120 claims per month.

The current caseload, as at April 2015, is 29,042, of which the working age caseload is 18,879. The total number of live Council Tax accounts in April 2015 was 114,930; therefore 25.27% of Council Taxpayers receive CTS of which 65% are of working age. Total caseload has reduced by 19% since the final year of CTB (i.e. 31st March 2013). Chart 6 below shows the proportionate composition of each group within the total current caseload with Chart 7 showing the composition of the vulnerable group. Error! Reference source not found. details how the working age groups are represented across the Council Tax Valuation Bands.



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Chart 7 - Composition of Vulnerable Group

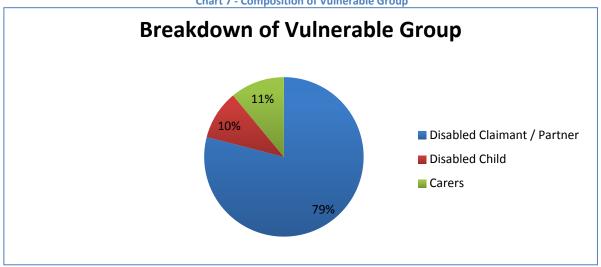


Chart 8 - Working Age Caseload by Council Tax Valuation Band CTS Working Age Caseload by Council Tax Valuation Band Number of claim 3000 2500 2000 1500 1000 500 Α В C D G Н Vulnerable 327 1046 2046 1450 649 113 16 ■ Working Age Employed 275 818 2237 1425 704 81 26 1

2968

1657

555

78

15

815

1577

6.3. **Reasons for Caseload Reduction**

Working Age Other

It is of significance that the CTS caseload reduced from 35,792 in December 2012 to 32,525 in the first year of the scheme and further reduced to 30,600 during the second year of the scheme before reaching the current level of 29,042. The initial reduction in the first year can be partially attributed to the effect of the scheme changes meaning that a significant number of claimants with a lower level of entitlement, ceased to be entitled altogether. (Other recipients would have remained entitled, but to a smaller amount.)

Whilst a reduction in caseload was anticipated when the CTS scheme was drafted in order to deliver the scheme within the grant-funded level, the reduction is significantly greater than that anticipated. Interestingly, an analysis of the differing claim types indicates that a reduction of 600 claims has occurred for pension credit age claims alone which would have been unaffected by the introduction of the localised arrangements.

Reference to the 2010 national census statistics for Brent indicates that the number of single-family households where all of the inhabitants were aged 65 or over had diminished by 19% to 12,264. Whilst the census was conducted in 2010, it does appear to show a degree of consistency in terms of the current reduction experienced for claimants of pension credit age.

The remaining caseload reduction has arisen in relation to working age claims and is anticipated to be due to a combination of factors. These include changes in the overall economic climate and the "freezing" of applicable amount levels to 2012/13 amounts for calculating CTS entitlement, meaning that annual increases in other income will tend to reduce CTS entitlement and potentially, for those in receipt of lower levels of entitlement, take them out of entitlement completely.

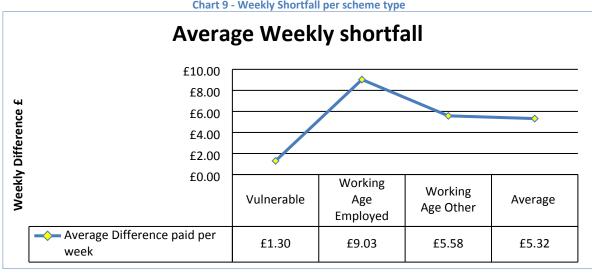
6.4. **Average Weekly Liability**

Based on the working age groups, Table 3 below provides a breakdown of average weekly Council Tax liability², average weekly CTS that the customer in that group is likely to receive and the difference that the customer will have to pay towards their Council Tax as a result. (It should be noted that "vulnerable" status protects claimants against the 20% minimum payment requirement, but not against other provisions of the scheme.)

Table 3 - Average Weekly Council Tax liability against CTS

Scheme Type	Average Weekly CTAX Liability	Average Weekly CTS	Average Difference to Pay
Vulnerable	£21.05	£19.75	£1.30
Working Age Employed	£21.74	£12.71	£9.03
Working Age Other	£19.66	£14.08	£5.58
Average	£20.69	£15.37	£5.32

Chart 9 - Weekly Shortfall per scheme type



Customers within the Vulnerable Scheme pay on average £6.01 (82%) less Council Tax per week than the average for the other two working age groups.

² Weekly liability and CTS is calculated net of any council tax discount and the 20% eligible reduction (for vulnerable scheme type)

The average weekly difference for working age caseload calculated at the start of the local scheme was £4.14. The freezing of allowances and premiums at the 2012/13 rates will have contributed to the increase in the average weekly difference that claimants are required to pay.

Pension Credit Age customers are protected under the existing local scheme in that the calculation of the reduction they receive has been set by Central Government; however the average difference that a pension-age customer has to pay towards their council tax is £3.16 per week. If we were to add the pensioner caseload to Table 3 above, the average weekly difference a CTS customer would pay is £4.56 per week rather than £5.32 per week as stated.

6.5. **Council Tax Arrears**

A "snapshot" analysis of cases with Council Tax Arrears as at 24th April 2015 has provided the following information, set out in Table 4 below.

Table 4 - Number of CTS customers with arrears³

CTS Customers with Arrears										
Arrears Year Working Age Earners Other Vulnerable Pensioner Total										
2012/13	287	372	167	115	941					
2013/14	932	1608	432	219	3191					
2014/15	1956	2458	550	421	5385					

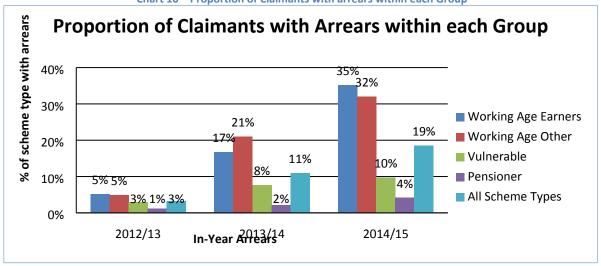
Table 5 below details the proportionate value of the figures displayed in Table 4 above against the latest caseload information, as illustrated in Chart 10.

³ Table 4 details the number of claims with arrears relating to a specific Council Tax year that remains outstanding as at 24th April 2015.

Table 5 - Proportion of CTS Claimants with Arrears

Proportion of CTS Claimants with Arrears											
Arrears Year	Working Age Earners	Working Age Other	Vulnerable	Pensioner	All Scheme Types						
2012/13	5%	5%	3%	1%	3%						
2013/14	17%	21%	8%	2%	11%						
2014/15	35%	32%	10%	4%	19%						

Chart 10 - Proportion of Claimants with arrears within each Group



The analysis indicates that customers within the Working Age Other and Working Age Employed groups are, in proportionate terms, more likely to have arrears arising from 2014/15 than other groups with 32% and 35% of claimants respectively having arrears for that financial year. This is significantly higher than the 19% average across all of the groups for 2014/15 although the average is significantly reduced by the pension credit age group for whom the scheme is prescribed nationally and the vulnerable group that are protected from paying the minimum 20% Council Tax.

It should be noted that Brent undertook considerable pro-active mitigation work with claimants prior to the introduction of CTS, including assisting 902 customers to clear their council tax arrears through Discretionary Hardship Payments (DHP), 464 of who are still in receipt of CTS. Whilst Table 4 has not been adjusted to factor this, it is probable that the total arrears cases relating to 2012/13 may have been up to 464 higher. Whilst the number of cases in arrears in proportionate terms appears to suggest a significant upward trend, it should be borne in mind that the number of arrears cases for 2012/13 and 2013/14 as at April 2015 are likely to have significantly diminished since the end of the years' concerned whereas the 2014/15 year only ended two months ago and consequently will show a higher proportion of cases with arrears for that year.

It should also be noted that any increase in Council Tax arrears may have a consequential impact on subsequent inyear collection performance, which in turn may have a further impact on arrears. For 2014/15, the in-year collection rate for Brent Council was 95.6% representing a slight reduction of 0.1% on the previous year's result, although the impact of the Council Tax Support Scheme on this result is not yet known (and in fact, Council Tax collection from CTS claimants increased in the second year of the scheme). Additionally, as the collection performance for Local Authorities for the second year of the localised arrangements is not yet fully known and is not generally published nationally until July / August, it is not possible to test whether this hypothesis has occurred on either a local or national basis at present.

6.6. Liability Orders Issued against CTS Customers

Across the 4 claimant groups outlined above, there were 1,099 working age CTS claimants that were subject to a liability order in 2013/14 (1,202 including pensionable age claimants). This increased to 2,582 liability orders in 2014/15 (2,716 including pensionable age claimants).

Whilst it is not currently possible to give a truly comparable position in terms of the overall number of Council Tax Payers subject to a liability order for these two years, the total number of liability orders issued was 23,474 for 2013/14 and 23,038 for 2014/15. Consequently, the proportion of working age claimants subject to a liability order expressed as a proportion of the total number of liability orders issued equates to 4.68% for 2013/14 and 11.20% for 2014/15.

This suggests that there is an upward trend in terms of the proportion of working age claimants subject to a liability orders.

7. Equalities Impact Analysis

An equality analysis has been undertaken to determine the impact that the CTS scheme has had on those of the nine protected characteristics - namely; age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race (ethnicity), religion or belief, sex, and sexual orientation – for which sufficient data is held to facilitate this. The report also examines data based on Family Status, despite not being part of the Equality Act.

The following will not be a factor in this equality assessment as there is currently insufficient or no data or evidence available to validate this within the records held on the Benefits database:

- gender reassignment;
- marriage and civil partnership;
- pregnancy and maternity;
- religion or belief
- sexual orientation

The Pension credit age group has been excluded from the analysis conducted as the assessment of pension credit age CTS claims is not subject to Brent's local scheme arrangements.

7.1. Family Status

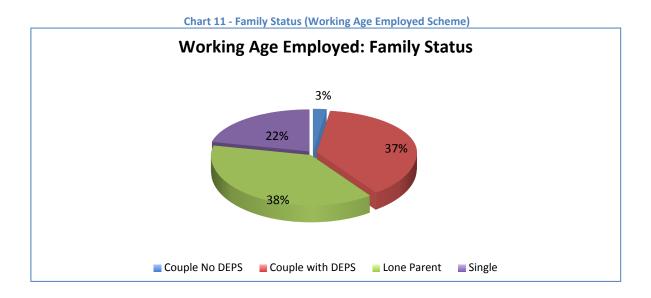
Family Status is categories into 4 groups:

- Couples with no dependants
- Couples with dependants
- Lone Parents

Single

Single customers make up over 56% in the "vulnerable" group compared to "couples with no dependants" making up less than 7%; these are disproportionate to the overall caseload (43% singles and 4% couples with No Dependants). However, over half of all couples with no dependants are in the "vulnerable" group.

Charts Chart 11, Chart 12 and Chart 13 below highlight that lone parents and couples with dependants are less likely to be classed as "vulnerable" compared to their representative proportions of the caseload.



Vulnerable Scheme: Family Status

7%

15%

22%

Couple No DEPS Couple with DEPS Lone Parent Single

Chart 13 - Family Status (Working Age Other)

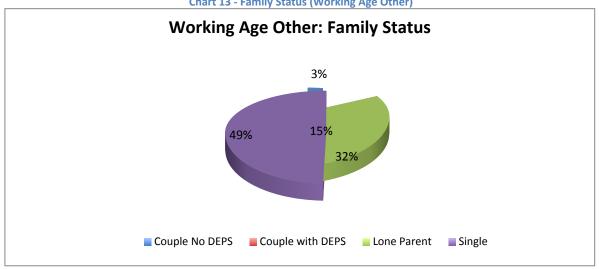


Table 6 below details the amount a customer has to pay towards their Council Tax per week within the family status groups.

Table 6 - Weekly CTS Shortfall by family status

Weekly CTAX Payment	Couple No DEPS		Couple with DEPS		Lone I	Parent	Sin	gle	То	tal
£0.00	330	45%	684	17%	1083	19%	2886	35%	4983	26%
£0.01-£5.00	168	23%	931	23%	3046	52%	3437	42%	7582	40%
£5.01-£10.00	95	13%	1239	30%	759	13%	857	10%	2950	16%
£10.01-£15.00	59	8%	524	13%	578	10%	581	7%	1742	9%
£15.00+	84	11%	732	18%	365	6%	441	5%	1622	9%
Total	736	100%	4110	100%	5831	100%	8202	100%	18879	100%

On average, 66% of the working age caseload pays between £0 and £5 per week towards their Council Tax. A higher proportion is seen amongst Couples with no dependants (68%), Lone Parents (71%) and Single claimant households (75%). However, only 40% of Couples with dependants fall into that same band, with the remaining 60% paying between £5.01 and £15.00+ on average per week. Couples with no dependants are proportionately most likely to have nothing to pay, with 45% receiving maximum entitlement, followed by Single claimant households at 35%. Single person households (5%) and Lone parents (6%) are the least likely to pay £15+.

Table 7 below shows a snapshot of family status as it relates to the impact of other welfare reforms and the Troubled Families cohort.

Table 7 - Claims affected by Welfare Reform

	Number of C	Number of CTAX claims affected by Welfare Reform								
Welfare Reform	Couple No DEPS	ouple No DEPS Couple with DEPS Lon		Single	Total					
ОВС	4	313	790	278	1,385					
Troubled Families	4	98	364	44	510					
Bedroom Tax @ 14%	66	64	237	773	1,140					
Bedroom Tax @ 25%	18	5	15	180	218					
Total	92	480	1,406	1,275	3,253					

This indicates that just over 17% of working age customers against the total working age caseload appear to have also been affected by either other welfare changes or are known to Troubled Families, with lone parents being more affected than any other group – though it should be noted that some claimants may be affected by more than one of these factors.

7.2. Age

Age is recorded within age groups and categorised into the 4 claim categories as shown in Table 8 below with key data highlighted for ease of reference.

Table 8 - Caseload & Scheme Type by Age

Age Group	Vulnerable		roup Vulnerable Working Age Employed		Working Age Other		Grand Total	
18-24	48	11%	86	20%	292	69%	426	2%
25-34	443	16%	989	35%	1417	50%	2849	15%
35-44	1180	21%	2253	41%	2084	38%	5517	29%
45-54	2147	34%	1790	28%	2411	38%	6348	34%
55-60	1306	<mark>47%</mark>	382	14%	1110	40%	2798	15%
61+	523	<mark>56%</mark>	67	7%	351	37%	941	5%
Grand Total	5647	30%	5567	29%	7665	41%	18879	100%

Just over 29% of the working age caseload is aged between 35 and 44 years, with 34% aged between 45 and 54 years. The age group 18 to 24 years comprises only 2% of the current working age caseload. However, it will be seen that the most likely age groups to be vulnerable are 55-60 (47%) and 61+ (56%). Table 9 below compares and contrasts the current working age composition of the caseload to that which existed in 2012 when the local scheme was designed.

Table 9 - Proportion of Caseload by Age

Age Band	Proportion of Working Age Caseload in December 2012	Proportion of Working Age Caseload in May 2015	Change in Composition
18 to 24	5%	2%	-3%
25 to 34	21%	15%	-6%
35 to 44	32%	29%	-3%
45 to 54	31%	34%	3%
55 to 60	11%	15%	4%
61+	0%	5%	5%

Table 9 indicates that the proportion of working age claimants aged 45 and over has increased over the past three years whilst the proportion of working age claimants aged less than 44 has diminished. The analysis of claims for which entitlement to Benefit was anticipated to cease under the local scheme arrangements indicated that 4.1% of the total working age caseload aged under 45 were to be affected. This compared to 4% of the working age caseload aged 45 and over. As the anticipated loss of entitlement for claims across these two age bands was effectively neutral, the results in Table 9 suggest that other factors may be responsible for the change in composition. It is possible that claimants aged under 45 are more likely to attain employment than claimants aged 45 and over and that the improved economic climate has assisted with this. However, the reasons cannot be determined with greater precision and are likely to be due to more than one factor alone.

Chart 14 below shows the percentage increase / decrease in caseload by customer age between the cessation of the national Council Tax Benefit scheme in March 2013, and April 2015 when CTS was introduced.

The CTS working age caseload has seen a significant reduction in the number of claims for customers under 25 as was expected when the original scheme was introduced. However, it should also be noted that as the volumes of claims for this category are relatively small, relatively minor changes in volume terms may show a significant change in proportionate terms. There have also been significant claim reductions in proportionate terms as expected for the age range 25 to 54 as a consequence of the scheme design and more recently, the improved economic climate generally. The working age caseload has decreased very slightly for customers aged between 55 and 60 years old although this is anticipated to be because a number of these customers would have seen their claims transfer to the pensionable age claim category.

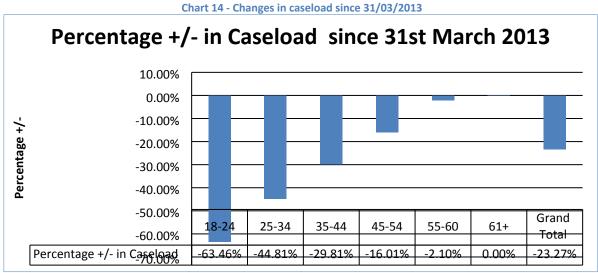


Chart 15 - Weekly Shortfall by Age Band Weekly Shortfall by Age Band 80% 70% 60% 50% 40% 30% 20% 10% 0% 18-24 25-34 35-44 45-54 55+ Total ■ £0.00 10% 15% 19% 30% 42% 26% ■ £0.01-£5.00 44% 34% 29% 71% 58% 40% ■ £5.01-£10.00 4% 12% 19% 17% 12% 16% ■ £10.01-£15.00 8% 9% 10% 10% 8% 9% 6% 7% 8% 9% 9% ■£15.00+ 9%

Chart 15 indicates that the 18 to 24 age band is proportionately more likely to have a weekly shortfall between their CTS entitlement and Council Tax liability of up to £5. The reasons for this are primarily as were identified when the scheme was designed in December 2012 which identified that those most affected by a reduction in entitlement of

between £3 and £5 were in the 18 - 24 age group (i.e. 76%). This was because that age group was less likely to receive protection under the proposed scheme as they were less likely to be in receipt of Disability Living Allowance for example and more likely to be in receipt of a benefit such as Job Seekers Allowance (Income Based). Claimants aged 55+ are proportionately more likely to have no weekly shortfall between their CTS entitlement and Council Tax liability as they have a higher proportion of vulnerable claimants and are therefore protected from the requirement to pay the 20% minimum Council Tax contribution

When the initial equalities analysis was carried out in 2012, it revealed that for working age claims, those within the 55+ age category were more likely than another group to have non-dependents in the household (36.8%) compared to the average across the whole working age caseload (17.5%). Analysis of the current caseload, as depicted in Table 10 below, shows that this continues to be the case with 32.5% of the 55+ group having non-dependants in the household compared to the working age average of 17.2%. Proportions across each of the other Age bands are broadly representative of the figures in the 2012 analysis.

Table 10 - Number of Non Dependants by customer Age Band

Age Croup		Number of Non Dependants in a claimants home						
Age Group	0	1	2	3	4	5	6	Total
18-24	98.5%	1.7%	0.4%	0.0%	0.0%	0.0%	0.0%	100.0%
25-34	97.0%	2.7%	0.3%	0.0%	0.0%	0.0%	0.0%	100.0%
35-44	91.4%	7.5%	1.0%	0.1%	0.1%	0.0%	0.0%	100.0%
45-54	75.2%	17.4%	5.9%	1.2%	0.2%	0.2%	0.0%	100.0%
55+	67.5%	20.8%	8.0%	2.8%	0.8%	0.1%	0.0%	100.0%
Total	82.8%	12.2%	3.7%	0.9%	0.2%	0.1%	0.0%	100.0%

It should be noted that whilst those in the 55+ age group are more likely to have one or more non-dependants in the household, 59.7% of those individuals are within the vulnerable group; thus not subject to the minimum payment requirement and in some cases are also not subject to non-dependant deductions due to disability.

7.3. Disability

The existing working age vulnerable group is comprised predominantly by disabled claimants, their disabled partner or disabled dependants (i.e. 89%). The remaining 11% is represented by claimants in receipt of a Carer's Allowance.

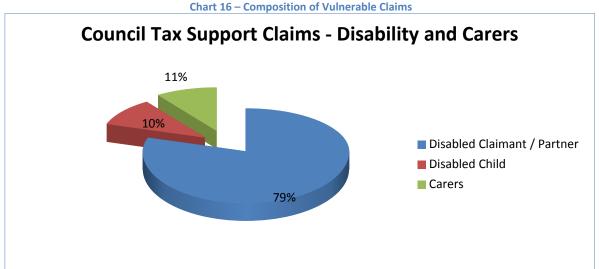
Disabled claimants within the vulnerable group are afforded protection from the payment of the minimum 20% Council Tax liability generally required by other working age claimants. References within this document to the vulnerable group are therefore predominantly in relation to disabled persons.

When determining the original Council Tax Support scheme, due regard was given to affording protection for disabled claimants, their family members and carers. This supported the Council's second key principle concerning the scheme design that provided for the following: "The most vulnerable claimants should be protected (from the minimum contribution) proposed for Council Tax Support".

The current caseload has 5,647 working age vulnerable claims representing almost 20% of the total Council Tax Support caseload. This represents an increase of 6% in claimants classed as vulnerable since the start of the scheme.

There are currently 4,494 claims where the claimant and / or their partner are disabled, 544 claims where the claimant has a disabled child and 609 claims where the claimant is a carer. Chart Chart 16 below summarises the composition of the vulnerable working age caseload in proportionate terms.

The effects of the protection afforded to disabled persons from payment of the minimum 20% Council Tax liability can be clearly seen in terms of the average weekly amount they pay towards Council Tax liability. For vulnerable claimants, this amounts to £1.30 in comparison to £3.16 for pension credit age claimants, £9.03 for working age employed and £5.58 for other claimants of working age. Additionally, the proportion of vulnerable CTS claimants with Council Tax arrears is significantly lower than for those in the other working age groups.



7.4. **Ethnicity**

Currently, we hold ethnicity data for 65% of working age claims. The data held indicates that 'Asian' customers comprise nearly 14% of our working age customers, 'Black' customers 24% and 'White' customers 20%. The overall proportions shown for each ethnic group in Table 10 are consistent with those that were identified in December 2012. However, within the vulnerable group, there have been changes in the composition such that the black ethnic group now has a higher proportionate share than at the start of the scheme (i.e. an increase of 10%) and the proportion of vulnerable claims for which the ethnic group is unknown has increased by 23%. The white ethnic group has a reduced proportionate share of the vulnerable group (i.e. 7%). The mixed ethnic group has also seen a reduction in proportionate terms within the vulnerable group of 10% and the "other" ethnic group has also seen a reduction of 11%. It is possible that the variations identified above may not exist if the ethnic group were known for all the claims within the vulnerable category. In terms of the working age employed and working age other categories, it is not possible to provide a comparative analysis as these groups have been compiled using different claim data to that which existed when the scheme was designed.

Key data is highlighted in Error! Reference source not found. below which indicates that 12% of current Vulnerable Working Age customers are from the "Asian" ethnic group in comparison to 21% from the "Black" ethnic group and just over 20% for the "White" ethnic group. These are broadly representative of the proportions that each group represents in terms of the total working age caseload.

In terms of the Working Age Employed group, there are a higher proportion of Asian ethnic group claimants than for other claim categories. Black ethnic group claimants are broadly comparable across each of the claim types although there is a higher proportion showing in the Working Age Other claim group. This would appear to be consistent with pre-CTS records which indicated that the Black ethnic group had a higher volume of claimants in receipt of Income Support, Job Seekers Allowance (Income Based) and Employment Support Allowance (Income Related) (i.e. the former "passported" benefits). The White ethnic group has a broadly comparable showing across each of the claim types.

There are, however, almost 36% of claimants for whom their ethnic group is unknown and consequently, the proportions shown should be considered in that context.

Table 10 - Ethnicity by Scheme Type

Ethnic Group	Vulnerable		Working Age Employed		Working Age Other		Grand Total	
Asian	682	12.08%	1027	18.45%	843	11.00%	2552	14%
Black	1192	21.11%	1217	21.86%	2034	26.54%	4443	24%
Mixed	147	2.60%	189	3.40%	277	3.61%	613	3%
Other	191	3.38%	293	5.26%	260	3.39%	744	4%
Unknown	2289	40.53%	1806	32.44%	2608	34.02%	6703	36%
White	1146	20.29%	1035	18.59%	1643	21.44%	3824	20%
Total	5647	100.00%	5567	100.00%	7665	100.00%	18879	100%

Chart 17 - Weekly Council Tax Shortfall by Ethnicity

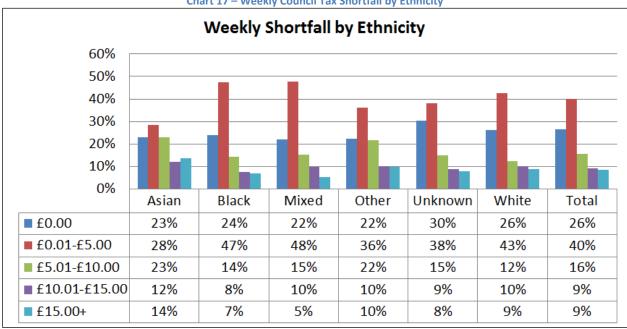


Chart 17 above indicates that the Asian group is proportionately more affected by a shortfall of more than £15 between their CTS entitlement and Council Tax liability than other ethnic groups. The reasons for this can primarily be determined from the analysis previously undertaken when the existing scheme was designed in December 2012.

In particular, 'Asian' families had a greater proportion of dependants (i.e. 22% had 3-4 children per household compared to 10% of the 'white' group). Consequently, they generally had larger homes and hence more Council Tax to pay for the Valuation Band allocated. For example, 16% of the 'Asian' ethnic group resided in Band E properties compared to 9% 'Black or 10% 'White' ethnic groups. Additionally, 6% of Asian claimants had 2 or more non

dependants living with them compared to only 3% of non Asian families and therefore were subject to the effects of the increased rates of non dependant deductions introduced under the local scheme. Despite the 14% reduction to the CTS caseload, the proportions of Asian families and non Asian families with 2 non-dependants has remained at 6% and 3% respectively.

8. Key Findings

- Brent is one of 250 Councils nationally operating a minimum payment scheme. Nationally minimum payments range from 5% to 30%; Brent's scheme is 20%.
- Nationally, Local Authorities have adopted a variety of features including revised tapers, savings limits, non-dependant charges and income tapers (which Brent's entire scheme applies). Some other features (e.g. valuation band caps) were not adopted by Brent.
- The CTS caseload has steadily declined since April 2013, with the most significant decrease affecting the
 Working Age Other group, with a total reduction of 31%. The vulnerable group was the only one to buck
 the trend and experience an increase in caseload of 6%.
- Expenditure for the first year of CTS was £6.6m less than in the final year of CTB representing a financial reduction of 19%.
- Just under 12% of working age CTS customers are living in properties in Band E and above with over 35% of those being in the vulnerable group.
- The average weekly difference a working age customer has to pay towards their Council Tax as at 1st April 2015 is under £5.32 per week (£278.16 per year); this is similar to the average calculated at the start of the scheme.
- Working age customers within the vulnerable group have an average of £1.30 to pay towards their Council Tax liability compared to the customers in the Pensioner group who have on average £3.16 per week to pay, and working age employed (£9.03) and working-age other (£5.58). The Brent CTS scheme has given due consideration to its obligations under the Equalities Act within its Principle 2: The most vulnerable claimants should be protected (from the minimum contribution) proposed for Council Tax Support.
- Collection rates for CTS claimants have exceeded expectations at 81.76% and 85.71% for the first two
 years respectively.
- No strong relationship has been found between collection rates and the minimum payments required under CTS schemes within London Authorities. However, there appears to be a closer relationship between collection rates and the level of deprivation within London Authorities such that lower levels of collection are achieved in areas with higher deprivation.
- Working Age Employed and Working Age Other groups represent in proportionate terms the majority of current claims with arrears and also have the highest levels of arrears proportionately in comparison with the other groups.
- There appears to be an upward trend in terms of the proportion of working age claimants subject to liability orders.

- Of the total working age CTS caseload, up to 17% (3,253) customers have also been impacted by other
 welfare changes and/or are known to the Troubled Families Team; with 5% (870) also identified as having
 Council Tax arrears.
- 66% of the working age caseload of Couples pay between £0 and £5 per week towards their Council Tax. A higher proportion is seen amongst Couples with no dependants (68%), Lone Parents (71%) and Single claimant households (75%). However, only 40% of Couples with dependants fall into that same band, with the remaining 60% paying between £5.01 and £15.00+ on average per week.
- Couples with no dependants are most likely to have nothing to pay, with 45% receiving maximum entitlement, followed by Single claimant households at 35%. Single person households (5%) and Lone parents (6%) are the least likely to pay £15+ per week.
- Single customers comprise over 56% of the vulnerable group compared to couples with no dependants that comprise less than 7%. These appear to be disproportionate to the overall caseload.
- Over the whole working age caseload, 30% of claimants are classed as 'vulnerable', though this proportion rises to 49% for the 55+ age category. The latter category are the most likely to have no Council Tax liability and indeed the older the claimant, the more likely they are to pay nothing. 66% of the caseload pay £5.00 or less per week.
- There have been significant claim reductions in proportionate terms for the age range 18 to 24 (64%) and 25 to 34 (45%). However, because the volumes of claims for the 18 to 24 group are relatively small, minor changes in volume terms may show a significant change in proportionate terms. As volumes within the 25 to 34 age group are significantly higher, the reduction in caseload for this age range is of greater significance.
- Working-Age Customers in the 55+ age category are more likely than any other group to have one or more non-dependants. The proportion is broadly in keeping with the levels identified in 2012 at 32.5% (36.8% in 2012) compared to the working age average of 17.2% (17.5% in 2012).
- The Asian ethnic group are twice as likely as non-Asian groups to have 2 non-dependants in the households at 6% compared with 3%.
- Within the Working Age Employed group, there are a higher proportion of Asian ethnic group claimants than for other claim categories. Black ethnic group claimants are broadly comparable across each of the claim types although there is a higher proportion showing in the Working Age Other claim group as previously identified when the scheme was originally designed.
- 12% of current Vulnerable Working Age customers are from the "Asian" ethnic group in comparison to 21% from the "Black" ethnic group and just over 20% for the "White" ethnic group. These are broadly representative of the proportions that each group represents in terms of the total working age caseload.
- The ethnicity of 36% of the caseload is unknown and consequently, any conclusions that may be inferred by the results must be considered within that context.

9. Conclusion

When considered in relation to original objectives and key principles of the scheme, the following conclusions may be drawn.

In terms of legal, financial and equitable robustness, the scheme can be considered as a success. First and foremost, there have been no legal challenges brought against the scheme, whether in terms of matters concerning the consultation arrangements or in terms of compliance with Equality Act requirements.

From a financial perspective, the scheme has met its objective of achieving a minimum saving of 10% in the first year of CTS, with the actual reduction representing 19% of the expenditure for the final year of Council Tax Benefit. Furthermore, in-year Council Tax collection rates have also exceeded expectations, with rates at 81.76% and 85.71% for the first two years respectively, against an original objective of 50%-80% of collection for CTS customers.

Other key requirements of the scheme – protecting vulnerable groups and incentivising work – were achieved and underpinned by the key principles that ensured the most vulnerable were protected against the minimum contribution and by allowing those in work to keep an additional £10 before their income affects their entitlement. Whilst, on the other hand, the other key principles of the scheme ensured that the necessary savings were achieved.

There are also a number of other conclusions that may be drawn and that have been highlighted by this report as set out below.

The decline of the caseload experienced during the first two years of the localised scheme has in part been as a result of the localised scheme design. For example, the freezing of 'applicable amounts' will have caused those with higher incomes and on the cusp of entitlement to gradually fall out of entitlement as their income increased. The economic upturn and increased employment opportunities may also have been a factor and would perhaps contribute to the high reduction in the Working Age Other caseload. Such a factor may also provide some explanation as to the decrease in claimants within the 25-34 age range.

The average weekly amount a working age customer has to pay towards their Council Tax account has remained within the range that was identified prior to the commencement of the local scheme; this could be partly due to the fact that there has not been an increase in Council Tax since the start of the scheme.

When reviewing the protected characteristic for "Age", the original EIA indicated that "55-60 year olds are more likely than the other age groups to have reduction in benefit of just £0-£3 per week, the reason for which is that this age group is also more likely to be protected under Principle 2 due to being identified as disabled." This has been the case for this age group as the review has indicated that almost 30% of those that do not need to pay any difference are older than 55 years of age.

When reviewing the protected characteristic for "Race", the original EIA identified that the "Asian ethnic group was more affected with a reduction of £5.00 or more per week entitlement under CTS than any other group", while noting that this adverse impact was considered acceptable on the basis that it was the policy intention of the scheme that a claimant should have a reduction in their proposed entitlement if they have other adults resident in their home that could contribute towards the Council Tax, and consequently, the more non-dependants that are resident in a claimant's home, the greater the non-dependant deduction that would be made from the claimant's entitlement. This review has highlighted that 50% of the Asian ethnic group have to pay £5.00 or more per week towards their council

tax liability compared to 29% of those in Black ethnic group and 31% in White ethnic group and therefore appears to

support the original finding.

Appendices

Appendix A – Key Census Data (2011)

- **Population:** The Brent population stood at 311,215 representing an increase of 47,751 since 2001
- <u>Gender:</u> There were 156,468 male residents and 154,747 female residents representing 50.3% and 49.7% respectively.
- BAME: The BAME groups increased their share of the population from 55% in 2001 to 64% in 2011. This is the second highest proportion in England and Wales. The broad BAME group Asian or Asian British accounted for 33% of the population (up from 28% in 2001), and Black or Black British for 19% (down from 20% in 2001). The White ethnic group saw a reduction in its proportion from 45% in 2001 to 36% in 2011. White British and White Irish declined, whilst White Other increased substantially.
- <u>Single Parents:</u> The number of single parents with dependents has increased by 1,605 representing a 20% increase since 2001. The number of single parents with non-dependent children increased to 5,563 households. Single parents now represent 1 in 7 households within the Borough.
- Marital Status: The number of household residents who were married or in a same-sex civil partnership increased by 14% over the 2001 figure to 93,979. The numbers of those cohabiting and of single people also increased, by 11% and 18% respectively. The largest increase was in the number of those married or in a same-sex civil partnership but who were not living together, which doubled over the decade to 7,049 residents.
- <u>Health:</u> The number of residents who said that they had good, or very good, health increased from 70% of the population to 83%, a level comparable to that of the whole of Outer London. There was a small decrease in the percentage of residents who felt that their day to day activities were limited, to 14%, and of these, 7% felt they were limited a lot.
- Religion: The percentage of residents who described themselves as Christian fell from 48% in 2001 to 41% in 2011. This was still the largest faith group, with Muslims making up 19% of the population, Hindus 18%, and "No religion" 11%. The percentage of Hindus is the second highest in England and Wales, while the percentage of those stating "No religion" is the third lowest.
- Age: The age profile of the Borough is as follows:

Age Range	Number of Residents	Proportion (%)
0 to 4	22,446	7.2%
5 to 19	55,179	17.7%
20 to 34	89,086	28.6%
35 to 49	66,644	21.4%
50 to 64	45,184	14.5%
65 to 79	24,628	7.9%
80 to 90	8,048	2.6%
Total	311,215	99.9*

^{*}The proportion shown does not equate exactly to 100% due to rounding.

Appendix B – Benefits Caseload Data

- **Population:** The Brent caseload is currently 29,042, of which the working age caseload is 18,879.
- <u>Gender:</u> The gender of the working age claimant caseload is as follows (note that either partner in a couple may make the Benefit claim, but there may be a disproportionate number of males making claims for couples which could potentially affect this data):

Gender	Vuln	erable		ng Age loyed		ng Age her	Tot	:al
FEMALE	3068	54%	2576	46%	4645	61%	10289	54%
MALE	2579	46%	2991	54%	3020	39%	8590	46%
Total	5647	100%	5567	100%	7665	100%	18879	100%

- **BAME:** Currently, ethnicity data is held for 65% of working age claims. The data held indicates that 'Asian' customers comprise nearly 14% of working age customers, 'Black' customers 24% and 'White' customers 20%.
- <u>Single Parents:</u> The number of working age single parent claims is currently 5,831 out of the 18,879 working age caseload (i.e. 31%).
- Marital Status: It is not possible to identify marital status / civil partnerships from the existing caseload claim data.
- <u>Health:</u> There are currently 4,494 claims where the claimant and / or their partner are disabled, 544 claims where the claimant has a disabled child and 609 claims where the claimant is a carer.
- Religion: It is not possible to identify the religion of a claimant from the existing caseload claim data.
- Age: The age profile of the working age caseload is as follows:

Age Group	Vulnei	rable	Workin Emplo		Workin Oth		Grand	Total
18-24	48	11%	86	20%	292	69%	426	2%
25-34	443	16%	989	35%	1417	50%	2849	15%
35-44	1180	21%	2253	41%	2084	38%	5517	29%
45-54	2147	34%	1790	28%	2411	38%	6348	34%
55-60	1306	47%	382	14%	1110	40%	2798	15%
61+	523	56%	67	7%	351	37%	941	5%
Grand Total	5647	30%	5567	29%	7665	41%	18879	100%



Appendix C – LA's retaining the provisions of the former CTB Scheme

Authority Name	Region	Majority Political Party	Deprivation Ranking
Adur	West Sussex	Conservative	<u>150</u>
Allerdale	Cumbria	No overall control	114
Barrow-in-Furness	Cumbria	Labour	44
Basingstoke and Deane	Hampshire	No overall control	275
Bristol, City of	Unitary Authority	No overall control	77
Broxtowe	Nottinghamshire	No overall control	219
Carlisle	Cumbria	Labour	112
Cheltenham	Gloucestershire	Liberal Democrat	228
Cherwell	Oxfordshire	Conservative	256
City of London	Inner London	Independent	226
Copeland	Cumbria	Labour	63
County Durham	Unitary Authority	Labour	81
East Hampshire	Hampshire	Conservative	308
Eden	Cumbria	No overall control	182
Forest of Dean	Gloucestershire	No overall control	155
Gloucester	Gloucestershire	No overall control	139
Hammersmith and Fulham	Inner London	Labour	76
Harrogate	North Yorkshire	Conservative	289
Hart	Hampshire	No overall control	326
High Peak	Derbyshire	No overall control	198
Isles of Scilly	Unitary Authority	Independent	242
Kensington and Chelsea	Inner London	Conservative	99
Lincoln	Lincolnshire	Labour	45
Merton	Outer London	Labour	212
Mole Valley	Surrey	No overall control	305
Northumberland	Unitary Authority	No overall control	145
Norwich	Norfolk	Labour	47

Oxford	Oxfordshire	Labour	169
Solihull	West Midlands (Met County)	Conservative	216
South Lakeland	Cumbria	Liberal Democrat	251
South Oxfordshire	Oxfordshire	Conservative	309
St Albans	Hertfordshire	No overall control	319
Stratford-on-Avon	Warwickshire	Conservative	263
Stroud	Gloucestershire	No overall control	281
Tandridge	Surrey	Conservative	284
Test Valley	Hampshire	Conservative	286
Tewkesbury	Gloucestershire	Conservative	262
Tower Hamlets	Inner London	No overall control	6
Watford	Hertfordshire	Liberal Democrat	194
Westminster	Inner London	Conservative	43
Winchester	Hampshire	No overall control	307

Of the 41 Local Authorities that have retained Council Tax Support schemes identical to the former national Council Tax Benefit scheme, 9 are in the upper quartile ranking for all 326 Local Authorities in relation to deprivation (i.e. they represent the greatest levels of deprivation), 7 are in the second quartile, 10 are in the third quartile and 15 are in the lower quartile (i.e. they represent the lowest levels of deprivation). In summary, 25 of the 41 authorities concerned were in the lower quartile rankings for deprivation that were established in 2015.



Cabinet 15 November 2016

Report from the Chief Finance Officer

Wards affected: ALL

2016/17 Mid-Year Treasury Report

1. Summary

1.1 This report updates Members on recent treasury activity.

2. Recommendation

2.1 Cabinet is asked to note the 2016/17 mid-year Treasury report, which has already been reviewed by the Audit Committee and is to be forwarded to the Council.

3. Detail

Background

- 3.1 The Council's Treasury Management Strategy is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 3.2 The Code also recommends that Members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.
- 3.3 Treasury Management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- In addition to reporting on risk management, the Code requires the Authority to report on any financial instruments entered into to manage treasury risks.

Economic Background

- 3.5 Growth rates have slowed across most developed economies in the past six months, though growth in the US continues to be solid. However, the largest uncertainty in the marketplace in the UK continues to be the vote to leave the European Union.
- 3.6 A recent plunge in the pound and increased market turbulence has made it very difficult to foresee the course of events. In particular, business investment is vulnerable to a changing international trade environment.
- 3.7 The weakness of the pound is also likely to be a source of inflationary pressure and this would normally indicate rising interest rates. Indeed, the Governor of the Bank of England recently noted this in public. However, the Bank of England is committed to keeping interest rates low to support economic activity. There are likely to be higher levels of volatility in the market until the future of the UK's relations with its major trading partners are resolved. It is widely assumed that interest rates will be lower and inflation higher previously thought.
- 3.8 Gilt yields have been significantly affected by the vote and have fallen to unprecedentedly low levels. Current borrowing rates are positive and the Governor of the Bank of England has expressed reluctance to lower the base rate to or below zero. The table below illustrates the significant change caused by the vote.

PWLB Rates

Period	March 2016	August 2016
1 year	1.3%	1.1%
5 year	1.8%	1.2%
10 year	2.5%	1.6%

3.9 The interest rate the Council receives on money market funds has fallen since the vote and 12 month maturities with local authorities have fallen from 0.6% to 0.4%.

Debt Management

- 3.10 The Authority continues to qualify for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate). This is reviewed on an annual basis and has been confirmed as applying until 31 October 2016.
- 3.11 Alternative sources of long term funding to long-dated PWLB borrowing are available, but the Council will continue to adopt a cautious and considered approach to funding from the capital markets. The affordability, simplicity and ease of dealing with the PWLB represents a strong advantage but the Council, due to its prudent policies and strong balance sheet, is in a position to consider alternatives, and will start to do so in order to finance the investment strategy. However, no long term loans have been raised so far this year as can be seen in the table below:

	Balance on 01/04/2016	Debt repaid*	New Borrowing	Balance on 31/08/2016
	£m	£m	£m	£m
Short Term Borrowing	0.0	0.0	0.0	0.0
Long Term Borrowing	419.3	1.6	0.0	417.7
TOTAL BORROWING	419.3	1.6	0.0	417.7
Average Rate %	4.76	2.57		4.79

^{*£34.2}m of the PWLB loans are referred to as EIP, whereby the Councils pays down the loans in half-yearly equal installments over the lifetime of the loan.

- 3.12 Affordability remains an important influence on the Council's borrowing strategy. Moreover, any borrowing undertaken ahead of need would need to be invested in the money markets at rates of interest significantly lower than the cost of borrowing and involve credit risk. If interest rates seemed likely to rise in the short-term then this approach might need to be reviewed.
- 3.13 The use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding capital expenditure. This has lowered overall treasury risk by reducing external debt and temporary investments. However this position will not be sustainable over the medium term and the Council will need to give careful consideration to its future capital programme and how this is financed. Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Council's treasury advisor, Arlingclose.
- 3.14 The persistence of low interest rates means that it would be uneconomic to reschedule debt, because early retirement of the loan would incur a heavy penalty, to compensate the PWLB for having to lend the money on at lower rates.

Investment Activity

3.15 The Council gives priority to security and liquidity and aims to achieve a yield commensurate with these principles.

	Balance on 01/04/2016 £m	Investments Made £m	Investments Repaid £m	Balance on 31/08/2016 £m
Short Term Investments	164.0	583.3	541.7	205.6

- 3.16 There was a £42m movement in short-term investments. This was partially due to an additional Housing Benefit payment of £18m at the end of last year that led to a dip in the cash balance. £186m was the average amount of cash held in 2015/16. The rest of the movement between March 31st and August 31st 2016 was due to a steady flow of capital receipts that will be used to fund the Council's capital programme and the timing of payments and receipts.
- 3.17 Security of capital has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17. New investments were made with the following classes of institutions:

A- rated banks; AAA rated Money Market Funds; Other Local Authorities; The UK Debt Management Office.

- 3.18 Counterparty credit quality was assessed and monitored with reference to Credit Ratings (the Council's minimum long-term counterparty rating of A- (or equivalent) across rating agencies Fitch, Standard & Poor's and Moody's); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms; potential support from a well-resourced parent institution; share price. There were two foreign banks on our Lending List, both Swedish (and, therefore, outside the Eurozone), conservatively run and with good ratings and strong financial figures.
- 3.19 All investments in banks and Building Societies are now undertaken by means of marketable instruments (Certificates of Deposit, CDs). This adds a measure of additional liquidity without sacrificing return, given our maturity limits.

Budgeted Income and Outturn

- 3.20 The Council's external interest budget for the year is £23.3m, and for investment income is £1.4m. The Council is unlikely to achieve the income figure, but this is likely to be compensated for by lower borrowing costs than budgeted. The average cash balances, representing the Council's reserves and working balances, were £184m during the period to 31 August 2016.
- 3.21 The UK Bank Rate has was reduced to 0.25% on 4 August, 2016. Short-term money market rates have remained at very low levels and do not, at the moment, appear likely to rise.

Icelandic Bank Investment Update

3.22 The Council received £0.4m in August 2016, which means that only £0.2m of the original £10m deposit now remains outstanding. It is expected that a further distribution will be made but this depends on the result of litigation currently under way regarding a property investment.

LOBOs (Lender Option Borrower Options)

3.23 Barclays released its lender option rights to alter the rate of interest, at no cost to the Council, in order to comply with Basle III regulations, coming in 2019. This has meant that £15m of LOBOs became fixed interest rate loans. Arlingclose have advised us that it is likely that many of our other lenders may also give up these rights. This has reduced our level of Treasury Management risk.

Compliance with Prudential Indicators

3.24 Officers confirm that they have complied with its Prudential Indicators for 2016/17, which were set in February 2016 as part of the Council's Treasury Management Strategy Statement (TMSS). Details can be found in Appendix 1.

Outlook

3.25 At the time of writing this activity report in August 2016, economic growth remains slow worldwide, though seems well established in the US. The UK had performed comparatively well with growth led by consumer spending, and investment beginning to grow. 3.26 Productivity remains low, though is showing some signs of improvement. However, the prospects for the UK economy are now extremely difficult to forecast. The period of uncertainty following the referendum is likely to last for at least the two year period of notice. It will depend on what terms can be negotiated with the EU, but also with other nations and trading blocs. As a major trading partner, the EU will continue to have a significant influence on the UK economy, however, other countries are likely to develop in importance.

Summary

3.27 In compliance with the requirements of the CIPFA Code of Practice, this report provides Members with a summary report of the treasury management activity during the first half of 2016/17. As indicated in this report, none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

4. Financial Implications

These are covered in the report.

5 Diversity Implications

None.

6. Staffing Implications

None.

7 Legal Implications

There are no direct legal implications.

Background

Annual Treasury Strategy – Report to Full Council as part of the Budget Report – February 2016.

Persons wishing to discuss the above should contact Gareth Robinson, Head of Finance, Treasury and Pension Investments Section, Finance, on 020 8937 6567 at Brent Civic Centre.

Appendix 1

Capital Financing Requirement

Estimates of the Council's cumulative maximum external borrowing requirement for 2016/17 to 2018/19 are shown in the table below (excluding Private Finance Initiative schemes):

	31/03/2016 Final	31/03/2017 Estimate	31/03/2018 Estimate	31/03/2019 Estimate
	£m	£m	£m	£m
CFR	584	584	624	664

Usable Reserves

Estimates of the Council's level of Usable Reserves for 2016/17 to 2018/19 are as follows:

	31/03/2016 Final	31/03/2017 Estimate	31/03/2018 Estimate	31/03/2019 Estimate
	£m	£m	£m	£m
Usable Reserves	106	101	91	81

Prudential Indicator Compliance

Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Council to set an Authorised Borrowing Limit. This is a statutory limit which should not be breached. The Council's Authorised Borrowing Limit was set at £850m for 2016/17. The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The Operational Boundary for 2016/17 was set at £750m. The Chief Finance Officer confirms that there were no breaches to the Authorised Limit or the Operational Boundary so far this year; borrowing at its peak was £419m.

Upper Limits for Fixed Interest Rate and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2016/17	Maximum during 2016/17
Upper Limit for Fixed Rate Exposure	100%	100%
Upper Limit for Variable Rate Exposure	40%	0%

Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/08/16 £m	% Fixed Rate Borrowing as at 31/08/16	Compliance with Set Limits?
Under 12 months	40	0	44	10	Yes
12 months and within 24 months	20	0	14	3	Yes
24 months and within 5 years	20	0	52	13	Yes
5 years and within 10 years	60	0	7	2	Yes
10 years and above	100	0	301	72	Yes

Net Debt and the CFR

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Authority should ensure that the net external borrowing does not exceed the total of the CFR in the preceding year plus the estimates of any additional increases to the CFR for the current and next two financial years.

The Authority had no difficulty meeting this requirement so far in 2016/17, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Total principal sums invested for periods longer than 364 days

This indicator allows the Council to manage the risk inherent in investments longer than 364 days.

The limit for 2016/17 was set at £20m.

The Council's practice since the onset of the credit crunch in 2007 has generally been to keep investment maturities to a maximum of 12 months. At 31 August, the last maturity date in the deposits portfolio was 20 March, 2017.

Credit Risk

This indicator has been incorporated to review the Council's approach to credit risk. The Council confirms it considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not the sole feature in the Authority's assessment of counterparty credit risk. The authority

considers the following tools to assess credit risk, with advice and support from our advisers, Arlingclose:

- Published credit ratings of the financial institution and its sovereign;
- · Sovereign support mechanisms;
- · Credit default swaps (where quoted);
- · Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum.

The Council can confirm that all investments were made in line with a minimum long term credit rating of A- or equivalent, as set in the 2016/17 TMSS.

HRA Limit on Indebtedness

This purpose of this indicator is for the Council to report on the level of the limit imposed at the time of implementation of self-financing by the Department for Communities and Local Government.

HRA Limit on Indebtedness	31/03/2016 Final £m	31/03/2017 Estimate £m	31/03/2018 Estimate £m	31/03/2019 Estimate £m
HRA CFR	137	137	147	157
HRA Debt Cap (as prescribed by CLG)	199	199	199	199
Difference	62	62	52	42



Cabinet

15 November 2016

Report from the Chief Finance Officer

For Action Wards affected: ALL

Establishing a Wholly Owned Investment Company

1.0 Summary

- 1.1. Cabinet approved Brent's investment strategy at its meeting of 11 April 2016.
- 1.2. This strategy was designed, *inter alia* to set the framework through which the capital programme will help to deliver the council's long-term vision to "make Brent a great place to live and work..." and to help deliver the five Brent 2020 priorities. It explicitly signalled a shift away from short-term solutions to long-term public investment, and envisaged a council embracing more innovative and agile corporate structures to enable a more enterprising culture focused on seizing opportunities and managing rather than eliminating risks.
- 1.3. By definition many of the actions in the investment strategy are therefore long-term. However, one explicit short-term action was to establish a local authority controlled company, referred to in this paper as a wholly owned company (WOC). This company was originally envisaged to enable speedy delivery of the temporary accommodation reform plan. This report therefore includes a focus on how the WOC will help deliver the Council's targets for the development of new affordable homes and why establishing a Company will offer the Council flexibility to intervene strategically to ensure that new housing development can contribute fully to strategic priorities.
- 1.4. However, whilst that remains the initial purpose of the proposed WOC the report also sets out more broadly the various options for the Council to establish an investment vehicle to be operated as a Wholly Owned Company (WOC), to help increase the pace of regeneration, the development of new homes to meet the needs of people across the Borough, and the investment in necessary infrastructure within Brent.

Meeting Date

- 1.5. Initially the company will be set up to purchase and manage a target portfolio of 300 properties in and around the London Borough of Brent. These properties will be let to tenants for whom Brent has a homeless duty to and the company will discard the duty under the provisions of the Housing Act 1996, Part VII as amended by the Homelessness Act 2002 and the Localism Act 2011. In doing this homeless families are houses at a less expensive cost than many temporary accommodation options.
- 1.6. Critically, the creation of a company involves vital decisions about how the company is to be owned, governed and managed to ensure that the right balance is struck between democratic and senior managerial oversight of the company and giving it the operational flexibility which is a core part of the business case for establishing it.

2.0 Recommendations

- 2.1. That Cabinet approve the establishment of the wholly owned company, to be called "Investing 4 Brent", for the objects and purposes set out in this report
- 2.2. That Cabinet agree to appoint the following as Directors of the Company, with all the responsibilities under the Companies Act that flow from that:
 - 1 Councillor George Crane;
 - 2 The Strategic Director of Community Wellbeing (Phil Porter); and
 - 3 The Director of Policy, Partnerships and Performance (Peter Gadsdon).
- 2.3. That Cabinet note that the Board of the Company will be chaired by an independent voting Director, and that Martin Smith, the former Chief Executive of Ealing Council is proposed for this role.
- 2.4. That Cabinet approve the Articles of Association and Shareholders Agreement as set out at Appendices One and Two.
- 2.5. That Cabinet approve the company's initial business plan, which is set out at Appendix Three.
- 2.6. That Cabinet authorise the loan facility between the council and the company, as summarised in this report, and authorise the chief finance officer to finalise the legal documentation accordingly and thereafter to authorise loans on the terms set out in this report.
- 2.7. That Cabinet delegate to the deputy Leader, in consultation with the Chief Finance Officer, the precise mix of loan and equity funding, for the reasons set out in paragraph 6.8.
- 2.8. Approve the provision of an initial loan of £1m to meet the working capital (cash flow) requirements of the company on terms as summarised in this report and delegate authority to the Chief Finance Officer to finalise the legal documentation accordingly.

- 2.9. That Cabinet note that the company is intended to be incorporated by the end of the calendar year, and as soon as practicably possible following expiry of the scrutiny call-in period.
- 2.10. That Cabinet delegate to the deputy leader, in consultation with the chief finance officer, authority to finalise the Articles of Association and other legal documentation required formally to incorporate the Company in accordance with the requirements of the Companies Act 1985.

3.0 Detail

- 3.1. There are various forms of subsidiary companies and other arrangements that local authorities (or indeed private companies) can enter into. The complexity of the company structure is driven by the public purpose which the council wishes to achieve rather than, as is often perceived of some private sector structures, as a means to achieve particular tax treatments and to facilitate more aggressive accounting practices.
- 3.2. The proposal is for Brent Council to form a Company under its General Fund powers, which will be 100% owned by the Council. Its initial principal aim will be to assist in the delivery of the Council's ambitious regeneration plans and housing development objectives, but it is envisaged that this aim will be developed over time.
- 3.3. The rationale for using a WOC, as opposed to developing direct through the General Fund, includes:
 - Isolation of some financial risks, which would be borne in the first instance by the Company rather than the Council:
 - More focused management of these complex risks, such as cash flow, tax, land development and market appraisals, many of which are not typical of most council services;
 - Specifically within the initial focus on housing, absolute clarity that any
 housing properties delivered will not be council HRA properties and thus
 will not impact on the HRA borrowing cap. Right to Buy (RTB) does not
 apply to homes developed through a WOC, as the Company forms a
 distinct legal entity from the Council.
 - Strong and onerous personal obligations placed on the Directors of the company, through the Companies Act, to ensure that the activity receives the appropriate management focus;
 - Flexibility to act more commercially and at greater speed than the council
 can, which is essential in acquiring property and striking development deals
 and hence emphasises why governance and control are so important; and
 - Flexibility to develop the company, once established, into another structure, if so required, allowing for example the development of other companies within the Brent umbrella or sharing of the equity in the company with another partner if that becomes desirable.

4.0 Company Structure

The Council's Strategic Role

- 4.1. It is proposed that the WOC would be constituted as a company limited by shares. The Council will own the entire share capital and will therefore have ultimate control of the Company. The Company would be a subsidiary of the Council in terms of its technical legal status. In order to be flexible enough to deliver on the increasing variety of Council objectives the WOC may create from time to time other subsidiaries, if so authorised, which could take a different legal form such as charity or other 'not for profit' entity company. However, as any such subsidiaries would still be owned by the Company they too would be subject to strategic direction and control by the Council, in the terms set out in this report.
- 4.2. The WOC constituted as a company limited by shares has several key advantages:
 - It ensures that the Directors of the company are personally liable for meeting the onerous obligations of the Companies Act. Whilst the council will indemnify them against reasonable matters it is beyond the lawful power of the council to do so in certain circumstances, such as for example as could arise from an HSE prosecution. These obligations provide a strong incentive for the Directors to ensure that the particular requirements of running a company are met.
 - It is a structure familiar to the private sector, and therefore gives the council the option, at its sole discretion, of subsequently changing the structure, for example to establish joint venture arrangements if thought desirable.
 - It explicitly allows the generation of profits (or surpluses) and whilst these give rise to tax considerations it enables a more transparent cross-subsidy to be provided to other council activities.
 - It ensures that the Directors of the company can act with commercial freedom, maximising the potential operational effectiveness of the company.
- 4.3. It follows from this that the governance of the company is of paramount importance. There is no intention whatsoever, and it would be highly undesirable, for the company to be able to act entirely independently of the Council. Its activities and freedom to act must therefore be carefully prescribed to balance the need for operational freedom against the equally important need for democratic oversight.
- 4.4. The following governance structure is therefore proposed, in summary:
 - Cabinet sets overall strategic direction and retains control of key activities;
 - Corporate Management Team acts as senior 'client' overseeing the activities of the Company; and

- Directors operate with commercial freedom in the best interests of the company (as required by the Companies Act).
- 4.5. Cabinet would be the strategic supervisory body with ultimate responsibility for ensuring governance of the Company and approval and delivery of its business plan. This role would be without prejudice to Cabinet's normal decision making powers as set out in the Council's constitution. The following key powers would be reserved to Cabinet:
 - 1. Agree the articles of association and shareholder agreements;
 - 2. Agree the Annual Business Plan;
 - 3. Agree any loan facility to the Company and the terms of them;
 - 4. Appoint and dismiss the Directors and Company Secretary;
 - 5. Agree any expansion of the remit of the WOC;
 - 6. Have powers to wind-up and dispose of the WOC on behalf of the Council; and
 - 7. Provide general strategic direction and democratic oversight.
- 4.6. In addition, the council's audit committee would have a clear role in overseeing the company and ensuring that its activities were being conducted in accordance with its defined objectives.
- 4.7. As governance is more than usually critical in this context each of these is discussed in turn below. The key point to note is that the structure proposed will enable the Directors of the company to act with commercial freedom and with indemnities from the council against their obligations under the Companies Act, but if and only if the actions of the Directors are within the framework of activities already agreed by Cabinet. In other words, the framework gives the council, through the company, all the advantages desired in terms of operational flexibility, whilst retaining democratic control over all of the key strategic decisions.

Agree the articles of association and shareholder agreements

- 4.8. The articles of association are attached as Appendix One. These are perhaps best described as the rules by which the company will conduct its business, and in that sense somewhat analogous to the Council's constitution. They are therefore an important part of the overall governance of the company, and contain detailed clauses covering, for example, the quorum for Directors' meetings, voting at those meetings, how Directors must discharge their obligations as regards conflicts of interest and many other matters besides. Importantly, they give effect to the council's power to control the composition of the board, so that the company cannot appoint or dismiss any Director (although of course individual Directors are entitled to resign).
- 4.9. The shareholders agreement is attached as Appendix Two. This is perhaps best described as the rules that the council sets as to what the company can and cannot do (which it must then do in accordance with the articles of association). It is therefore an essential element of the council retaining strategic control of the company, whilst allowing it considerable operational freedom. Probably the most pertinent part of the document is Schedule A, the

"shareholder reserved matters". The company cannot, as a matter of law, make decisions on "reserved matters": it must seek the council's consent, which is a function that the cabinet would discharge. Examples of the "reserved matters" include

- a. vary in any respect its articles of association or the rights attaching to any of its shares [this is necessary as the company could otherwise, in theory, amend its own rules about appointment of Directors to exclude or diminish the council's role]
- b. engage in any business other than as contemplated by the Business Plan [this is necessary to give legal force to the business plan as the way in which the council sets the strategic framework for the council]
- c. create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any material asset or its business in whole or in part or any of its shares [this is necessary to secure the council's ultimate ownership of all of the company's assets]
- 4.10. Both documents are fairly standard in this context, but the documents are nonetheless an essential part of the governance framework. They have been drafted by externally commissioned lawyers, specialising in company formation, and reviewed by the council's legal department. The documents attached are almost final, but will need minor amendments so that they can be legally executed, such as for the completion of the date of incorporation and other important but entirely routine matters. These will be dealt with under the delegated authority proposed at 2.9, with any material matters brought back to Cabinet if required.

Agree the annual business plan

4.11. The annual business plan would describe in more detail the planned activities of the company in a given period of time (usually a year). For example, in the context of planned housing work, Cabinet could restrict the company to purchase of properties up to a specified maximum, or only those that met certain criteria, such as by geographic area, or to achieve certain standards in lettings and so on. The annual business plan for the PRS element of the WOC is included as Appendix Three.

Appoint the Directors and Company Secretary

4.12. The Directors of the company are vitally important, and whilst constrained by the articles and business plan they would have to have considerable operational freedom in order to make the company effective. It is therefore essential that Cabinet retain the sole power to appoint and dismiss the Directors. As the WOC may establish, in time, subsidiary companies, focusing on specific council desired programmes, the Directors of these companies would similarly be appointed by the Council, although the normal presumption would be that they would be the same as those appointed by the Council to the main company.

Agree any expansion of the remit of the WOC

4.13. Cabinet retains the power to agree any change in the fundamental activities of the company. To be effective, this could not extend down to operational details (such as, to go to an extreme, the appointment of professional staff or advisers to help the company fulfil its functions) but it ensures that the company cannot choose to change its own scope of activities in more fundamental ways. For example, the initial scope could be constrained to housing activity, and any change to that would require Cabinet approval.

Have the powers to wind up and dispose of the WOC

- 4.14. In extreme cases the Directors might legally be required to wind up the company, for example if it was insolvent. However, in such extreme cases, if the decision was reserved to Cabinet then there would be no practical choice in the matter anyway. However, it is vital that Cabinet retain the power to 'dispose' of the company, for example to sell part of the equity to another party, so that the Directors could not act in this way themselves.
- 4.15. Of course, in a healthy professional working environment there ought not to be any significant divergence of views between Cabinet and the Directors of the Company. However, the above control framework is proposed as essential, as without it Cabinet would not be able to exercise sufficient control over the activities of the company in the event of some major disagreement arising.
- 4.16. Cabinet would be supported in fulfilling this role by the council's corporate management team. As the activities of the company could be drawn widely with the potential to impact on all areas of the council's business this is the only logical client function, which it is envisaged would be discharged, initially at least, through a quarterly monitoring report.
- 4.17. Within this overall structure it is now necessary to turn to the question of who should fulfil particular roles. In understanding this it is first necessary to set out some specific definitions, particularly as they relate to the Companies Act.

Appointment of Directors

- 4.18. The Director of a company established under the Companies Act is under an absolute duty to act in the interests of that company. Properly defined, in the way envisaged in this report, furthering the interests of the proposed company would necessarily entail delivering council priorities, but in practice conflicts can and will arise and Directors have a duty to manage these and, if necessary, avoid them, including by resigning either their Directorship or their other activity giving rise to the conflict (e.g. in this context their role within the Council).
- 4.19. Conflicts can either be situational (those that arise by virtue of the general situation) or transactional (where a particular transaction is proposed). This is best illustrated by an example. It would not be possible for the Chief Finance Officer, being the statutory s151 officer of the council, to be a Director of the Company. Each conflict would arise, for example:
 - The company would require loan finance from the council to purchase properties. A very clear transactional conflict would arise with the Chief

Finance Officer advising Cabinet on the terms of that loan if that officer were also the Director of the company intended to receive the loan. In other words, the transaction could not proceed, in this situation, until either one role or the other was resigned, and as this situation could be envisaged at the outset the conflict would have to be avoided by preventing the CFO being a Director of the company.

- A situational conflict arises when a Director of the company occupies a
 position of such influence in the council that they could not reasonably be
 expected to separate this from their role on the company.
- 4.20. In practical terms this makes it impossible for the Chief Finance Officer or Chief Legal Officer to act as a Director of the company. Although it could be argued that the situational conflicts could be managed a number of transactional conflicts would arise regularly, and, as illustrated above, these would be fundamental.
- 4.21. Similarly, Cabinet members would be caught by situational and transactional conflicts. The minimum requirement for managing this conflict would be for any Cabinet member, if they were to be a Director of the company, to excuse themselves from any Cabinet or PCG discussion about the company and the policies it was pursuing, and hence create conflicts between their role as elected Members and their obligations to the company. There is not an absolute legal bar to Cabinet Members fulfilling this role, and in some other Councils Cabinet Members are appointed to such Directorships. However, officers' advice is that the potential for conflict would be significant, and that this should be mitigated by not appointing any Cabinet Members to be Directors of the Company.
- 4.22. Directors are also required to have the skills necessary to undertake the role. This has a particular legal implication in the context of the Companies Act. In the event of, for example, a prosecution by the HSE, a defence of not understanding the issues is not permissible, and would not be covered by the council's indemnity. Directors would therefore be required to undertake specific training, most probably via an accredited route, as well as ensuring generally that they have appropriate leadership and management experience. Directors are not necessarily required to have specific professional qualifications, for example in accountancy, but are required to ensure that they take and pay due regard to appropriate professional advice.
- 4.23. As a matter of good governance, and to strengthen the board of Directors, and to assist the Board to operate with sufficient freedom it is proposed that the Board should be chaired by a senior independent Director. The Chair of the WOC would need to demonstrate considerable experience of delivery of multi-year multi-agency investment in housing and infrastructure, commercial acumen and a deep knowledge of the complexities of funding, tax, company law and risk management. It is not an absolute legal requirement, but it is strongly recommended as a matter of good governance.
- 4.24. A range of potential candidates with the likely experience have been approached, and it is proposed that Martin Smith, the former chief executive of Ealing council, is appointed to the role. It is proposed that the chief finance

- officer be authorised to agree the precise contractual terms and, for the avoidance of doubt, the role would be remunerated.
- 4.25. The council nominated Directors of the company would not be remunerated for undertaking the role. However, they would be indemnified in the council's standard terms. There are three broad options, each with various pros and cons, as to who those Directors should be, as set out below.
- 4.26. The first option is that the other Directors of the company should all be officers, possibly supplemented by another independent Director. This maintains the clearest possible separation between the role of elected Councillors in setting policy and the officer role of executing it. This is not an academic distinction. It provides clarity of focus and enhances the company's freedom to act commercially (within politically defined parameters). In the event that allegations of conflict of interest arise, whether perceived or actual, this model provides the strongest general rebuttal of such allegations. As against this, there is no direct involvement of elected Councillors in the day to day activities of the company.
- 4.27. Any officers appointed to the Board should, it is proposed, be either Strategic or Operational Directors, given the significance of the role. In theory anyone at this level could do the role. They do not need functional knowledge of or experience in the particular activities of the company, just good general management skills, knowledge and experience, allied to good commercial skills.
- 4.28. The second option is that the other Directors of the company (besides the independent chair) should be elected Cabinet Members. This provides the greatest level of political oversight but presents a number of significant challenges. The conflicts of interest become real, rather than perceived, and any Cabinet members on the board would have to recuse themselves from Cabinet decisions and PCG discussions about the company. As the activities of the company are potentially very wide ranging this could prevent the Cabinet members from fulfilling part of their political role.
- 4.29. As an illustration of this, if the Cabinet Member for Housing were a Director of the company, it is difficult to see how they could play a normal part in decision making on key issues around housing policy, given the initial proposed remit of the company. Obviously, this degree of conflict reduces if the Cabinet member proposed as Director has no direct day to day oversight of the policy areas that the company is delivering against, but as Cabinet policy is developed collectively this merely reduces the conflict somewhat, and certainly does not eliminate it
- 4.30. Some councils do have companies with Cabinet members as the Directors, so it is not unlawful per se. However, given the wide ranging role of the proposed investment company, there are good reasons to be cautious about adopting this approach, and certainly a board with a majority of Cabinet members would carry significant governance risks.

- 4.31. The third option would be for non-executive (back bench) Councillors to be Directors of the company. This clearly reduces the potential for conflict. It does not eliminate it, and the same considerations apply, so, hypothetically, participating in a scrutiny review of housing might become more problematic for the elected member in question. However, as the conflict could never be "transactional" (because non-executive Members do not authorise transactions) then the conflict becomes much more capable of being managed.
- 4.32. This also clearly provides a greater degree of political oversight of the day to day activities of the company than the first option.
- 4.33. Finally, the Directors of the company could be drawn from a mixture of roles elected Members and senior officers. Various combinations of this could be devised, and sharing roles helps to dilute conflicts of interest. However, it is important to note that this model does not eliminate the conflicts; to repeat the hypothetical example above, the Cabinet member for Housing would still, if appointed as a Director, have a significant conflict with his substantive political role.
- 4.34. It is recommended that the final option permits some elected member representation on the Board, albeit the elected member would be acting formally in the interests of the company, with two senior officers and an independent Chair. Therefore it is proposed, taking all of the foregoing into account, that the Directors of the company should be:
 - One elected member Councillor George Crane is proposed for this role;
 - Two senior officers The Strategic Director of Community Wellbeing (Phil Porter); and The Director of Policy, Partnerships and Performance (Peter Gadsdon) are proposed for these roles; and
 - One independent voting Director as Chair Martin Smith, the former Chief Executive of Ealing Council is proposed for this role.
- 4.35. It is not intended that the WOC would have a high profile identity separate from the Council, and that, operationally, it would be a "light" organisation with many activities, particularly development, undertaken via consultancy support, contracts and management agreements or via secondment of Council staff. It is expected that by setting up and running the Company in this way the impact on staffing capacity would be low but equally would improve efficiency and maintain employment whilst providing a motivating opportunity for staff to develop new skills. Some direct appointments might be necessary in relation to, for example, management of core functions such as Board papers, audit, insurance, accounting and tax.
- 4.36. The conclusion of this report is that the WOC has significant potential to support the delivery of housing, infrastructure and regeneration strategies directly (i.e. through site development) and indirectly (providing the catalyst for further private sector investment or maintaining the momentum of change). For example, the potential for the Council to be able to directly deliver housing on land that it owns is of clear benefit to the wider regeneration of Brent as it will provide an alternative route to private sector delivery which has been constrained by prevailing economic conditions.

4.37. A draft shareholders agreement and articles of association are attached. Subject to final legal drafting these are the documents that would give legal force to the general and specific proposals set out above.

5.0 Delivering Housing through a Wholly Owned Company (WOC)

- 5.1. As regards housing development, the WOC would not replace development within the HRA but rather complement it, developing a mix of tenures.
- 5.2. Cabinet approved the Temporary Accommodation Reform Plan in March 2016, which sets out a number of actions to improve the quality of accommodation for homeless households at a reduced cost to the Council and to create more opportunities to end the council's homelessness duty.
- 5.3. One of these actions was for the council, via the WOC, to acquire properties which will be let as long term Private Rented Sector (PRS) properties at Local Housing Allowance (LHA) levels to prevent homelessness and end homelessness duty to families helped. The properties would need to be either in Brent or sufficiently close to Brent to be able to end a homelessness duty in compliance with the Homelessness Suitability of Accommodation Order of 2011. A good rule of thumb is the property is within 90 minutes public transport travel time from Brent civic centre.
- 5.4. The advantages of utilising a company owned by the council outside the HRA include that it could let properties within the Private Rented Sector, while drawing on the council's borrowing capacity and give the council greater control of the investment compared to entering into a joint venture or contract with an external organisation, allowing better management of risk and potential reward. There are tests which the PRS properties must achieve to ensure the Council's housing duty can be ended, which primarily relates to the PRS tenants having a tenancy agreement with the company and not the Council. However, the mechanisms for the council's strategic control as raised earlier in this paper remains and additional mechanisms such as 100% nomination rights provides the Council with added comfort.
- 5.5. Additional benefits of the WOC would be its impact in creating growth in the local construction sector, expanding the provision of quality homes and providing exemplar developments which might generate interest by developers and others in building in Brent. By directly delivering housing on Council land, both General Fund and HRA, the WOC would provide an impetus to private sector delivery. The WOC would be a vehicle that demonstrates the Council's commitment to using all its powers and assets to deliver transformation whilst allowing for flexible delivery over time by the market.
- 5.6. Housing could be provided on Council owned land, from either General Fund or HRA, with funding primarily provided through General Fund prudential borrowing on-lent to the WOC at an increased interest margin, and complimented with any grants or third party contributions that can be secured. Note that this borrowing could either be from the PWLB or from other external financing.

- 5.7. As an investment company, the WOC would retain the majority of properties developed by the Company for letting under new tenures such as assured and assured short-hold at affordable rents. Some properties could be sold for low cost home ownership and/or private sale or to other housing providers, including the HRA. Note that the Right to Buy does not apply to these rented homes and outside the Right to Buy provisions.
- 5.8. There are various scenarios that could be modelled to show how decisions made by the WOC would benefit the Council and the wider community. For instance, net rental income after the deduction of operational costs could be used to service and repay borrowings. However, the WOC could also decide to sell properties to assist in the repayment of debt. If properties were sold to registered providers they would continue to contribute to the local stock of affordable housing. Any surpluses generated either from net rental income or sales of properties would generate an overall return to the Council (General Fund) on its equity ownership.
- 5.9. Over time, some housing developed by the WOC might be purchased by the HRA. This would secure some housing as secure tenancies, if the Council so wished. This could be done using surplus cash flows generated in the HRA Business Plan and would maximise leverage of the HRA resources.

The Business Plan

- 5.10. This sets out what the company can do and therefore, what it cannot do. It also contains the company's financial plans, which are discussed in the financial implications.
- 5.11. In summary, the company is at this stage being authorised to acquire properties, and let them at LHA rates to discharge the council's homelessness duty. It will operate as a responsible and fair landlord for these purposes. It will not normally acquire properties outside of the key areas defined in the business plan, where the infrastructure and commuting times provide opportunities for employment, public services and lifestyle choices. The company may let some properties above LHA rents, for example at sub market rents, defined as rents at below the market rents for that area, to key workers or households as part of their transition plan to permanent housing, or even at market rents if appropriate. It will only do so if financially necessary, and may not have more than 25% of its portfolio above the LHA rate without explicit Cabinet approval.
- 5.12. The company will also carry out general business development activities, to identify new opportunities for the council, but it will not act on these without further explicit approvals following a robust business plan and investment appraisal.

6.0 Financial Implications

6.1. A WOC can be set up to deliver a number of opportunities/programmes within a balanced property portfolio. Following Cabinet's approval of the Temporary Accommodation Reform Plan in March 2016, where a key action to address the

needs of households being place in temporary accommodation was the acquisition and development of a substantial portfolio of long term PRS accommodation which can be let to homeless households at Local Housing Allowance (LHA) rates.

6.2. Detailed consideration has been given to a business case and financial plan for a WOC to manage a PRS portfolio on behalf of Brent. This business case for establishing this WOC assesses the risks and impacts on the Authority, whereas the Business Plan (appendix three) models the revenue and cost flows for the company, and assesses its commercial viability.

The Business Case For The Operating A PRS Portfolio Through a WOC

- 6.3. The Temporary Accommodation Reform Plan identified that an assessment of the viability of a wholly owned PRS company would be undertaken. The advantages of managing the PRS portfolio through a company are:
 - Discharge of the duty for Brent to comply with its responsibility under the Homelessness Suitability of Accommodation Order of 2011
 - Discharge of its duties under section 193, Housing Act 1996
 - Reduction in the costs associated with placing households in more expensive alternative settings
 - Being able to 'on lend' existing financial balances at PWLB rates, as an alternative to traditional investments which are not performing well in the current financial market
- 6.4. The company will be funded from a mixture of a long term debt and an equity holding. The relative amount that will be funded by debt held as equity is informed by the company business plan, and the availability of the company to cover interest payments on borrowing.
- 6.5. Brent will provide funding for the acquisitions of the company as part of its wider investment strategy from prudential borrowing. The initial financial plan will not require the company to repay the loan debt to the council, until such time as the council specifies and requires this. This is a fundamental assumption about the financial structure of the company. Its initial function, as set out in the business plan, is to acquire and manage properties for the council to let to alleviate housing pressures, in line with the temporary accommodation reform plan. Meeting interest costs in the early years of operation would not be affordable for the company, and if it were required to do so the effect on the council would simply be to require it to hold a larger equity stake.
- 6.6. Instead, the assumption is that at a future date to be determined the council will require the company to dispose of some of the assets it has acquired to finance the loan repayment. As the council can afford to be a long-term investor it will have a reasonable degree of assurance that it will be able to manage this at the more advantageous time of the property market cycle, taking advantage of the likely long-term rise in prices. Even if there were to be an unprecedented long-term decline in the property market the council could still manage the risk by letting at market rates instead, although this would clearly not have the same

social benefit as the model intended. In short, there are risks, as there are in any property transactions, but there are reasonable mitigations for these.

Impact on the General Fund

- 6.7. Investing in these properties will provide an alternative housing option for families who would otherwise be housed in more expensive Temporary Accommodation. The TA reform plan report identified that there would be an expected cost saving / cost avoidance of £0.86m per annum arising from this provision.
- 6.8. The interest costs to the council of the investment required to fund this will be at least met by interest payments from the company, as the on-lending will include an appropriate margin. This is built into the company's business plan and is affordable within that. Offsetting this saving is an additional cost of borrowing to invest in the company. The company will principally be financed by loans in this way, but a small element of the financing will be equity to represent the council's ownership of the company and so comply with HMRC guidance. The precise mix of loan and equity finance will be determined by the chief finance officer.
- 6.9. The repayment of the loan and equity debt would be made at the time when it is appropriate to dispose of such assets as are held by the company. Using prudent measures for cost and property inflation, an indicative positive rate of return for the investment is 5.41% over a 30 year return.
- 6.10. In addition, an analysis of the returns generated by the projections against comparable recent transactions in the local market has been carried out so that the Council is able to demonstrate that they do represent both best value to the Council and a structure which is state aid compliant. This means that funding to the WOC must be on market terms (except for the explicit purpose of affordable housing) and comply with HMRC requirements in relation to tax treatments. The Council would charge a premium on all loans approved to the WOC in excess of PWLB rate, providing a revenue income stream to the Council. All lending to the WOC would be subject to a loan agreement and would include pre-conditions on draw down, as well as scrutiny of delivery of agreed development schemes.

The Sustainability of the Company

- 6.11. The company will be set up to purchase and manage a target portfolio of 300 properties in and around the London Borough of Brent. Properties will not normally exceed ninety minutes travel time by public transport from Brent Civic Centre and ideally be less than sixty minutes. These properties will be let to tenants for whom Brent has a duty under the under the Housing Act 1996, Part VII as amended by the Homelessness Act 2002 and the Localism Act 2011 to provide housing option who would otherwise have required more expensive TA options.
- 6.12. The modelling is based on the company letting at LHA rates. The company will have limited flexibility to let to tenants at sub market rents or commercial rates.

- This flexibility shall be no greater in value than 25% of the overall delegated company budget, without specific Cabinet authority
- 6.13. Initial modelling has presented a sustainable business plan for the company provided that a number of key targets are met, the key ones being:
 - Purchasing a portfolio of properties that generates sufficient income from letting to tenants at sub market rents to cover the costs of operating the company and interest on debt owed to Brent
 - 2. Properties are managed in such a way as the costs of operation are optimised and the revenues lost through void and bad debts are minimised
- 6.14. The premise of this company is that it has been established to provide quality housing options at sub market rents. Key to the sustainability of this company is its ability to operational surpluses. However, the ability to make significant surpluses is restricted through sub market rental income. Section 6 of the business plan gives more detail on the critical and other variables that the directors of the company will need to manage to ensure a sustainable, successful and profitable company.
- 6.15. Providing that these key targets are met, the financial profile of the company is that it becomes profitable during the second year, and retains surpluses from which to operate until end of the 30 year business plan period.
- 6.16. It should also be noted that incorporation of a company exposes the operation to liability for corporation tax and VAT. Payment of these taxes has been included in the financial modelling exercise.
- 6.17. Given the target variables as defined above, the company will require a cash flow / working capital facility of up to £1m during the first 4 years of operation. The need for a working capital facility arises from the time it takes from the acquisition of the property to first let. The financial profile for the company is for the company to make a loss in the first year of operation, turn from profit to loss during the second year and to make accrued profits from year 4 onwards.
- 6.18. For the avoidance of doubt, this is a loss within the company. As it forms part of the council's overall group it is not a loss to the council; indeed, the company will be a part of the council's plans to reduce its overall costs in managing homelessness. By way of analogy, describing the company as making a loss in its early operation is the same as describing any operational budget as a 'loss' which would be meaningless for practical purposes. However, the early loss in the company has a specific meaning within the Companies Act, which is why it is necessary to demonstrate that the company will over time be profitable.
- 6.19. From year 4 onwards the company is self-sustaining, with losses made in later years being offset by further profits made in the earlier years. This is detailed in the appended company business case.

- 6.20. There are risks of setting up a company, the primary one being that due to unforeseen market changes it may become insolvent. This risk should be mitigated by suitable monitoring arrangements as set out above. It is important that the company maintain the flexibility to set rents and if necessary dispose of properties to meet any shortfalls. The company should not be authorised to borrow or incur long-term liabilities without prior Council approval.
- 6.21. To support the viability of the company and protect the interests of the company a commercial arm will operate alongside the PRS affordable housing. This commercial element will permit greater opportunity to deliver sub market and commercial housing to create a strong and sustainable business and offer accessible housing products to key workers amongst others.

Conclusion

6.22. The PRS landlord is an example of how the Council through the WOC facilitates more varied programmes of housing and regeneration. The WOC provides the structure to drive financial, economic and social benefits for the residents of Brent and through its business focus deliver results. The WOC operating within an agreed business plan, delivering sub market rental properties, is a commercial viable option for Brent. The additional costs of operating in a company structure, such as liabilities for taxation, are offset by the focus of a dedicated company and operational board of Directors, delivering a supply of quality and affordable homes and facilitate the discharge of homelessness duty for Brent.

7.0 Legal Implications

- 7.1 The Council has the power to establish and operate the company to develop homes to be let for rent and sold on the market or for low cost home ownership using the general power of competence under section 1 of the Localism Act 2011.
- 7.2 In exercising this power the Council is still subject to its general duties, such as its fiduciary duty, and must exercise the power for a proper purpose. The power is also limited where it overlaps with a power which pre-dates it (section 2 Localism Act 2011). Accordingly in setting up a trading company the Council must comply with section 95 of the Local Government Act 2003 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009.
- 7.3 Under section 4 of the Localism Act 2011 where, as is proposed here, that the general power is used for a commercial purpose, that commercial purpose must be carried out through a company.
- 7.4 Under sections 1 and 12 of the Local Government Act 2003 the Council may borrow money or invest for any purpose relevant to its functions or for the prudent management of its financial affairs. The borrowing must be prudent and comply with the Prudential Code.

- 7.5 The Council has the power to provide financial assistance (loan) for housing purposes under section 24 of the Local Government Act 1988 where the immediate landlord of the occupier is not a local authority. In this instance the landlord will be the Company. This power is subject to consent of the Secretary of State. The Secretary of State has set out pre-approved consents in the "General Consents 2010" (July 2011) and the "General Consents 2014" (April 2014). The Council can provide financial assistance to the Company under Consent C of the General Consents 2010
- 7.6 Any housing made available for sale by the Company would not be covered by the 1988 Act. However the Council may rely upon the general power of competence under section 1 of the Localism Act 2011 to fund the Company for the purpose of the company operating a business to provide homes for market sale. The Council may also use this same power to provide loans to the Company for working capital.
- 7.7 It is proposed that Council lending to the Company will be structured and provided at market terms and rates (except for lending for affordable housing) and so would not constitute State Aid. The issue of State Aid will be kept under review and considered on a scheme-by-scheme basis.
- 7.8 The Council may also secure its lending to the Company with legal charges on the property acquired or developed by the Company.
- 7.9 The Council has the power to dispose of land by lease to the company under section 123 of the Local Government Act 1972 and obtain best consideration for the land. Sale at an undervalue may require consent from the Secretary of State and/or may constitute unlawful State Aid.
- 7.10 The Council is entitled to dispose of land held in its Housing Revenue Account providing it complies with section 32/43 of the Housing Act 1985. Although these consents for HRA land normally require the consent of the Secretary of State, there are general consents that have been issued. These powers are complex and as such, site-specific advice will be obtained for any disposal.
 - a. If the Council were to transfer land to the company and impose specific requirements as to what will be developed on that land then this is likely to be a public works contract. However, providing the company remains wholly in the ownership of the Council (or is otherwise wholly publicly owned) then, subject to the relevant tests a) being met, such a contract would still be compliant with the Public Contracts Regulations 2015.

8.0 Diversity Implications

8.1. None. The company would continue to adopt Council diversity requirements.

9.0 Staffing/Accommodation Implications (If Appropriate)

- 9.1. Remuneration is not proposed for the existing Members/officers as Directors of the company, but would be expected for the independent chair and any other independent members.
- 9.2. The WOC will be efficient on administration and use contracts with private companies and with the council to deliver its service.

10.0 Implementation Plan

- 10.1. An implementation plan has been prepared for the next phases of the work. It proposes three main strands of activity in order to finalise matters. These are:
 - 1) Obtaining all necessary consents, clearances and sign off from, for example, external audit, HMRC.
 - 2) Further consideration and determination of the management and operational arrangements, including site identification and development proposals.
 - 3) Drafting and agreement of the various legal agreements which would be required for the establishment of the WOC.
- 10.2. All these matters are detailed in the Final Business Case which found at appendix 1.

Background Papers

Contact Officers

Conrad Hall, Chief Finance Officer

dated 2016

The Mayor and Burgesses of the London Borough of Brent and

[Property Investment Company] Limited

Shareholder's Agreement

in respect of [Property Investment Company] Limited

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Shareholder's Agreement

dated 2016

Parties

- (1) The Mayor and Burgesses of the London Borough of Brent of Civic Offices, Engineers Way, Wembley, Middlesex HA9 0FJ (the Shareholder).
- (2) [Property Investment Company] Limited (company no xxx) whose registered office is at Civic Offices, Engineers Way, Wembley, Middlesex HA9 0FJ (the [Property Investment Company]).

Introduction

- (A) The Company was incorporated in England under the Companies Act 2006 on [] 2016 and, at the date of this Agreement, [100] Shares are in issue and are registered in the name of and are beneficially owned by the Shareholder.
- (B) The Company has been established for the purpose of assisting the Shareholder achieve its regeneration objectives, including increasing the supply of housing across a range of tenures including for sale (on market or shared ownership terms) and rent (at market or at sub-market rent) and to generate return to the Shareholder from its housing and regeneration and investment activities.
- (C) This Agreement sets out the terms upon which the Shareholder will participate in the Company as its shareholder.

Agreed Terms

- 1 Definitions and Interpretation
- 1.1 In this Agreement:

Agreed Form means a form agreed by the Shareholder from time to time, a copy of which has been initialled for the purpose of identification by or on behalf of the Shareholder;

Articles means the articles of association of the Company;

Business means the business of the Company as set out in clause 2;

Business Day means a day (other than a Saturday or Sunday) on which the banks in the City of London are open for business;

CA2006 means the Companies Act 2006;

Council means the London Borough of Brent;

Debt Recovery Policy means the policy of the Company in relation to the recovery of debt to it by a tenant of a Dwelling as amended from time to time with the Shareholder's consent;

Director means a director of the Company;

Dwelling means any dwelling owned by the Company from time to time;

Environmental Information Regulations means the Environmental Information Regulations 2004;

Financial Model means the financial model set out in a [CD-R with file reference "xxx"] and initialled by way of identification by the signatories to this Agreement as amended from time to time with Shareholder's consent:

Finance Documents means a development facility agreement to be entered into by the Company and the Shareholder on or about the date of this Agreement, a loan note instrument to be entered into by the Company on or about the date of this Agreement, and any other funding and security documentation which is entered into by the Company relating to the provision of funding for the Business from the Council;

FOIA means the Freedom of Information Act 2000:

Information has the meaning given to it under section 84 of the FOIA;

Lettings Policy means the policy of the Company under which it will let Dwellings as amended from time to time in accordance with the Shareholder's consent;

Remuneration Policy means a policy adopted by the Company (following receipt of Shareholder's consent) in relation to the provision of remuneration (including salary, bonus, the provision of benefits-in-kind or otherwise) for employees (if any), officers and consultants;

Rent Policy means the policy of the Company in relation to settling rents of Dwellings as amended from time to time in accordance with the Shareholder's consent;

Request for Information has the meaning set out in the FOIA or any apparent request for information made under the FOIA or the Environment Information Regulations;

Sales Policy means the policy of the Company under which it will sell Dwellings as amended from time to time in accordance with the Shareholder's consent:

Shareholder's consent means consent of the Shareholder in accordance with clause 3.6;

Shareholder Consent Matters means those matters listed in schedule 1;

Shares means the ordinary shares of £1 each in the issued share capital of the Company.

Subsidiary has the meaning given in the CA2006;

United Kingdom means the geographical area of the United Kingdom of Great Britain and Northern Ireland as at the date of this Agreement.

- 1.2 A reference to a statutory provision includes a reference to:
 - 1.2.1 a statutory amendment, consolidation or re-enactment (whether before or after the date of this Agreement),

- 1.2.2 statutory instruments or subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) or orders made under the statutory provision (whether made before or after the date of this Agreement), and
- 1.2.3 statutory provisions of which the statutory provision is an amendment, consolidation or re-enactment.

1.3 Reference to:

- 1.3.1 a person includes a legal or natural person, partnership, trust, company, government or local authority department or other body (whether corporate or unincorporate),
- 1.3.2 a statutory or regulatory body shall include its successors and any substituted body,
- 1.3.3 an individual includes, where appropriate, his personal representatives,
- 1.3.4 the singular includes the plural and vice versa, and
- 1.3.5 one gender includes all genders.
- 1.4 Unless otherwise stated, a reference to a clause or schedule is a reference to a clause or schedule to this Agreement and a reference to this Agreement includes its schedules.
- 1.5 Clause headings in this Agreement are for ease of reference only and do not affect its construction.
- 1.6 In construing this Agreement the so-called ejusdem generis rule does not apply and accordingly the interpretation of general words shall not be restricted by words indicating a particular class or particular examples.
- 1.7 For the purposes of this Agreement **Party** means a party to this Agreement and reference to **Parties** shall be to all or more than one of them as applicable.
- 1.8 Where a provision of this agreement imposes an obligation, cost or liability on two or more Parties, that obligation, costs or liability shall be construed as being against those Parties jointly and severally, and where a provision of this Agreement gives a claim, benefit or right to two or more Parties, that claim, benefit or right attaches to those Parties jointly.
- 1.9 Where a consent and/or permission is required under this Agreement from one Party to the other that consent and/or permission should not be unreasonably withheld or delayed.

2 Business

- 2.1 The Business of the Company shall be:
 - 2.1.1 to purchase land and property within the United Kingdom from either the Council or on the open market;
 - 2.1.2 to develop, acquire, construct and/or refurbish residential homes (and retail and commercial premises) within the United Kingdom, but primarily in the London Borough of Brent, or such other reasonably close locations as may be defined

from time to time in the business plan, where such homes will be sold at market or on shared ownership terms or rented (either on the open market or at a submarket rent) and in either case in accordance with the Lettings Policy and the Sales Policy (as the case may be);

- 2.1.3 to assist the Shareholder in achieving its regeneration objectives;
- 2.1.4 to operate as a commercial company and deliver a financial return to the Shareholder.

together with any activities reasonably incidental to the above.

- The first Business Plan of the Company is set out in schedule 2 to this Agreement. The Company shall circulate a revised version of the then current Business Plan to the Shareholder by the end of November in each year and invite the Shareholder to provide comments on the proposed Business Plan or to provide Shareholder's consent. The Shareholder will use reasonable endeavours to respond by the end of the following February. Subject to the receipt of Shareholder's consent, before the end of each Accounting Period the Directors shall (in accordance with this Agreement) consider and, if appropriate, adopt an updated and revised Business Plan. No adoption, variation or replacement of any Business Plan shall take effect unless such adoption, variation or replacement has received Shareholder's consent.
- 2.3 Each Business Plan shall be substantially in the format of the first Business Plan and shall be for a at least a one year period.
- 2.4 Notwithstanding any other provision of this clause 2, following the requisite approval by the Directors of a new proposed Business Plan or an amended or updated and revised Business Plan, such draft Business Plan shall become, or such amended or updated Business Plan shall become, the Business Plan for the relevant Accounting Periods. For any period when a proposed Business Plan presented under clause 2.3 has not been approved and adopted by the Directors in accordance with this Agreement the relevant existing Business Plan shall continue to be the Business Plan of the Company.
- 2.5 The Company shall not remunerate its Directors other than as instructed by the Council.
- 3 Conduct of the Company's Affairs
- 3.1 Meetings of the Directors shall be held no less than four times in every year and at not more than three monthly intervals.
- 3.2 With the exception of those matters requiring Shareholder's consent pursuant to clause 3.6, the management of the Company shall be vested in the Directors. The Directors may appoint a managing director on such terms as they may think fit who shall be responsible for the day to day management of the Business within the terms of the Business Plan and this Agreement and perform such duties as may be delegated to him by the Directors. The Directors may also remove such managing director and appoint a replacement, on such terms as it may think fit providing that no appointment to the post of managing director (or such post with similar designation) shall be made without Shareholder's consent.

- 3.3 Without prejudice to the generality of the foregoing, the Directors will determine the general policies of the Company and the manner in which the Business is to be carried out, subject to the Business Plan, to those matters requiring Shareholder's consent pursuant to clause 3.6 and to any other express provisions of this Agreement. In particular, but without limitation to the generality of the foregoing, the Directors will shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (in so far as they are able in the exercise of such rights and power) that, at all times during the term of this Agreement, the Company shall:
 - 3.3.1 carry on and conduct its business and affairs in a proper and efficient manner, for its own benefit and in accordance with the Business Plan and with good business practices, and
 - 3.3.2 transact all its business on arm's length terms.
- 3.4 The Company shall not carry out any activity which would render the holding of Shares by the Shareholder's unlawful provided that where a proposed change of law would render such shareholding unlawful the Shareholder will use its reasonable endeavours to take such steps as are necessary to allow it to continue lawfully to hold its Shares.
- 3.5 The Company will if it requires any approval, consent or licence for the carrying on of its Business in the manner in which it is from time to time carried on or proposed to be carried on, obtain and maintain the same in full force and effect.
- 3.6 The Company shall ensure that none of the Shareholder Consent Matters shall be carried out without the prior consent in writing of the Shareholder.
- 3.7 The Company shall permit any Director to discuss the affairs, finances and accounts of the Company and its subsidiaries with the Shareholder's designated officers and executives at any time. All books, records, accounts and documents relating to the business and the affairs of the Company shall be open to the inspection of any such person, who shall be entitled to make any copies thereof as he or she deems appropriate to keep the Shareholder properly informed about the business and affairs of the Company or to protect its interests as Shareholder. Any information secured as a consequence of such discussions and examinations shall be kept confidential by the requesting Shareholder and its designated officers and executives in accordance with the terms of clause 5.
- 3.8 The Company agrees with the Shareholder that it will maintain effective and appropriate control systems in relation to the financial, accounting and record-keeping functions of the Company and will generally keep the Shareholder informed of the progress of the Company's business and affairs and in particular will procure that the Shareholder is given such information and such access to the officers, employees and premises of the Company as it may reasonably require for the purposes of enabling it to monitor its investment in the Company.
- The Company shall not breach nor cause the Shareholder to be in breach of the Local Authorities (Companies) Order 1995.

4 Covenants

The Company covenants to the Parent in accordance with the terms of Schedule 3.

5 Termination

- 5.1 This Agreement shall terminate upon
 - 5.1.1 the written agreement of the Parties in accordance with the terms agreed; or
 - 5.1.2 when a resolution is passed by the Shareholder or creditors of the Company, or any order made by a court or other competent body or person instituting a process that shall lead to the Company being wound up and its assets being distributed among the creditors, Shareholder or other contributors; or
 - 5.1.3 the Company ceasing to carry on its business; or
 - 5.1.4 the Company being convicted of a criminal offence; or
 - 5.1.5 [upon the Council giving not less than 30 days written notice of the date on which this Agreement will terminate.]

6 Confidentiality

- 6.1 Each Party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other Party except as permitted by clause 6.2.
- 6.2 Each Party may disclose the other Party's confidential information:
 - 6.2.1 to its employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the Party's obligations under this Agreement. Each Party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other Party's confidential information comply with this clause 6; or
 - 6.2.2 as may be required by law, court order or any governmental or regulatory authority.
- 6.3 Each Party acknowledges that the other Party is subject to the requirements of the FOIA and the Environmental Information Regulations, and shall facilitate the other Party's compliance with its Information disclosure requirements pursuant to and in the manner provided for in clauses 6.4 and 6.7.
- If either Party (the **Recipient**) receives a Request for Information in relation to Information that the other Party is holding and which the Recipient does not hold itself, the Recipient shall refer to the other Party such Request for Information as soon as practicable and in any event within five (5) Business Days of receiving a Request for Information, and the other Party shall:
 - 6.4.1 provide the Recipient with a copy of all such Information in the form that the Recipient requires as soon as practicable and in any event within 10 Business Days (or such other period as the Recipient acting reasonably may specify) of the Recipient's request; and
 - 6.4.2 provide all necessary assistance as reasonably requested by the Recipient to enable the Recipient to respond to a Request for Information within the time for

compliance set out in Section 10 of the FOIA or Regulation 5 of the Environmental Information Regulations.

- Following notification under 6.4, and up until such time as the other Party has provided the Recipient with all the Information specified in clause 6.4, the other Party may make representations to the Recipient as to whether or not or on what basis Information requested should be disclosed, and whether further information should reasonably be provided in order to identify and locate the information requested, provided always that the Recipient shall be responsible for determining, at its absolute discretion:
 - 6.5.1 whether Information is exempt from disclosure under the FOIA and the Environmental Information Regulations; and
 - 6.5.2 whether Information is to be disclosed in response to a Request for Information, and in no event shall the other Party respond directly to a Request for Information unless the Request for Information is addressed to it.
- The Parties acknowledge that (notwithstanding the provisions of clause 6.1) the Recipient may, acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under part I of the Freedom of Information Act 2000, be obliged under the FOIA or the Environmental Information Regulations to disclose Information concerning the other Party:
 - 6.6.1 in certain circumstances without consulting with the other Party; or
 - 6.6.2 following consultation with the other Party and having taken their views into account.
- 6.7 Each Party shall transfer to the other Party any Request for Information which it receives but is addressed to the other Party as soon as practicable and in any event within 3 Business Days of receiving it.
- The Parties acknowledge that any lists provided which list or outline confidential information are of indicative value only and that a Recipient may nevertheless be obliged to disclose confidential information in accordance with the clause 6.

7 No Partnership

Nothing in this Agreement gives rise to a partnership between the Parties or constitutes one Parties as the agent of the other.

8 Contracts (Rights of Third Parties) Act 1999

- 8.1 Unless the right of enforcement is expressly granted, it is not intended that a third party, other than a lawful successor in title or a lawful assignee, should have the right to enforce a provision of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.
- The Parties may rescind or vary this Agreement without the consent of a third party to whom an express right to enforce any of its terms has been provided.

9 Costs of this Agreement

Each party shall pay its own costs in connection with the negotiation, preparation, execution and performance of this Agreement and of each department referred to in it.

10 Waiver

- The rights of each of the Parties in respect of a breach of this Agreement shall not be affected by completion, by its rescinding, or failing to rescind, this Agreement, or failing to exercise, or delaying in exercising, a right or remedy, or by anything else, except a specific authorised written waiver or release. A single or partial exercise of a right or remedy provided by this Agreement or by law does not prevent its further exercise or the exercise of another right or remedy.
- Waiver of a breach of a term of this Agreement, or of a default under it, does not constitute a waiver of another breach or default nor affect the other terms of this Agreement.
- The rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies.

11 Variation

A purported variation of this Agreement is not effective unless in writing and signed by or on behalf of the Shareholder.

12 **Invalidity**

If a provision of this Agreement is held to be illegal or unenforceable, in whole or in part, under an enactment or rule of law, it shall to that extent be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be affected. The Parties agree to negotiate in good faith to agree the terms of a mutually satisfactory provision to be substituted for the provision found to be illegal or unenforceable.

13 Entire Agreement

- This Agreement (together with any documents entered into under it or at the same time as it) supersedes all prior understandings and agreements between the Parties (whether written or oral) relating to its subject matter and contains the entire agreement between the Parties relating to its subject matter.
- Each Party acknowledges that it does not enter into this Agreement on the basis of, and does not rely on, warranties or representations made, or agreed to, by any person (whether a party to this Agreement or not).
- 13.3 Each Party waives its rights against the others in respect of warranties and representations (whether written or oral) not expressly set out or referred to in this Agreement.
- Nothing in this clause 13 limits or excludes liability for fraud.

14 Status of this Agreement

In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Articles, then it is the intention of the Shareholder that the provisions of this Agreement shall prevail. Accordingly, the Shareholder shall take all such steps and do all such acts and things as may be necessary or desirable, including, without limitation, exercising all voting and other rights and powers of control available to it in relation to the Company, so as to give effect to the provisions of this Agreement and shall further if necessary procure (insofar as it is able to do so by the exercise of those rights and powers) any required amendment to the Articles.

15 Consents

- 15.1 Consents, notices, approvals or agreements to be given by the Shareholder under this Agreement shall be given in writing.
- Where this Agreement provides that a matter is subject to the consent, approval or Agreement of any Party then (except as expressly provided otherwise), it shall be in the absolute discretion of the Party concerned as to whether (and if so, on what terms and conditions) the consent, approval or agreement is made.

16 **Communications**

marked for the attention of [

Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first-class post or by email as follows:

16.1.1	if to the Shareholder, to:	
Address:	Civic Centre, Engineers Way, Wembley, M	liddlesex HA9 0FJ
Email: [1	
marked for the attention of [];		
16.1.2	if to the Company, to:	
Address:	Civic Centre, Engineers Way, Wembley, M	liddlesex HA9 0FJ
Email: [1	

or to such other person, address, or email as any Party may specify by notice in writing to the other.

1;

- 16.2 In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given:
 - 16.2.1 if delivered personally, when left at the address referred to in clause 16.1;
 - 16.2.2 if sent by mail, other than airmail, two Business Days after posting it;
 - 16.2.3 if sent by fax, on completion of its legible transmission; and

- 16.2.4 if sent by email, when sent and there has been no communication by the recipient to the senders that the email has not been received,
 - provided always that a notice given in accordance with the above but received on a day which is not a Business Day or after business hours on a Business Day will only be deemed to be given on the next Business Day.
- The original of any notice or other communication by fax shall be forwarded to the recipient(s) but the non-arrival of that original shall not affect the validity of the notice or other communication by fax.

17 Counterparts

- 17.1 This Agreement may be executed in a number of counterparts and by the Parties on different counterparts, but shall not be effective until each Party has executed at least one counterpart.
- 17.2 Each counterpart, when executed, shall be an original, but all the counterparts together constitute the same document.

18 Governing Law and Jurisdiction

- 18.1 This Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of England and Wales.
- The Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any dispute or claim arising out of or in connection with this Agreement or any of the documents to be executed pursuant to this Agreement or their subject matter or formation (including non-contractual disputes or claims). This Agreement has been executed as a deed and delivered on the date stated at the beginning of this Agreement.

Schedule 1

Shareholder Consent Matters – Part A (Corporate Matters)

The Company shall not, unless it has Shareholder's consent:

- 1 vary in any respect its articles of association or the rights attaching to any of its shares; or
- 2 permit the registration (upon subscription or transfer) of any person as a member of the Company other than the Shareholder in accordance with the terms of this Agreement or agree any rights or restrictions attaching to any shares or memberships allocated to such new shareholders or members as applicable; or
- increase or reduce the amount of its issued share capital except as provided in this Agreement, grant any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeem or purchase any of its own shares or effect any other reorganisation of its share capital; or
- issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital; or
- 5 make any borrowing other than under the Finance Documents; or
- apply for the listing or trading of any shares or debt securities on any stock exchange or market; or
- pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent); or
- 8 engage in any business other than as contemplated by the Business Plan or defray any monies other than in good faith for the purposes of or in connection with the carrying on of such business; or
- 9 form any Subsidiary or acquire shares in any other company or participate in any partnership or joint venture (incorporated or not); or
- 10 close down any business operation, or dispose of or dilute its interest in any Subsidiary for the time being, or dispose of any material asset unless in each case such closure or disposal is expressly contemplated by the Business Plan; or
- agree to enter or enter into any acquisition or disposal of any material assets by the Company the total of which exceeds £0.5m except unless such acquisition or disposal is expressly contemplated by the Business Plan; or
- sell or dispose of any part of the business of the Company, unless such sale or disposal is expressly contemplated in the Business Plan; or
- agree or approve any other material services the total value of which exceeds £50,000 per annum to be provided by the Company to a third party unless such activity is expressly contemplated by the Business Plan; or
- amalgamate or merge with any other company or business undertaking; or

15 alter its name or registered office; or 16 enter into any transaction or arrangement of any nature whatsoever (including, for the avoidance of doubt, a service contract) with any of its directors or any person who is connected (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) to any of its directors whether or not any other person shall be party to such transaction or arrangement; or 17 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms; or 18 appoint any agent (not being a sub-contractor) to conduct the whole or any part of the business of the Company, other than the appointment of an agent to conduct an area of the business of the Company; or 19 enter into, as lessor or as lessee, any finance lease if doing so would mean that the aggregate value of such arrangements entered into exceeds £50,000; or 20 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever on any material asset, shares, income or its business in whole or in part or any of its shares other than: 20.1 as contemplated in the Finance Documents; 20.2 liens arising in the ordinary course of business; or 20.3 any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business; or 21 adopt or amend its annual Business Plan; or 22 change its financial year end: or 23 make or permit to be made any material change in the accounting policies and principles adopted by the Company in the preparation of its audited accounts except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom; or 24 make or agree to make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity (other than in the normal course of trading); or 25 give any guarantee, suretyship or indemnity to secure the liability of any person or assume the obligations of any person outside the scope of its Business Plan; or

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establish or amend any profit-sharing, share option, bonus or other incentive scheme of

factor or assign any of its book debts; or

any nature for directors, officers or employees; or

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- establish or amend any pension scheme or grant any pension rights to any director, 28 officer, employee, former director, officer or employee, or any member of any such person's family; or 29 appoint, remove or dismiss any director or company secretary; or 30 adopt or amend its Remuneration Policy; or 31 agree to remunerate (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) or to increase the remuneration of any employee, officer of or consultant to the Company unless the annual aggregate amount of such remuneration (by payment of salary, bonus, the provision of benefits-in-kind or otherwise) is in accordance with the Company's current Remuneration Policy or Business Plan; or 32 institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business or in accordance with the Debt Recovery Policy or where the value of such claim is reasonably believed by the Company to be less than £50,000) instituted or threatened against it or submit to arbitration or alternative dispute resolution any dispute if the effect of this is that its solvency may be imperilled, or it may require additional funding in order to undertake its Business Plan; or 33 undertake any business or action which is inconsistent with the Business Plan then in force or omitting to undertake any action which is required by that Business Plan except with the prior written consent of the Council; or 34 approve any matter that is reasonably likely to have an adverse effect on the reputation of the Council: or 35 change the nature of the business or commence any new business which is not ancillary or incidental to the business of the Company, save as expressly contemplated in the business plan; or 36 make any agreement with any revenue or tax authorities or make any claim, disclaimer, election or consent for tax purposes in relation to the Company or its business if the effect of this is that its solvency may be imperilled, or it may require additional funding in order to undertake its Business Plan; or 37 give notice of termination of any arrangements, contracts or transactions the total value of which exceeds £1,000,000 per annum or materially varying any such arrangements, contracts or transactions where such termination is likely to have an adverse impact on the financial status of the Company; or enter into any contract with a value in excess of £1,000,000; or 38 appoint and approve the appointment terms (including any remuneration terms) of the
- declare or pay any end of year dividend of the Company (where applicable); or

chief executive officer / managing director of the Company; or

Directors; or

39

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appoint and approve the appointment terms (including any remuneration terms) of the

41	grant rights (by licence or otherwise) in or over any intellectual property owned or used by the Company.

Shareholder Consent Matters – Part B (Operational Matters)

The Company shall not unless it has Shareholder Consent:

46

42	make any amendments to the Lettings Policy and/or Sales Policy;
43	make any amendments to the Rent Policy;
44	make any amendments to the Debt Recovery Policy;
45	make any amendments to the Financial Model;

make any amendments to the Remuneration Policy.

Schedule 2	
First Business Plan	

Schedule 3

Company Covenants

The Company covenants to the Shareholder as follows:

- 1 To comply with the Lettings Policy and the Sales Policy
- 2 To comply with the Rent Policy
- To comply with the Debt Recovery Policy
- 4 To only acquire land if the acquisition is in accordance with the Financial Model
- 5 To maintain the Shareholder's financial year end as the Company's financial year end.

In witness whereof the parties have executed this Agreement as a deed.		
The Common Seal of the Mayor and Burgesses of the London Borough of Brent was hereunto affixed in the presence of:)))	
	Authorised Signatory	
executed as a deed by [Property Investment Company] acting by: a director in the presence of:))) Director	
Witness signature Name	Director	
Address		

Private company limited by snares				
Memorandum of association				
of				
[Property Investment Company] Limited				
	essociation wishes to form a company under the Companies er of the company and to take at least one share.			
Name of each subscriber	Authentication by each subscriber			
London Borough of Brent				
[Property Investment Compar	ny]			
Articles of association				
Company number:				

Private company limited by shares

Articles of association

of

[Property Investment Company]

1 Model articles not to apply

The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles shall not apply to the company. References to **the articles** shall be to the following articles of association as amended from time.

2 Defined terms

In the articles, unless the context requires otherwise:

bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

board means the board of directors of the company from time to time;

chairman has the meaning given in article 14;

chairman of the meeting has the meaning given in article 47;

Companies Acts means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

council means the London Borough of Brent or any successor body thereto;

director means a director of the company, and includes any person occupying the position of director, by whatever name called;

distribution recipient has the meaning given in article 39;

document includes, unless otherwise specified, any document sent or supplied in electronic form:

electronic form has the meaning given in section 1168 of the Companies Act 2006;

fully paid in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

hard copy form has the meaning given in section 1168 of the Companies Act 2006;

holder in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

instrument means a document in hard copy form;

ordinary resolution has the meaning given in section 282 of the Companies Act 2006;

paid means paid or credited as paid;

participate, in relation to a directors' meeting, has the meaning given in article 12;

proxy notice has the meaning given in article 53;

shareholder means a person who is the holder of a share;

shares means shares in the company;

special resolution has the meaning given in section 283 of the Companies Act 2006;

subsidiary has the meaning given in section 1159 of the Companies Act 2006;

transmittee means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

writing means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

3 Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

4 Objects clause

The company's objects are unrestricted.

5 Directors' general authority

Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

6 Shareholder's reserve power

The shareholder may, by special resolution, direct the directors to take, or refrain from taking, specified action.

No such special resolution invalidates anything which the directors have done before the passing of the resolution.

7 Directors may delegate

- 7.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
 - 7.1.1 to such person or committee;
 - 7.1.2 by such means (including by power of attorney);
 - 7.1.3 to such an extent;
 - 7.1.4 in relation to such matters or territories; and
 - 7.1.5 on such terms and conditions;

as they think fit.

- 7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

8 Committees

- 8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

9 Directors to take decisions collectively

- 9.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 10.
- 9.2 If:
 - 9.2.1 the company only has one director; and
 - 9.2.2 no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

10 Unanimous decisions

10.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

- 10.2 Such a decision may take the form of a resolution in writing, which may consist of several copies each signed by one or more eligible directors or to which the eligible directors have otherwise indicated agreement in writing.
- 10.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- A decision may not be taken in accordance with this article if the eligible directors would not have formed a guorum at such a meeting.

11 Calling a directors' meeting

- Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 11.2 Notice of any directors' meeting must indicate:
 - 11.2.1 its proposed date and time;
 - 11.2.2 where it is to take place; and
 - 11.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 11.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 11.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting. A director may waive the requirement that notice of a meeting of the directors or of a committee of the directors be given to him at any time before or after the date on which the meeting is held by notifying the company to that effect. Where a director gives such notice after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

12 Participation in directors' meetings

- Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - 12.1.1 the meeting has been called and takes place in accordance with the articles, and
 - they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 12.3 If all the directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.

13 Quorum for directors' meetings

- At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- The quorum for the transaction of business of the directors shall be 3.
- 13.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision to request that the Shareholder appoints such number of further directors as are required to make up the board under articles 20 and 21.

14 Chairing of directors' meetings

- 14.1 The board shall appoint a director to chair the directors' meetings.
- 14.2 The person so appointed for the time being is known as the chairman.
- 14.3 The Shareholder may require the directors to terminate the chairman's appointment at any time upon giving written notice to the company.
- 14.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

15 Casting vote

- 15.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

16 Conflicts of interest

- If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, then provided that the director has disclosed his interest in such actual or proposed transaction or arrangement with the company in accordance with the Companies Acts or the provisions of these articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the company for any benefit which he derives under or in consequence of any such transaction or arrangement.
- For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- Subject to article 16.4, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

17 Authorisation of directors' conflicts of interest

- 17.1 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall have the power to authorise any relationship, situation or other matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act (a **Conflict Situation**). Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 17.2 For the purposes of sections 175 and 180(4) of the 2006 Act and for all other purposes, it is acknowledged that a director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been (or being party to an agreement or arrangement or understanding or circumstances under which he may become) an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise involved with or interested in, any of the council, the company, or any subsidiary of the Company or the Council (as such terms are defined in section 1159 of the 2006 Act).
- 17.3 No director shall be in breach of the duty to avoid conflicts of interest in section 175 of the Act as a result of, and no authorisation is required in respect of, any Conflict Situation envisaged by article 17.2 having arisen or existing in relation to him.
- 17.4 Authorisation of a matter under this article 17 shall be effective only if:
 - the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;
 - any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together, the **interested directors**); and
 - the matter was agreed to without the interested directors voting or would have been agreed to if the votes of the interested directors had not been counted.
- 17.5 Unless otherwise determined by the directors (excluding the interested directors), any authorisation of a matter under this article 17 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- Any authorisation of a matter under this article 17 shall be on such terms and/or conditions as the directors (excluding the interested directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the interested directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the interested directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the interested directors) pursuant to any such authorisation.

- 17.7 If a director receives or has received any information otherwise than by virtue of his position as a director of the company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
 - 17.7.1 disclose any such information to the company, the directors or any other director or employee of the company; or
 - 17.7.2 use or apply any such information in connection with the performance of his duties as a director;

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article 17.7 shall apply only if such situation or relationship has been authorised by the directors under this article 17.

17.8 A director shall not, save as otherwise agreed by him, be accountable to the company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under this article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

18 Records of decisions to be kept

The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

19 Directors' discretion to make further rules

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

20 The board

Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is 3.

21 Appointment and Removal of Directors

- 21.1 Notwithstanding any other provision of these articles, the holder or holders of a majority in nominal value of the issued ordinary shares in the capital of the company may at any time and from time to time:
 - 21.1.1 appoint any person to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors); and/or
 - 21.1.2 remove any director from office.
- 21.2 Every such appointment or removal shall be effected by notice in writing to the company and shall take effect immediately (or on such later date, if any, specified in the notice).

Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

In any case where, as a result of bankruptcy, the company has no shareholders and no directors, the trustee in bankruptcy or other transmittee(s) of the last shareholder to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person (including himself) who is willing to act and is permitted to do so to be a director.

23 Termination of director's appointment

A person shall be ineligible for appointment to the board and if already appointed ceases to be a director as soon as:

- 23.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 23.2 that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors resolve that person's office be vacated;
- 23.3 a bankruptcy order is made against that person;
- 23.4 a composition is made with that person's creditors generally in satisfaction of that person's debts:
- a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 23.6 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 23.7 that person is an employee of any shareholder in the company and ceases to be employed as such for any reason;
- 23.8 that person is a removed by the Shareholder by a notice in writing to the company;
- 23.9 that person is or becomes a person disqualified from elected membership of a local authority;

24 Directors' remuneration

Directors may undertake any services for the company that the directors decide **provided that** no sum shall be paid to a director who is an elected member of the council.

25 **Directors' expenses**

The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- 25.1 meetings of directors or committees of directors;
- 25.2 general meetings; or

25.3 separate meetings of the holders of any class of shares or of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company **provided that** no sum shall be paid to a director who is an elected member of the council.

26 Company secretary

The directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the directors.

27 Nil- or partly-paid shares permitted

If the company at any time has nil or partly-paid shares in issue, articles 52 to 62 (inclusive) of the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these articles, shall apply to the company and form part of these articles as if the text of such provisions was set out in full in these articles.

28 Allotment of shares

- 28.1 Save as authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.
- Sections 561 and 562 of the Companies Act 2006 shall not apply to any allotment of equity securities (as defined in section 560 of the Companies Act 2006) by the company.

29 Powers to issue different classes of share

- 29.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- 29.2 The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

30 Company not bound by less than absolute interests

Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

31 Share certificates

- The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 31.2 Every certificate must specify:

- 31.2.1 in respect of how many shares, of what class, it is issued;
- 31.2.2 the nominal value of those shares:
- 31.2.3 the amount paid up on the shares to which it relates; and
- 31.2.4 any distinguishing numbers assigned to them.
- 31.3 No certificate may be issued in respect of shares of more than one class.
- 31.4 If more than one person holds a share, only one certificate may be issued in respect of it.
- 31.5 Certificates must:
 - 31.5.1 have affixed to them the company's common seal, or
 - 31.5.2 be otherwise executed in accordance with the Companies Acts.

32 Replacement share certificates

- 32.1 If a certificate issued in respect of a shareholder's shares is:
 - 32.1.1 damaged or defaced; or
 - 32.1.2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

- 32.2 A shareholder exercising the right to be issued with such a replacement certificate:
 - 32.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 32.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - 32.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

33 Share transfers

- 33.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- The instrument of transfer of any share taken on formation of the company by a subscriber to the company's memorandum of association need not be executed by or on behalf of the transferee even where the share is not fully paid.
- No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- The company may retain any instrument of transfer which is registered.

- The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 33.6 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

34 Transmission of shares

- If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
 - 34.2.1 may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person; and
 - 34.2.2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 34.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

35 Exercise of transmittees' rights

- 35.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 35.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 35.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

36 Transmittees bound by prior notices

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

37 Procedure for declaring dividends

- The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

- 37.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 37.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 37.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

38 Calculation of dividends

Except as otherwise provided by these articles or the rights attached to shares, all dividends must be:

- declared and paid according to the amounts paid up on the shares on which the dividend is paid; and
- apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly. For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

39 Payment of dividends and other distributions

- Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
 - 39.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 39.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
 - 39.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

- 39.1.4 any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- 39.2 In these articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable:
 - 39.2.1 the holder of the share; or
 - 39.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 39.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

40 No interest on distributions

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

- 40.1 the terms on which the share was issued, or
- 40.2 the provisions of another agreement between the holder of that share and the company.

41 Unclaimed distributions

- 41.1 All dividends or other sums which are:
 - 41.1.1 payable in respect of shares; and
 - 41.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

- The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- 41.3 If:
 - 41.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment; and
 - 41.3.2 the distribution recipient has not claimed it.

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

42 Non-cash distributions

42.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

- For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
 - 42.2.1 fixing the value of any assets;
 - 42.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
 - 42.2.3 vesting any assets in trustees.

43 Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:

- 43.1 the share has more than one holder; or
- 43.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

44 Authority to capitalise and appropriation of capitalised sums

- Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
 - decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
 - 44.1.2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions.
- 44.2 Capitalised sums must be applied:
 - 44.2.1 on behalf of the persons entitled; and
 - 44.2.2 in the same proportions as a dividend would have been distributed to them.
- 44.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- A capitalised sum which was appropriated from profits available for distribution may be applied in or towards:
 - paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct;

- 44.4.2 paying up any amounts unpaid on existing shares held by the persons entitled.
- 44.5 Subject to the articles the directors may:
 - 44.5.1 apply capitalised sums in accordance with paragraphs 46.3 and 46.4 partly in one way and partly in another;
 - 44.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - 44.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

45 Attendance and speaking at general meetings

- A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 45.2 A person is able to exercise the right to vote at a general meeting when:
 - 45.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 45.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

46 Quorum for general meetings

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum. The presence of a duly authorised representative of the Shareholder shall be a quorum.

47 Chairing general meetings

47.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

- 47.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
 - 47.2.1 the directors present; or
 - 47.2.2 (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- The person chairing a meeting in accordance with this article is referred to as **the chairman of the meeting**.
- 48 Attendance and speaking by directors and non-shareholders
- 48.1 Directors may attend and speak at general meetings, whether or not they are shareholders.
- 48.2 The chairman of the meeting may permit other persons who are not:
 - 48.2.1 shareholders of the company; or
 - 48.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

49 Adjournment

- 49.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - 49.2.1 the meeting consents to an adjournment; or
 - 49.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 49.4 When adjourning a general meeting, the chairman of the meeting must:
 - 49.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - 49.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

- 49.5 If a general meeting is adjourned, then notice of the time and place to which it is adjourned shall be given:
 - 49.5.1 to the same persons to whom notice of the company's general meetings is required to be given; and
 - 49.5.2 containing the same information which such notice is required to contain.
- 49.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

50 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

51 Errors and disputes

- No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- Any such objection must be referred to the chairman of the meeting, whose decision is final.

52 Poll votes

- 52.1 A poll on a resolution may be demanded:
 - 52.1.1 in advance of the general meeting where it is to be put to the vote, or
 - at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 52.2 A poll may be demanded by:
 - 52.2.1 the chairman of the meeting;
 - 52.2.2 the directors;
 - any member (present in person or by proxy) having the right to attend and vote at the meeting or by a duly authorised representative of a corporation.
 - 52.2.4 A demand for a poll may, before the poll is taken, be withdrawn. A demand so withdrawn shall not invalidate the result of a vote on a show of hands declared before the demand was made.
- 52.3 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

53 Content of proxy notices

Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:

- 53.1.1 states the name and address of the shareholder appointing the proxy;
- identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- 53.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- Unless a proxy notice indicates otherwise, it must be treated as:
 - allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

54 **Delivery of proxy notices**

- A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

55 Proxies and corporate representatives

The failure of any proxy or corporate representative to vote in accordance with any instructions given by the member by whom such proxy or corporate representative is appointed shall not invalidate the result of any vote in which the proxy or corporate representative has participated and the company and the directors shall be under no duty to enquire as to the instructions given to any such proxy or corporate representative.

56 Amendments to resolutions

- An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 56.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 56.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

57 Written resolutions and decisions of the Shareholder

A proposed written resolution of the members of the company (or of a class of members) shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the Companies Act 2006).

If the Shareholder makes a decision which is required to be taken in a general meeting or by means of a written resolution, that decision shall be valid and effectual as if agreed by the Company in general meeting. Any decision taken by the Shareholder pursuant to this Article 57 shall be recorded in writing and delivered by the Shareholder to the Company for entry in the Company's minute book.

58 Means of communication to be used

- Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

- Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five working days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five working days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 58.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 58.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 58.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Companies Act 2006.

59 Company seal

- Any common seal may only be used by the authority of the directors.
- 59.2 The directors may decide by what means and in what form any common seal is to be used.
- 59.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- For the purposes of this article, an authorised person is:
 - 59.4.1 any director of the company;
 - 59.4.2 the company secretary (if any); or
 - any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

62 Indemnity

- The company may indemnify any relevant officer out of the assets of the company from and against any loss, liability or expense incurred by him or them in relation to the company (including any liability incurred in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)) **provided that** this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Companies Act 2006. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the Companies Act 2006 and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled.
- To the extent permitted by, and subject to the restrictions in, the Companies Act 2006 and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Companies Act 2006, or to enable him to avoid incurring such expenditure.
- Without prejudice to the provisions of article 63, the directors may exercise all the powers of the company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the company.

62.4 In these articles:

- 62.4.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- relevant officer means any current or former director, secretary or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)), other than any person (whether an officer or not) engaged by the company (or associated company) as an auditor, to the extent he acts as an auditor.

63 Insurance

- The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
- 63.2 In this article:
 - a **relevant director** means any director or former director of the company or an associated company;
 - 63.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
 - 63.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.





Investing 4 Brent

Business Plan

November 2016



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1. The Purpose of the Company

- 1.1 Brent has one of the highest numbers of households in Temporary Accommodation in England. For quarter 2 of 2016-17, Brent reported having 2,895 households living in Temporary Accommodation, the 4th highest of all housing authorities in England. Brent, against the overall London trend, has managed to dramatically reduce the number of households in Bed & Breakfast accommodation during 2015/16 (from a peak of 242 households in Q2 2014-15 to 32 for the same quarter in 2016-17 an 87% reduction. However, there are still too many households in temporary accommodation which is inadequate for their needs, and the needs of their children.
- 1.2 On 14 March 2016 Cabinet approved the council's Temporary Accommodation Reform Plan, which responds to this challenge. One of the main measures outlined in the Plan is for Brent to acquire a large portfolio of Private Rented Sector (PRS) accommodation, which would be professionally managed and in which costs can be protected against rental inflation. It is intended that the council will acquire properties, either directly or through partner delivery agents, which will be let as long term PRS properties at Local Housing Allowance levels to prevent homelessness or end a homelessness duty.
- 1.3 In order to maintain the momentum it is important that a flow of suitable accommodation is available to provide a stable housing opportunity for those who would otherwise be in temporary accommodation
- 1.4 The primary purpose of the company will be to deliver the housing options defined in the TA reform plan. However the directors of the company will have limited discretion to let properties at affordable rents, higher than LHA rates, where it is affordable for the tenant household and provides additional funding stability for the company. The total mix of properties that may be let at greater than LHA rates is 25% of the portfolio, which may be flexed by prior agreement with the shareholders representative.
- 1.5 The secondary purpose of the company will be to carry out business development activities, to research new ways and opportunities by which it could support the achievement of the council's wider objectives. Some ancillary expenditure towards this purpose is anticipated in the initial business plan period. The company will then present proposals, in the form of a revised business plan, for approval by the council, ideally before the end of the 2016/17 financial year.

2. The benefits of operating as a company

- 2.1 As a wholly owned, Local Authority Company, the company will operate at 'arms length' from Brent, with the remit of providing affordable Private Rented Accommodation to households for which Brent has a responsibility.
- 2.2 The company is set up with the following requirements:
 - After the initial set up period, the company operates with a retained surplus
 - The company will have discretion over the individual properties it acquires provided that:
 - They are in a suitable location for Brent to comply with its duty under the Homelessness Suitability of Accommodation Order of 2011



- They are within the affordability criteria set out in the company investment plan and Capital financing agreement with Brent
- The rental income will be broadly the Local Housing Allowances agreed and funded by Central Government

3. The structure of the company

- 3.1 The company will be set up as a company limited by shares, initially providing affordable homes for households who might otherwise be housed in temporary accommodation.
- 3.2 The company will be named Investing 4 Brent.
- 3.3 The company's registered office will be:

Brent Civic Centre, Engineers Way, Wembley HA9 0FJ

- 3.4 The Company's Memorandum of Association and Shareholders Agreement are as set out in the relevant documents.
- 3.5 The Board of the Company will be chaired by an independent voting Director. The other directors of the company will be:
 - Councillor George Crane;
 - The Strategic Director of Community Wellbeing (Phil Porter); and
 - The Director of Policy, Partnerships and Performance (Peter Gadsdon)
- 3.6 The company will purchase the minimum range of services under SLA with Brent including
 - Support Services
 - Property Services
- 3.7 The Company will purchase such other services as may be required to discharge this business plan under contract procured to demonstrate value for money including but not limited to:
 - Property management and routine maintenance
 - Major maintenance and refurbishment
 - Rent collection and debt recovery
 - Buildings Insurance
 - White Goods
 - Professional services for business development activities, to the extent that these are affordable and consistent with the governance framework.



4. The Company Financial Plan

4.1 Property Portfolio

- 4.1.1 The intention is that Investing 4 Brent will seek to purchase and manage c300 properties to provide an affordable housing option for Brent Residents, who may otherwise be placed into Bed and Breakfast accommodation.
- 4.1.2 The plan for the acquisition of properties commenced early in 2016 and will continue until the end of the 17-18 financial year as detailed in the following table

PRS Location											
			2016/201	7	2017/2018						
	Target	Qtr. 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4			
	_										
Brent	120	11	12	11	22	21	21	22			
Home Counties	150										
Low LHA rates Luton/Slough/ Bedford/Leighton Buzzard/ Dunstable/ Hitchin/ Letchworth/ Hemel Hempstead/Hatfield			10	11	14	19	22	19			
Medium LHA Rates Watford/ Wycombe/ Aylesbury/ Maidenhead/ Reading/Amersham				6	7	13	15	14			
Greater London (or Home Counties)	30			4	7	7	7	5			
Totals	300	11	22	32	50	60	65	60			

Figure 1 Indicative PRS property purchase phasing

- 4.1.3 For the company to be financial secure it is important that the right mix of properties are acquired. As the rental income is fixed to the Local Housing Allowance (LHA) the purchase price of the property can be flexed based on the LHA. In areas with a relatively high LHA, a higher purchase price can be sustained, whereas in areas with a lower LHA, a lower property purchase price would be required.
- 4.1.4 The intention is that a broad portfolio of properties will be purchased within specific areas:
 - Brent
 - Greater London / opportunity purchase
 - Home Counties (Medium Local Housing Allowance Areas)
 - Home Counties (Low Local Housing Allowance Areas)
- 4.1.5 Brent and Greater London have a higher LHA, therefore a greater purchase price is acceptable. To be a sustainable, viable company a minimum excess of income from rental above operational costs will be required. In purchasing a property, this margin can be expressed as a Gross Margin as a percentage of the annual LHA rental compared to the final purchase price.



- 4.1.6 Within this framework the company has discretion as to the mix of the properties provided that:
 - The minimum number of properties are purchased and made available for affordable rent minimum target number 300 properties
 - The total capital funding envelope is not exceeded presently agreed funding envelope £100m
 - A Minimum target 'Gross Yield' is achieved

4.2 Capital Investment

4.2.1 Capital Expenditure

4.2.1.1 Modelling the likely portfolio of properties suggests a Capital requirement of c£100m (depending upon the average gross yield achieved and the mix of properties purchased).

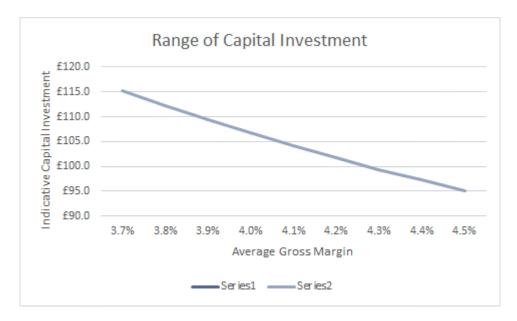


Figure 2 range of capital investment

- 4.2.1.2 For a given indicative pool of properties, the capital requirement reduces as the Gross Margin increases.
- 4.2.1.3 The funding model is based on a 'bullet payment'. The company services interest on the debt only, the debt (and equity) being repaid upon the liquidation of the asset.

4.2.2 Funding of capital investment

4.2.2.1 The c£100m capital investment can be funded from a mixture of loan and equity capital. The amount that the company can afford to borrow will be determined by the availability of revenue funding to meet the interest payments on any borrowing. The amount of revenue funding available to meet repayments on capital will be driven by the Gross Margin.



4.2.2.2 As the Gross Margin increases, the amount of income generated from rents increases in proportion to the amount borrowed. Any capital that the company cannot raise through borrowing could be made available from Brent in the form of Equity in the company. Equity would be an investment in the company whereby the financial return on the investment would take to form of dividends (annual share of any profits) or on liquidating the company's assets at some time in the future. If (say) the Authority lent the company 95% of its capital requirement and made the rest available as equity, a 1% p.a. rise in the value of the property would represent a 20% p.a. growth in the value of the equity held in the company (before tax).

4.3 Company Operational Finance

4.3.1 Company Turnover

4.3.1.1 Based on a final investment portfolio of up to £100m and a Gross Margin of 5%, the estimated turnover of the company would be £0.6m in the first year of operation, rising to £4m in year 3 once all of the 300 properties have been purchased, refurbished and let to tenants.

4.3.2 Operational Expenses

4.3.2.1 The company will operate with minimal operational expenses. There will be a core company cost including property management, finance and legal, company secretary and directors expenses (SPV). As well as the SPV costs there will be costs associated with reletting properties, minor and major maintenance, voids and bad debts. Allowance for all of these costs has been included in the financial modelling.

4.3.3 Company Tax Status

- 4.3.3.1 As a limited company registered under UK company law, the company will be liable to pay UK taxation on:
 - VAT on inputs into the company charges from the Local Authority and contracts for maintenance and management of the portfolio of properties. The company would not be able to offset VAT as the value of taxable supplies will be very small
 - Corporation Tax a taxation of the profits made by a company
 - Capital Gains Tax a tax upon the rise in the financial value of an asset
- 4.3.3.2 In addition, the company would be liable to pay Stamp Duty Land Tax on purchases for the property portfolio.



4.3.4 Financial performance

- 4.3.4.1 The company's financial performance is dependent upon a number of variables:
 - The profile of the properties within the portfolio
 - The timing of the purchase of the properties
 - The Interest rate charged on any borrowing
 - The costs of refurbishing prior to first let
 - The length of time between purchase and first occupancy
 - Annual running costs and rental income
- 4.3.4.2 Appendix 1 gives some details on the assumptions underpinning the business plan
- 4.3.4.3 Based on these assumptions the financial model suggests that an overall loan to equity split of 95% loan, 5% equity maintains the right balance between benefits to the local authority and the viability of the company.
- 4.3.4.4 Modelling using the parameters outlined earlier in the business plan and the assumption contained within appendix 1, the company is forecast to begin operating at a profit from year 4 onwards.

5 yr Summary Forecast Trading Statement	%			Ye	ar		
		0	1	2	3	4	5
			000's	000's	000's	000's	000's
Gross Rental Income			664	3,182	3,996	4,036	4,076
Management/ Maintenance and Bad Debts / Voids etc			(269)	(923)	(1,096)	(1,121)	(1,147)
SPV Costs		(306)	(312)	(115)	(118)	(121)	(124)
Net Operating Income		(306)	83	2,144	2,782	2,793	2,805
Debt Financing			(635)	(2,041)	(2,257)	(2,257)	(2,257)
Working Capital			(6)	(12)	(8)		
Net operating Profit / Loss		(306)	(557)	91	517	536	547
Corporation Tax		. ,				(56)	(109)
Retained Profit		(306)	(557)	91	517	480	438
Retained Profit (Cumulative)			(863)	(772)	(255)	225	663

Figure 3 5 yr summary forecast trading statement

Appendix 2 gives more detail year on year.

4.3.4.5 The retained profit for the company peaks in year 20, at which point the company starts to make losses. These losses are such that the company's retained surplus reduces to £500k at the end of the 30 year plan.

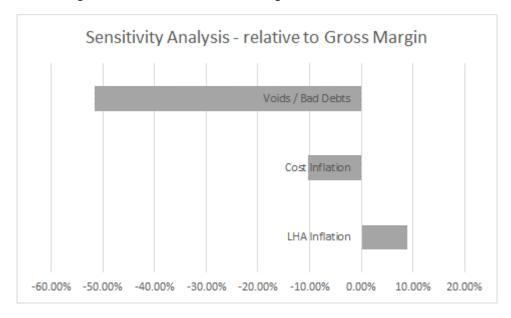


4.3.5 Cash Flow

- 4.3.5.1 A 24 month Cash Flow forecast (appendix 4) indicates that the company will need a working capital facility of c£1m until year 4, at which point it begins to accumulate retained surpluses. Interest on any working capital facility has been calculated at the same rate as the overall capital interest rate charged on the borrowing element of the property purchases.
- 5. Sensitivity Analysis, risks, Issues and mitigations

5.1 Sensitivity Analysis

- 5.1.1 Operating at LHA rental income, the company operational financial margins are small. The company is therefore unusually sensitive to a number of factors that underpin its performance. The key Factors being:
 - Gross Margin
 - Inflation
 - Management of voids and bad debts
 - Property portfolio
- 5.1.2 Each of these factors has been expressed as a percentage impact of the Gross Margin, assuming all other factors remain unchanged.



- 5.1.3 The sensitivity analysis shows that in order to have the same impact as changes to the Gross Margin, Voids / Bad Debts would need to be more than 50% lower than modelled, Cost inflation 10% lower and LHA inflation 9% higher than modelled.
- 5.2 Risks, Issues and Mitigations



5.2.1 There are a number of financial risks facing the company. The sensitivity analysis shows that the biggest risk is at the acquisition stage. It is critical to the sustainability of the company that the right mix of properties are acquired for the portfolio.

5.2.2 Analysis of risks, issues and mitigations

Risk / Issue	Impact	Mitigation
Portfolio of properties does not achieve the target Gross Margin	The relative income from property rentals at LHA rates is insufficient to fund the full business plan of the Company	Property acquisition is targeted to achieve the target gross margin. Intelligent purchasing is aided by dedicated market
		The loan / equity proportion could be flexed as tranches of properties are added to the portfolio during the acquisition phase
The portfolio of properties can sustain the company for the early years, but is not able to sustain for the full 30 year plan	The company becomes insolvent	Properties could be transferred to a different model of social rent with a higher yield than LHA rents.
LHA income inflation does not achieve the increases in the model	The company cannot achieve the required income levels	Properties could be transferred to a different model of social rent with a higher yield than LHA rents
Cost Inflation is higher than included in the model	The company's cost base is higher than that included in the model	Properties could be transferred to a different model of social rent with a higher yield than LHA rents
Contract management / re-let and maintenance costs are higher than modelled	The company's cost base is higher than that included in the model	Properties could be transferred to a different model of social rent with a higher yield than LHA rents
		A high Gross Yield target could be set, limiting the availability of suitable properties in some geographical areas
The mix of Freehold / Leasehold properties is not as modelled	The additional costs associated with Ground Rent and Service Charges may be more than included in the model	The value of the major repairs provision may be used to offset additional service charges for elements of maintenance or local sinking funds.
		The purchasing portfolio may be flexed to



	accommodate more			
	freehold properties and			
	properties could be			
	transferred to a different			
	transferred to a different model of sub market rent			
	with a higher yield than			
	LHA rents			



6. Key Targets

Key Target	Measure	Impact	Verification
Gross Margin	Greater than 4% for affordable housing and Greater than 5% for sub- market / market housing	A minimum gross margin is required in order to make the company sustainable and a higher margin is expected from commercial investments	
Borrowing	95%	A 0.2% increase in the Gross margin will increase the income available to the business by £3.5m over the 30 year business plan	Based on detailed financial analysis underpinning the company business plan
Equity	5%	Higher revenue costs or below target gross margin will	
Cash Flow	Peak working capital requirement	The company requires a working capital (cash flow) facility during the initial business plan period whist properties are purchased, refurbished and first let	

1.1. These key targets are dependent upon a number of key variables that underpin the finance model in the company business case

Property portfolio	300 properties, £100m capex	A balanced portfolio of properties has been included in the model to achieve both the target gross margin and the Capex target	The property model is based on the published L:HA rates for the target areas. These are published on .gov.uk
Balanced portfolio of Leasehold / Freehold properties	65%/35%	A higher Leaseholder based portfolio would decrease the share of income available for rent repayment and core company services. A higher share of freehold properties increases the programme cost. Leasehold properties are subject to freeholder investment strategies which gives less predictability to major works investment.	This assumption is based on the mix of properties initially included in the property portfolio. Market surveillance indicates that properties with a limited lease period that makes a mortgage more difficult readily achieve the target gross margin
Тах		Corporation tax, VAT, Stamp Duty and Land Tax	The model informs the potential for



			payments of Tax
Turnover	4 year average tenancy turnover	A higher turnover of properties would increase the number of homeless family supported but potentially increase void maintenance costs and potentially rent loss	The average turnover has been modelled based on experience by Social Finance. The plan is that households would be encouraged to move on into alternative accommodation, freeing up the property for use by further households.
Housing Management and Maintenance Services	£2,000 (can this be shown as % of property value per annum	A higher cost would reduce the share of income available for loan repayment. A lower cost would increase the stability of the company and support an increased loan to equity ratio borrowing ratio or provide funds for additional investment	They rate per property has been based upon the Social Finance model and local experience of using BHP. This will be market tested through a current procurement exercise.
Insurance	£200 per property p.a.	A cost at variance to this would have an impact on the financial model.	This is based upon the Social Finance model and experience. The final property portfolio will drive the insurance costs. Internet research suggests that the average cost of buildings insurance in the consumer market is £84 p.a.
Voids and Bad debt	1.5% void 2% bad debt	A higher cost would reduce the share of income available for loan repayment. A lower cost would increase the stability of the company and support an increased loan to equity ratio borrowing ratio or provide funds for additional investment	Based on rates from Mears and cross referenced to BHP. The expectation is that the client group would be more likely to be able to meet their rent obligations.
Major works	0.5% of property value per annum after 4 years	A 1% increase/decrease in the Major Works costs would result in an increase or decrease of the business plan of £200k over the 30 year business	Based on modelling provided by social finance. The actual cost of major works will be tested during the life of the



plan period	business case. The cost of works will be
	flexed depending upon the condition of
	the property at point of relet.

7. Key performance indicators

The Company will provide regular performance information

KPIs – non financial

KPIs – financial

Name	Description	Target				
Purchase Phase Gross Margin Average Purchase Price Average refurbishment costs	The ratio of the LHA to the purchase price of the property	>5%				
Average income foregone during refurbishment						
Operational Phase						
Income Total potential income Income received Debts Bad Debts Write Offs	Potential income if all properties were occupied Income due and received from tenants Income due but not yet paid Income due but unlikely to be recovered Income formally written off					
Running Costs Total operational maintenance costs Total major refurbishment costs						
Gross Profit	The operational profit of the housing stock (rental income less voids and bad debts) less management, refurbishment, maintenance					
Company operational costs	The operational and administrative costs of the company					
Net Profit	The operational profit of the company after deducting company running costs and administration					
Value of acquisitions	Number and value of new property acquisitions					



Value of disposals	Number and value of property disposals	
Current value of properties	The current value of the company property	
under management	assets	



Appendix 1 – assumptions underpinning the financial case

Description	Assumption
The timing of the purchase of the properties	The timing of the purchase of the properties has been derived from the table at Figure 1 of this report
The profile of the properties within the portfolio	The timing of the purchase of the properties has been derived from the table at Figure 1 of this report
The Gross Margin	An average Gross Margin of 4% has been used in the financial modelling
The Interest rate charged on any borrowing	The interest rate that the Local Authority will finance the loan at has been modelled at 3%
The costs of refurbishing prior to first let	The costs of refurbishing have been derived from a sample of properties recently purchased for all programmes with the local authority
The length of time between purchase and first occupancy	An average period of three months has been modelled for the period between purchase and first occupancy. The costs of refurbishment have been equally spread over this period.
Rental Income	The Local Housing Allowance rates have been used to derive Rental Income. A composite rate has been used for The Home Counties low and medium property. Brent LHA has been used for Brent and Greater London purchases
Voids	A void rate of 2%has been used over the life of the model
Bad Debts	An allowance for Bad Debts at 1½% of gross rental income has been included in the model
Major Repairs	A provision for the costs of major repairs has been included from year 5 of the model
Local Management (SPV) Costs	A small cost for managing the programme and properties (SPV) has been included in the modelling
Start up costs	A cost representing the costs of establishing the company and procuring the first properties (£318k)has been included as part of the start up costs of the company. This cost will be recovered from initial profits of the company
Taxation	Tax has been included at the prevailing rates. The cash flow forecast includes irrecoverable VAT being paid quarterly in arrears

Propco 30 year Operating Statement	%								Υ	ear							
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
			000's														
Gross Rental Income			664	3,182	3,996	4,036	4,076	4,117	4,158	4,199	4,241	4,284	4,327	4,370	4,414	4,458	4,502
Management/ Maintenance and Bad Debts / Voids etc			(269)	(923)	(1,096)	(1,121)	(1,147)	(1,650)	(1,689)	(1,729)	(1,770)	(1,812)	(1,855)	(1,899)	(1,944)	(1,991)	(2,038)
SPV Costs		(306)	(312)	(115)	(118)	(121)	(124)	(127)	(130)	(133)	(137)	(140)	(144)	(147)	(151)	(155)	(159)
Net Operating Income		(306)	83	2,144	2,782	2,793	2,805	2,340	2,339	2,337	2,335	2,332	2,328	2,324	2,318	2,313	2,306
Debt Financing	2.78%		(635)	(2,041)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)
Working Capital			(6)	(12)	(8)												
Net operating Profit / Loss		(306)	(557)	91	517	536	547	83	82	80	78	75	71	66	61	55	49
Тах						(56)	(109)	(17)	(16)	(16)	(16)	(15)	(14)	(13)	(12)	(11)	(10)
Retained Profit		(306)	(557)	91	517	480	438	66	65	64	62	60	57	53	49	44	39
Retained Profit (Cumulative)		(300)	(863)	(772)	(255)	225	663	729	795	859	921	980	1,037	1,090	1,139	1,183	1,222
netalized Front (califoldity)			(003)	(112)	(233)	223	003	,,,,	,,,,	003	721	300	1,007	1,050	1,100	1,103	1,222
			Year														
	%		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Balance Sheet			000's														
Long term Loan	95.0%		81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204	81,204
Equity Finance	5.0%		4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274	4,274
			85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478	85,478
Gross Rental Income			4,547	4,593	4,639	4,685	4,732	4,779	4,827	4,875	4,924	4,973	5,023	5,073	5,124	5,175	5,227
Management/ Maintenance and Bad Debts / Voids etc			(2,087)	(2,136)	(2,187)	(2,240)	(2,293)	(2,348)	(2,404)	(2,462)	(2,521)	(2,581)	(2,643)	(2,707)	(2,772)	(2,838)	(2,906)
SPV Costs			(163)	(167)	(171)	(175)	(179)	(184)	(189)	(193)	(198)	(203)	(208)	(213)	(219)	(224)	(230)
Net Operating Income			2,298	2,290	2,281	2,271	2,259	2,247	2,234	2,220	2,205	2,189	2,172	2,154	2,134	2,113	2,091
Debt Financing	2.78%	_	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)	(2,257)
Net operating Profit / Loss			41	33	23	13	2	(10)	(23)	(37)	(52)	(68)	(85)	(104)	(123)	(144)	(166)
Тах			(8)	(7)	(5)	(3)	(0)										
Retained Profit			33	26	19	11	2	(10)	(23)	(37)	(52)	(68)	(85)	(104)	(123)	(144)	(166)
Retained Profit (Cumulative)			1,255	1,281	1,300	1,310	1,312	1,302	1,280	1,243	1,191	1,123	1,038	934	811	667	501

Monthly

Interest

Surplus/(Deficit)

Interest on Working Capital

24 Month Profit and Loss Forecast	0	1	2	3	4	5	6	7	8	9	10	11	12	Year 1
	000's													
Net Revenue Income	0	15	15	15	23	30	38	50	60	72	89	108	127	641
Management and Maintenance Costs	0	(4)	(6)	(8)	(11)	(13)	(16)	(20)	(24)	(28)	(33)	(38)	(43)	(245)
SPV Costs	(306)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(618)
Interest	0	(13)	(17)	(22)	(29)	(35)	(41)	(51)	(62)	(73)	(85)	(96)	(110)	(635)
Interest on Working Capital Monthly	0	(0)	(0)	(0)	(1)	(0)	(1)	(1)	(0)	(1)	(1)	(0)	(1)	(6)
Surplus/(Deficit)	(306)	(29)	(35)	(42)	(44)	(44)	(46)	(48)	(53)	(56)	(55)	(52)	(53)	(557)
		13	14	15	16	17	18	19	20	21	22	23	24	Year 2
		000's												
Net Revenue Income		147	167	190	210	232	258	280	301	321	321	321	321	3,071
0		(48)	(53)	(59)	(64)	(69)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(811)
SPV Costs		(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(115)

(149)

(29)

(162) (174)

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(1)

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(186)

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(2,041)

(12)

91

(122) (134)

(30)

(33)

24 Month Cash Flow		0 000's	1 000's	2 000's	3 000's	4 000's	5 000's	6 000's	7 000's	8 000's	9 000's	10 000's	11 000's	12 000's	Year 1 000's	13 000's	14 000's	15 000's	16 000's	17 000's	18 000's	19 000's	20 000's	21 000's	22 000's	23 000's	24 000's	Year 2
Cash Flows																												
<u>Capital</u>																												
Loan	95%	3,719	1,947			2,869		2,869			4,659				48,044						5,163	0			-	0	0	33,160
Equity	5%		102			151		151	232					313	2,529	267	294	346	287	280		0						1,745
Total Capital Income		3,915	2,049	2,049	2,170	3,020	2,785	3,020	4,641	5,064	4,905	5,321	5,383	6,252	50,572	5,341	5,880	6,923	5,736	5,592	5,434	0	()	0	0	0	34,906
Capital Purchases																												
Purchases		-3,866	-1,974	-1,974	-2,091	-2,906	-2,685	-2,906	-4,474	-4,886	-4,724	-5,118	-5,178	-6,012	-48,793	-5,138	-5,653	-6,650	-5,520	-5,384	-5,218	0	() (0 0	0	0	-33,562
Works		0	0	-19	-39	-59	-69	-76	-85	-98	-118	-136	-145	-152	-996	-168	-168	-173	-182	-185	-180	-166	-110	-5	5 0	0	0	-1,387
VAT						-28			-64			-97				-131			-150			-154			-66			
Total Capital expenditure		-3,915	-1,974	-1,993	-2,130	-2,992	-2,754	-2,981	-4,623	-4,985	-4,842	-5,351	-5,323	-6,164	-50,027	-5,437	-5,820	-6,823	-5,852	-5,569	-5,398	-320	-110	-5	5 -66	0	0	-35,451
Capital cash Flows	Monthly	0	75	56	40	27	32	39	18	79	62	-30	60	88		-96	59	100	-116	23	36	-320	-110	-50	5 -66	0	0	
	Cumulative	0	75	131		198	229	268	286			397	457	545		449	509	608	493	516						0	0	
Revenue																												
Gross Rental Income		0	15	15	15	23	31	40	52	62	74	92	112	131	664	152	173	197	218	241	268	290	312	33	3 333	333	333	3,182
Voids	2%	0	0	0	0	0	-1	-1	-1	-1	-1	-2	-2	-3	-13	-3	-3	-4	-4	-5	-5	-6	-6	j -	7 -7	-7	-7	-64
Bad Debts	11/2%	0	0	0	0	0	0	-1	-1	-1	-1	-1	-2	-2	-10	-2	-3	-3	-3	-4	-4	-4	-5		5 -5	-5	-5	-48
Net Rental Income		0	15	15	15	23	30	38	50	60	72	89	108	127	641	147	167	190	210	232	258	280	301	32	1 321	321	321	3,071
Management and Maintenar	nce Costs		-4	-5	-7	-9	-11	-14	-17	-20	-24	-28	-32	-36	-207	-40	-45	-50	-54	-58	-63	-63	-63	-6	3 -63	-63	-63	-685
SPV Costs		-255	-22	22	-22	-22	-22	-22	-22	-22	-22	-22	-22	-22	-515	-8	۰					۰				-8	-8	-96
SPV COSIS		-233	-22	-22	-22	-22	-22	-22	-22	-22	-22	-22	-22	-22	-313	-0	-0	-0	-0	-0	-0	-0	-6	-	-0	-0	-0	-50
VAT						-67			-19			-24			-110	-31			-20			-35			-39			-125
Interest on Loan		0	0	0	-53	0	0	-105	0	0	-187	0	0	-291	-635	0	0	-405	0	0	-521	0	(-55	7 0	0	-557	-2,041
Interest of Working Capital						0	-1	0	-1	-1	0	-1	-1	0	-4	-6	-1	0	-1	-1	0	-1	-1	:	1 -2	-2	-1	-16
Revenue Cash Flows	Monthly	-255	11	12	67	76	2	102		10	161	15	54	-223		62	112	272	127	165	-334	174	220	20.	7 210	249	-307	
nevenue Casti Flows	Cumulative	-255	-11 -265	-12		-76	-3 422	-102 -525	-9 -534	18 516		-663	-609	-831		62 -770	113 -657	-273 -930	127	165	-334 -971							
	cumulative	-235	-205	-278	-344	-420	-423	-525	-534	-516	-0//	-003	-009	-831		-770	-03/	-930	-803	-637	-9/1	-798	-500	-8/	-000	-41/	-124	
Total Cumulative Cash Flows		-255	-190	-147	-174	-222	-194	-257	-248	-151	-250	-266	-152	-286		-321	-148	-321	-310	-122	-420	-566	-446	-81	-666	-417	-724	

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Cabinet 15 November 2016

Report from the Strategic Director of Resources

For Action

Wards affected: Dudden Hill Welsh Harp

Church End car park site acquisition of additional land for housing development

*Appendix 3 is confidential.

1.0 Summary

Cabinet approval was granted on 20 January 2016, for the redevelopment of the Church End car park site in Brent Council's ownership to provide 34 homes, in conjunction with Catalyst Housing Group, who would develop 65 homes on adjacent land in their ownership bringing the total number of units between both sites to 99 new homes.

An opportunity has arisen for Brent Council to purchase Catalyst's freehold interest in their site, to enable Brent to deliver the entire scheme of 99 homes.

2.0 Recommendations

- 2.1 That Cabinet agree to the acquisition of the Catalyst Housing owned land and buildings necessary to implement the entire redevelopment of the Church End car park site (see confidential appendix three for details of the proposed purchase price)
- 2.2 That Cabinet, in respect of the Catalyst land agree to capital investment of £21.8m to bring forward the development of the planning consented 65 homes and associated commercial units on the Church End car park site.
- 2.3 That Cabinet note that £8.2m was approved for the development of 34 new homes on the adjoining council owned site, due to increased build costs, that Cabinet approve an additional £500k.
- 2.4 That Cabinet note, the total investment required for the redevelopment of the Brent & Catalyst land is a total scheme budget of £30.5m.

2.5 That Cabinet delegate authority to the Strategic Director of Resources in consultation with the portfolio lead member to finalise contract terms and appropriate the land referred to in paragraph 2.1.

3.0 Detail

Background

- In January 2016, Cabinet approved a capital investment of £8.2m to bring forward 34 units on Council owned land, working in partnership with Catalyst Housing Group who owned adjacent land which would deliver 65 units. Brent Council's land and the Catalyst site both have separate planning committee resolution to grant consent.
- 3.2 Officers have been working with Catalyst Housing to bring forward the development. In order to meet the delivery timetable, options were considered, and it was proposed to bring the two sites into single ownership. Officers approached Catalyst Housing to discuss the purchase of their element of the site, to bring the entire site into Brent's ownership.
- 3.3 After negotiations, Catalyst and Brent agreed Heads of Terms, to sell their interest in the Church End site. The agreed price is supported by a RICS valuation dated 13 September 2016 (See confidential appendix three).

Alignment with Strategic Objectives

- 3.4 Officers consider that the proposed purchase is consistent with the Council's strategic objectives as set out below:
 - The Strategic Property Plan 2015-19, sets out a presumption for Brent to retain its limited property assets, utilising them to support regeneration, generating revenue savings, and capital investment for new income generation.
 - The **investment strategy** (April 2016)
 - Temporary Accommodation Reform Plan (March 2016), approved the development of long term Private Rented Sector (PRS) homes which can be let to homeless households at Local Housing Allowance (LHA) rates and
 - Brent Housing Strategy 2014-19 seeks to significantly increase the supply of affordable housing and minimise the use of Bed & Breakfast accommodation
 - One Council Strategic Objectives. The development is a strategic fit helping to meet the Council's statutory duty to provide for homeless families. It delivers Council budget savings from Bed & Breakfast accommodation.
 - Cabinet approval 20 Jan 2016, Church End Redevelopment Update and Investment Proposals.

Business Case

- 3.5 Bringing the sites into single ownership will simplify the delivery process and give Brent full control of the site. Acquisition of the site will increase Brent's units from 34 to 99.
- 3.6 Developing the full car park site will fit in with the Council's aspirations to regenerate one of the five growth areas in Brent, and is seen as a turning point for the regeneration of the area.

The Proposal

3.7 The Catalyst site has planning consent for 65 residential units (including 8 shared ownership units) and two commercial units. The entire site has planning consent for 99 residential units and three commercial units, as set out below;

	Existing Scheme	Proposed Purchase	Total
1 bed Flat	13	10	23
2 bed Flat	20	54	74
3 bed Flat	0	1	1
3 Bed House	1	0	1
Total	34	65	99
Commercial	1	2	3

3.8 The council will seek to appoint consultants and a suitable contractor via an OJEU compliant framework. Officers will seek cabinet approval to enter into a building contract.

Next steps and programme

3.9 The next steps for the proposed development and indicative dates are detailed below:

Appointment of Employer's Agent	(Nov 2016)
Legal Searches for land purchase	(Nov 2016)
Due diligence for land purchase	(Dec 2016)
Preparation of Employer's Requirements	(Jan 2017)
Completion on land acquisition	(March 2017)
Tendering for contractor	(Dec 2016 – Mar 2017)
Consultation with ward Councillors on Neasden lane	(Nov 2016)
Planning application for Neasden lane Market	(Nov 2016 - Jan 2017)
Marketing for Neasden lane Market Operator	(Nov 2016 - Jan 2017)
Suspension of Church End Market	(Mar 2017)
Cabinet report on authority to award build contract	(Mar 2017)
Appointment of building contractor	(Apr 2017)
Start on Site	(June 2017)

Risks

- 3.10 Officers have identified the following key risks together with mitigation of those risks;
 - Construction cost risk Early appointment of an Employer's agent and cost consultant will enable an effective procurement strategy to be developed,

mitigating the risk of rising build costs. Development of Employer's requirements will assist in achieving competitive tenders. Acquiring the Catalyst site will eliminate the risk of potential delays caused by a development partner. (Refer to confidential appendix three)

- Sales risk The Catalyst element of the site had 8 shared ownership units originally. Both planning permissions specify that the scheme is car free, with minimal parking spaces to disabled units only. Shared Ownership units without parking may be more difficult to sell. Many units in London have this same problem, so this is why Brent will work closely with local agents to ensure that the units are marketed well in advance of completion. Officers will seek to sell the shared ownership units off plan firstly to those living and working in Brent Council as a priority and if the units still remain unsold then cascade the marketing of the units to all London boroughs. If the units still remain unsold then officers will seek to convert the units to affordable rent subject to financial viability.
- Scheme Delivery Early engagement with the Employer's Agent will interrogate
 a number of aspects of the scheme, to ensure the Council is able to gain
 maximum advantage of the contracting market.
- Site/Title issues Acquisition is conditional on clear title to the land, and a report on title is being prepared. A thorough risk assessment exercise will be carried out with the Employer's Agent, prior to exchange of contracts.
- Commercial units- The Catalyst site has two commercial units in addition to the one on the Brent Council site. The planning consent for the two Catalyst commercial units are for A1 use (retail), the planning consent for the Brent units are for A1, A3, B1 and D1 (retail, café/ restaurant, office and clinic). Officers will ensure that the units are marketed at a very early stage.
- Competition There is a site directly across the road that is being developed, which is slightly smaller but farther along the development process. In theory, this could reduce demand due to greater supply in the area but demand should not be viewed in isolation, as London-wide it is still growing, so it is more important that the development is viewed positively and early marketing should reduce this risk. Potentially, this other development may represent an upside risk as it should help raise property values in the area, reducing the level of risk to the project's financial viability. Officers will carefully monitor the impact of this nearby development to ensure that the competition does not negatively affect the development's marketing strategy.
- Japanese Knotweed has been identified on both the Catalyst and Brent council sites. This will have an impact on the saleability of the units as there needs to be a 7 meter clearance from the Japanese knotweed for banks to lend on the affected units. To mitigate this risk, officers will need to commission a survey, obtain a Japanese knotweed management plan and secure an insurance backed guarantee. Banks will need evidence of the management plan and insurance backed guarantee in order to approve mortgages on the affected units.

4.0 Financial Implications

- 4.1 The new 65 unit scheme requires £21.8m of budget (including acquisition costs as found in confidential appendix three). There is an additional request for £500k of extra budget for the previous 34 units due to updates to construction cost estimates.
- 4.2 Officers have appraised the 65 unit scheme and the financial inputs are summarised in confidential appendix three.
- 4.3 The 65 unit Catalyst scheme is set out below. It is worth noting that 41 out of the 65 units are affordable products and that the Council reserves its right to significantly increase the rental element of this scheme as long as it is financially viable. One of the largest advantages of a large shared ownership component of the development is that is allows the Council to recycle its cash into future affordable developments quicker. However, this is not the only consideration.

Unit	Affordable Rent	Shared Ownership	Private Sale	Total
1 Bed Flat	3	5	5	13
2 Bed Flat	12	20	19	51
3 Bed Flat	1			1
Total	16	25	24	65

4.4 The flat rents and prices are as below. Conversations between Finance and Property led to the decision to choose the minimum sale price that the Council might reasonable expect to achieve in today's market. This was due to reasons of prudence. Also all private units will be let at intermediate rents not exceeding Local Housing Allowances that will reduce by 1% per year for the till 2020.

Units	Affordable Rent	Shared Ownership	Sale Price (£)		
	Weekly Rent (£)	Weekly Rent (£)			
1 Bed Flat	238.50	119.25	300,000.00		
2 Bed Flat	300.60	150.30	375,000.00		
3 Bed Flat	351.90	175.95	450,000.00		

4.5 As found in the below table (taken from Valuation report dated 13th September 2016), the valuation report identified the capital values of the new build units in Church End. Officers reduced the sales prices in the calculation of the NPV to reflect the mixture of tenures on this scheme. However, it must be noted that the sales prices identified are based on today's values and officers will continue to review the sales prices before the units go out to market.

Туре	Capital Value
One Bedroom Flats	£330,000
Two Bedroom Flats (3 person)	£400,000
Two Bedroom Flats (4 person)	£450,000
Two Bedroom Flats (4 person ensuite)	£470,000
Three Bedroom Flat	£565,000

4.6 The scheme uses prudent assumptions to achieve a Net Present Value of £2.3m. If the build is delivered on time and marketing estimates of sale values are higher than is currently contained within the model (assumption is 1% appreciation per year), then there is the potential to adjust the split of the affordable element between renting and shared ownership, if it was viewed appropriate.

Discounted Payback Period	22 years
Net Present Value	£2.3m

4.7 Advantages from having one scheme rather than two include being able to take full control of the scheme delivery and generating efficiencies through merger of two smaller schemes. However, it must be noted that the Council is also taking on the risk of an additional project. These risks are further detailed in section 3.10.

5.0 Legal Implications

- 5.1 As detailed at paragraph 3.10 a Report on Title for the land to be acquired is being prepared and any offer will be subject to a satisfactory Report on Title.
- 5.2 Save in relation to the shared ownership units and private sales, dwelling units will be let on assured short-hold tenancies. The shared ownership units and private units will be sold on a 125 year leases.
- 5.3 The proposed development will require a number of additional consultancy contracts to be procured. These contracts are likely to be Low or Medium Value Contracts under the Council's Contract Standing Orders and as such will be procured using either a quote process for Low Value Contracts or a tender process for Medium Value Contracts. Any Medium Value Contracts will be subject to the Public Contracts Regulations 2015 ("EU Regulations") and will be procured in accordance with EU Regulations. Low and Medium Value Contracts will be procured by Officers using powers delegated under Part 4 of the Constitution.
- The proposed development will require a works contract to be let. The estimated value of the contract is £20m. The contract will therefore be categorised as a High Value Contract under the council's Contract Standing Orders and will be procured in compliance with EU Regulations and Contract Standing Orders by way of a tender process or the use of an OJEU compliant framework.

6.0 Diversity Implications

6.1 A screening analysis of the likely impact of the proposals in this report has been undertaken. The impact for protected groups is positive. Please refer to appendix four.

7.0 STAFFING/ ACCOMODATION IMPLICATIONS

7.1 There are no staffing or accommodation implications for Council employees.

8.0 Additional information

Appendix 1: Ownership Plan Appendix 2: Subject Site

Appendix 3: Offer, Valuation and Build cost (Confidential)

Appendix 4: Screening Analysis

Background Papers

- 1. 20 January 2016 Church End Redevelopment Update and Investment Proposals.
- 2. 11th March 2013 Church-End Car Park Redevelopment, Executive.
- 3. 17 July 2013 planning consent subject to legal agreement

Contact Officers

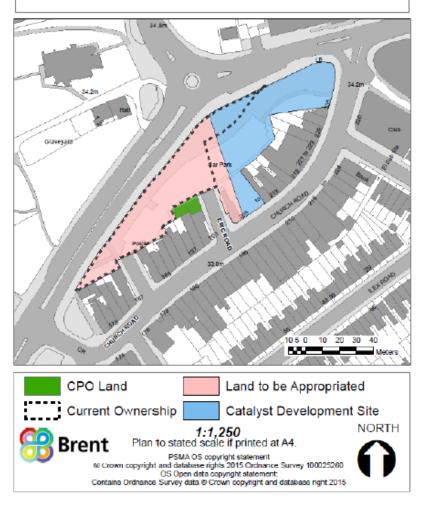
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Sarah Chaudhry Head of Property Property Unit | Resources Direct: 020 8937 1705

ALTHEA LODERICK Strategic Director of Resources

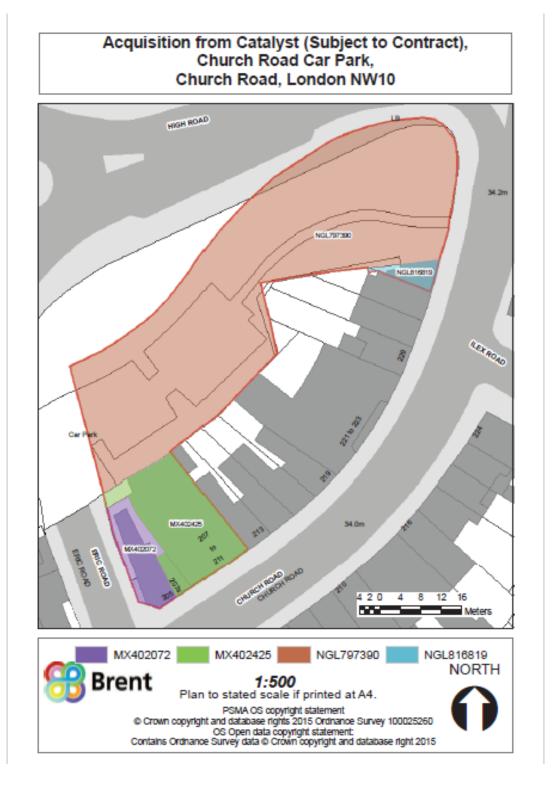
OWNERSHIP PLAN

Appendix 1 Redevelopment Site, Church Road Car Park, rear of 189-203, Church Road, London NW10



APPENDIX 2

SUBJECT SITE



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted



APPENDIX 4

SCREENING ANALYSIS

Stage 1 Screening Data

What are the objectives and expected outcomes of your proposal? Why is it needed?

Brent has one of the highest numbers of households in Temporary Accommodation (TA) in England. Although the borough has been successful in reducing numbers recently, against the overall London trend, and has managed to dramatically reduce the number of households in Bed & Breakfast accommodation during 2015/16, there are still too many households in temporary accommodation which is inadequate for their needs, and the needs of their children. Similarly, there are large numbers of individuals in high-cost care homes who could benefit from greater independence in an appropriate supported setting.

As housing in London is becoming ever more unaffordable for first time buyers, the Church End Redevelopment aims to produce shared ownership homes in order to assist first time buyers on getting onto the property ladder.

Part of the proposed redevelopment of the Church End Car Park, aims to provide good quality homes for homeless households which will reduce the amount of households in temporary accommodation.

Who is affected by the proposal?

This proposal will affect households in temporary accommodation who are waiting for suitable permanent accommodation.

The proposal will also affect the market stall holders in Church End as the Council will need to suspend market operations until works are complete and then relocate a market back to Church End. The council recognise that the temporary suspension of market in Church End will have an impact on the market stall holders. Once the works are complete, there will be better facilities for the market stall holders and their customers.

As the scheme aims to provide shared ownership units, first time buyers will also be affected by the proposals.

Could the proposal impact on people in different ways because of their equality characteristics?

Some protected groups are over-represented among homeless households. This is partly due to the criteria through which priority need is established under the relevant legislation: for example, a household may be regarded as being in priority need owing to age, to a physical disability or mental health condition or to pregnancy.

Could the proposal have a disproportionate impact on some equality groups? If yes, indicate which equality characteristic(s) are impacted

Yes, although the impact will be positive, through provision of appropriate accommodation to meet the needs of the groups noted above.

Would the proposal change or remove services used by vulnerable groups of people?

The proposal will change services used by vulnerable groups but, as noted above, the change is expected to result in improved services.

Does the proposal relate to an area with known inequalities?

Yes – see above.

Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

Yes – see above.

Does the proposal relate to one of Brent's equality objectives?

The proposal relates to the following objectives:

- To know and understand all our communities
- To ensure that local public services are responsive to different needs and treat users with dignity and respect

Recommend this EA for Full Analysis?

No.



Cabinet 15 November 2016

Report from the Strategic Director Resources

Wards affected: ALL

National Non-Domestic Rates – Review of Discretionary Rate Relief Scheme and Applications for Discretionary Rate Relief

1.0 Summary

- 1.1 The Council has the discretion to award rate relief to charities or non-profit making bodies. It also has the discretion to remit an individual National Non-Domestic Rate (NNDR) liability in whole or in part on the grounds of hardship. The award of relief is based on policy and criteria last agreed by Cabinet on 16 September 2013, this taking effect from 1 April 2014. It was agreed at the meeting to review the scheme every 3 years, it is therefore necessary to undertake a review.
- 1.2 Business Rates retention is presently planned to be introduced in 2020/21. This will result in the council retaining, based on current shares, 80% of rates income (the GLA will have the remaining 20% share), however this has still to be confirmed. This in effect will mean that the cost to Brent of awarding discretionary rate relief will increase considerably so it may be prudent to wait and not review the scheme until Business Rates Retention takes effect and more is known about how it will impact on Brent financially.
- 1.3 The report also details new applications for relief received since the Cabinet last considered such applications on 20 January 2016.

2.0 Recommendations

2.1 That there be no change to the existing policy and criteria for determining entitlement to discretionary rate relief in respect of National Non-Domestic Rates (policy detailed in Appendix 1). The policy will be reviewed in September 2019 or when Business Rates Retention is introduced whichever is the earlier.

2.2 That the application for discretionary rate relief detailed in Appendix 2 of this report be approved.

3.0 Review of Scheme

- 3.1 The criteria for awarding discretionary rate relief focuses on ensuring that the arrangements are consistent with corporate policies and that relief is directed to those organisations providing a recognised valued service to the residents of Brent, particularly the vulnerable and those less able to look after themselves. The current policy and criteria is set out in Appendix 1.
- 3.2 Charities and registered community amateur sports clubs are entitled to 80% mandatory rate relief and the council has discretion to grant additional relief up to the 100% maximum.
- 3.3 Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum. However the council's current policy limits relief for these to 25%.
- Legislation requires that 1 years' notice be given to organisations advising that relief will be terminated if the termination is due to a change in the council's policy. Letters were in March 2016 sent to all organisations who currently receive relief advising them that relief will cease on 31 March 2017, this will enable the council to review the current policy. Applications will then be sent out at the end of November 2016 inviting them to re-apply, entitlement will be based on the new policy and the circumstances of the organisation.
- 3.5 The policy to be reviewed is the criteria for determining entitlement and the amount of relief to be awarded to charities (local and non-local) and non-profit making organisations.
- 3.6 The current criteria have proved to be robust and flexible, with 101 organisations currently receiving relief. The table below gives a breakdown between the different types of organisation and amount of relief awarded. This excludes foundation and voluntary aided schools and Meanwhile Space use as costs in awarding relief borne by the council are met by these organisations.

Type of Organisation	Number	Amount of	Cost to Brent (30%)
	receiving relief	Relief	
Local Charities	83	£225,100	£67,530
Non Local Charities	11	£3,739	£1,121
Non-profit making	7	£13,850	£4,155
	101	£242,689	£72,806

- 3.7 Some of the options for consideration are:
 - Does the council want to reduce the amount it spends on awarding relief?
 - Should all or some organisations have to pay a small proportion of their nondomestic rates?

- Should there be a cap on the amount of relief awarded?
- Should those organisations with access to fund raising, or able to make charges for their services have their relief restricted?
- Should those organisations with sufficient funds have to pay a proportion of their Business Rates (or is this penalising those that are run efficiently)?
- 3.8 The council currently funds 30% of discretionary relief awarded. There are 83 charities receiving the full 20% relief, the amount of relief being £225,100. Brent funds 30% of this, the cost being £67,530. When Business Rates retention is introduced Brent, based on the current Brent/GLA split will likely meet 80% of the cost, i.e., £180,080, an increase of £112,550. If the council decides not to make any changes to the current scheme it may want to reconsider this when Business Rates retention is introduced.
- In view of the changes in the cost of awarding relief that will take effect from 1 April 2020 it may be sensible to leave the criteria as it is and not look for further reductions. Any cuts in this area may detrimentally affect the ability of these organisations to continue to provide these facilities to the residents of Brent during the next 3 years which may put added pressure on services provided by the council. A further review should then be carried out in 3 years' time when more information on Business Rates Retention will be known as well as any additional services that may become the responsibility of the council and which may influence policy in this area. At that point members may want to give consideration to some of the suggestions in paragraph 3.7.
- 3.10 The amount of relief to be awarded to local and non-local charities should also remain unchanged, the difference being in recognition of the valuable work that local charities do. Local charities are awarded 20% discretionary rate relief where they meet the criteria whereas non local charities are awarded 5% relief. There are currently 11 non local charities entitled to relief, the amount of relief totalling £3,739, the cost of awarding this relief to Brent being £1,121.00. It should be noted that national charities who occupy offices and shops are excluded from relief as these are used for either administrative purposes or for fund raising capabilities. In addition they are generally in a far better position financially to pay the 20% balance.
- 3.11 With regards to non-profit making organisations the current award is limited to 25%. This should remain but with the proviso that in exceptional circumstances this can be increased. There are 7 non-profit making organisations receiving relief totalling £13,850.00, the cost to Brent of awarding this is £4,155.00. Those classes of property currently excluded from relief should remain.

4.0 Applications for Relief

4.1 Appendix 2 lists new applications from local charities that meet the criteria. These receive 80% mandatory relief, where they meet the criteria the council will award them up to 100% discretionary relief in respect of the remaining 20% balance. It also shows the cost to the Council if discretionary relief is awarded.

5.0 Financial Implications

- 5.1 This report proposes to maintain the existing discretionary relief policy. As such, the current cost of the scheme is unlikely to change significantly, although to some extent this will depend on applications received. As set out in paragraph 3.6 the current cost is around £73,000. The implications of business rates devolution are not yet known, but as the report has indicated a review of the scheme at that time is proposed
- 5.2 The cost of awarding relief to the charitable organisations detailed in Appendix 2 is £200.60. This will in effect reduce the council's projected income from Business Rates Retention in 2016/17.

6.0 Legal Implications

- Onder the Local Government Finance Act 1988, charities are only liable to pay 20% of the NNDR that would otherwise be payable where a property is used wholly or mainly for charitable purposes. This award amounts to 80% mandatory relief of the full amount due. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, registration with the Charity Commission is conclusive evidence of this. Under the Local Government Act 2003, registered Community Amateur Sports Clubs also qualify for 80% mandatory relief.
- The Council has discretion to grant relief of up to 100% of the amount otherwise due to charities, Community Amateur Sports Clubs, and non-profit making organisations meeting criteria set out in the legislation. These criteria cover those whose objects are concerned with philanthropy, religion, education, social welfare, science, literature, the fine arts, or recreation. Guidance has been issued in respect of the exercise of this discretion and authorities are advised to have readily understood policies for deciding whether or not to grant relief and for determining the amount of relief. Details of the current policy are contained in Appendix 1
- 6.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow Brent to grant the relief for a fixed period. One year's notice is required of any decision to revoke or vary the amount of relief granted, if in the case of a variation, it would result in the amount of rates increasing. The notice must take effect at the end of the financial year.
- The operation of blanket decisions to refuse discretionary relief across the board would be susceptible to legal challenge on grounds that the Council would be fettering its discretion. The legal advice provided to officers and Members is that each case should be considered on its merits.

7.0 Diversity Implications

7.1 Applications have been received from a wide variety of diverse charities and organisations, and an Impact Needs Analysis Requirement Assessment (INRA) was carried out in 2008 when the criteria were originally agreed. As there were no changes made to the criteria in September 2013 an Equality Impact assessment was not required. All ratepayers receive information with the annual rate bill informing them of the availability of discretionary and hardship rate relief.

8.0 Staffing/Accommodation Implications (if appropriate)

8.1 None

Background Papers

Report to Executive 16 September 2013 – National Non-Domestic Relief – Review of Discretionary Rate Relief Policy

Contact Officers

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ALTHEA LODERICK Strategic Director Resources

Appendix 1

ELIGIBILITY CRITERIA FOR APPLICATIONS FOR NNDR DISCRETIONARY RELIEF FOR CHARITIES & FROM NON PROFIT MAKING ORGANISATIONS

Introduction

The following details the criteria against which the Local Authority will consider applications from non profit making organisations. In each case the individual merits of the case will be considered.

- (a) Eligibility criteria
- (b) Factors to be taken into account
- (c) Parts of the process.

(a) Eligibility Criteria

- The applicant must be a charity or exempt from registration as a charity, a non-profit making organisation or registered community amateur sports club (CASC).
- All or part of the property must be occupied for the purpose of one or more institutions or other organisations which are not established or conducted for profit and whose main objects are charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
- The property must be wholly or mainly used for the purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

(b) Factors to be taken into account

The London Borough of Brent is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

- a. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide
- b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills
- c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief
- d. The organisation should be able to demonstrate a major local contribution.
- e. The organisation should have a clear policy on equal opportunity.

- f. There should be policies on freedom of access and membership.
- g. It should be clear as to which members of the community benefit from the work of the organisation.
- h. Membership should be open to all sections of the community and the majority of members should be Brent residents
- i. If there is a licensed bar as part of the premises, this must not be the principle activity undertaken and should be a minor function in relation to the services provided by the organisation.
- j. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.
- k. The organisation must not have any unauthorised indebtedness to the London Borough of Brent. Rates are due and payable until a claim for discretionary rate relief is heard

(c) Parts of the process

No Right of Appeal

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal appeal process against the Council's decision. However, we will re-consider our decision in the light of any additional points made. If the application is successful and the organisation is awarded discretionary rate relief, it will be applied to the account and an amended bill will be issued.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Duration of award

The new policy will award relief to 31 March 2017. Prior to the end of this period applications will be sent inviting recipients to re-apply, this will ensure the conditions on which relief was previously awarded still apply to their organisation. This will help ensure that the Council's rate records remain accurate.

Withdrawal of relief

One years notice has to be given by the Council for the withdrawal of relief

Unlawful activities

Should an applicant in receipt of discretionary rate relief be found guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Type of Charitable/Non-Profit Making Organisation	Current Policy
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		Discretionary Relief Limited to
1	Local charities meeting required conditions (80% mandatory relief will apply)	20% (100% of remaining liability)
2	Local Non-profit-making organisations (not entitled to mandatory relief)	25%
3	Premises occupied by a Community Amateur Sports Club registered with HM Revenue & Customs. (80% mandatory relief will apply)	20% (100% of remaining liability)
4	Non-Local charities (80% mandatory relief will apply)	25% (of remaining liability)
5	Voluntary Aided Schools (80% mandatory relief will apply)	20% (100% of remaining liability)
6	Foundation Schools (80% mandatory relief will apply)	20% (100% of remaining liability)
7	All empty properties	NIL
8	Offices and Shops occupied by national charities	NIL
9	An organisation which is considered by officers to be improperly run, for what ever reason, including unauthorised indebtedness.	NIL
10	The organisation or facility does not primarily benefit residents of Brent.	NIL
11	Registered Social Landlords (as defined and registered by the Housing Corporation). This includes Abbeyfield, Almshouse, Co-operative, Co-ownership, Hostel, Letting / Hostel, or YMCA.	Nil
12	Organisations in receipt of 80% mandatory relief where local exceptional circumstances are deemed to apply.	Up to 20% (100% of remaining liability)

Appendix 2

New Applications for Discretionary Rate Relief – Local Charities

		Charge	Bill net of statutory relief	Cost to Brent at 30%
	<u>Organisation</u>		Relief = 100%	
33058142	Friends of Barham Park Library Unit 4 Barham Park 660 Harrow Road HA0 2HB			
	01/4/2016 – 31/3/2017	£3,131.10	£626.22	£187.87
	07/03/2016— 31/03/2016	£212.15	£42.43	£12.73
Total		£3,343.25	£668.65	£200.60





Cabinet 15 November 2016

Report from the Strategic Director of Resources

For Action Wards affected: ALL

Future Options For OneOracle System Hosting And Support

Appendix 1 of this report is Not for Publication

1.0 **Summary**

- 1.1 This document sets out proposals for the future options for the One Oracle system support and hosting arrangements upon expiration of the current contract in July 2018.
- 1.2 The contract was awarded in 2012 and the successful bidder was Capgemini. The Council is part of a 7 Council partnership which shares the hosting and support contract between the Council partners and Capgemini. The seven Councils are Barking and Dagenham, Brent, Croydon, Havering, Newham, Lambeth and Lewisham.
- 1.3 The partnership was established with the 6 original Councils in 2012 (Newham was a recent joiner who went live in 2016). The OneOracle system was implemented in August 2014. The initial contract for LOT2 systems support and hosting with Capgemini was to expire in July 2016 but following a short market testing exercise this contract has been extended to July 2018. Procurement rules prohibit further extension, other than in exceptional circumstances.
- 1.4 The available options, which are explored in more depth in this paper and the accompanying business case, are:
 - Option 1 Move to Oracle cloud services
 - Option 2 Move to Oracle on premise hosted services with an alternative supplier
 - Option 3 Move to Oracle on premise hosted service provided by the in-house ITU team.

2.0 Recommendations

- 2.1 That Cabinet approves the adoption of Option 3, move to Oracle on premise hosted service provided by the in-house Brent Digital Service.
- 2.2 That Cabinet approves that Brent Digital services can offer this service to other authorities as a chargeable service.
- 2.3 That Cabinet approves to delegate to the Strategic Director of Resources the award of the contract for implementation of the system.

3.0 **Detail**

- 3.1 The original aspiration of the OneOracle partnership was for it to use a private "cloud" based service, this required all partners to align their finance, procurement and HR/Payroll processes and to adopt a non customised version of Oracle, in the form of Capgemini's T-Gov.
- 3.2 However, this did not prove practical or possible. Feedback from the business users across the Council suggests that many of the anticipated benefits have not materialized, system processes are, in some cases more complex than necessary.
- 3.3 The original business case for the OneOracle programme included a large sum for savings which were directly attributable to efficiencies in processes and the ultimate aim of joining back office transactional processing across the original 6 Councils. The savings have failed to materialise. The ambition of creating shared service centres is no longer part of the OneOracle partner's aspirations. The current intention is to exit the partnership and for each Council to work within existing partnerships (Havering and Newham with OneSource) or on their own.
- 3.4 The partners are looking at a variety of solutions at the moment, including the Oracle Cloud offering.
- 3.5 One of the major shortcomings and challenges in the current OneOracle system has proved to be the service that the current system hosting and support partner has provided, there have been numerous instances of poor system performance, including at Go Live when a service improvement plan was invoked. From the outset this has resulted in a bad perception of the system with users viewing the system performance as poor.
- 3.6 To ensure that Brent Council is ready to move away from the current contract when it ends in July 2018, it is important to start work on the transition plan immediately. Therefore approval is needed as to which option Brent Council will adopt for the future arrangements of the Oracle ERP system.
- 3.7 As set out in paragraph 1.4 there are 3 options open to Brent regarding the future arrangements for their Oracle ERP system.

3.8 **Option 1**

- 3.8.1 Move to Oracle Cloud services this would enable Brent to enforce a zero tolerance on customisations and making changes to the ERP solution, as the suppliers of cloud based services do not allow the relevant access to enable customisations. This does make a system easier and cheaper to maintain. However it can cause frustration with users, until they become used to the fact that they cannot make changes to the system but that offline processes need to be changed or modified instead.
- 3.8.2 Being an early adopter of cloud based services would reinforce the reputation which Brent has built up of being at the forefront of digital innovation. There is an associated risk of taking on new software solutions early, in as far as not all bugs and issues may have been found and this can cause interruption to the business.
- 3.8.3 As local government transforms and undergoes changes imposed by reduced funding it may be a useful time to take stock and assess whether a large and expensive ERP solution fits the changing shape and requirements of the Council. Thus the Council can take some time to ascertain what the alternatives on the market are and whether they provide a better fit for future requirements.

3.9 **Option 2**

- 3.9.1 Move to on premise hosted solution with an alternative supplier would be relatively easy in terms of the fact that there are a number of alternative suppliers in this market. However there would still be a need to undertake a market testing and procurement exercise. It is difficult to predict exact costs. Some observers state that costs have reduced since the original contract was let, though this was certainly not borne out in the results of the contract extension recently undertaken, in fact costs increased.
- 3.9.2 This option would result in the Council having the same model as currently, except with an alternative provider and there are risks that the Council will experience similar issues as those that have arisen during the contract with the current provider.

3.10 **Option 3**

- 3.10.1 Move to Oracle on premise hosted service provided by the in-house IT Digital services team. It is considered that this option would provide better value for money and improvements in the service standards. Prior to August 2014 the Brent Digital IT service provided support and hosting of Oracle R11 with negligible downtime or service interruption. Since outsourcing there has been a degradation in system performance.
- 3.10.2 There would be a requirement for a capital investment in the IT infrastructure. All costs are included in the accompanying business case.
- 3.10.3 In addition to improvements in system performance and support standards there are potential benefits arising from the opportunity to sell this service to other members of the OneOracle partnership.
- 3.10.4 If the existing partners chose not to buy into a full system support and hosting offer then Brent Digital IT services will offer an archiving solution to the partner Councils. The additional cost to Brent would be minimal in terms of increased storage and

- technical resources, however it is anticipated that the charge to partners would be significantly cheaper than the Capgemini offer. The Brent costs and offer prices are shown in detail in the accompanying business case.
- 3.10.5 It is estimated that the savings available to the other OneOracle partners range from 34% if a single Council bought into the Brent solution, to 49% if all 6 partners were to join. These savings are based on the estimated current costs of the support and hosting contract and internal support costs.
- 3.10.6 The level of savings compared to the cost of an Oracle Cloud Services solution are very similar to those outlined in the above paragraph.
- 3.10.7 There are potential savings from jointly implementing the R12 solution by obtaining a reduction in costs from the system implementer. This would form part of the Invitation to Tender and all options would be explored within the pricing method.
- 3.11. If an on premise solution (options 2 or 3) were taken, there are opportunities to make further savings by exploring the current arrangements for Oracle support and maintenance costs. There are a number of providers in the market who provide support and maintenance to Oracle software, they undertake to provide all regulatory and statutory patches and bug fixes at a cost of approximately 50% of current support and maintenance. This is deemed to be a significant sum, details are included in the appendix.
- 3.12 A number of public and private sector organisations have taken this route, the public sector organisations included the National Audit Office, the Financial Conduct Authority, Cambridgeshire City Council, Peterborough City Council and Slough. This would have to be explored with any of the OneOracle Councils who may choose to purchase the support and hosting option from Brent. The cost savings associated with this are not included in the figures detailed in the appendices.
- 3.13 All three of the above options would require a large reimplementation and extensive data migration and reconciliation process, this would need a number of resources and commitment from business users. It is important to recognise the need for early commitment of financial and human resources and that it is supported by senior officers from the outset. Such support will ensure the project is delivered successfully, within budget and on time.
- 3.14 Option 3 fits within the Council's Civic Enterprise goals of looking for opportunities to generate income. While all partners would be beneficiaries, Brent's gain would be the greatest as it bears most risk. Digital Services is well placed to manage that risk as it has the skillset to do so, it already runs a partnership model with Lewisham and is currently seeking to provide services to other public sector organisations. In short, this opportunity fits the risk profile of Brent Council's Digital Services business model.
- 3.15 The risk of migration is lower for option 3 as it is the only option that is likely to be delivered on time due to the smaller scale of the project than Cloud and the ability to manage all of it in-house. It is also lower risk because internal business users will have developed clear understanding of the system and having an in house team responding directly to the needs of Brent Council should allow greater stability. Furthermore, this option gives all parties the greatest flexibility in the future as it does not preclude moving to the Cloud after other organisations have road-testing the

implementation process but gives us and those who choose to procure from us the time to make decisions according to their own timeframes.

- 3.16 The total benefits to the council is a combination of revenue savings from current system support and hosting costs, (Brent could do this cheaper and to a higher standard) and potential income from providing a full support and hosting service to some or all of the other OneOracle partner Councils, or providing just an archiving solution.
- 3.17 Based on the principles of the IT Shared Service with Lewisham, if they deem to join Brent on this hosting arrangement any income, over revenue savings would be equally shared between the two Councils. If they chose another option, such as Oracle Cloud Services, then the benefit to Brent would increase.
- 3.18 If the selection of Option 3 were to be approved, there would be a need to procure the services of a system implementer. These services would be procured by inviting tenders from the Crown Commercial Services Framework RM1032, Enterprise Applications Support Services, Lot 1 Oracle E Business Suite Enterprise Application Support. The estimated value of the contract would be in the region of £700,000.
- 3.19 Due to the complexity of the project and the need to meet a strict deadline of the end of the current contract, there is no room for slippage regarding the implementation. Therefore, timelines are very tight and for this reason approval will be sought to delegate to the Strategic Director Resources in consultation with the Lead Member the award of the contract for the system implementer.

3.20 The Procurement and Selection Process for the System Implementer for Option 3.

3.20.1 Officers are inviting tenders from the Crown Commercial Services Framework RM1032, Enterprise Application Support Services, Lot 1 Oracle E Business Suite Enterprise Application Support. There are 11 suppliers on Lot 1 of the framework.

Using the framework will enable procurement in a shorter timescale than via a full tender, therefore saving on resources and enabling the generation of savings as soon as possible.

It is anticipated that savings on current hosting and support costs will be approximately £278k per annum.

3.20.2 Pre-tender considerations have been set out below for the approval of the Board

Ref.	Requirement	Response
(i)	The nature of the	System Implementer to carry out the transfer of the Oracle system
	service.	from the current hosting and support supplier to an in house Brent
		solution
(ii)	The estimated value.	£700k
(iii)	The contract term.	22 months (including 3 months post go live support if required)

Ref.	Requirement	Response		
(iv)	The tender procedure to be adopted.	CCS Framework RM1032, Enterprise Application Support Services, Lot 1 Oracle E Business Suite Enterprise Application Support		
v)	The procurement timetable.	Indicative dates are:		
		Invitation to Tender	w/c 24th October 2016	
		Deadline for tender submissions	11 th November 2016 (12 noon)	
		Panel evaluation and supplier selection	14 th to 18 th November 2016	
		Report recommending Contract award circulated internally for comment	21st November 2016	
		Award recommendation to CPB and Chief Officer in consultation with Lead Member (delegated authority to award to be sought at November Cabinet)	w/c 28 th November 2016	
		Contract Mobilisation	December 2016	
		Contract start date	December 2016	
(vi)	The evaluation criteria and process.	riteria and process. Procurement. The panel will evaluate the tenders against following criteria: Price: 60% Quality Criteria: 30% Consisting of: PROJECT AND PROGRAMME PLANNING, MANAGEMENT AND RESOURCING SECURITY AND AUDITABILITY: Weighting 1 TESTING: Weighting 3 DATA TRANSFER Weighting 4 Social Value: 10% The above criteria are in accordance with the framework rules		
(vii)	Any business risks associated with	guidance. No specific business risks are considered to be associated with entering into the proposed contract.		

Ref.	Requirement	Response
	entering the contract.	
(viii)	The Council's Best Value duties.	The council has a duty to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This procurement will assist the council in fulfilling this duty.
(ix)	Consideration of Public Services (Social Value) Act 2012	Social Value offerings from the tenderers will be assessed as part of the tender evaluation.
(x)	Any staffing implications, including TUPE and pensions.	No specific staffing implications.
(xi)	The relevant financial, legal and other considerations.	See sections 4 and 5 below.

4.0 Financial Implications

- 4.1 The re-procurement of Oracle is particularly important to Brent Council because it is the Council's core financial system and because the recent iteration has been so poorly received.
- 4.2 The paper does not go into specific financial details because they are commercially sensitive and contained within the main business case. However, there is no budget to pay for the set-up costs for any of the options. Therefore, it is important to note the accompanying business case is asking for one-off additional funding of between £1m and £2m, depending on the option chosen.
- 4.3 Effectively, there are two business cases contained within: that of archiving and that of hosting Oracle. However, the former relies on Option 3 to deliver it or for the Council to purchase new server equipment, so it was not practicable to separate it out from the main hosting procurement exercise. The business case for the former is simple as it would generate a small but significant amount of income from any organisation that was interested and it would do so at minimal cost because the Council would have capacity on the servers that Option 3 recommends purchasing.

Costs of Hosting

- 4.4 Option 1 has the highest set-up costs of any option because it is the implementation of a completely new system. Option's 2 and 3 costs are likely significantly overstated at the implementation stage because the only current costings currently available are for a full system implementation of a traditional model. The actual system requirements are far lower as the main change is hosting as it is the existing model of Oracle moved onto Brent's system or an alternative support partner (Options 3 and 2 respectively)..
- 4.5 Digital Services anticipates that it can manage one-off staff costs cheaper because it is directly in charge of the process. However, that would be counter-balanced by the need to purchase additional data centre equipment. Option 2 (with an

- alternative host) has the lowest project delivery costs but Option 3 of Brent hosting it is only slightly behind.
- 4.6 It is important to note that there are no details of costs attached to correcting the multiple flaws of the current model (including the items detailed within the Atos review). However, this affects all three options and the costs of changes should in theory be cheaper if Brent implements them itself, strengthening the case for option 3. There is a separate piece of work being undertaken to determine the costs of this item.
- 4.7 The main difference between Options 2 and 3 is that Brent would not need to pay a high charge for hosting, as has happened in the past. The cost of the additional support that Brent would need to add for hosting locally should be lower than any charge from any external provider. This means that Option 3 should be significantly cheaper to Brent than option 2.
- 4.8 There are significant additional security costs attached to Option 1 that do not affect Options 2 and 3. This means it is anticipated that the costs of the Cloud is likely to be close to the costs of the alternatively hosted Option 2.
- 4.9 Detailed work on the financial implications of the support service will need to be undertaken when Officers have fully defined which partners may wish to buy into the Brent offer and to which degree (i.e. full support and hosting or just archiving). Until that time, it is difficult to determine the exact scope of the service, including any TUPE and other setup costs but they are worth bearing in mind.
- 4.10 It is envisaged that bringing the OneOracle hosting and support service back in house and having a service offer to the other OneOracle partners will help Digital Services achieve a significant saving in its revenue budget and/or count towards other Corporate savings targets. This is also an appropriate opportunity upon which Digital Services should capitalise because it takes a commercial approach to providing services and fits its risk profile. All of this means that Option 3 represents the best financial option for the Council, both in terms of cost and potential revenue streams.

5.0 Legal Implications

5.1 Under section 3(1) of the Local Government Act 1999, Brent Council, as a "best value authority" is under general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". In March 2015 the Government circulated revised Best Value Statutory Guidance and the full guidance is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418505/R evised Best Value Statutory Guidance final.pdf

Officers have indicated in the report, specifically at paragraph 3.6, ways in which they consider Option 3 assist the Council in achieving best value.

- 5.2 Officers recommended option is a move to Oracle on premise hosted service provided by the in-house ITU team. In order to implement such move, officers intend to procure a contract for application support services from a framework agreement established by Crown Commercial Services (CCS). As it is intended to use a CCS framework, CSO 86(e) indicates that no formal tendering procedures are required save that the framework agreement must be approved by the relevant Chief Officer to include confirmation that there is budgetary provision for the proposed call-off contract provided that the Chief Legal Officer has advised that participation in the Framework Agreement is legally permissible with it being established in accordance with the Public Contracts Regulations 2015. All of these requirements have been confirmed.
- 5.3 The proposed contract for application support services has an estimated value of £700,000 and is therefore classed as a High Value Contract under the Council's Contract Standing Orders. Cabinet approval is required for the award of High Value contracts but for the reasons detailed in paragraph 3.13 authority is sought to delegate the award of contracts to the Strategic Director Resources.
- 5.4 Should Option 3 be agreed, the intention would be for Brent Council to sell systems support and hosting services to other members of the OneOracle partnership. Section 38 of the Local Government (Miscellaneous Provisions) Act 1976 specifically permits a local authority to provide computer based services. Under this power, the local authority's charges may exceed the cost of supply. The authority may exercise this power to trade without establishing a company.
- 5.5 CMT is referred to Section 7 with regard to potential implications staff, including those arising from the Transfer of Undertakings (Protection of Employment) Regulations 2006. (TUPE)

6.0 **Diversity Implications**

- 6.1 An equalities impact assessment will need to be undertaken as part of any transfer of staff from any of the other Councils and any resulting restructure exercise. This will be carried out when Officers know more about the implications to ICT support staff across the OneOracle partnership It is not possible to carry out an assessment at the current time, due to the number of possible variations; currently officers cannot know how many Councils may be interested in taking up the Brent offer to provide a hosting and support service or how many staff may be impacted on. This will be kept under constant review and an equalities impact assessment undertaken at the appropriate time
- 6.2 It is anticipated however that the joint working is likely to safeguard jobs of ICT staff at Brent to some extent, achieving savings through reduced costs, income generation and the sharing of resources with partners as opposed to having to delete posts. It is also expected that any joint team will provide a larger pool of technical resources to participating authorities, improving ICT provision to staff and therefore enabling them to deliver a better service to Brent and partner Councils and their residents.

7.0 Staffing/Accommodation Implications

- 7.1 It is difficult to quantify the full staffing implications of taking the service back in house and offering it to partner Councils. There will be no additional staff required to support the OneOracle system until one or more partners wish to buy into the service. Once Officers know the number of anticipated partner Councils agreement around the design of the operating model, organisational structure, new job descriptions and better understanding of TUPE requirements will be forthcoming.
- 7.2 Due to the nature of the contracts between Capgemini and the OneOracle partners it is unlikely that any individuals will be transferred pursuant to TUPE.
- 7.3 In terms of accommodation implications, it is not anticipated that there will be significant growth in staff who would have to be based at Brent. Officers will have to maintain a small local presence at the Council which they currently work for.

Background Papers

One Oracle Business Case (Appendix 1)

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ALTHEA LODERICK Director of Resources



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted





Cabinet 15 November 2016

Report from the Strategic Director of Resources

Wards Affected: Tokyngton

Leasing of 8th Floor North Wing, Civic Centre, Wembley, HA9 OFJ

Appendix 1 is not for publication

1.0 Summary

1.1 To consider the vacant office accommodation at the Civic Centre and approve the occupation on a lease.

2.0 Recommendations

- 2.1 That Cabinet delegate authority to the Strategic Director Resources to finalise terms and complete the lease to the Valuation Office Agency in consultation with the Head of Legal Service in accordance with the details in the confidential Appendix.
- 2.2 That the Cabinet note that there is interest from the Job Centre Plus and the Clinical Commissioners Group in also relocating to the Civic Centre.

3.0 Detail

- 3.1 Brent Civic Centre was opened around May 2013 and provides about 13,154 square metres (m²) of office space. At this time there was space of about 342m² allocated as a partner village on the first floor. No occupant could be found who was looking for this space and able to pay the accommodation costs. In addition the Council then took space of 343m² on a five year lease from October 2018 as part of a S106 arrangement at a low rent at Rutherford Way. Brent CVS have now taken a sub-lease. Subsequently there was then a further move of staff that enabled the 7th floor and 8th floor west wings to be freed up and subsequently leased to Air France who were located in Brent House for a 10 year period from October 2014. This area is about 1,227m² equating to 9 % of the accommodation.
- 3.2 Further reductions in staff and increased flexible working have resulted in additional surplus office space being freed up. CMT agreed the relocation of staff from the 8th floor North wing to other areas within the building and this has now almost been completed although a few staff still remain within the area.

The Council has a target to generate additional income from office space in the Civic and has been marketing the space directly for about a year. In addition Colliers International have been marketing the space for the last 5 months. The desire has been that any new occupants of the Civic Centre would ideally be partner organisations, charities or other government users. Officers have directly emailed about 400 Charity organisations with a turnover above £15 million. In addition central government through the Cabinet Office have listed the space as available. All central government department requirements need to have sign off by the Cabinet Office. Preference is firstly for space to be taken within the existing government stock of offices, followed by other space that is owned by the public sector including local authorities.

- 3.3 A number of enquiries have been received for small amounts of space for up to 10 workstations, however the space can't be sub-divided and public visitors are not able to gain access within the secure office arears. The space is designed as open plan for efficiency and ventilation.
- 3.4 The Valuation Office Agency (VOA) who are an Executive Agency of HM Revenue and Customs have been interested in the space since July 2016 and have now undertaken a number of inspections. They are in the process of transforming over 60 locations nationwide and reducing the number of offices. The VOA are responsible primarily for maintaining the list of Rateable Values of non-domestic properties. They are planning to use the space as their North West London hub office. It will effectively be a back office function for surveyors and administrative staff and will not be a location for members of the public to call in. The use will be low key in nature. There could be some synergy with the Council's own business rates collection duty and the requirements to maintain an accurate and up to date rating list.
- 3.5 The space is about 983m² (10,581 square feet) and is laid out with 114 workstations. The VOA intend to keep the existing layout including meeting rooms. The area to be leased will be separated off outside the lifts on the 8th floor with glass screening and a security system. The VOA would have access to the toilets in the common areas outside the lift lobby, along with access to the toilets outside the area where the fire evacuation lift is situated. In addition staff with mobility requirements would also be able to access the fire evacuation lift and hence enable the VOA to meet the requirements of the Equalities Act 2010. Further access in the event of emergency evacuation would be available via the spiral staircase positioned at the end of the wing. VOA staff would be provided with access to the secure bike parking and shower along with the melting pot café and other publicly accessible areas.
- 3.6 It is proposed that the accommodation is leased for a ten year term with a rent review and tenant break option at the end of the fifth year. The council will provide most of the facilities management which would be recovered in the service charge.
- 3.7 In addition to the interest in the space from VOA there has also been some interest from the Job Centre Plus (JCP) who first looked at the space in May 2014. There have been further recent discussions over summer 2016 and they have reconfirmed interest in relocating their Wembley Job Centre based at 6 St John's Rd, Wembley. Details of terms of occupation have been provided

however the JCP have indicated that they would not be able to occupy until 2018.

3.8 Interest has also been very recently expressed by the Clinical Commissioning Group (CCG). There could be strong synergies with the Council given its role introduced by the Health and Social Care Act 2012.

In line with Brent's emerging One Public Estate aspirations, while both DWP and the CCG from a front line service perspective appear on a principle level to be good fit for a tenant in the Civic Centre, on a practical level, their occupation would require a complete re-think of our ground and potentially first and possibly second floor operations as their services are customer facing.

The VOA on the other hand, are also a public sector partner, albeit a back office function that does not require routine access to customers. They are far further advanced in terms of negotiations and ready to move in early next year, delivering new revenue income and savings in accordance with budget expectations.

4.0 Financial Implications

- 4.1 There is the potential income stream and saving for a period of up to 10 years set out in the Confidential Appendix. However, it is not confidential to note that there is not a rent-free period in the contract.
- 4.2 There are some very significant savings targets in Property and or the Civic Enterprise work-streams, as noted in the table below:

Description:	2017/18 (£'000)	2018/19 (£'000)
Facilities Management & Civic Centre	124	0
Income from the Civic Centre	150	0
FM Contract	100	100
Civic Centre - Rental Income	125	125
Total	499	225

- 4.3 While the FM contract savings primarily comes from reducing other buildings than the Civic Centre, passing the costs onto a tenant has the de facto same impact and could be applied to these targets.
- 4.4 Letting to the VOA also should significantly contribute to that savings target. It is not commercially sensitive to note that it should save £80k annually based on 2016/17 business rate figures, as these become the responsibility of the VOA. However, it is important to note that these savings are predicated on the 2016/17 valuations and not the 2017/18 revaluation. Therefore, these savings would likely be offset by a probable increase in rates.
- 4.5 There are inevitable costs attached to the letting of the Civic Centre to external organisations including putting up of screens (£25k) and other incidental minor

costs. There is an established Capital budget of £170k put aside to cover these costs.

- 4.6 Agent's fees of approximately £16k would also need to be met in Year 1 of the letting.
- 4.7 The financial bottom line is that this letting could achieve over 80% of the 2017/18 savings target required for Property, subject to caveats around the change in rates regime that has not yet been finalised by Central Government. Additional lettings would be needed to achieve the 2018/19 target and if the rates were not included, a letting of the same size would be necessary to achieve the Property Savings for both years.

5.0 Legal Implications

Section 123 of the Local Government Act 1972 (LGA) provides that local authorities may (with a minor exception relating to playing fields in Wales) dispose of land as they see fit, but:

(2) Except with the consent of the Secretary of State, a council shall not dispose of land under this section otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained."

The Local Government Act 1972 General Disposal Consent (England) 2003, defines specified circumstances where land can be disposed of at less than best price. These are:

- "a) That the local authority considers the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects, in respect of the whole or any of its area, or of all or any persons resident or present in the area;
- i) the promotion or improvement of economic well-being;
- ii) the promotion or improvement of social well-being;
- iii) the promotion or improvement of environmental well-being; and
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds)".

6.0 Diversity Implications

The property has been offered on the open market since summer 2015. It has also been circulated to a wide range of charitable organisations and also Brent CVS. The space is accessible to wide variety of individuals which would help most organisations to meet the Equality Act 2010 and its provisions relating to disability.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 The space is currently occupied by around 20 staff it is planned that these staff will be relocated to other areas in the Civic by January 2017.
- 8.0 Public Services (Social Value) Act 2012
- 8.1 Not applicable.

Background Papers

Not applicable.

Appendix

Appendix 1 – Commercial term (confidential)

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ALTHEA LODERICK Strategic Director for Resources By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

