



**General Purposes Committee
29 September 2020**

**Report from the Director of Legal,
HR, Audit and Investigations**

REPORT TITLE: i4B Key Worker Housing Scheme

Wards Affected:	All
Key or Non-Key Decision: (only applicable for Cabinet, Cabinet Sub Committee and officer decisions)	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One Appendix 1: i4B Key Worker Housing Allocation Policy
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Martin Williams, Head of HR Martin.williams@brent.gov.uk

1.0 Purpose of the Report

- 1.1 To update the committee in respect of the Council's offer to council staff of Key Worker Housing provided by i4B, including the council roles to be identified as Key Worker roles and the terms on which key worker housing will be provided, including the potential tax implications for individuals.
- 1.2 The key worker roles and the terms on which key worker housing will be provided are outlined in the i4B Key Worker Housing Allocations Policy at Appendix 1.

2.0 Recommendation(s)

- 2.1 To approve the method by which posts are identified as being difficult to recruit and retain within the Council.
- 2.2 The Committee is asked to note the possible implications of the key worker housing scheme being a taxable benefit for Brent's employees.

3.0 Detail

- 3.1 The committee will be aware of the challenges in recruiting and retaining staff into a number of key roles within the Council. For example, social work roles

for which a report was brought to the General Purposes Committee on 15 October 2018. Lack of affordable housing has been identified as a contributory factor in Brent and other London boroughs in attracting staff into key frontline services.

- 3.2 The number of homes reserved for key workers nationally is relatively low, with many of the products set out in national policy becoming over time, in one form or another, part of the Government's home ownership policies e.g. shared ownership, equity loans etc.
- 3.3 Some local authorities give priority to key workers in their affordable housing allocations and others acquire homes from the private sector so that they are offered only to key workers. A number of Registered Providers (RPs) give priority to key workers in their affordable home ownership and/or intermediate rental schemes.
- 3.4 The National Planning Policy Framework (NPPF) recognises that 'essential local workers' should be beneficiaries of new homes built as part of affordable housing obligations that developer must meet when making a residential scheme 'acceptable'.
- 3.5 The Government has defined essential local workers as 'Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'.
- 3.6 One of the Council's key policy priorities is the provision of key worker accommodation, underpinning the Borough Plan ambition to provide 'a future built for everyone and an economy fit for all'. The aim of the policy is to provide the framework within which more key workers can live and work in the borough of Brent.
- 3.7 Providing key worker accommodation fulfils part of an objective within i4B's Business Plan of 2019/20, which aligns with the Borough Plan.
- 3.8 i4B has completed the purchase of a block of flats near to Wembley Stadium specifically for key workers. It comprises of 153 units, made up of 63 x 1 bed apartments and 90 x 2 bed apartments.

4.0 Proposed Policy Terms

- 4.1 The aim of the attached I4B policy is to ensure that the allocation of accommodation for key workers in Brent is fairly allocated by:
 - Defining who is a key worker and what makes them eligible for a home;
 - Explaining how applications are to be prioritised and processed; and
 - Setting out the terms and conditions that will be applied.
- 4.2 The Tier 1 roles are the hard to recruit and retain posts. These positions will be prioritised over the Tier 2 roles. The Tier 1 roles have been identified by working with colleagues in HR from Brent Council, and the local NHS and CCG bodies.

- 4.3 To determine key worker roles the Housing Partnerships team and i4B officers worked with senior management colleagues across departments with support from HR colleagues; this was informed by turnover and recruitment data. This will be reviewed on an annual basis and roles will be added or deleted to Tier 1 as necessary.
- 4.4 The annual review of current and potential posts within Tier 1 will be carried out and agreed with reference to the Council Management Team, again informed as appropriate by relevant data outlined in 4.3 above. Other organisations participating in the policy will also be expected to carry out a review for their own posts.
- 4.5 The framework of the policy has been approved by the i4B Board. The operational aspects of the policy were considered by the Council's Management Team in March and September 2020 so that feedback could be given.
- 4.6 The date when the building comes into i4B possession is 16th November 2020. An internal all staff email was sent in July 2020. This provided basic information about the accommodation and asked staff who were interested in the accommodation to sign up for monthly updates.
- 4.7 A breakdown of current staff who have registered their interest is below. A further update will be going out to them very shortly which will include information on the rent and service charges. As part of this new update we will again ask for staff to register their interest as they will have the monthly rent information to consider.

Directorate	Tier 1	Tier 2	Grand Total
Chief Exec	0	21	21
Customer & Digital	0	34	34
CWB	13	74	87
CYP	30	41	71
Regen & Environment	7	17	24
Grand Total	50	187	237

- 4.8 Employees from all partner organisations within the tiers will have equal access to the scheme. Before allocating a unit to an applicant, their application must go through an approval process.
- 4.9 Based on the need to recruit as well as retain, it is currently being considered in discussion with service areas and partner organisations, how many properties should be kept for recruitment drives for all partner organisations at the launch date.

5.0 Financial Implications

- 5.1 There are no financial implications specifically associated with the decisions in this report. i4B has produced a business plan for the key worker block that ensures the scheme is financially viable based on the rent levels proposed and the forecast operating and finance costs of servicing and maintaining the block.

- 5.2 The block is being let to key workers and not exclusively to Brent employees. It is not anticipated that this will generate a benefit in kind for Brent staff but tax advice is being sought to confirm this.

Additional financial and legal implications received following publication of the original report:

- 5.3 At the date of despatch of the i4B Key Worker Housing Scheme report, tax advice on whether the offer of such housing would be a taxable benefit for Brent Council staff was still being sought. Ernst & Young, the Council's tax advisors, have since concluded that the offer is not considered to be a taxable benefit for Brent Council staff. This is based on the offering being made available to people other than Council employees and a calculation of the employment related benefit conducted on the cost of the property and proposed rent.

6.0 Legal Implications

- 6.1 For the purpose of context, legal implications in the previous reports which have gone to CMT have confirmed that the provision of below market rent properties for key workers does not fall within the definition of social housing as defined by s 69 of the Housing and Regeneration Act 2008. They also confirmed that the intermediate rents charged for key workers are not subject to the same level of statutory regulation as social housing in general; and that Part 6 of the Housing Act 1996, that regulates the allocation of social housing, does not apply to the allocation of accommodation by i4B, nor does the statutory review mechanism under the Act.
- 6.2 In terms of the issues dealt with in this report, the Key Worker Allocations Policy at appendix 1 contains confirmation that allocations will be applied in a manner that actively promotes equality and complies with statutory obligations relating to equal opportunities and diversity.
- 6.3 The Committee have their attention drawn to the fact that there may be possible implications of the key worker housing scheme being a taxable benefit for Brent's employees. It is noted that specific tax advice is being sought to confirm whether or not the letting of the accommodation to Brent staff would generate a benefit in kind. In general terms, under the provisions of ITEPA, accommodation is free from tax, inter alia if it is necessary for the job, or if it is solely provided to enable the employee to perform his or her duties. If the letting of accommodation is found to amount to a taxable benefit to Brent key worker employees then the possible financial implications of this would have to be made clear in advance to those wishing to apply. If the letting of accommodation creates a new taxable benefit this would have an impact on the relevant employees' net pay and as such could amount to a change in their contractual terms and conditions. If the relevant employees are fully aware of this potential impact and are in agreement with it, then, under general contractual principles an employment contract may be amended at any time with the agreement of all parties to the contract.

7.0 Equality Implications

- 7.1 Pursuant to section 149 of the Equality Act 2010 ("the Act"), The Council has a

duty to have ‘due regard’ to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act, advancing equality of opportunity between persons with a protected characteristic and those without, and foster good relations between persons with protected characteristics and those without.

- 7.2 The protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership but to a limited extent.
- 7.3 Equalities Impact Assessment of the Borough Plan and Housing Strategy, which includes the priority to deliver affordable housing within Brent, has previously been completed and identified that it will have an overall positive impact on all sections of the community.

8.0 Consultation with Ward Members and Stakeholders

- 8.1 Not Applicable.

9.0 Human Resources/Property Implications (if appropriate)

- 9.1 As there is no link of the scheme to the employment contract, it is considered that there are no HR implications, except where recruitment drives will be anticipated by the i4B team. However, as the advice regarding whether this would be considered a benefit in kind for employees of Brent is yet to be received, the financial impact on employees is unknown.

Report sign off:

Debra Norman

Director of Legal, HR, Audit and Investigations