



MINUTES OF THE COMMUNITY AND WELLBEING SCRUTINY COMMITTEE

Tuesday 19 January 2021 at 4.00 pm

PRESENT: Councillor Ketan Sheth (Chair), Councillor Kansagra (substituting for Councillor Colwill) and Councillors Aden, Daly, Ethapemi, Hector, Lloyd, Long (substituting for Councillor Sangani) and Shahzad, and co-opted members and Rev. Helen Askwith, Mr Alloysius Frederick and Mr Simon Goulden. ***All members were present in a remote capacity.***

Also Present (in remote capacity): Councillor McLennan and Councillor M Butt

1. Apologies for absence and clarification of alternate members

Apologies for absence were received as follows:

- Councillor Colwill, substituted by Councillor Kansagra
- Councillor Sangani, substituted by Councillor Long
- Councillor Thakkar

2. Declarations of interests

Personal interests were declared as follows:

- Rev. Helen Askwith – daughter part owned a property with Network Homes
- Mr Simon Goulden – spouse a governor at a school

3. Deputations (if any)

There were no deputations received.

4. Minutes of the previous meeting

AGREED: That the minutes of the previous meeting held on 24 November 2020 be deferred to the following meeting so that members of the Committee had time to go through them.

5. Matters arising (if any)

There were no matters arising.

6. Brent New Council Homes Development Programme and Affordable Housing

The Chair invited Councillor Southwood (Lead Member for Housing and Welfare Reform, Brent Council) to introduce the item for discussion. Councillor Southwood highlighted that the paper included information on the Council's own new Council homes building programme and information on where the Council was working with other providers to increase the number of affordable homes in the Borough. She advised that just over 230 properties had been built and let, there were sites going through planning, and officers were looking at other schemes that may also be viable. Over 600 homes were on site, making Brent consistently the highest of all the London homes being built. The paper drew information from the recent

Cabinet report, and Councillor Southwood hoped the paper gave the Committee confidence about the programme, its achievements to date and what the pipeline looked like.

John Magness (Head of Housing Supply and Partnerships, Brent Council) added that more handovers had taken place the previous day, increasing the number of new properties to 255. He advised these numbers changed on a daily basis.

The Chair thanked the housing team for their introductions and invited the Committee to raise comments and questions, with the following issues raised:

The Committee wanted assurance that the affordable housing referenced in the report was genuine affordable housing and that it would meet the local needs including the different types of accommodation needed, the size of homes needed, and housing need in light of the findings of the Brent Poverty Commission report. Councillor Southwood expressed that she would be happy to provide that assurance and noted that the good thing about the Council doing its own infill for council homes was that it had control and flexibility over what that looked like. When the team looked at potential sites they talked to the housing needs service to determine what Brent actually needed and doing infill development meant the Council could design those schemes to meet actual need. For example, sometimes the Council had opted to build fewer homes at larger sizes to cater to that need for larger homes. All new build Council homes were at London affordable rent and all new schemes, including those where the Council worked with partners, would seek to deliver rent levels either at London affordable or social housing rent levels.

The Committee asked what definition of affordable housing the report was using. Councillor Southwood explained that the reason affordable was used was because there were different types of rent levels, for example any new build was rented at London affordable rates, but legacy developments or Section 106 developments could differ. Hakeem Osinaike, Operational Director for Housing, added that before the programme began the department first wanted to understand what affordability meant to Brent residents therefore commissioned research by Cambridge University, so that the Council were clear what rent levels would apply to the majority of people the Council knew were of housing need. Therefore, he explained, when the report referred to affordable it did not refer to the Mayor of London's initiative but affordable in respect to the residents of Brent. He advised that from the research they knew social rent may not be affordable to the majority, for example, 65% of the Council's tenants were receiving housing benefits. The housing department was now negotiating with colleagues in planning so that when planners negotiated Section 106 agreements they negotiated a reduction to 65% of market rent rather than just "affordable", as for the developer "affordable" meant 80% of market rent which was not affordable for most residents in. It was understood that that could mean fewer homes but it would mean the homes were affordable. He felt that the Council had been successful at applying the research commissioned to determine affordability.

Infill new council housing was discussed by the Committee. It was noted that the report stated there would be consultation with ward members and residents about proposed infill with those views taken into consideration, but some colleagues were not aware of any proposed infill or consultation. Councillor Southwood highlighted that the housing department acknowledged that when the Council built infill schemes it could be disruptive for local residents and local councillors, and that they had learnt a lot from previous infill schemes. She explained that there was a clear process enabling people to know when they would be engaged and a 6 point commitment to engagement. She advised that every time infill went through the feasibility stage, ward councillors would be the first to know, and if they did not know about an infill proposal that would be because it was just an idea at that stage. Hakeem Osinaike (Operational Director Housing, Brent Council) expressed that they understood very clearly that the more people engaged meaningfully the better chance of building those homes, and they would not want to force homes on anyone so where they had built had been with the support and encouragement of local residents and ward councillors. He informed

Committee that there were several ways to engage, such as the Scrutiny Committee, Cabinet, and listing sites being looked at to encourage members to come forward with any issues they knew of to iron out before residents were consulted. The housing department carried out consultation pre and post planning permission and he gave the example of Watling Gardens, which had not been designed yet or gone to planning but which residents had been consulted on for months.

The Committee queried whether there had been feasibility studies completed on the sites listed in the report and when the housing department consultation would be likely to take place with residents on the sites listed in the report following the feasibility studies. John Magness clarified that feasibility looked at whether it was possible to build on a plot of land, whether that land was designated for a particular use, and then what was possible to build on the land. Regarding financial feasibility, he explained that the Council would look to see whether they could get grant funding from the GLA, whether they already had allocation they could use, whether they could borrow money and finance would support that, and whether it was what they were looking at to house the people that were in housing need. Once all of these questions had been considered it was then put into the programme and most were properties that would not be handed over for more than 3 to 5 years. Once they thought they could deliver it that would start the consultation process, and the next stage was to get planning permission.

The Committee queried whether objections that had been received in the past when developers been unsuccessful in applying for infill would be taken into when the Council considered infill. Councillor Southwood explained that the Council proposed developments had to go through the exact same process as any proposed development, including going through planning and abiding by planning regulations, and going through planning meant objections could be made which she felt was a good opportunity to receive additional feedback on the schemes. She reminded members that planning was a quasi-judicial process.

Discussion was had on the practicalities of building infill, for example how current residents were compensated for loss of parking if the proposals were to remove garages and build flats instead, and how waste storage and disposal was taken care of. Regarding waste, John Magness advised that the Council had an ongoing contract with Veolia so that new schemes could be added as they were developed. He advised that it had been a learning curve getting the processes up and running such as taking new stock into the portfolio and recording information for asset management. He highlighted that the practicalities of ensuring waste disposal timings should be part of the process when the Council negotiated through the process with residents. Regarding parking, Councillor Southwood agreed that it was a perennial challenge on estates particularly on infill and was where most residents had the most anxiety. The housing department actively addressed this through consultation in terms of whether it should be a 0 car development, how they could increase parking provision as part of re-landscaping, or whether parking control schemes should be implemented. The housing department would begin piloting parking control schemes on some estates in the near future, with another round of consultation having been completed with the 5 pilot areas. It was noted that it had been a lengthy process and resident views were mixed, and that the cost of permits for estate parking had been reduced to be less than street parking. John Magness highlighted that building in London did involve a level of compromise, therefore he could not promise that going forward they could provide full parking for anyone who wanted to use it. It was also a significant issue at planning as the policy direction in London was to reduce parking and the use of individual cars.

The Committee noted the table in 3.7 of the report that under developer led property there were 12 this year. Hakeem Osinaike advised that under section 106 agreements developers were required to provide affordable homes but often sold those homes to registered providers, which was why the table in the report showed a higher number of homes coming

through registered providers rather than developer led, and why there were 12 developer led homes rather than a larger number.

One Committee member felt that the Council had lost a large amount of stock in the past to housing associations who could sell off properties after ten years of providing housing, and wanted assurance there would be clauses for any new properties done in partnership with housing associations that they could not be sold for profit after so many years. Hakeem Osinaike advised that he could not comment on political decisions made in the past but right now the Council was very keen to build its own stock and had no plans to go into partnership with housing associations or registered providers to jointly own stock. The Council did work with registered providers to encourage them to build in the Borough or to use their knowledge and capacity to help the Council build its own homes but there were no deals to jointly own properties.

Discussion was held around the types of people in housing need, with members noting that there was a cohort of people in their fifties and sixties in the private sector that were always liable for eviction. The Committee wanted to know what plans the Council had to build housing for older people and those with learning disabilities. Councillor Southwood agreed that the need was evolving and, although the current housing need was larger families, through covid the housing department had seen more single and older people, some of whom would need support. Not everyone would need intensive NAIL support, so wrapping support around those living in accommodation was one option. John Magness agreed that they were always conscious of the whole range of needs in Brent and were exploring a number of solutions for older people such as extra care facilities in the design thinking of Windmill Court and Kilburn Square ranging from no need at all to significant need. The potential of a retirement home was also suggested, although it was highlighted that people wanted to make their own choices and increasingly people wanted to live within their own communities when they were older so putting support around them to ensure they could carry on living around their local networks was also important.

The Committee noted the importance of community facilities to help foster a sense of community. Councillor Southwood highlighted that a high proportion of the most recent infill developments did include community facilities which was one of the aspects that residents appreciated being involved in designing. She gave the example of Braven House.

The housing department were not yet clear what the impact of the Government's Housing White Paper would have on section 106 agreements but hoped they would be able to gain more property out of any replacement for section 106 agreements.

During the discussion, several requests for information were made, which included:

- i) To receive the strategic asset review of infill sites, setting out possible or identified infill housing sites in the Borough.
- ii) To receive a list of the proposed rent levels of the developments listed in the report, how the housing in Table 1 of the report could be categorised by type of affordable housing, such as London Living Rent or Social Rent.
- iii) To receive further information on what is expected to happen to housing supply as a result of government changes to Section 106.

The Chair drew the item to a close and invited the Committee to make recommendations, with the following agreed:

- i) That in any ward where infill housing was proposed the housing department should write to Ward Councillors to inform them of the proposals and draw it to their attention.
- ii) For future new builds, to consider including community centres or, where space did not allow, provision for access to community facilities to be made available within the neighbourhood.

7. Homelessness and Rough Sleeping Strategy 2020-2025

Councillor Southwood (Lead Member Housing and Welfare Reform, Brent Council) introduced the report which provided the committee with details of the past year regarding rough sleeping, the various activities undertaken and where the department were now in terms of the various ways the cohort of people who were part of the Everyone In initiative were gradually moving into more sustainable accommodation. The initiative was set up by the Government, working with local authorities. The report also updated the Committee on the homelessness and rough sleeping strategy, and Councillor Southwood noted some of what had been planned had not been possible due to the pandemic however in other ways the opportunity to bring people off the streets and offer a level of support they may not ordinarily have had was huge.

The Committee asked what impact the pandemic had on homelessness across the Borough. Councillor Southwood advised that for many residents who were at risk of homelessness, such as sofa surfers, the Everyone In strategy offered them the opportunity to go through the Council to access emergency accommodation on a temporary basis, and she felt that for a lot of those people that was a huge opportunity. For people in quite an insecure existence regarding homelessness, Councillor Southwood informed the Committee that many were now in a better situation than they would have been prior to covid. She highlighted that rough sleepers were hugely exposed to covid and the new virulent strains caused worry because for rough sleepers it was hard to self-isolate and often they would have underlying health conditions. She acknowledged that a report in the news suggested a lot of rough sleepers had since returned to the streets, but assured Committee that at the time of the meeting that return to the streets had not been seen in Brent and the overnight rough sleeping count conducting in November showed a reduction in numbers compared to the previous year. Laurence Coaker (Head of Housing Needs, Brent Council) advised Committee that the pandemic had the biggest impact on single homeless people, and that Brent now had historically low numbers of people on the streets. This had been helped by the implementation of the severe weather protocol where the homelessness service had block booked hotel rooms for single homeless people to go, whereas in previous years the Council would have relied on community winter shelters to shelter homeless people which was no longer viable due to the pandemic.

The Committee also discussed the impact of the pandemic on homeless families. Laurence Coaker advised that the main driver for homelessness was affordability and evictions from the private sector, therefore because of the eviction ban the number of families that presented as homeless reduced significantly. This was now beginning to pick up and there was worry that going forward with the economic downturn, more people out of work and the lifting of the eviction ban there would be a spike in family homelessness coming in the calendar year. Councillor Southwood explained that the Council were trying to tackle the anticipated spike by identifying anyone they thought might be in trouble to reach out and be proactive, for example those applying for Council tax support or the resident support fund, and intervening at an early stage. Laurence Coaker advised that they were gathering as much data as they could from various sources to identify families who might find themselves in this financial situation and were filling 2 posts to focus on this.

In response to a suggestion that the Council may need to buy its own land in order to reduce homelessness in the Borough, Councillor Southwood acknowledged that at some point the Council may run out of its own land and at that point would look at buying land and other options. She highlighted that that would not solve the problem on its own. The Council were currently looking at buying its own temporary accommodation and a paper had been presented to Cabinet the previous week approving the procurement of 200 self-contained rooms to provide temporary accommodation. The homelessness team kept a look out for the opportunity to buy big properties and big blocks. Councillor Mohammed Butt (Leader of the Council, Brent Council) added that they were doing all they could to ensure they sought enough properties and accommodation at appropriate sizes and were having conversations regularly with companies such as Quintain and Barclays Homes around this. In addition the Council were now looking to house key workers to attract staff into the Borough.

The Committee asked for more information on grants and funding, in relation to paragraph 6.7 of the report in particular and the delivery of 24 homes. Councillor Southwood highlighted that where there was capital funding, and the Council invested, that asset became part of the Council's future and was a longer term sustainable option. Laurence Coaker added that the grant funding for delivery of 24 homes in paragraph 6.7 was a specific pot of money the GLA made available for capital bids and the Council were successful in securing £3m funds, with part of that bid to purchase 2 privately owned blocks of flats that would equate to 24 units of accommodation used for move on accommodation for rough sleepers coming out of supported housing. One block was on track to be completed by 31 March 2021 with appropriate support however the vendor had pulled out of the second block therefore the Council were looking for a new block.

In relation to those with no recourse to public funds, specifically non-EEA, (European Economic Area) citizens Councillor Southwood advised that their absolute priority was to encourage those 9 people to get free legal advice to regularise their immigration status. There was no obvious or easy way to support that vulnerable group of people and they were exactly the type of people the Council wanted to help. Laurence Coaker advised that, of the 9, the Council had 2 results referring people for free legal advice where the person had secured indefinite leave to remain. He highlighted that the majority of this cohort were not rough sleepers but in some kind of sofa surfing arrangements, and if it was not possible for officers to resolve their immigration status a potential plan B was to reconnect them with the people they were living with prior to the lockdown. Councillor Butt added that as part of his role in London Councils they had been making representations to government regarding those with no recourse to public funds. He advised that there was a lot of spend across London Councils on no recourse to public funds, with approximately £54m that Councils did not get back. He highlighted that London Councils did provide help, support and guidance to those individuals but did not get compensated for that spend, which caused tension in relation to what was needed to be done.

Committee members raised concerns about the exploitation of homeless people, giving the example of HMO landlords who converted small family homes without permission and filled them with homeless men to live in and claim benefits, sometimes trafficking these people across Boroughs to claim benefits in more than one Borough. The Committee requested that the housing department, homelessness department and planning department began to monitor those processes. Councillor Southwood agreed that it was exploitation of vulnerable homeless, and the Council did uncover victims who this had happened to, often through planning and licensing enforcement work. It was also noted by Committee that many landlords put en suite bathrooms and hobs in rooms so that they were no longer categorised as HMOs as they were classed as self-contained. This meant it was hard to monitor the quality of that accommodation as it was no longer subject to licensing regulations unless it was within a selective licensing area. Councillor Southwood advised that selective licensing was only available in 5 Brent wards at the current time and was due to expire in 2023,

therefore there was a need to consider whether the Council should apply to extend and / or expand selective licensing across the Borough. Councillor Southwood advised that she would welcome a recommendation from the Committee for a strategic focus on this, raising awareness of the issues.

In response to Committee members' proposals that the Council should work with good friendly landlords, Councillor Southwood advised that the Council kept a good landlord database of over 4,000 landlords and also held the landlord forum, which was looking to begin meeting again after covid restrictions. It was agreed that information on how the Council worked with landlords would be circulated to the Committee, and agreed that the Council needed good landlords who were a huge part of helping to reduce homelessness in Brent.

A member of the committee asked about support for vulnerable homeless single people and households and referred to the SMART team in the Appendix of the report. Laurence Coaker confirmed that there was a Housing First scheme in Brent which had been running for a few years. The Council used their own 1 and 2 bed properties for the scheme and St Mungo's to provide the very high level support for the most vulnerable entrenched rough sleepers. The Council acquired more money through a GLA bid recently for increasing capacity for more support, meaning the number of units was going up to 18 flats to be used for Housing First. Councillor Southwood added that Housing First may not be realistic for some people the Council were supporting therefore it would not be appropriate to adopt the approach all the time.

In response to a question regarding whether the Council reported homelessness to the Home Office, Laurence Coaker responded that the Council did not report any information to the Home Office about individuals and neither did St Mungo's.

During the discussion several requests for information were made which included:

- i) To receive information about how the Council worked with good landlords and encouraged excellence among landlords.

As there were no further questions, the Chair thanked Committee and invited recommendations, with the following recommendations agreed:

- i) To develop a strategic focus on developing awareness of the hidden issues of homelessness, such as exploitation of the vulnerable homeless by landlords
- ii) To recommend adopting a greater joined up approach and work with external agencies to assist those who made need greater housing support services due to drug or alcohol substance misuse.

8. Delivery of Affordable Housing by i4B

Councillor McLennan (Deputy Leader, Brent Council) introduced the report, explaining that i4B was set up as an organisation to address Brent's homelessness needs. She explained that between 2010 and 2015 homelessness doubled in Brent, so alternatives were looked at for the community. It was felt that the accommodation being secured at the time was unaffordable and unacceptable and the Council did not want their residents to be living in those conditions, therefore the Council set up a private Company in 2016 to address the issues, support the housing market and ensure people were placed in decent homes and had security. The report highlighted where i4B was, i4B's performance and its future.

Martin Smith (Chair of i4B) agreed that i4B's principal purpose was to provide good quality, genuine affordable housing in properties that were managed by a responsible and decent landlord. The mechanism whereby the Company looked to do that for that past 4 years was to buy property on the open market, mainly in Brent, refurbish them to a good standard, and then let to people who may otherwise be placed in temporary accommodation. He advised that all properties i4B let were at rent levels no greater than the local housing allowance for the relevant location and were therefore genuinely affordable. By the end of the last calendar year i4B had purchased 302 properties and provided homes for 297 families with 713 children. He felt certain that without the Council's initiative to set up i4B all of those people would be in temporary accommodation. He also noted that over the past 12 months i4B had been progressing a purchase on a Quintain block in the Wembley Park development with the specific purpose of providing affordable accommodation for key workers in hard to recruit areas, with properties rented at a discount. i4B expected to start letting those properties in February. He noted that this was a different sort of product to what the Company had been doing but that it contributed to the overall objective of increasing the proportion of Brent housing stock that was genuinely affordable to people in different parts of the market. The Company's plans for the future were broadly to continue along that route and look for other opportunities that became available. i4B currently had just over 350 properties, with an additional 153 properties from the key worker block, and it was expected that another 180 properties would be added to the portfolio over the next few years, so by 2023 the Company should expect to have around 600 properties.

Peter Gadsdon (Company Director, i4B) added that the Company had been through the Audit and Standards Advisory Committee, with questions about the difference between i4B and Croydon's Brick by Brick. He clarified that the Companies had very different models with very different risk profiles, and i4B purchased properties on the open market, refurbished them and let them, working around a net yield model over 30 years meaning the Company would not buy properties it could not afford and were not trying to sell properties on the open market to make the business model work.

The Chair thanked Councillor McLennan, Martin Smith and Peter Gadsdon for their introduction and invited members to ask questions, with the following issues raised:

In response to whether the Company had viability to buy large 4-5 bed properties, deal with housing problems for larger families and apply for DFGs when adaptation was needed, Martin Smith explained it was much more difficult for i4B to buy the larger properties particularly in Brent. The initial approach was to buy larger properties in the home counties, but those properties had been the least successful stock and were less popular with tenants than anticipated so the Company stopped buying home county properties around 18 months ago. The Company worked with Laurence Coaker's team in the homelessness department to ensure they were still buying properties that met the housing need, and increasingly the Company were looking for properties that might suit some of the most difficult to home families including people with disabilities, therefore Martin Smith believed they could apply for DFGs and this was something the Company were looking at currently.

The Committee discussed the new Key Worker Block purchased on the Wembley Park development. A Committee member noted that if Brent was paying the living wage Brent employees should be able to afford to rent on the private market, and asked whether this was a form of jumping the queue. Councillor McLennan emphasised that the allocation of key worker housing was for staff doing day to day vital roles for residents that the Council wanted to ensure remained in Brent. She emphasised that not all Brent workers had the type of income that could afford market rent, and noted that Hakeem Osinaike had stated earlier in the Committee meeting that a lot of residents could not afford social rents, and that included people undertaking key work. She explained that the roles they were looking for to fill the key worker block were those that were difficult to recruit to, many of whom may not have the income to rent on the private market. There was an income limit for those eligible

to seek the accommodation as well as a salary threshold. Martin Smith added that the normal i4B policy could not have been applied to the block due to the section 106 agreement with Quintain and it would not have been financially viable to do so, therefore i4B looked at other ways the block could benefit Brent. He also added that the block would improve i4B finances over time, enabling the Company to buy more properties for the housing needs it was trying to supply for. The discounted rent would be at 65% of market rates.

Further discussing the key worker block, Peter Gadsdon advised that Committee members and anyone interested could find the allocation policy on the Brent Council website. The allocation had 2 tiers; the first tier included key worker roles such as social workers, occupational therapists, educational psychologists, planners, surveyors, architects, health visitors, nurses, midwives and speech and language therapists; roles which he advised were critical public sector roles that would be at the lower end of the pay scale and who would find it hard to work and live in the area they provided services for. Tier 2 would bring in a wider range of public sector workers. Those applying for the key worker housing needed to be earning at least £31k for a one bed property due to the financial assessment undertaken to ensure people could afford the rent, and there was a salary cap also. The salary range was linked to the government rules around key worker housing.

The Committee asked what independent executive oversight of the Company took place. Martin Smith advised that Cabinet oversaw i4B through a number of mechanisms, such as the sign off of the Company's annual business plan. In addition the Audit and Standards Advisory Committee oversaw the risk and financial components of i4B, with directors attending regularly, and there were regular shareholder meetings where the Chief Executive of Brent Council and the Director of Finance at Brent Council represented the Council's interests and met with the directors of the Company for operational and strategic oversight of the Company.

In response to a query regarding the net yield model, Martin Smith agreed to provide a worked example of the net yield outside of the meeting. He explained that the principal reason for its increase was because the Company worked out midway through the life of i4B that the yield was not sufficient to keep the company financially viable over the medium and long term, therefore they toughened the criteria slightly to get a better yield which was now flowing through into its portfolio.

The paper included performance of the Company, and did not differentiate between providers. It was noted there was not a substantial difference between the different providers, and the most difficult area in performance had been the home counties properties as they were the most difficult to let. Regarding plans for energy performance, Martin Smith confirmed the Company had set goals early in its tenure but now needed to update those to take into account the Council's recent aspirations which it was planning to do next year.

Regarding what happened with residents if their housing needs changed while they were i4B tenants, Martin Smith advised that they would go into the Brent housing needs system and i4B would try to look favourably on people in their properties whose needs changed either by adapting the property or trying to accommodate them in another.

The Company had no plans to move into HMO management.

During the discussion a number of requests for information were made, which included:

- i) To receive a worked example of the i4B net yield model, or the annual return, on a property owned by i4B, and the yield on all i4B properties.
- ii) To receive information on the value of the portfolio of properties owned by i4B.

- iii) To receive data on when the last 4 or 5 bed property was bought by the Company.
- iv) To receive information on the strategic oversight on the entire housing policy.

The Chair moved on to invite Committee members to make recommendations, with the following recommendations agreed:

- i) To recommend a review of the governance arrangements of i4B to ensure it is robust and challenging and there is accountability and oversight.

9. Any other urgent business

None.

The meeting closed at 6:02

COUNCILLOR KETAN SHETH
Chair