



**Executive**  
14 September 2010

**Report from the Director of  
Housing and Community Care**

Wards Affected:  
ALL

**Homes and Communities Agency Investment Plan**

**1.0 Summary**

- 1.1 This report seeks approval to the draft Borough Investment Plan (BIP) that is being negotiated with the Homes & Communities Agency (HCA) under their “Single Conversation” process. This process governs the way in which investment resources will be allocated to deliver housing, regeneration and infrastructure. The BIP sets out the strategic vision of the borough’s investment needs and identifies the various investment routes and mechanisms that are needed to support the delivery of the Council’s housing and regeneration priorities. The BIP will form the basis of a detailed borough investment agreement with the HCA to confirm the proposed levels of investment required in the borough. If HCA investment powers for the London region are devolved to the Mayor of London (the “Mayor”), then the BIP and specific investment agreements will form the basis of a devolved delivery investment agreement for Brent between the Council, the Mayor, the HCA and other investment partners. The BIP is expected to be agreed with the HCA before the Comprehensive Spending Review announcement in October 2010.

**2.0 Recommendations**

- 2.1 The Executive to approve the draft Borough Investment Plan attached in Appendix 1.
- 2.2 The Executive delegates authority for the Director of Housing and Community Care and the Director of Regeneration and Major Projects (once appointed) to agree the final draft of the Borough Investment Plan.
- 2.3 The Executive delegates authority to the Director of Housing and Community Care and the Director of Regeneration and Major Projects to submit an Expression of Interest to enter into a Devolved Delivery Agreement with the Mayor and other investment stakeholders.

## 3.0 Detail

### ***Background***

- 3.1 In December 2008, the Homes and Communities Agency (HCA) launched a new business process, known as the “Single Conversation” process as means of transforming the way in which housing and regeneration can be delivered at a local and national level. The single conversation process governs the way in which the HCA, local authorities and delivery partners will work together on a range of housing, regeneration, infrastructure and community activities. The single conversation is intended to be an iterative process, setting out the contribution of all partners to agreed objectives, developing over time and covering:
- Strategy: reaching a view on objectives and priorities for an area
  - Investment: setting out broad, indicative levels of investment from all partners
  - Capacity: roles, responsibilities and abilities
  - Delivery: what interventions will be supported by investment
- 3.2 In April 2009, the HCA produced initial guidance on the Single Conversation process<sup>1</sup>. The Single Conversation process aims to enable partners to achieve the following:
- bridge local ambition and national targets
  - achieve their vision through a shared investment agreement
  - agree and secure local delivery
  - achieve positive outcomes for people and places.
- 3.3 The Council was approached by the HCA in June 2009 to initiate negotiations under the Single Conversation process. The HCA required the Council to produce a draft investment plan for the borough, which is now more commonly referred to as the Borough Investment Plan (BIP). The BIP will set out the investment required for an area to deliver the agreed vision and economic purpose of the place. In doing so it will identify the needs to be addressed, based on robust evidence from local strategies, including the Sustainable Communities Strategy, Local Development Framework and the local economic assessments. The BIP will include objectives, outputs and outcomes that are expected from each of the Council’s partners, including the contributions and interventions they make. Given that the BIP has an economic, social and environmental focus it is necessary to engage with key stakeholders in its preparation, include housing association partners, private developers and funding agencies. In addition to these priorities for housing and regeneration, the BIP should also include assumptions on how affordable housing is to be funded, how the Decent Homes Standard is to be achieved and priorities for housing specific groups of people with support needs and for vulnerable people.
- 3.4 Once a BIP is approved, the Council is in a position to negotiate a more detailed Borough Investment Agreement which sets out the funding and resources that can be invested in the area over time as resources are made available, and the outputs and outcomes expected from them.

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<sup>1</sup> [HCA Single Conversation Process Guidance April 2009](#)

### ***Preparation of the Borough Investment Plan***

- 3.5 The Council was approached by investment officers from HCA London Region in June 2009 to initiate negotiations under the single conversation process. Following a series of meetings with the HCA, an initial draft BIP was produced at the end of last year which was reviewed by the Corporate Management Team and the HCA's London Regional Director. In January 2010, the HCA confirmed that the initial draft of the BIP was in an acceptable form for detailed negotiations to be commenced. Given this, CMT established governance arrangements, in line with the corporate approach to major projects to oversee the preparation of the investment plan. The preparation of the BIP was overseen by a Project Board comprising the Director of Housing and Community Care and the Council's Major Projects Group. The HCA's main contact on the development of the BIP was the Assistant Director of Housing and Community Care (Strategy and Regeneration).
- 3.6 The draft BIP has been prepared by the Council's Affordable Housing Development Unit which has responsibility for the day to day engagement with HCA's investment team on the affordable housing delivery programme in the borough. In preparing the draft BIP a series of discussions has been held with senior officers within the Council responsible for housing delivery, planning and regeneration functions. Additionally, the Council's Housing Association Partners and Brent Housing Partnership were consulted on the draft investment plan. The draft BIP has also been shared with private developers, such as Quintain Estates and Development plc for comments. The BIP has also been discussed with other authorities from the West London sub-region. The HCA have been engaged throughout the consultation process. The BIP was considered under the HCA's peer review process in July 2010 and the comments raised have been addressed in the latest draft of the BIP which is attached in Appendix 1. The HCA's expectation is that the final draft of the BIP will be agreed prior to the Government's Spending Review announcement in mid October 2010.
- 3.7 A further round of consultation will be undertaken with officers, the HCA and other key stakeholders prior to the Executive meeting in September and shortly afterwards. The Director of Housing and Community Care is currently responsible for the preparation of the BIP. However, this responsibility will be shared once the Director of Regeneration and Major Project has been appointed. Given this, the Executive is asked to delegate authority to the Director of Housing and Community Care and the Director of Regeneration and Major Projects (once appointed) to jointly prepare a final draft of the Borough Investment Plan.

### ***The Borough Investment Plan for Brent***

- 3.8 The BIP comprises seven section and four appendices. The first section sets out the purpose of the BIP and the consultation process taken with stakeholder to prepare and approve the BIP. The second section provides an introduction to the borough and includes specific details on the geography and physical context, population, demographics, economy, deprivation, housing and regeneration. The section also includes details of how Brent is positioned within a regional and sub-regional context.
- 3.9 Brent's corporate vision is set out in the third section. This section provides further context around our key planning, housing and regeneration policies and strategies. The section also provides details of the Council's strategy for economic development, tackling worklessness and sustainability. Section 4 identifies the Council's approach

towards delivery, in particular, our delivery performance, governance arrangements and our key partnership arrangements. This section also examines the key challenges and barriers to investment and delivery.

- 3.10 The bulk of the document covers the investment needs for the five Growth Areas identified in the Council's adopted Local Development Framework (LDF) Core Strategy – Wembley, South Kilburn, Alperton, Church End and Burnt Oak/Colindale. In addition, the BIP includes details of the investment priorities for the North Circular Road and Barham Park. The key investment priorities across these geographical areas are set out in Section 5. We have included details of our investment and infrastructure priorities over the short, medium and longer term, and what steps are being taken to deliver these.
- 3.11 Section 6 provides details of the Council's other investment priorities, which are summarised as follows:
- i) Increase the provision of family housing;
  - ii) Providing new supported housing accommodation and remodelling existing schemes;
  - iii) Delivery of a range of tenures, in particular intermediate and low cost housing for sale and rent;
  - iv) Achieving decent homes for Council, Housing Association and private sector properties;
  - v) Meeting housing needs for gypsies and travellers;
  - vi) Future of Local Authority Housing Stock and development opportunities.
- 3.12 Finally, section 7 sets out our spatial priorities for investment on site specific level. A table summarising the key investment priorities on a site by site basis is included as an appendix to the BIP. Other Appendices include details of the evidence base supporting the BIP, a copy of the Infrastructure and Investment Table which supports the Council's adopted LDF Core Strategy and a list of key borough contacts.

### ***Devolved Delivery Agreement***

- 3.13 The funding approach for housing and regeneration in London is currently undergoing a period of change. A key element of the Government's proposed Decentralisation and Localism Bill is to devolve housing and regeneration powers to the Mayor of London. There is a tight timetable for the Decentralisation and Localism Bill: it is expected to be introduced in November 2010, with Royal Assent in late 2011, and proposed commencement as of April 2012. The proposed change seeks to bring together the responsibilities for the HCA's London region and London Development Agency into the Greater London Authority. The Mayor is also keen to devolve a greater degree of responsibility for housing investment decisions to London boroughs and therefore is currently considering how devolved delivery arrangements can operate. The devolved delivery agreement will cover all funding that the Mayor and HCA are currently responsible for such as NAHP, targeted funding streams, growth area funding and decent homes. The BIP and Borough Investment Agreements will form the basis of negotiating a specific delivery agreement once the housing and regeneration powers are devolved to the Mayor.
- 3.14 The Mayor, together with London Councils have issued guidance on the Devolved Delivery Framework, which has been approved by the HCA London Board. This Devolved delivery framework document sets out the broad shape of how the Mayor sees local and London-wide government working together to deliver housing and

regeneration. The guidance has been circulated as a discussion document rather than a formal statement of policy as many details still need to be worked through. Boroughs with a Devolved Delivery Agreement would, in exchange for agreeing a set of broad outcomes with the Mayor and the HCA board, be given greater autonomy over investment decisions, certainty on a given level of resources for a two to three year period and the flexibility to commit those resources in the way that best suits local circumstances. A copy of the Mayor's proposed Devolved Delivery Framework Guidance is attached in Appendix 2.

- 3.15 Devolved Delivery will provide this certainty by identifying an indicative budget for investment in the borough over the period of the spending round. Whilst this does not mean that the cash itself would be transferred to the council, it does mean the Council will have the ability to move funding flexibly across different types of investment and substitute schemes. The Devolved delivery arrangements are intended to enable the council to lead on negotiations and decisions on investment from the start of the process and make key funding decisions throughout the investment period. One of the key parts of the agreement that is still to be finalised is how the indicative budget for each authority will be arrived at. It is likely that any formula is likely to include both an element relating to housing need and the ability and willingness of the borough to build affordable homes. Any budget is also dependent on the overall budget that the government gives to GLA/HCA which is anticipated will be significantly smaller than recent years.
- 3.16 The Mayor would like the first Devolved Delivery Agreements signed in April 2011 and therefore is requesting London Boroughs to submit an Expression of Interest by 1<sup>st</sup> October 2010 if they wish to enter into a Devolved Delivery Agreement. Any such Expressions of Interest would be in no way binding on either part, but would enable detailed discussions to be held to ensure that agreements are in place by April 2011. Entering into a Devolved Delivery Agreement with the Mayor will give the council some certainty about the future levels of expenditure in the borough. This is particularly important given the current market conditions and economic outlook. The Executive is asked to delegate authority to the Director of Housing and Community Care and Director of Regeneration and Major Projects to submit an Expression of Interest to enter into a Devolved Delivery Agreement with the Mayor and other investment partners. The Executive is asked to note that a further report will be presented to Members to approve the final form of the Devolved Delivery Agreement as detailed negotiations are progressed with the Mayor, HCA's London Board and other key stakeholders and are concluded.

### ***Conclusion***

- 3.17 These discussions are taking place at a time where difficult market conditions are being generated from the current economic recession and in the context of considerable uncertainty about future levels of public expenditure, in particular, the scale of future HCA investment. It is therefore necessary to provide an element of certainty which allows the council and its delivery partners to make the best use of limited resources to deliver outputs in line with the agreed priorities for an area. The Single Conversation process and approval of the BIP, specific investment agreements and a Devolved Delivery Agreement are all designed to enable this to be achieved. The Mayor and the HCA are keen to have all BIPs approved by the end of September in order to allow the Council sufficient time to negotiate Devolved Delivery Agreements or specific Borough Investment Agreements by spring 2011.

## **4.0 Financial Implications**

- 4.1 A key driver for developing a partnership working framework through the Single Conversation process is to lever external funding and investment in order to deliver the Council's infrastructure and growth plans as set out in the council's adopted LDF Core Strategy. The development of the BIP and borough investment agreements will allow the Council to set out its key investment requirements and inform the Council's overall financial management strategy over the short, medium and longer term.
- 4.2 Reaching an agreement with the HCA under the Single Conversation is critical as its terms inform the Council's investment requirements in preparation for the 2011-2014 Comprehensive Spending Review (CSR). There is a risk that reduced government funding will be available for housing and regeneration investment in the future and that a change of emphasis from grant to investment on the part of the HCA will lead to little or no grant for affordable housing schemes, creating a real issue for delivery. However, the Single Conversation is the only process by which government funding for housing will be made available and therefore it is something the Council must engage with positively.
- 4.3 As the BIP and proposed Devolved Delivery Agreement indicate the level of public sector investment committed or required, the documents will be key in terms of ascertaining the level of private sector investment that is required to delivering new housing, regeneration and growth priorities as well provide private sector investors a degree of market confidence that sites are deliverable on the basis of funding availability and commitments made under the Single Conversation Process.
- 4.4 The Single Conversation Process and Devolved Delivery Framework provides the Council with an opportunity to seek agreement on investment models and approaches that can be taken, in particular with respect to delivering the wider regeneration priorities across South Kilburn and Wembley. In particular, the Single Conversation process will provide an opportunity to negotiate a reinvestment strategy which encourages the reinvestment of grant to ensure longer term delivery projects are viable.
- 4.5 It is important that determining other key investment priorities, such as delivering larger family homes and supported housing schemes, will in the longer term generate ongoing savings for the Council in terms of delivering the various projects identified in the Council's Improvement and Efficiency Action plan, for example the Adult and Social Care Transformation programme.
- 4.6 The Executive is asked to note that in approving the draft BIP, Members are not being asked to approve any resources in respect to the delivery of the plan. The BIP's purpose is to present a statement of intent and is not a legally binding agreement. Details on specific investment commitments will come out negotiations on the delegate delivery agreement with the Mayor, HCA and other delivery partners. Any financial commitments referred to within the BIP are strictly restricted to those decisions have already been endorsed by the Executive on specific schemes.

## **5.0 Legal Implications**

- 5.1 The Borough Investment Plan is not legally binding and is voluntary. As stated in paragraph 3.16 above, a further report will be presented to Members to approve the final form of the Devolved Delivery Agreement following negotiations with the Mayor, HCA and other key stakeholders. In the further report, detailed legal implications regarding the content of the Devolved Delivery Agreement will be set out.
- 5.2 By the time a further report is presented to Members, further details will be known about the content of the Decentralisation and Localism Bill, which was included in the Queen's Speech in May 2010 and is expected to be presented before Parliament in the autumn of 2010. The Greater London Authority has indicated that it expects the proposed Bill to include provisions to devolve housing and regeneration powers from central Government and the Homes and Communities Agency to the Mayor of London. The Greater London Authority has confirmed that it will not request that specific references to Devolved Delivery Agreements are included in the forthcoming Bill.
- 5.3 Prior to any changes brought by the forthcoming Decentralisation and Localism Bill, the introduction of any Devolved Delivery Agreements will need to be undertaken within the existing legislative and institutional framework, and will need to be ratified by the HCA National Board and the Housing Minister. Until this point, the existing statutory set of delegations between the Ministers and officers of the HCA remain enshrined in law.
- 5.4 The proposals, as set out in paragraphs 3.13 and 3.14 above and in the Greater London Authority's Devolved Delivery Agreement Framework in Appendix 2 to this report, aim to ensure that decision-making powers are devolved to the boroughs by the Mayor and London Board, on the basis that these same decision-making powers have been devolved to the Mayor and London Board by the Minister of State and the National HCA Board. However, this cannot work outside of the existing set of HCA delegations or accountabilities until the changes made in the forthcoming Decentralisation and Localism Bill have been enacted by Parliament.

## **6.0 Diversity Implications**

- 6.1 An equalities impact assessment will be completed on the Borough Investment Agreement delivered through the single conversation process as appropriate.

## **7.0 Staffing/Accommodation Implications**

- 7.1 There are no specific staffing issues.

Appendix 1 Draft Borough Investment Plan for Brent Council

Appendix 2 Devolved Delivery Framework

## **Background Papers**

HCA Single Conversation File  
HCA Single Conversation Guidance Note  
LDF Core Strategy  
Local Investment Plan Guidance  
Devolved Delivery Framework Guidance

## Contact Officers

Maggie Rafalowicz, Assistant Director of Housing and Community Care  
(Strategy and Regeneration)

Housing and Community Care Directorate, 5<sup>th</sup> floor, Mahatma Gandhi House, 34 Wembley Hill Road, Wembley Middlesex HA9 8AD

Tel: 020 8937 4066

Email: [maggie.rafalowicz@brent.gov.uk](mailto:maggie.rafalowicz@brent.gov.uk)

Manjul Shah, Head of Affordable Housing Development

Affordable Housing Development Unit, 7<sup>th</sup> floor, Mahatma Gandhi House, 34 Wembley Hill Road, Wembley Middlesex HA9 8AD

Tel: 020 8937 2523

Email: [manjul2.shah@brent.gov.uk](mailto:manjul2.shah@brent.gov.uk)

Martin Cheeseman

Director of Housing and Community Care

**Appendix 1**  
**Appendix 2**

**Draft Borough Investment Plan**  
**Devolved Delivery Framework**

Both circulated separately.