



# **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 19<sup>th</sup> 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 council-owned 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 which is more weighted towards those providing in-demand tenures and housing.

## 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. <sup>1</sup>

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<sup>1</sup> '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.<sup>2</sup>

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

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

<sup>2</sup> [www.housing.org.uk/topics/right-to-buy/right-to-buy-advisory-groups/the-sounding-board](http://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. <sup>3</sup>

### **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. <sup>4</sup>

### **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 meet 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.

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

<sup>4</sup> [www.parliament.uk/mps-lords-and-offices/offices/commons/commonslibrary/commons-library-news/welfare-reform-and-work-bill-2015/](http://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.<sup>5</sup>

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.<sup>6</sup>

## **4.0 Main Findings**

### **4.1 Right to Buy**

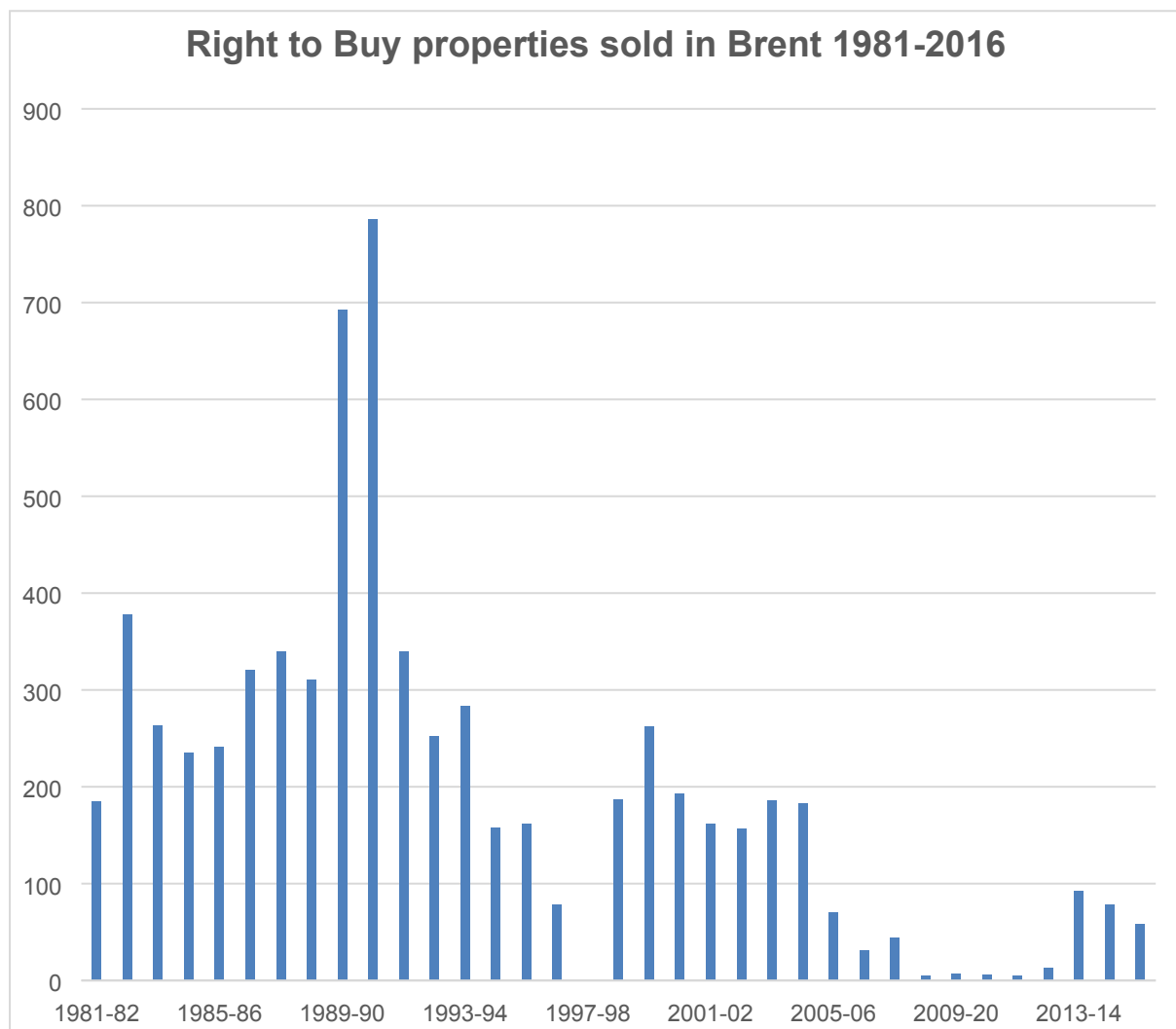
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<sup>5</sup> Brent Council Housing Strategy 2014-19, pp2-6

<sup>6</sup> 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.



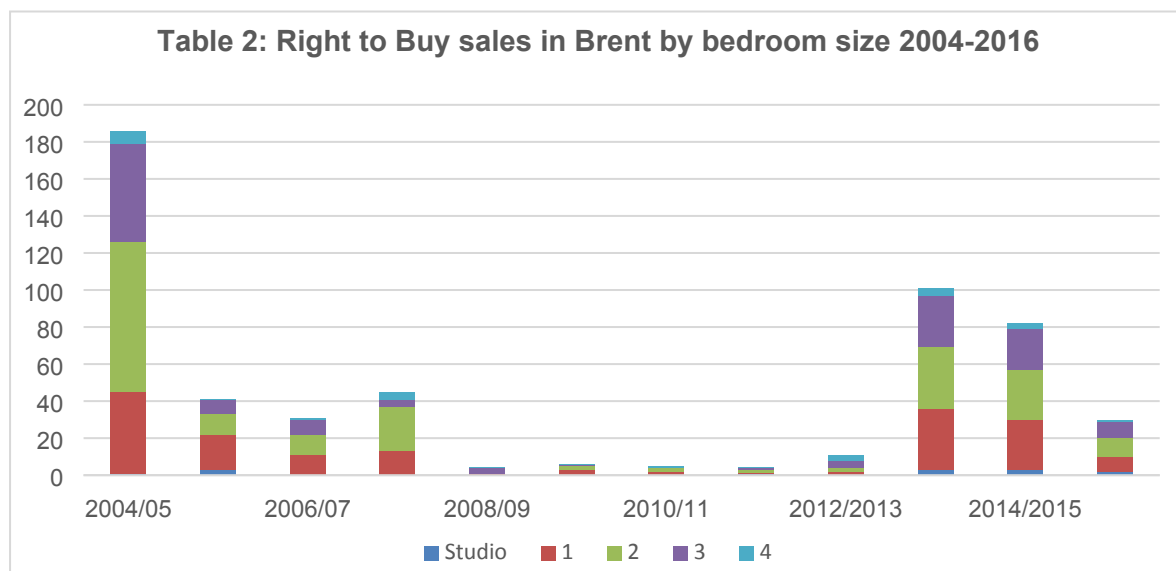
Source: Brent Housing Partnership

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. <sup>7</sup>

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. <sup>8</sup>

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. <sup>9</sup> 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.

<sup>7</sup> '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

<sup>8</sup> 'Incentivising the Right to Buy', House of Commons Library briefing paper, pp.11-13

<sup>9</sup> [www.bhphousing.co.uk/tenants/buying-my-home-right-to-buy/how-much-discount-for-right-to-buy/](http://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.<sup>10</sup> 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.<sup>11</sup>

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.<sup>12</sup> 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.<sup>13</sup> 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.<sup>14</sup>

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

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<sup>10</sup> Task group meeting 3 May 2016

<sup>11</sup> Interview, Helen Evans, Network Homes, 25 May 2016

<sup>12</sup> Task group meeting 3 May 2016

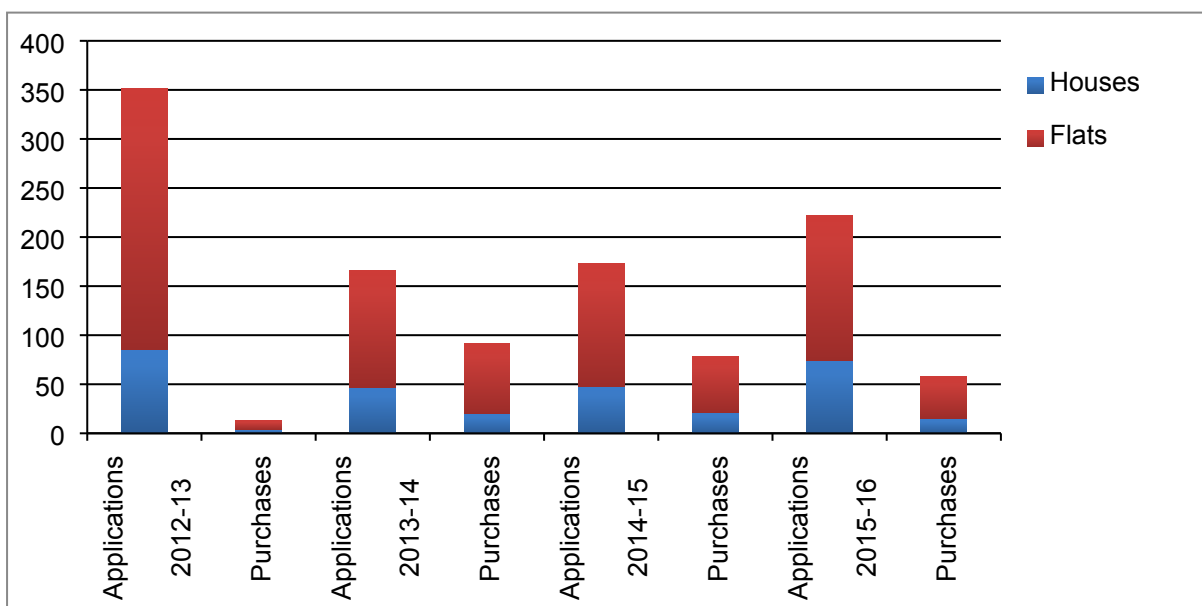
<sup>13</sup> Interview, Karen Wilson, 24 May 2016

<sup>14</sup> 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.<sup>15</sup>

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.<sup>16</sup>

## 4.2 Income and demand

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

<sup>16</sup> ‘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. <sup>17</sup>

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. <sup>18</sup>

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. <sup>19</sup>

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. <sup>20</sup>

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

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<sup>17</sup> '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

<sup>18</sup> Household income derived from 2011 census data

<sup>19</sup> Inside Housing, 1 July 2016

<sup>20</sup> Task group interview, 14 June 2016

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

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.<sup>22</sup>

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.<sup>23</sup>

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<sup>21</sup> Task Group interview 3 May 2016

<sup>22</sup> Task Group interview with Karen Wilson 24 May 2016

<sup>23</sup> 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.<sup>24</sup>

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.”<sup>25</sup>**

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.

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<sup>24</sup> Task group meeting 3 May 2016

<sup>25</sup> 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.<sup>26</sup>

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.<sup>27</sup>

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.**

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

<sup>27</sup> '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.<sup>28</sup> Research shows this is an

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<sup>28</sup> '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.<sup>29</sup>

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.

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<sup>29</sup> 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%
<b>Total</b>	<b>19,167</b>	<b>100%</b>

**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.<sup>30</sup>

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**

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<sup>30</sup> 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.<sup>31</sup>

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.<sup>32</sup>

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:**

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<sup>31</sup> Inside Housing 6 April 016, 7 June 2016; Inside Housing 4 November 2015

<sup>32</sup> 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.<sup>33</sup> 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**

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<sup>33</sup> [www.agha.org.uk/about-apna-ghar-housing-association/](http://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.<sup>34</sup>

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 Walerton 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.<sup>35</sup>

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:**

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<sup>34</sup> Homes and Community Agency, Statistical Data Return 2014-15

<sup>35</sup> 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.<sup>36</sup> 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'.<sup>37</sup>

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.<sup>38</sup>

### **Recommendation 13:**

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<sup>36</sup> Network Homes interview 25 May 2016

<sup>37</sup> Task group meeting 3 May 2016

<sup>38</sup> 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.<sup>39</sup>

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

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<sup>39</sup> 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.<sup>40</sup>

**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

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<sup>40</sup> 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 co-ordinate 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**

Chris Bull, Head of Housing, Metropolitan

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, Waltherton 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