

Chair's Report – July 3 2018

by Cllr Matt Kelcher

Chair, Resources & Public Realm Scrutiny Committee

a) Introduction

A very warm welcome to everyone to a new year for the Resources and Public Realm Scrutiny Committee. During this period: Brent will adapt to a new local government funding system as the block grant is replaced by business rates retention; we will come together as one community to celebrate our year as the Borough of Culture, and the council will begin to renegotiate several of our major contracts.

When it comes to these issues - and many, many others - the committee will continue to add value and insight to the council's policy making process and act as a critical friend to the cabinet.

The committee has already come together to choose the issues we would like to investigate in 2018/19, and the draft work programme which emerged from this meeting is extremely interesting and challenging. During discussions, members kept in mind what residents would think about topics being prioritised.

The committee's full work programme will be agreed at its next meeting on 5 September, once it has decided upon the most appropriate order in which to take the reports. However, discussions amongst the committee members indicate that its three major task group investigations this year are likely to be on affordable housing in new developments, the council budget and knife and violent crime in Brent. Backbenchers from outside the committee will, as usual, be invited to get involved in this work.

b) Reforms

In the last three years, scrutiny has seen a great number of reforms which have made Brent's scrutiny function more impactful and more member-led.

Most obvious is the fact Brent now has three scrutiny committees rather than a single committee structure. This allows more backbenchers to be involved in the process, allows each committee to develop specialist knowledge, and allows scrutiny to cover more issues.

In addition, the committees have developed an approach to setting a work programme whereby officers, councillors and others propose ideas for committee members to consider. Requests for committee reports are also sent in a standardised form which sets out members' expectations of the information included, so that these are met.

In the coming year, this committee will include a Chair's Report to be included the start of each agenda pack of our committee meetings, summarising the committee's broader work and additional ideas and recommendations that it has developed.

Such a report can also give scope for more rapporteur work by members of the committee. Rapporteurships are smaller reports produced by a single member of the committee to investigate specific issues over a limited period of time. If agreed by the committee, one example would be an investigation into the effectiveness of adopting a default 20mph speed limit in the borough. The findings of this report and others produced on this basis would be informed by the input of council officers involved in the relevant services, and included in the Chair's Report ahead of a formal meeting. Any recommendations would then have to be agreed upon by the committee before being sent up to the cabinet.

Similarly, the committee has indicated its intention to carry out more reality checking visits during the upcoming year. These visits help committee members to develop a more thorough understanding of the issues they will be questioning cabinet members and directors on at its public meetings. They also allow members to see how council policies are implemented on the ground by the officers directly responsible. The committee has held visits of this kind previously, for example, a visit to the Abbey Road civic amenities site before considering an item on household recycling, and a focus group with Brent's Trading Standards team before an item on this service. .

Finally, in 2018/19 and beyond, the committee is keen to ensure it follows up on its recommendations. For recommendations which emerge through task groups, members review progress towards implementation against a RAG rated table as part of a progress report. However, members may wish to ensure that a formal response is given to the committee by cabinet to other recommendations the committee makes, where appropriate.

c) This meeting's agenda

Towards the end of last year the committee agreed to deploy a task group to looking at how viability assessments are used in developments in Brent. The belief was that these are often used by developers as a reason to restrict the amount of affordable housing in new developments. The committee wanted to examine how other local authorities work with these assessments and what more Brent could do to ensure any new development contains a significant amount of affordable housing.

A previous member of the committee, Cllr Crane, chaired this task group, but with purdah and the election cycle it was not completed. During this work it became apparent that viability assessments, whilst important, are certainly not the only reason why affordable housing levels may not be as high as the council would like in new developments, and that other issues should also be investigated. Furthermore, following the 2018 council AGM, Cllr Crane is no longer a member of this committee.

At its July meeting the committee will therefore consider expanding the project under a new chair. It is proposed that Cllr Nerva chair a new task group with a wider remit to look at the key question of *how can Brent guarantee there is more affordable housing in each of our new developments?* Cllr Johnson from the Housing Scrutiny Committee is proposed to act as vice chair to ensure that the investigation cuts across departments and links to the council's wider housing strategy.

If formally approved, Cllrs Nerva and Johnson can begin their work and report back to the committee later in 2018.

The first substantive report on this meeting's agenda is a look at the Borough Plan. This important document sets out how the council will deliver its policies and how the manifesto pledges of the administration will be achieved. The Plan is currently in development meaning that the committee has an excellent opportunity to pre-scrutinise it and influence the process by which it is put together.

The second substantive item is on the council's property strategy. In the last municipal year, the committee expressed an interest in finding out more about the council's property portfolio and how it is using its assets. Members were presented with a list of council properties which stimulated debate and agreed that they would look at this issue in a more strategic

fashion at a future meeting, given the fact that the council is due to produce a new property strategy for 2019.

This report is the result of this decision and should again give members an excellent opportunity for pre-scrutiny work in an important council area. In the past the committee has frequently taken an interest in the work the council can do to support local small businesses to survive and thrive and so the report will give some information on how Brent can use its properties to help create workspace for these businesses.

The final item is the annual report for the committee, which will give newer members a good idea of the work the committee completed in the last municipal year.

d) Urgent decision

On Friday 11 May I received official notification from Brent Council's Governance Manager of an urgent decision which had been added to the agenda for Cabinet on 21 May 2018.

The decision related to *'the re-examination of the funding decision for Olympic Way Improvements and follow[ed] the announcement of the potential sale of Wembley Stadium to a private company/individual.'*

As this decision involved a significant investment in a location with iconic importance for the people of Brent, I requested a meeting with the relevant Operational Director so I could ask questions and find out further information about the report. This meeting took place, where I was supported by the relevant scrutiny officer, on Tuesday 15 May.

Changed circumstances

It was very important to understand why this decision had been categorised as urgent and could not be taken within the usual time framework. The underlying reason for this is the potentially imminent sale of Wembley Stadium to Shahid Khan. When owned by the FA the stadium was considered a community asset as it was owned by a not-for-profit trust.

Previous cabinet reports which referred to an investment in the site referred to the stadium as a public asset. If, following a sale, this is no longer the case then it seems that the idea should be re-looked at.

If the cabinet were to proceed with the investment then this decision did need to be taken urgently for the following reasons:

- Quintain have already begun design work in respect of “Zone C” of Olympic Way, including the reorientation of the NW04 building, and are ready to begin detailed work for the proposed steps;
- Due to the regularity of stadium events it is not possible to build the steps in situ and they must be pre-cast offsite;
- There is a very limited window to fit the steps (December 2019) and it is considered vital to have a trial event before Euro 2020 with the completed steps in place;
- An order/contract for the steps needs to be in place by September 2018 and to be in the position to do so, detailed design work for the steps must begin by June 2018 and Quintain therefore require funding confirmation by the end of May 2018.

For these reasons, the decision needed to be taken on an urgent basis. However, on behalf of the committee I asked the Cabinet Member and Director to consider some of the wider issues that members feel should be considered if the stadium becomes a private asset. For example, at our Committee meeting on 21 February 2018, members expressed concern that the stadium was first opened, its rateable value has been twice reduced on appeal. This may, in part, be due the fact that it was owned by a not-for-profit trust, and were these circumstances to change there could be a strong case that the private owners should pay the full amount.

Return on investment

If the cabinet decide to proceed with the development of the pedway then a significant investment of £17.8m of Strategic Community Infrastructure Levy (CIL) money could be made. To be clear, the final total investment is likely to be much lower than this amount (and under the current report could not be higher) due to the agreement with Quintain, but investments of this magnitude should only be made after very careful consideration. The current CIL pot stands at £34m and so a large proportion will be dedicated to this project whatever the eventual outcome.

The Resources and Public Realm Committee has previously expressed its belief that any capital investment by the council should ensure that future income is generated or future revenue spending is decreased. This was one of the key principles included in our 2018 Budget Scrutiny Panel Report.

I was keen to understand how far the proposed pedway investment would match these principles. It seems clear that the council expects a clear new income stream to follow completion of the project, primarily from rents and use of the new public square (to be split with Quintain).

Furthermore, the removal of the pedway will provide space for new businesses to open along Olympic Way. The Resources and Public Realm Committee has done a significant amount of work on how Brent can take advantage of business rates retention by encouraging more businesses to open and thrive in our borough. It therefore would be inconsistent for the committee to take a position against a project which delivers more high-value business space.

Overall, the full development of the area around Wembley Stadium is expected to generate around £100m of CIL money in the coming years. If an investment is made now to improve this zone along Olympic Way and contributes to this overall benefit, then this is broadly beneficial.

Spreading the benefits

Finally, it is important to ensure Strategic CIL money is spent in a way that benefits the whole of Brent.

This of course already happens and the Kiln (previously Tricycle) Theatre in Kilburn was the first project to receive funds from the Strategic CIL pot. However, when such a significant investment is being made in Wembley it is vital that this will be balanced out by future awards.

Conclusion

Following discussions with the Operational Director, the report proceeded to Cabinet for a decision on 21 May. In addition, the committee may wish to make the following recommendations:

- **If the sale of Wembley Stadium goes ahead, the London Borough of Brent should write to the Valuation Office at the point the stadium passes into private hands to ask that its business rates valuation is reconsidered. If the stadium is to be used purely to generate private profit the full amount possible should be returned to the taxpayers of London (through the London business rates pilot pool).**

- **That the cabinet always give due consideration of geographical spread when allocated Strategic CIL monies to projects in future.**

e) Training and development

On 24 May the council organised internal training for all scrutiny members and substitutes with Tim Young, an LGIU associate. This was a very helpful session which, among many other useful points, reminded members that only a small part of scrutiny actually happens in formal committee meetings. Understanding exactly how services are delivered often means getting out of the civic centre, and finding best practice means speaking to people from outside of Brent.

As an example of the committee getting out of the Civic Centre, members learned on a previous scrutiny site visit that Brent's civic amenities site receives around 600 mattresses a week, many of them dumped illegally. The committee previously discussed the idea of tagging mattresses with a unique marker, like smart water, so that any mattress dumped can be traced back to its owner. It was believed that this would act as a powerful deterrent to people dumping their old mattresses on the street.

At the time members decided that this was impractical as unless other boroughs cooperated there would be no way to trace a mattress dumped in Brent but purchased anywhere else.

However, the large number of Brent properties which are privately rented and in multiple occupancy could fuel the dumping of mattresses and other household items as tenants frequently move in and out. To combat some of the problems associated with this trend the council already requires landlords in several areas to have a licence and commit to installing safety features as a result. Therefore, the council could explore asking landlords to tag their mattresses as part of the process of acquiring a licence. This could also be duplicated for properties where the council is landlord. This would not mean that every mattress in Brent is tagged, particularly in properties which are owner occupied. However, it may create a significant deterrent for a large number of landlords and households who may think about dumping their mattress on the street.

This would require further exploration by officers. However, the committee may wish to recommend that:

The Cabinet introduce an additional requirement for private landlords under licence to tag all mattresses in their property in a manner that is not easy to overcome (for example smart water instead of a physical material tag) and widely publicises this new rule to act as a deterrent against mattress dumping in Brent.

f) Recommendations

To confirm, the recommendations made in this report for the committee's agreement are as follows:

- **If the sale of Wembley Stadium goes ahead, the London Borough of Brent should write to the Valuation Office at the point the stadium passes into private hands to ask that its business rates valuation is reconsidered. If the stadium is to be used purely to generate private profit the full amount possible should be returned to the taxpayers of London (through the London business rates pilot pool).**
- **That the cabinet always give due consideration of geographical spread when allocated Strategic CIL monies to projects in future.**
- **The Cabinet introduce an additional requirement for private landlords under licence to tag all mattresses in their property in a manner that is not easy to overcome (for example smart water instead of a physical material tag) and widely publicises this new rule to act as a deterrent against mattress dumping in Brent.**

If the committee agrees, these recommendations will be sent up to cabinet for a formal response.