	Cabinet 16 June 2025
	Report from the Corporate Director, Neighbourhoods & Regeneration
	Lead Member – Cabinet Member for Regeneration, Planning & Property (Councillor Teo Benea)
Cecil Avenue Estate Management Company	

Wards Affected:	Wembley Hill
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Jonathan Kay, Head of Regeneration 020 8937 2348 Jonathan.Kay@brent.gov.uk

1.0 Executive Summary

- 1.1 The purpose of the report is for the Cabinet to review and endorse arrangements for the proposed Cecil Avenue Estate Management Company. The Cabinet are asked to approve Brent Council become a member of the Cecil Avenue Estate Management Company, and to delegate authority to the Corporate Director, Neighbourhoods & Regeneration to appoint two Council Officers and/or external individuals as Company Directors of the Cecil Avenue Estate Management Company.

2.0 Recommendation(s)

That Cabinet:

- 2.1 Review and endorse arrangements for the proposed Cecil Avenue Estate Management Company, set out at paragraphs 3.4 and 3.5.
- 2.2 Approve Brent Council becoming a member of the Cecil Avenue Estate Management Company.
- 2.3 Delegate authority to the Corporate Director, Neighbourhoods & Regeneration to appoint two Council Officers and/or external individuals as Company Directors of the Cecil Avenue Estate Management Company.

- 2.4 Approve the entering into of a deed of variation to the Overarching Hybrid Development Agreement dated 13th March 2023 in respect of the Ujima House and Cecil Avenue sites, made between the Council, Wates Construction Limited and Wates Group Limited, to update the Estate Management Company arrangements therein, for the reasons detailed in paragraph 3.4.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 Working in partnership with Wates and the Mayor of London, Brent Council is delivering on its longstanding commitment to revitalise the eastern stretch of Wembley High Road. Construction at Cecil Avenue and Ujima House is well underway. Successful mixed-use regeneration will unlock the link between Wembley Central town centre and the regeneration at Wembley Park, delivering new homes, commercial and community space, highways and public realm improvements, and a new publicly accessible courtyard garden.
- 3.1.2 It is important robust estate management arrangements are put in place to ensure effective and efficient facilities and operations for all estate tenants. Establishing the Estate Management Company for the Cecil Avenue scheme as proposed in this report, will put in place one central source of estate services provision, including duties to ensure the building is safe from a fire and building safety perspective, and in a way that ensures Brent Council maintains full control, ownership and responsibility of the scheme for all estate tenants.

3.2 Contribution to Borough Plan Priorities

- 3.2.1 Delivery of the Wembley Housing Zone schemes at Cecil Avenue and Ujima House will directly contribute to Borough Plan strategic priorities as follows:

Prosperity and Stability in Brent: Delivering safe, secure and decent housing and the Council's pledge to deliver new council homes. Delivering new town centre commercial space for business growth and employment.

Thriving Communities: Delivering a new community centre with public access for local people and community groups for events and activities, located in an area of rapid population growth and identified needs.

A Healthier Brent: Delivering a new publicly accessible courtyard and new open green space in an area of deficiency, supporting community wellbeing and quality of life, with play spaces for children of all ages and abilities.

- 3.2.2 Key strategic policies in Brent's Local Plan 2019-2041, Climate & Ecological Emergency Strategy 2021-2030 and Inclusive Growth Strategy 2019-2040 will also be furthered by delivery of the Wembley Housing Zone.

3.3 Background

- 3.3.1 The Council is in a contract with Wates to redevelop the two Council owned sites known as Cecil Avenue and Ujima house. Both schemes are under construction and scheduled to complete in summer/autumn 2026. The approved delivery strategy is for the Council to retain the 50% affordable homes, commercial and community space, and the developer is to build out, market and sell the private homes.
- 3.3.2 Ujima House is a wholly affordable housing scheme (54 affordable homes plus commercial and café space) to be retained and managed by Brent Council. Cecil Avenue is a large mixed use, mixed tenure scheme, comprising a mix of 237 market sale and affordable homes, 3,000 square metres commercial and community space, and a publicly accessible courtyard garden.
- 3.3.3 Both the Council and Wates want robust estate management arrangements to be put in place for the scheme in a timely fashion. To that end it is proposed an Estate Management Company now be set up for the Cecil Avenue scheme.

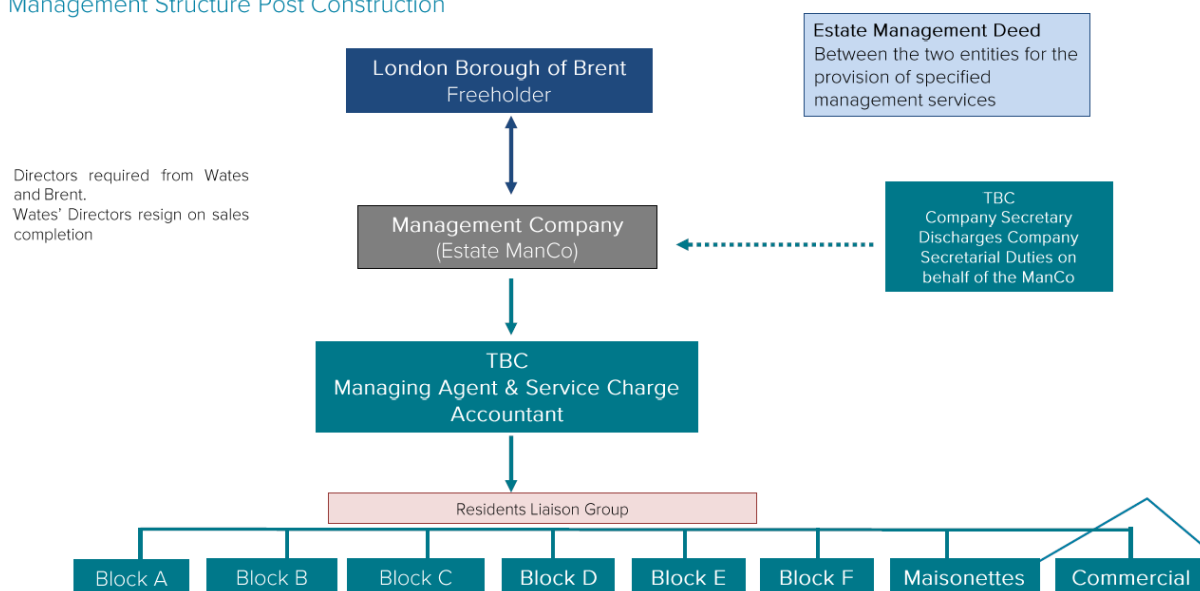
3.4 Cecil Avenue Estate Management Company

- 3.4.1 The Wembley Housing Zone (WHZ) development agreement establishes the principle of setting up an Estate Management Company ("Company") to manage the Cecil Avenue scheme, given the large mixed use, mixed tenure nature of it, associated leases, public and communal spaces and estate services. Officers and Wates have reviewed and rationalised proposals for the Company, for the reasons detailed in this paragraph 3.4. The proposed changes for the Company will require a variation to the WHZ development agreement. It is now proposed that the Council and Wates will set up the Company to provide one central source of estate service provision, appoint a managing agent to deliver day-to-day services, and receive service charges from each estate tenant for recovery of its costs. The Company will be a party and named in each of the leases on the Cecil Avenue scheme and be responsible for repair and maintenance of the structure, exterior and common parts of the buildings, as part of the estate services.
- 3.4.2 Consideration has importantly been given to addressing the Building Safety Act 2022 (BSA), not in effect when the development agreement was entered into. Under the BSA the Cecil Avenue scheme must have a Principal Accountable Person (the PAP) responsible for the repair and maintenance of the new building structure and exterior. It is proposed the Company, as a distinct legal entity, becomes the PAP. The Company will then have a range of legal duties to ensure the building is safe from a fire and building safety perspective. Whilst those duties cannot be delegated to others, the PAP will employ a managing agent to carry out some or all of those duties on behalf of the PAP.
- 3.4.3 Brent Council is due, on completion, to dispose to Wates four core leases of the internal parts of the Cecil Avenue building comprising market sales flats. The Company will be joined to those core leases for the purpose of carrying out the estate services. Wates will then grant individual plot underleases when people buy the market sale flats. Following scheme completion, the Council will grant a block lease of the whole building (including structure and exterior) to

Wates, which will then be assigned to the Company. The core leases will merge into the block leases insofar as they relate to the market sale flats. The Company will become landlord of the market sale flats, with responsibility (including as the PAP) for all elements of the building. A residents' group will allow residents to express their collective view to the Company and managing agent.

- 3.4.4 Once the Cecil Avenue scheme is built out and stabilised, with all market sales flats sold, Wates will exit the scheme. Brent Council will then have full control, ownership and responsibility for the Company as Wates will have transferred its membership to the Council, and Wates' directors will have resigned. The Company will establish internal governance and reporting arrangements to the Council as freeholder, similar to that which applies to the Council's housing companies. The diagram below summarises the proposed arrangements.

Management Structure Post Construction



3.5 Estate Management Company Incorporation

- 3.5.1 The Company must be incorporated at an early stage, well in advance of scheme completion, so it can be joined to all leases granted across the Cecil Avenue scheme, and ensure estate services are carried out correctly, with the legal responsibilities discharged.
- 3.5.2 Wates have experience of setting up similar companies and it is proposed to do so with a standard off the shelf company limited by guarantee. Given the primary purpose of the Company is to manage and provide services for the Cecil Avenue scheme, a company limited by guarantee on a non-profit basis is considered a more appropriate company structure than a company with share capital, and directors' personal liability will be limited to a nominal amount.
- 3.5.3 Wates will work with the Council and administer the setting up and incorporation of the Company. Following Cabinet approval, Wates and the Council will become members of the Company, and each appoint two directors to it. The Corporate Director, Neighbourhoods & Regeneration is seeking two Council

Officers to appoint as Company Directors and represent the Council, however in the absence of suitable candidates external individuals may be considered. Wates' directors will remain in place during construction and sales (until at least late 2026) and then resign, when the Company will become a wholly owned subsidiary of the Council.

- 3.5.4 This rationalised Company structure will discharge the legal responsibilities of the PAP, avoids the need for multiple block management companies, optimises the future operation of the site, saleability to purchasers, and will ensure the Council maintains control over the Cecil Avenue scheme.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 Cabinet approved the preferred delivery option for the Wembley Housing Zone regeneration in August 2021. The Lead Member for Regeneration, Planning & Property is regularly briefed on the Wembley Housing Zone and has been briefed on the contents of this report.

5.0 Financial Considerations

- 5.1 Wates will administer and cover the costs of the set up and incorporation of the Company, and Wates' directors will remain in place during construction and sales, however moving forward the Company will be a wholly owned subsidiary of Brent Council. Costs for Council staff and management time required to manage the affairs of the Company will be recovered from the estate service charge, which will be set at an appropriate level to ensure all costs are fully recovered and is expected to be reviewed annually.
- 5.2 As reported to Cabinet in 2021, the London Affordable Rent homes on Cecil Avenue and Ujima House are proposed to sit in the Housing Revenue Account (HRA). The shared ownership homes could sit in the HRA or be transferred to i4B or FWH. Brent Council will also retain the commercial and community spaces at Cecil Avenue and Ujima House.
- 5.3 The set up of the estate management company in question is required by the structure and is not anticipated to have a direct financial impact on the Housing Revenue Account (HRA) as a result of this arrangement. Any further assessments and appraisals will be subject to financial analysis to consider any impact on the HRA.

6.0 Legal Considerations

- 6.1 The Council has the power to establish and operate companies under the general power of competence under section 1 of the Local Government Act 2011. In exercising this power the Council is still subject to its general duties, such as its fiduciary duty, and must exercise the power for a proper purpose.
- 6.2 Corporate Directors have the authority to take up posts on outside bodies or companies and appoint other staff to outside bodies or companies subject to certain conditions pursuant paragraph 9.5 (14) of Part 3 of the Constitution.

However at the current time, there may be a need to appoint external individuals rather than Officers to represent the Council as set out in paragraph 3.5.3 and therefore Cabinet is asked to delegate authority to the Corporate Director, Neighbourhoods & Regeneration to appoint either Officers and/or external individuals as Company Directors of the Cecil Avenue Estate Management Company.

- 6.3 The proposed estate management company structure as a company limited by guarantee is considered the usual route for such companies. Except in cases of fraud or negligence, the liability of individual members or directors is strictly limited. Further, Cabinet in June 2016 approved the granting of indemnities to Officers and Members to cover the risk of claims which may be made against them personally or other losses or liabilities they might incur when representing the Council on outside bodies.
- 6.4 Whilst the Company is proposed to be the PAP, it does not absolve directors from liability for non-compliance with building safety duties. The Directors must be aware and active in discharging their responsibility, and appropriate training arranged. Risks of non-compliance will be further reduced by appointing a competent managing agent responsible for ensuring day-to-day compliance with the duties.
- 6.5 Cabinet is asked at recommendation 2.4. to approve the entering into of a deed of variation to the Overarching Hybrid Development Agreement in respect of the Ujima House and Cecil Avenue sites, made between the Council, Wates Construction Limited and Wates Group Limited, to update the Estate Management Company arrangements to reflect those detailed in the report at paragraphs 3.4 and 3.5.

7.0 Equity, Diversity & Inclusion Considerations

- 7.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs

of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

- 7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications and no adverse health inequalities implications.
- 7.6 The Estate Management Company will be expected to adopt Council Equity, Diversity & Inclusion requirements.

8.0 Climate Change and Environmental Considerations

- 8.1 The Cecil Avenue Company arrangements will be expected to align and contribute to the Brent Council's plan to achieve net zero carbon emissions from its estate and operations by 2030.

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 The WHZ regeneration, and Cecil Avenue and Ujima House property development schemes, when completed will represent significant housing and commercial property assets, expected to generate property income for Brent Council, and requiring appropriate estate management and maintenance arrangements, which are the subject of this report.

10.0 Communication Considerations

- 10.1 None identified for consideration at this time.

Related document(s) for reference

Brent Council Cabinet August 2021 – Wembley Housing Zone Report

Report sign off:

Alice Lester

Corporate Director, Neighbourhoods & Regeneration