



Community and Wellbeing Scrutiny Committee

Wednesday 20 July 2016 at 7.00 pm

Boardroom - Brent Civic Centre, Engineers Way,
Wembley, HA9 0FJ

Membership:

Members

Councillors:

Ketan Sheth (Chair)
Colwill
Conneely
Hector
Hoda-Benn
Jones
Nerva
Shahzad

Substitute Members

Councillors:

Dixon, Moher, Pitruzzella, Stopp and Tatler

Councillors:

Kansagra and Maurice

Co-opted Members

Ms Christine Cargill
Mr Alloysius Frederick
Dr J Levison
Mr Payam Tamiz
Iram Yaqub

Observers

Ms J Cooper
Mrs L Gouldbourne
Ms C Jolinon
Brent Youth Parliament representatives

For further information contact: Peter Goss, Democratic Services Manager
peter.goss@brent.gov.uk 020 8937 1353

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www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

Item	Page
1 Declarations of interests	
Members are invited to declare at this stage of the meeting, any relevant disclosable pecuniary, personal or prejudicial interests in the items on this agenda.	
2 Deputations (if any)	
3 Community and Wellbeing Scrutiny Committee's Annual Work Programme 2016-17	1 - 10
This report sets out the scope of the Community and Wellbeing Scrutiny Committee's draft work programme for the next municipal year 2016-17. The work programme covers a broad range of items and policy areas across housing, health, children's services, adult social care and public health and was selected by members of the committee based on criteria for effective scrutiny. It also sets out the remit for the committee and its responsibilities for scrutiny.	
4 2015-16 Annual Scrutiny Report	11 - 26
The Annual Scrutiny report is a summary of the work conducted by the Scrutiny function throughout the year. This includes task group work, questions and decisions made by the committee. The 2015-16 report also provides an outline of the programme of work and task groups planned for the upcoming scrutiny year 2016-17.	
5 Additional and Selective Licensing in the Private Rented Sector	27 - 34
This report provides an overview of progress since the implementation of borough-wide Additional Licensing and Selective Licensing in the three wards of Harlesden, Wembley Central and Willesden Green in January 2015. In addition, it identifies areas where further work is required to achieve the objectives identified at the start of the project and proposals for the future operation of the scheme.	
6 Ethical Lettings Agency	35 - 40
This report provides an update on the proposed Ethical Lettings Agency	

and a summary of other areas or work in progress or planned to improve access to private rented housing.

7 Scrutiny Task Group report on Brent's Housing Associations

41 - 80

This task group was set up by the previous Scrutiny Committee to review the implications of the Housing and Planning Act 2016 and the Welfare Reform and Work Act 2016 for housing associations operating in Brent, and consequently the local authority's own housing policies.

8 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Head of Executive and Member Services or his representative before the meeting in accordance with Standing Order 64.

9 Date of next meeting

The next scheduled meeting of the Committee is on 20 September 2016.

Date of the next meeting: Tuesday 20 September 2016



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- The meeting room is accessible by lift and seats will be provided for members of the public.

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**Community and Wellbeing
Scrutiny Committee**
20 July 2016

**Report from the Director of Performance,
Policy and Partnerships**

For information

Wards affected: ALL

**Community and Wellbeing Scrutiny Committee's
Annual Work Programme 2016-17**

1.0 Summary

- 1.1 This report sets out the scope of the Community and Wellbeing Scrutiny Committee's draft work programme for the next municipal year 2016-17. The work programme covers a broad range of items and policy areas across housing, health, children's services, adult social care and public health and was selected by members of the committee based on criteria for effective scrutiny. It also sets out the remit for the committee and its responsibilities for scrutiny.

2.0 Recommendations

- 2.1 Members are asked to discuss and agree the report and the work programme set out in Appendix 1.

3.0 Background

In March 2016 Full Council endorsed a proposal to adopt a new model for scrutiny and rather than one have two committees: Community and Wellbeing Scrutiny Committee and a Resources and Public Realm Scrutiny Committee. This is to ensure a stronger, more joined-up approach which has more impact on the quality of life of Brent residents, but retains a focus on specialised areas. Despite having two committees, there will be some areas such as scrutiny of the annual Budget in which members of the two committees will work together.

- 3.1 The purpose of the committee is to hold the Cabinet to account for its decisions, support policy development and provide scrutiny of external public bodies and services, including education, health and other partners as specified by the Localism Act 2011. It will also co-ordinate work with other local bodies which have scrutiny functions.

- 3.7 Scrutiny is a member-led process which looks at the performance of Brent Council and other organisations in the borough to ensure that they deliver

good quality services to local residents. The role is to challenge role effectively and the committee endorses the principles of effective scrutiny which have been developed by the Centre for Public Scrutiny. They are to provide a 'critical friend' challenge to Cabinet, be independent-minded, drive improvement in public services, and finally to provide a voice for concerns of the public and Brent's communities. The committee sets out to do this in a constructive way.

3.0 Remit

- 3.1 The Community and Wellbeing Scrutiny Committee's remit is to scrutinise a broad range of services provided by the local authority including housing, public health, adult social care, children's services, cultural services, wellbeing and leisure as well as scrutiny of Brent's health partners in the NHS. Its remit covers the portfolio areas of the Cabinet Member for Housing, Cabinet Member for Children and Young People and the Cabinet Member for Community and Wellbeing.
- 3.2 Under Section 21 of the Local Government Act 2000 local authorities are required to appoint at least one committee to provide overview and scrutiny. The Health and Social Care Act 2001 empowers local authorities to review and scrutinise matters relating to health and the NHS in their area. Therefore, the Community and Wellbeing Scrutiny Committee serves as Brent's statutory health scrutiny committee. Its remit includes scrutinising Brent Clinical Commissioning Group, NHS England, NHS Property Services, London North West London Health Care NHS Trust and Central and North West London NHS Foundation Trust.
- 3.3 Two members of Brent Council, including the committee chair, sits on the North West London Joint Health Overview and Scrutiny Committee which examines Shaping a Healthier Future alongside elected members from six other local authorities in north-west London, including Ealing, Hammersmith and Fulham, Harrow, Hounslow, Kensington and Chelsea, Richmond and Westminster.
- 3.4 The committee is also responsible for scrutinising the partnership work of Brent's Children's Trust and of the Brent Local Safeguarding Children's Board and the Brent Safeguarding Adults Board and receives their annual reports each year.

4.0 How scrutiny works

- 4.1 The committee will set up three task groups a year. They are an intensive and effective tool and offer members the opportunity to collate and assess evidence and make recommendations to Cabinet or partner organisations based on a substantial amount of collected evidence. The recommendations and evidence are written up in a report, which is a substantial document. Scoping papers, membership and terms of reference for task groups will be agreed by a committee report and they will focus on particular topics or issues of local concern. Task groups are not be limited to the members of the Committees.

- 4.2 Committee will hear a number of reports in its remit from which it can make recommendations to Cabinet. At committee there are in effect two types of approach to scrutiny. Firstly, pre-decision scrutiny where scrutiny examines the Cabinet's policies, objectives and programmes in order to help inform their development before they agreed. Pre-decision items are often identified through the forward plan. Secondly, there is post-decision scrutiny in which scrutiny examines the implementation of a Cabinet policy in terms of service delivery. This enables the Cabinet to review the effectiveness of its decision-making, helping it recognise any unforeseen consequences and assisting it in revising its policy and aims. However, committee is not limited to pre-decision and post-decision of Cabinet policy.
- 4.3 The Local Government Act 2000 requires every local authority to have a mechanism which allows for executive decisions made but not yet implemented to be 'called in' for consideration by scrutiny. Call-in is intended to be used in exceptional circumstances for decisions believed to be contrary to the authority's decision-making principles. Through the process of 'call-in' decisions can be considered by the Scrutiny Committees or scrutiny panel if deemed more appropriate. The remit of the committee's call-in is set out in 3.1.
- 4.4 A call in request can be made by the scrutiny committees; or if five non-Cabinet members of the council make a request. A call in request must be submitted within 5 days of the relevant decision being made or in the case of a decision made by officers within 5 days of the date on which the record of the decision is made publicly available in accordance with the Access to Information Rules.
- 5.0 2016-17 work programme**
- 5.1 In order to be able to scrutinise effectively and to co-ordinate its activities with the Cabinet's forward plan of decision-making the committee has agreed its own work programme for 2016-17. These include the items it will discuss at committee and its three task groups for the municipal year. However, some committee time has been kept back to give the committee flexibility to be able to look at issues which might arise at very short notice. Therefore, the work programme may change to some extent.
- 5.2 To develop its work programme the members have decided on items which best suit the criteria for effective scrutiny in Brent. It is up to the committee to select the items for inclusion in its work programme, however ideas were brought together from a number of sources to assist members in their choices.
- 5.3 Ideas included suggestions from service areas, external inspections, performance and budget monitoring information, the Cabinet forward plan, consultation from the NHS about service changes. There are also a number of statutory items which have to be on the committee's work programme such as major reconfiguration of local health services and educational achievement.
- 5.4 Ideas and suggestions were judged against key criteria for inclusion in the scrutiny committee's work programme. These include:

- clear alignment with priorities set out in the Borough Plan and Brent 2020 Vision.
- outcomes and benefits which can be delivered by the intervention of scrutiny.
- is there a major council policy or strategy to be agreed by the Cabinet seeking contribution from scrutiny.
- subject is related to underperformance of a service where the intervention of scrutiny would enable an improvement in performance.
- the issue being scrutinised can directly be influenced by the actions of the council – i.e. is not a review of national policy over which the council is unlikely to be able to exert any influence.
- There is clear evidence that the subject is of significant public concern and merits the consideration of scrutiny.

5.0 Financial Implications

5.1 There are no immediate financial implications arising from this report.

6.0 Legal Implications

6.1 There are no immediate legal implications arising from this report.

7.0 Diversity Implications

7.1 There are no diversity implications immediately arising from this report.

Background Papers

None

Contact Officers

Pascoe Sawyers, Head of Strategy and Partnerships, 020 8937 1045
poascoe.sawyers@brent.gov.uk

PETER GADSDON
Director of Performance, Policy and Partnerships

**APPENDIX 1:
Community and Wellbeing Scrutiny Committee Work Programme 2016-17
20 July 2016**

Agenda	Item	Objectives for scrutiny	Cabinet Member/Member	Brent Council/Partner organisations
1.	Impact of the selective and additional landlord licensing schemes	Post-decision scrutiny on implementation of the landlord licensing schemes and impact on improving standards in private rented sector.	Cllr Harbi Farah, Cabinet Member for Housing	Phil Porter, Strategic Director Community Wellbeing. Jon Lloyd-Owen, Operational Director Housing and Culture Spencer Randolph, Head of Private Housing Services.
2.	Task Group report on Brent's housing associations	To discuss and agree report from Cllr Tom Miller's task group about housing associations in Brent.	Cllr Tom Miller Cllr Harbi Farah, Lead Member for Housing	Phil Porter, Strategic Director Community Wellbeing. Jon Lloyd-Owen, Operational Director Housing and Culture
3.	Update report on the implementation of an Ethical Lettings Agency	Post-decision scrutiny on implementing Ethical Lettings Agency agreed by Cabinet in July 2015.	Cllr Harbi Farah, Lead Member for Housing	Phil Porter, Strategic Director Community Wellbeing. Jon Lloyd-Owen, Operational Director Housing and Culture
4.	Scrutiny 2015-16 annual report	To agree Scrutiny's annual report.	Cllr Matt Kelcher Chair Scrutiny Committee	Peter Gadsdon, Director Performance Policy and Partnerships
5.	Scrutiny 2016-17 work programme	To agree Scrutiny committee's work programme for 2016-17.	Cllr Ketan Sheth Chair Scrutiny Committee	Peter Gadsdon, Director Performance Policy and Partnerships

20 September 2016

Agenda	Item	Objectives for scrutiny	Cabinet Member/Member	Brent Council/Partner organisations
1.	The future of Brent Housing Partnership	Pre-decision scrutiny before Cabinet report on Brent Housing Partnership.	Cllr Harbi Farah, Cabinet Member for Housing	Phil Porter, Strategic Director Community Wellbeing. Jon Lloyd-Owen, Operational Director Housing and Culture
2.	Brent Local Safeguarding Board 2015-16 report	Receive the report. Review Brent's arrangements for safeguarding children and young people	Cllr Wilhelmina Mitchell-Murray, Cabinet Member Children and Young People	Mike Howard, Independent Chair, Brent Local Safeguarding Children's Board
3.	Brent Adult Safeguarding Report 2015-16	Receive the report. Review Brent's arrangements for safeguarding older people.	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	Michael Preston-Shoot, Independent Chair Brent Safeguarding Adults' Board
4.	Task Group scoping paper Signs of Safety	Agree task group scoping paper and TOR.	Cllr Ketan Sheth, Chair Scrutiny Committee	Peter Gadsdon, Director Performance Policy and Partnerships

23 November 2016

Agenda	Item	Objectives for scrutiny	Cabinet Member/Member	Brent Council/Partner organisations
1.	NHS estate in Brent	Evaluate impact of changes by NHS Property Services	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	NHS Property Services Brent CCG
2.	Community Pharmacies	Evaluate effect on community pharmacies of government changes from 2015.	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	NHS England Local Pharmaceutical Committee
3.	Task Group report Signs of Safety	Receive task group report on Signs of Safety	Cllr Wilhelmina Mitchell-Murray, Cabinet Member Children and Young People Task group chair	Gail Tolley, Strategic Director Children and Young People
4.	Task Group scoping paper CAMHS	To agree the scoping paper for CAMHS task group and TOR.	Task group chair	Gail Tolley, Strategic Director Children and Young People Brent CCG

1 February 2017

Agenda	Item	Objectives for scrutiny	Cabinet Member/Member	Brent Council/Partner organisations
1.	New Accommodation for Independent Living (NAIL) project	Update on implementation of NAIL project.	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	Phil Porter, Strategic Director Community Wellbeing Dr Melanie Smith, Director of Public Health Brent CCG
2.	Air quality and public health	Evaluation of air quality and public health.	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	Phil Porter, Strategic Director Community Wellbeing Dr Melanie Smith, Director of Public Health Brent CCG
3.	Task Group report CAMHS	Receive report from task group and discuss recommendations for Cabinet.	Cllr Wilhelmina Mitchell-Murray Task group chair	Gail Tolley, Strategic Director Children and Young People
4.	Task group scoping paper children's oral health	Agree scoping paper for task group and TOR	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing Task group chair	Phil Porter, Strategic Director Community Wellbeing

29 March 2017

Agenda	Item	Objectives for scrutiny	Cabinet Member/Member	Brent Council/Partner organisations
1.	School Annual Standards and Achievement report	Receive report. Examine reasons for underachievement in Brent's schools among particular groups.	Cllr Wilhelmina Mitchell-Murray, Cabinet Member Children and Young People	Gail Tolley, Strategic Director Children and Young People
2.	Special educational needs (SEN)	Update and evaluation of SEN provision.	Cllr Wilhelmina Mitchell-Murray, Cabinet Member Children and Young People	Gail Tolley, Strategic Director Children and Young People

9 May 2017

Agenda Rank	Item	Objectives for scrutiny	Cabinet Member/Member	Brent Council/Partner organisations
1.	Brent's volunteer libraries	Volunteer libraries and draft cultural strategy.	Cllr Michael Pavey, Cabinet Member for Stronger Communities	Phil Porter, Strategic Director Community Wellbeing. Jon Lloyd-Owen, Operational Director Housing and Culture
2.	Primary Care Transformation	Review implications of primary care transformation for Brent	Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	Brent CCG
3.	Task group report children's oral health	Receive report from task group and discuss recommendations for Cabinet.	Task group chair Cllr Krupesh Hirani, Cabinet Member for Community Wellbeing	Phil Porter, Strategic Director Community Wellbeing Dr Melanie Smith Director of Public Health

 Brent	<p style="text-align: center;">Community and Wellbeing Scrutiny Committee 20 July 2016</p> <p style="text-align: center;">Report from the Director of Performance, Policy and Partnerships</p>
<p>For Information Wards Affected: ALL</p>	
<p>2015-16 Annual Scrutiny Report</p>	

1.0 Summary

1.1 The Annual Scrutiny report is a summary of the work conducted by the Scrutiny function throughout the year. This includes task group work, questions and decisions made by the committee. The 2015-16 report also provides an outline of the programme of work and task groups planned for the upcoming scrutiny year 2016-17.

2.0 Recommendations

2.1 That the Scrutiny Committee notes the content of the report.

3.0 Detail

3.1 Section One

The first section provides an overview of the reports heard by the committee in 2015-16 and the range across the Cabinet portfolios. This section of the report also summarises the various task group work that the scrutiny committee has undertaken through out the year. This section also summarises the Call in's, the committee recommendations, the committee's engagement with the public and the reform of the scrutiny function.

3.2 Section Two

The second section of the report focuses on the scrutiny improvements implemented, recommendations made by OFSTED and the LGA peer review and the committee's work and contribution to setting the council's budget.

4.0 Financial Implications

4.1 None

5.0 Legal Implications

5.1 None

6.0 Diversity Implications

6.1 None

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None

Contact Officers

Pascoe Sawyers
Head of Strategy and Partnerships
020 8937 1045
pascoe.sawyers@brent.gov.uk

PETER GADSDON
Director of Performance, Policy and Partnerships



**SCRUTINY
ANNUAL REPORT
2015 – 16**

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Introduction

The municipal year of 2015-2016 has been one of steady progress for scrutiny in Brent. However, half way through we suffered a setback that no one could have anticipated or imagined, when our much loved and admired chair, Cllr Dan Filson sadly passed away.



Dan (and woe betide you if you ever called him Daniel) was a ward colleague, a mentor and most of all a friend to me.

A councillor more suited to the role of scrutiny chair you could never imagine. He had a forensic eye for detail, a passion for getting to the truth and a cheeky sense of humour which would disarm any witness coming under the gaze of his committee.

Most of all he was absolutely determined to make the scrutiny work, his mantra was that scrutiny had been “the lion which failed to roar”, but this was something he certainly began to put right during his short time as committee chair.

I had hoped to serve under his chairmanship on the committee for many years, but following his sudden and tragic death I was elected to succeed him, and hope I have built on his legacy in the role.

Of course I have not done this alone. All of the councillors who have sat beside me on the committee have been dedicated, diligent and hardworking, and Brent’s “Team Scrutiny” does not finish there. We now have a team of officers – Pascoe, Kisi and James – who are passionate about the scrutiny process and take huge pride in seeing positive change delivered within the council.

This report summarises the work of Overview and Scrutiny over the last year, what we looked at, how we came to some of our biggest decisions, and what reforms we have carried out. It will also look at some of the biggest challenges for the year ahead.

**Cllr Matt Kelcher, Kensal Green Ward
July 2016**

Part One – The Year Just Gone

Reports

Under the structure of a single committee, scrutiny was called upon to look at a wide range of issues cutting across many departments in the year 2015/2016, as shown in appendix 1. Unfortunately, these items have not always been balanced completely across the various portfolios on the council's cabinet.

Lead Member/Portfolio	No. of Items
Cllr Butt – Leader	1
Cllr Denselow – Stronger Communities	2
Cllr Hirani – Adults Health & Well being	9
Cllr Mashari – Employment & Skills	2
Cllr McLennan – Housing and Development	3
Cllr Moher – Children and Young People	7
Cllr Pavey – Deputy Leader	6
Cllr Southwood – Environment	8
Grand total	38

It will be important to ensure that every department receives adequate scrutiny in the coming year. A complete balance – with each portfolio responding to an equal number of reports - is probably not possible, given the number of statutory items, particularly in the realm of health, which scrutiny must consider.

Task Groups

Three new task groups were set up at the start of the municipal year, focussing on issues at the top of residents' list of priorities – if the contents of the average councillor's email inbox are anything to go by.

The first, chaired by Cllr Reg Colwill, investigated the access to extended GP services and primary care in Brent. The review was concerned with the capacity in Brent, out of hours care and the delivery of out-of-hospital services to provide enhanced and extended care to meet the needs of local residents. His report made fourteen recommendations across Brent's healthcare providers for improving extended GP access. The committee welcomed all recommendations, nine of which have now been successfully implemented providing residents with improved access.

The second, chaired by Cllr Sam Stopp, investigated the nefarious problem of fly tipping. His report came up with a range of solutions to address this problem and will perhaps be best remembered for recommending that the council radically changes the language it uses when addressing this issue. The committee were enthused by his idea that the term "fly tipping" be dropped in favour of "illegal rubbish dumping" as this has more impact and emphasises that dumping waste on the street is a crime.

The third, chaired by myself, investigated the council's CCTV policies. My task group made twenty-two recommendations, about half of which the cabinet member endorsed and was able to implement fairly quickly. The other half included what I

admit are more ambitious ideas, such as monetising the infrastructure of the council's CCTV network to fund more cameras, and will therefore take more time.

At future Scrutiny Committee meetings we will be bringing in both the CCTV and Illegal rubbish dumping cabinet members to report on their progress on implementing the recommendations in these reports. The Access to GP services progress will be reported back to the Health and Wellbeing Board.

Towards the end of the year we set up two further task groups. The first, chaired by Cllr Tom Miller is looking into the performance of housing associations in the borough and will report back to the Community and Wellbeing Committee in the near future.

The second, chaired by Cllr Harbi Farah, will report back to the Resources and Public Realm Committee.

In each case, the task group chairs have sought to open up their investigation process to the residents. Whereas previously task groups deliberated privately, many of these meetings were held in public with representatives from local resident groups being asked to sit on the panel with equal status to the councillors.

I think this is a tremendously positive move and I will encourage all future task groups to follow this policy.

Budget Scrutiny Panel

In December 2015 I put together and chaired the Budget Scrutiny Panel, a cross party group of backbench councillors, to analyse the budget documents being prepared for the April 2016 budget.

The panel met twice formally and further corresponded by email and telephone when producing this report. The panel interviewed the council's Chief Executive and Chief Financial Officer in person. Further information on various issues was also sought and delivered from officers.

This was the second half of a two year budget and so the list of savings proposed was not as long or daunting as in previous years. We analysed all proposed savings from the start of the process and were pleased to see progress in most areas. Only a few projects – for example the establishment of an ethical lettings agency – were seen to be badly behind schedule, and so we asked for a further report on this to come back for full scrutiny. This is now expected to come to the Community and Well Being Scrutiny Committee.

The panel were particularly interested in the idea of income generation – which will never be able to balance out cuts from central government but will certainly help us to become financially independent – and we received some favourable local press coverage due to our recommendation that the council look more closely at maximising the potential of the civic centre as a venue for weddings and receptions.

We also recommended the council uses its new powers to carry through a council tax rise, which came to pass in the final budget.

Call In

The committee only called in one cabinet report in this year. This was on proposals to use a contractor to set up new uniformed street patrols to issue on the spot fines for people committing environmental crimes like littering.

Our concerns were partially about the process, namely we felt it was unfair that cabinet were citing scrutiny (particular the task group completed by Cllr Stopp as mentioned above) for recommending the idea, but had then given us no formal, or even informal, role in developing the final policy.

But most of all we were concerned that the new uniformed officers may be on inferior pay, terms and conditions to existing council officers performing similar roles.

After questioning the cabinet member and lead officers extensively on the subject we made a recommendation that the twelve month trial go ahead to test the viability of the idea but with a very strong preference for an in-house option to run the service in future if it turns out to be a success. We believed this would be the most cost effective solution and ensure that workers receive the remuneration and conditions we would expect.

It will continue to be our policy that call-ins should be used sparingly, on issues which members are clearly concerned about and where there is a sense of urgency about the need to intervene.

Other recommendations

Through questioning of witnesses at our public meetings some further recommendations emerged which we put to the Cabinet. This included the setting up of direct debits by which residents can pay their green waste charges, so they do not need to re-buy a permit every single year.

We were also alarmed to discover, through one of our public meetings, that officers have delegated authority to sign off on changes to contracts worth up to £250,000.

Our whole Committee felt, even where this power was used sensibly, that this was too high a figure for decisions to be taken by someone not directly accountable to the public through the ballot box. Therefore we asked Cabinet to conduct a review into whether this should be lowered in the constitution and await their response.

Engaging with the public

In addition to opening up task group meetings to the public, we have worked hard this year to increase public awareness of the process of scrutiny in Brent, and allow them to participate.

At the beginning of the year, Cllr Filson toured all of the Brent Connects public forums to explain the scrutiny process and how people could suggest items for us to look at.

We are repeating the exercise this year, with myself, or Cllr Ketan Sheth, addressing each of these meetings around Brent as the two scrutiny chairs.

Reform

At the beginning of the municipal year we had just one Overview and Scrutiny Committee.

This brought about a series of challenges, most acutely that of capacity. With just one Committee meeting ten times per year, and with several statutory reports already set on the agenda, it was difficult to find the time to look at all of the areas which members and the public would expect us to analyse.

Cllr Filson and I both favoured the creation of a separate Health Scrutiny Committee to resolve this issue. It was felt that this would not only overcome the problems of capacity and allow more backbenchers to become involved in the scrutiny process, but also allow the group on the second committee to develop a real understanding and expertise in health policy.

Following discussions with senior officers and the Leader of the Council, the old committee's workload was divided into two, and the total number of annual meetings increased to twelve.

One of these committees, on Health and Wellbeing, will particularly focus on health issues, and the other, on Resources and Public Realm, will look at the Council's big spending projects.

I am confident this will allow Brent's "team scrutiny" to work more efficiently and effectively over the next twelve months.

Part Two – The Year To Come

Improvements Implemented

During the last year, the council receive an assessment from a Local Government Association (LGA) peer review team. As part of this process I met with the team individually as Chair of Scrutiny, and also collectively with representatives from the wider committee. Through this I picked up some suggestions about how we could improve the quality of our reports and I intend to implement these in the coming year.

Firstly, the LGA team noted that there was often frustration, occasionally leading to distrust, between members and officers regarding the content of reports.

I believe that most of this is entirely innocent and accidental. In the past, officers have simply been provided with a title upon which to base their report, and these are often very open – for example "Affordable Housing in Brent". They write this report to the best of their ability but find that when they get to the Committee, members have anticipated an entirely different set of information as they have interpreted the title of the document differently.

To resolve this, I have asked officers to develop a pro-forma which can be used whenever a new scrutiny report is requested by a member. This form allows them to

state specifically what they expect to be included in the report, including statistics and figures they believe should be provided.

I am confident that this will help both officers tasked with writing the reports, and members in getting the information they need.

Secondly, the LGA team felt that our choice of topics was done slightly haphazardly, with lots of worthy things being discussed, but the full list not being thought through carefully and strategically.

This was of course partly to do with the time constraints of the single committee model, but even with added capacity I was determined that the new committees think more carefully about what they needed to look at in the coming year.

Our scrutiny officers therefore organised fantastic events for each committee where strategic directors gave us an outline of the main issues in their departments, and members could also suggest any topic they felt worthy.

Through this we developed a long list of ideas and then whittled this down to a list of items we will examine at Committee through reports, and those which we will examine through Task Groups over the coming municipal year. This schedule also leaves space in the programme for us to add further reports, look at urgent issues or call-in requests.

The shortlist for the Resources Public Realm Committee is given in Appendix 2, it is listed in no particular order and the items will be allocated to specific meetings in the near future.

Recommendations – LGA Peer Review

Further to the LGA peer review, I have also been allocated a mentor who is an experience Chair of Scrutiny in another London Borough which the LGA regard to be an example of best practice.

In my discussions with this mentor it has become clear to be that verbal recommendations made in Committee meetings by a vote of members have much greater standing in other authorities. Previously recommendations made in this way by Scrutiny in Brent have not made it on to the papers for Cabinet to respond to.

I will ensure that at future meetings all verbal recommendations are recorded and distributed to the committee for approval, and then that they go forward to the cabinet meeting.

Budget

As noted above, the work of the Budget Scrutiny Panel was quite truncated in the last municipal year. For many reasons this was unavoidable, as there was a vacancy for chair for some time following the death of Cllr Filson.

This year I intend to start the review much earlier and use this time to more thoroughly question cabinet members putting forward suggestions for new cuts, charges or savings.

Furthermore, during last year's budget setting process, scrutiny had to work hard to assert itself and ensure that its views were being heard.

Our panel noted with concern that the "budget setting timetable" set out on page 30 of the cabinet report on the budget did not mention the scrutiny process at all, or note that the committee was due to interview the Deputy Leader of the Council on the subject at our January 2016 meeting.

Hopefully lessons have been learned, and next year scrutiny will be seen as a positive critical friend, and essential part of the process.

Appendix 1

Report to the Scrutiny Committee 2015/16

Meeting Date	Item	Lead Member/Portfolio	Strategic Director
16th June 2015	Paediatric Services - CCG	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	Access to GP services Interim Task Group Report	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	Brent Public Health Update	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	Access to affordable childcare	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
14th July 2015	Brent Housing Partnership - Performance	Cllr McLennan – Housing and Development	Phil Porter – Community Wellbeing (previously Environment & Regeneration - Andy Donald)
12th August 2015	The Councils future Transport Strategy	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
	Food Standards Audit	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
9th September 2015	Central and North West London NHS Foundation Trust - Care Quality Commission report and action plan	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	Scrutiny task group on Access to extended GP services and primary care in Brent	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	Terms of reference for task groups on Fly Tipping and CCTV	Cllr Denselow – Stronger Communities	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
8th October 2015	2015 Parking Strategy	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
	Complaints Annual Report 2014-15	Cllr Pavey – Deputy Leader	Carolyn Downs – Chief Executive (previously Lorraine Langham - Chief Operating Officer)
	Fly Tipping task group scope	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
5th November 2015	Brent Local Safeguarding Children Board Annual Report	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
	Scrutiny task group on Closed Circuit Television (CCTV)	Cllr Denselow – Stronger Communities	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
	Scrutiny task group on Fly tipping	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)

2nd December 2015	Update on the procurement processes for five General Practice services in Brent	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	CCG Commissioning Intentions	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	South Kilburn regeneration programme	Cllr McLennan – Housing and Development	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
6th January 2016	Review of charges to recycling and green waste collections	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
	Budget Scrutiny Panel Report	Cllr Pavey – Deputy Leader	Carolyn Downs – Chief Executive (previously Lorraine Langham - Chief Operating Officer)
9th February 2016	Child & Adolescent Mental Health Services in Brent: Current provision and future developments	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
	Safer Brent Partnership Annual Report 2015	Cllr Pavey – Deputy Leader	Carolyn Downs – Chief Executive (previously Lorraine Langham - Chief Operating Officer)
	Proposed Scope for Scrutiny Task Group on Community Infrastructure Levy (CIL) and Section 106 in Brent	Cllr Pavey – Deputy Leader	Carolyn Downs – Chief Executive (previously Lorraine Langham - Chief Operating Officer)
	Proposed Scope for Scrutiny Task Group on Housing Associations in Brent	Cllr Pavey – Deputy Leader	Carolyn Downs – Chief Executive (previously Lorraine Langham - Chief Operating Officer)
24th February 2016	Education Commission update -including the Annual Standards and Achievement report 2014-2015	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
	SEND reforms and implementation	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
	Adult Social Care Local Ac 2014/15	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing
	Brent Safeguarding Adults Board – governance arrangements	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing
	On-street Parking Service Offer and Charge in controlled Parking Zones; and Parking Statutory Guidance	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
5th April 2016	Call-in Report on Tackling Illegal Rubbish	Cllr Southwood – Environment	Lorraine Langham – Regeneration Growth and Environmental

	Dumping and Litter with Uniformed Street Patrols		services (previously Andy Donald)
	National Adoption Reform Proposal	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
	Brent and Harrow Systems Resilience Group – Update on Winter 2015/16 and planning for 2016/17	Cllr Hirani – Adults Health & Well being	Phil Porter – Community Wellbeing Melanie Smith - Public Health
	Access to affordable childcare	Cllr Moher – Children and Young People	Gail Tolley – Children and Young People
	HR and Equalities Review	Cllr Pavey – Deputy Leader	Carolyn Downs – Chief Executive (previously Lorraine Langham - Chief Operating Officer)
26th April 2016	Employment, Skills and Enterprise Strategy 2015-20, One Year On	Cllr Mashari – Employment & Skills	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
	Impact of the Overall Benefits Cap in Brent	Cllr Mashari – Employment & Skills	Lorraine Langham – Regeneration Growth and Environmental services (previously Andy Donald)
	Housing Pressures In Brent	Cllr McLennan – Housing and Development	Phil Porter – Community Wellbeing (previously Environment & Regeneration - Andy Donald)
	Promoting Electoral Engagement (IER): Scrutiny update	Cllr Butt – Lead Members	Peter Gadsdon – Performance Policy & Partnerships

Appendix 2

The full 2016/17 work programme for Community Wellbeing is set out in another report to committee.

The task groups for 2016/17 will include:

- Signs of Safety
- Child and Adolescent Mental Health Services (CAMHS)
- Children's oral health.

As well as the statutory items, committee will receive reports on:

- Brent's landlord licensing
- Update on ethical lettings agency
- The future of Brent Housing Partnership
- Air quality
- NHS estates
- Community pharmacies
- Special educational needs
- Community libraries
- Brent Council New Accommodation for Independent Living (NAIL) project.

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**Community and Wellbeing
Scrutiny Committee**
20 July 2016

**Report from the Strategic Director
Community Wellbeing**

For information

Wards affected: ALL

**Additional and Selective Licensing in the Private Rented
Sector**

1.0 Summary

- 1.1 This report provides an overview of progress since the implementation of borough-wide Additional Licensing and Selective Licensing in the three wards of Harlesden, Wembley Central and Willesden Green in January 2015. In addition, it identifies areas where further work is required to achieve the objectives identified at the start of the project and proposals for the future operation of the scheme.

2.0 Recommendations

- 2.1 Members are asked to note this report.

3.0 Background

- 3.1 Following extensive research and consultation, in April 2014, Executive approved the introduction of Additional Licensing and following further consultation in August 2014 approval was given for the introduction of a Selective Licensing scheme covering the three wards noted above. Since 2006 the council has operated a Mandatory scheme, requiring the licensing of larger Houses in Multiple Occupation (HMOs); this covers properties with three or more storeys and occupied by five or more people. Additional Licensing requires that landlords of all HMOs of any size should obtain a licence. This covers properties up to two floors and occupied by three or more households, including many flat-sharing arrangements. Selective Licensing requires landlords of *any* privately rented property, including self-contained accommodation, in certain areas to obtain a licence.
- 3.2 In summary, the rationale for extending the council's approach was centred on the rapid expansion of the private rented sector (PRS) and consequent concerns about the quality of accommodation and standards of management.

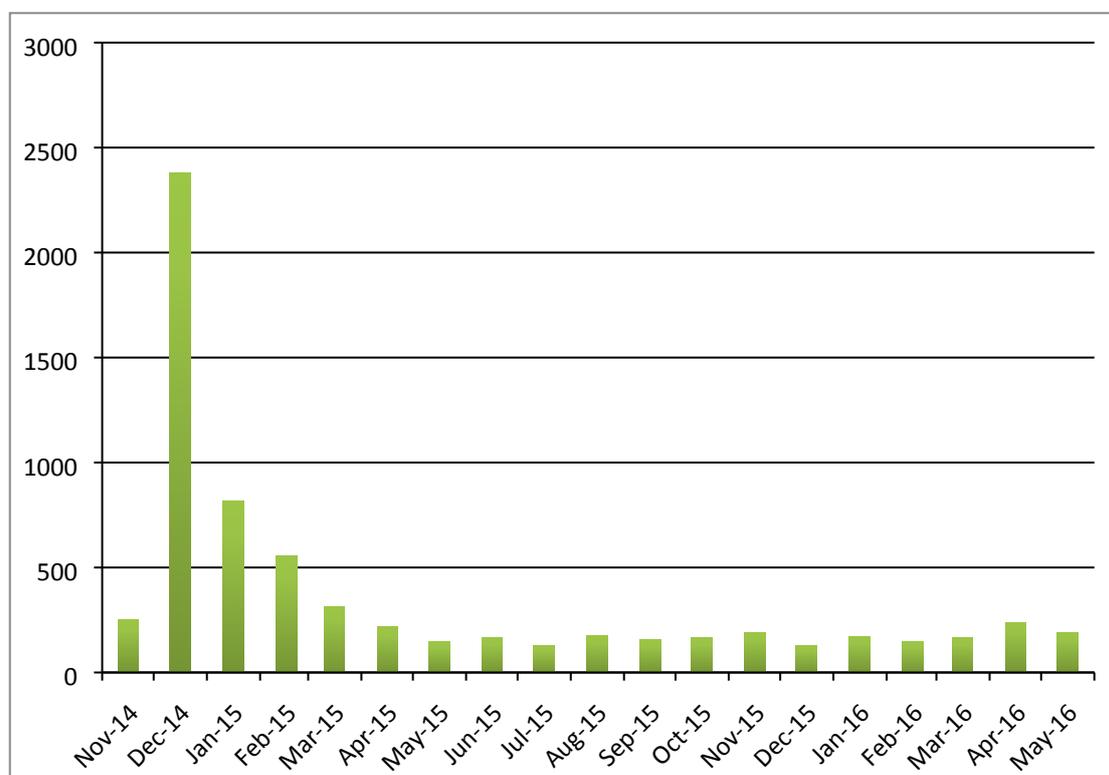
Particularly in the case of Selective Licensing, there was concern about the links between poorly maintained and managed accommodation and a range of anti-social behaviour.

3.3 Expected outcomes from the programme were expected to include an improvement in standards of maintenance and management to the benefit of tenants as well as a reduction in anti-social behaviour linked to the sector. In addition, better information about the extent and characteristics of the sector were expected to assist in supporting the development of working relationships between the council and the sector as well as a clear and firm approach to tackling rogue landlords.

4. Detail

4.1 Progress to Date

4.1.1 In the first year of operation, there was a strong focus on maximising applications. The chart below shows the rate of applications received to 31st May 2016, which totalled 7,000 for all schemes.



4.1.2 As expected, extensive publicity following lengthy consultation led to an initial surge in applications, which were accepted from November 2014, prior to the January launch. In the following months, the rate of applications has stabilised and issues arising from this are considered in more detail below. Since January 2016, the focus became more proactive in identifying unlicensed properties and pursuing prosecution. Key achievements since then include:

- 28 successful prosecutions against unlicensed landlords

- £115,375 of fines for landlords prosecuted by the council
- 90 raids on unlicensed properties
- 7293 properties visited in a door-knocking exercise to locate unlicensed properties
- 859 properties identified as requiring further investigation
- Televised raids with the BBC, ITV and Sky
- Between 3 and 5 cases referred to Legal Services each week for prosecution

4.1.3 The table below shows a breakdown of licences granted so far (licence applications currently being processed are not included):

	Properties Licensed	Est. of licensable properties	%
Mandatory	405	300	135%
Harlesden	1,204	1,109	109%
Willesden Green	1,374	1,011	136%
Wembley Central	968	703	138%
Additional	1,304	16,000	8%
Total	5,255		

4.1.4 There has been good take-up of Mandatory and Selective licensing, exceeding the totals estimated prior to implementation. The apparent under-estimation of affected properties is being considered as part of the review of the methodology referred to at 4.2.4 below but may also reflect the continuing growth of the sector since the first estimates were made. However, take-up for Additional licensing is well below anticipated levels. The following paragraphs consider the reasons for this and the actions under consideration for the future operation of the scheme.

4.2 Next Steps

4.2.1 The poor response on Additional Licensing may be attributable to several factors. Despite extensive publicity, landlords may be unaware that there is a licensing scheme because they do not live in the borough or live outside the UK. While other landlords may be aware that there is a scheme, they may not understand that it applies to them. It is significant that the response to Selective Licensing has been good and this is, at least in part, probably due to the fact that the scheme is simple to understand: if you rent a property of any

kind in the three relevant wards (Harlesden, Wembley Central and Willesden Green), you must apply for a licence. In the case of Additional Licensing, landlords may not be aware that they are letting a HMO or that their tenants constitute more than one household. At the extreme, rogue landlords may be fully aware of the need to obtain a licence but deliberately ignore the requirement, knowingly taking the risk that they will be identified and prosecuted.

- 4.2.2 Prior to the launch of licensing in November 2014 and for the first couple of months after going live, a dedicated communications officer supported a range of activity to publicise the scheme. Private Housing Services (PHS) has subsequently employed an agency communications officer and a new communications plan has been developed with a focus on increasing applications. The plan, which is currently being implemented, aims to continue to engage with landlords, but also focus on residents who are being asked to report unlicensed HMOs. Wider engagement with the landlord community is also key to both reinforcing take-up and raising standards and the Brent Landlords' Forum event in June was attended by around 300 landlords.
- 4.2.3 Together with the Information Technology Unit, PHS have developed an online application form and payment system. This system has worked well but is currently being reviewed and re-designed to incorporate improvements including improving clarity and adding a form for tenants and residents to report unlicensed properties.
- 4.2.4 Desktop investigatory work undertaken by the licensing processing officers is a third strand in the approach. These officers use various data sets and referrals to investigate properties that appear to be HMOs. This draws on work undertaken by Professor Les Mayhew, a specialist in demographics and statistics who has developed a model supporting the identification of properties likely to be HMOs. This uses a range of datasets, for example Council Tax records, to predict the tenure of residential property and the likelihood of its being privately rented. Professor Mayhew's approach has been adopted by a number of authorities undertaking licensing work and was part of the research and consultation process supporting the original proposals for the scheme, identifying 36,000 potential properties. Further work is being undertaken with Professor Mayhew to update and refine the database.
- 4.2.5 A rigorous enforcement and prosecution regime will continue to send a clear message to landlords. Additional enforcement officers have been recruited and a proactive team of six officers has been created. Using intelligence gathered by the processing officers, visits and early morning raids are carried out to identify unlicensed properties, leading to prosecution where appropriate.
- 4.2.6 With a lower number of applications than was anticipated, most enforcement action is being executed under the Housing Health and Safety Rating System (HHSRS) set out in Part 1 of the Housing Act 2004. To accommodate this workload increase whilst minimising the draw on general funds, a charge is made for improvement notices at the point of service. Also, Works in Default have been virtually non-existent in recent years, but there are some

circumstances where such action has to be taken in tandem with prosecution for non-compliance proceedings. There is a 30% surcharge in addition to the cost of the works levied against the landlord and these funds are allocated towards the enforcement officer costs associated with preparing and supervising the works.

- 4.2.7 Additionally, a team of five HMO licensing officers are carrying out 40 inspections of licensed properties per week. These post-licence application inspections are done in order to ensure that the licensed properties are meeting the required standards. These officers are able to deal with many of the minor non-conformities or breaches themselves but more urgent or complex Category 1 hazards or licence breaches are referred to the reactive team to deal with. All HMO (Mandatory and Additional) Licensed properties will be inspected during the 5-year period of the schemes, with a prioritisation of those where concerns are evident at the point of application or through subsequent intelligence.
- 4.2.8 A more targeted approach is also being taken with regard to specific condition breaches, where a project is underway to deal with those properties that have been licenced but have not submitted a Gas Safe certificate. The scheme allows for the grant of a one-year licence where there are identified issues that the landlord is expected to address. The majority of these cases involve overcrowding.
- 4.2.9 In dealing with overcrowding in particular, as well as other breaches of the HSSRS and licensing conditions, it is recognised that there may be unwanted consequences for tenants and this was acknowledged in the original proposals for the scheme. It was anticipated that some landlords might respond to licensing by withdrawing from the market or changing the type of letting they make, while in cases where landlords faced penalties they might respond by taking action to evict tenants. So far, there is little evidence to suggest any significant rise in homelessness as a result of landlords withdrawing from the market. Tenants have protection against retaliatory eviction in some cases (mainly for tenancies starting after October 2015) in addition to established protections against harassment and illegal eviction. In addition, where a tenant approaches the council when threatened with homelessness, the council's first response will be to contact the landlord. Similarly, there is no direct evidence that landlords have increased rents as a direct result of licensing. Although many landlords indicated in the consultation process that the costs of licensing would be absorbed in rent increases, it does not appear that this has been the case, possibly reflecting the fact that Brent's fees are the lowest in London as well as the fact that the fee constitutes an extremely small percentage of the rental income for a private rented property over the 5-year period usually covered by the licence.
- 4.2.10 However, it is recognised that cases may go unreported or are recorded as homeless approaches without identifying any link with licensing or other enforcement action. Monitoring processes are being reviewed to ensure that any relevant cases are captured in future wherever possible.
- 4.2.11 Linked to this, the council has the option to impose Interim Management Orders, which effectively allow the council to take over the landlord role in a property for a designated period and to retain the rental income to meet costs.

So far, the council has not made use of this option, in line with the approach taken by the majority of other councils. Primarily, this is due to doubts about the effectiveness of such orders and the high administrative costs, which are rarely outweighed by rental income. However, officers are considering whether there are circumstances in which such orders could be used effectively.

4.2.12 More intensive working with lettings agents across Brent is also planned (as the number of these is a fraction of the number of landlords operating in the borough and their location and details are known) with the aim being to ensure that lettings agents discharge their responsibilities in respect of properties which are within the scope of the schemes that are let by them or where they are acting as the managing agent.

4.2.13 As noted above, the case for the introduction of Selective Licensing was based on levels of anti-social behaviour linked to private renting (although this will not be the sole criterion for future schemes – see below). As noted in the original report, this does not mean that it was necessary to be able to link anti-social behaviour to any particular property; rather, it was necessary to identify a correlation between anti-social behaviour and the extent of private renting in any area. At this stage, there is no clear evidence with regard to the impact of licensing on anti-social behaviour, for several reasons. First, the scheme has only been in place for 18 months and the focus has been on encouraging take-up and dealing with serious breaches, rather than wider research on the impact, which may only emerge over time as the scheme extends and beds in. In addition, there are many reasons why anti-social behaviour such as fly-tipping or littering may rise or fall in an area, including other actions undertaken by the council, making it difficult to attribute any change directly to licensing. As noted below, officers are considering the possible case for a further extension of licensing and, as part of this work, will be considering the impact of the scheme so far.

4.3 New Powers and Future Approach to Licensing

4.3.1 As noted above, there is a huge contrast between the response to Selective and Additional Licensing from landlords. While the actions outlined are expected to increase applications, it is also appropriate to consider whether a further extension of Selective Licensing, where warranted in the context of the statutory criteria for such schemes might also offer the most effective solution to take-up.

4.3.2 Under the regulations as they stood at the time, Selective Licensing could only be introduced where a local authority could demonstrate either low demand for housing or significant anti-social behavior linked to the extent and nature of the private rented sector. Following extensive research and consultation, the evidence indicated that the ward-based approach eventually adopted was the most appropriate option. Since then, the government has moved to change the basis on which licensing can be introduced. This includes the introduction of new factors that can be taken into account in addition to low demand and anti-social behavior. Licensing can now be considered to address poor property conditions, high levels of migration (national and international), high levels of deprivation and high levels of crime. These are all factors that could be relevant in Brent.

4.3.3 However, the regulations also stipulate that where a licensing designation would cover more than 20% of the local authority area or more than 20% of the private sector stock, permission would need to be sought from the Secretary of State. The 20% total would include any areas already designated, meaning that any significant extension of Selective Licensing in Brent would require consent. Although this presents an additional hurdle, officers are considering the options for extending Selective Licensing beyond the three wards currently covered.

4.3.4 Through the Housing and Planning Act and other measures, the government has introduced a range of new powers and measures intended to tackle rogue landlords. These include:

- The Deregulation Act 2015: measures to discourage Retaliatory evictions in force from October 2015
- The Smoke and Carbon Monoxide Alarm (England) Regulations 2015: in force from 1st October 2015
- Immigration Act 2014: duty for landlords to carry out “right to rent” checks from 1st February 2016
- Housing and Planning Act 2016:
 - Database of rogue landlords and letting agents
 - Banning Orders
 - Rent repayment Orders to deter landlords who have committed offences
 - Electrical safety requirements similar to existing gas safety rules
 - Ability for local authorities to apply civil penalties and retain any resources to support further enforcement action

4.3.5 As further detail emerges through publication of regulations and guidance, officers will assess the impact of these changes for the operation of the licensing scheme. The ability to apply civil penalties could, in particular, be very effective in driving licensing take-up as it could operate much more quickly and at much greater scale than the bringing of criminal prosecutions.

5.0 Financial Implications

5.1 There are no immediate financial implications arising from this report.

6.0 Legal Implications

6.1 There are no immediate legal implications arising from this report.

7.0 Diversity Implications

7.1 There are no diversity implications immediately arising from this report.

Background Papers

Contact Officers

Jon Lloyd Owen, Operational Director of Housing and Employment

Telephone: 0208 937 5199

Email: jon.lloyd-owen@brent.gov.uk

Spencer Randolph, Head of Service, Private Housing Services

Telephone: 020 8937 2546

Email: spencer.randolph@brent.gov.uk

PHIL PORTER

Strategic Director, Community Wellbeing

 <p style="font-size: 24pt; font-weight: bold; margin-top: 10px;">Brent</p>	<p style="font-weight: bold; margin: 0;">Community and Wellbeing Scrutiny Committee 20 July 2016</p> <p style="font-weight: bold; margin: 10px 0 0 0;">Report from the Strategic Director Community Wellbeing</p>
For information	Wards affected: ALL
Ethical Lettings Agency	

1.0 Summary

1.1 This report provides an update on the proposed Ethical Lettings Agency and a summary of other areas or work in progress or planned to improve access to private rented housing.

2.0 Recommendations

2.1 Scrutiny committee is asked to note the contents of this report.

3.0 Background

3.1 The private rented sector now provides around one third of all housing in Brent. While it therefore represents a vital resource for Brent residents and those moving into the borough, its growth raises a range of concerns, in particular about quality, cost and accessibility. Alongside this, the welfare reform agenda has added to the pressures facing low-income households and those claiming benefits, for whom affordable access to the sector is difficult or, in some cases, impossible. In addition, the council has relied on the sector for many years to provide temporary accommodation for homeless households and, increasingly since the implementation of the Localism Act, to provide permanent solutions through which the council can discharge its homelessness duties.

3.2 There are several strands to the council’s approach to working with and seeking to regulate and improve the sector. For the purposes of this report, the most significant are the introduction of Additional and Selective Licensing and the use of the private rented sector to discharge homelessness duties.

3.3 Following extensive research and consultation, the existing Mandatory Licensing scheme, covering larger Houses in Multiple Occupation (HMOs)

was extended through the implementation of an Additional Licensing scheme covering all HMOs across the borough and Selective Licensing, covering all rented property on the wards of Harlesden, Wembley Central and Willesden Green with effect from 1st January 2015. Over the same period, the council extended its use of the private rented sector to discharge its homelessness duties, using the freedoms put in place by the Localism Act 2011. Prior to the Act, the council had used the private rented sector where households voluntarily accepted an offer.

3.4 During consultation on licensing and prompted by the increasing difficulties faced in securing private rented sector accommodation at rents consistent with Local Housing Allowance rates, particularly for households impacted by benefit caps, it was recognised that a reliable and ethically run lettings agency could be a very helpful adjunct to work in these areas. There are over 250 letting agency businesses operating in Brent and, while many of these are reputable firms belonging to established trade bodies, the picture is mixed and there is evidence of very poor service in some quarters. Among other matters, there are concerns about unreasonable charges, failure to properly manage tenancy deposits and collusion with rogue landlords in evicting tenants. More widely, even reputable agents showed increasing reluctance to let to tenants claiming Housing Benefit, mainly due to concerns about the low Local Housing Allowance rate in comparison to market rents and the perceived risk of rent arrears, especially for households subject to caps. It was agreed that, in this context, an agency run on strictly ethical lines, compliant with all legal and regulatory requirements and charging reasonable rates would benefit tenants and landlords. It should be stressed that, while one aim was to provide a service to households to whom the council owed homelessness duties, the intention was that an agency would also operate on a commercial basis and be accessible to any Brent resident or landlord.

3.5 In late 2013, the council asked Brent Housing Partnership to lead on the establishment of an ethical letting agency and this was included as a target in the Housing Strategy 2014-19. Brent Housing Partnership undertook a period of research and planning, including workshops and reports to its Board. Board members were advised at their meeting on 27th November 2014 that the Chairs Group had given approval on 25th November 2014 to progress the initiative subject to some clarifications required from the council. Outstanding issues were addressed and Cabinet agreed to support Brent Housing Partnership in taking the project forward at its meeting in July 2015.

4. Detail

4.1 Following the Cabinet decision, Brent Housing Partnership implemented a mobilisation plan with the intention of a launch in January 2016. However, due to changes in staffing arrangements and the need for cost savings, a closed Board meeting on 5th January decided to review whether the lettings agency should be launched. Following further reports and consideration of the potential risks and benefits, the Board decided subsequently that the project should not proceed. In summary, the Board took the view that a range of risk factors militated against continuing, including:

- The financial risk of entering a highly competitive market. Although the agency was not necessarily expected to accrue a significant surplus, at least in its early stages, the risk of losses was considered too great. In particular, the identified risks were:
 - Securing enough properties to generate income to cover and exceed costs, especially given the need to secure a proportion of these properties at Local Housing Allowance rents for council nominations.
 - The impact of Universal Credit on the guaranteed rent aspect of the business.
- The wider financial pressures arising from government policy that have required savings and will continue to drive efficiencies, including the 1% rent reduction and the council's requirement for Brent Housing Partnership to achieve 10% savings in 2015/16 and beyond.
- The added risk of entering into an untested project at a time when the organisation is in a recovery phase due to recent performance issues, on which energies and resources will need to be focused.

4.2 While it is disappointing that the proposal has not proved to be viable, a number of other projects are in place or planned that will mitigate any adverse impacts. These are summarised in the following paragraphs.

4.3 A team is in place in Housing Needs that is dedicated to procuring private rented sector properties for homeless households. The team is one of the most successful in the country and in 2014/15 secured access to over 250 affordable properties of which a third were in Brent as shown in the table below:

Area	Number of Properties
Brent	75
Other London boroughs	111
Midlands	42
Other outside of London	24
Total	252

4.4 Alongside this and as part of the Temporary Accommodation Reform Plan, the Find Your Home project has been implemented to assist households in securing private rented sector housing. This relies on empowering people to find a solution to their housing problem at an earlier stage through use of staff support coupled with an innovative IT system which makes it easy to search for affordable properties, reducing the amount of officer time spent on assessing individual households circumstances in order to make a homelessness determination, and increasing time spent on helping households to find accommodation. During a pilot phase that has run since September 2015, 430 households have engaged with the project, of whom 55% are still seeking a home and 31% have had their homelessness

prevented by securing rented accommodation. 14% of cases have not progressed, although in 4% of cases this is because officers have assessed them as not able to sustain a PRS tenancy.

- 4.5 The front-line homelessness service has very recently been restructured to shift the emphasis from statutory assessment and gatekeeping to a service model based on prevention by assisting households wherever possible to maintain their current accommodation, by working with landlords and through the use of incentive payments where necessary, and by making the Find Your Home service available to all households where it is not practical to secure their current accommodation.
- 4.6 Housing Needs are working closely with the Private Housing Services team to accommodate homeless families in empty homes. In 2015/16, 100 empty homes were brought back into use in this way. The licensing schemes have established contact with landlords of over 7,000 private rented properties to date and these relationships are also being used to increase access to the sector. In addition, the council is working with the West London Housing Partnership boroughs to collectively procure private sector properties in different areas outside of London where there is a good supply of affordable private rented properties.
- 4.7 Although the initiatives are assisting in securing private rented sector housing, market conditions will make this increasingly challenging. In recognition of this, as part of the Temporary Accommodation Reform Plan it has been agreed that the council will establish a limited company owned by the council, which will acquire its own private rented portfolio which will be let as long-term private rented sector properties at Local Housing Allowance levels to prevent homelessness or end a homelessness duty. The company will be able to let properties outside of the Housing Revenue Account and offer assured shorthold tenancies to tenants, who will benefit from long-term Local Housing Allowance level rents and professional housing management. Acquisition, refurbishment, management and maintenance will be performed under contract to the company by private sector organisations, Registered Providers or the council itself. The Temporary Accommodation Reform Plan proposed acquisition of 300 properties over the period 2016-18 and this programme has recently commenced.
- 4.8 In addition to acquisition the Temporary Accommodation Reform Plan provides for the council to build new private rented homes for long-term letting at Local Housing Allowance rates on council-owned land. The first such schemes are in the pipeline but the timeline of development means that these units will not come on stream for some time.
- 4.9 In addition to the council's own efforts there is potential for private developers to bring forward discounted market rent accommodation. Within the Wembley Housing Zone two planned private new-build schemes could bring forward over 500 such units.
- 4.10 Finally, the Mayor of London made a manifesto commitment to develop a London-wide letting agency. Although details are yet to emerge, it appears that this may not be an entity of the kind envisaged in Brent's proposed agency but proposals are awaited and these may offer some of the benefits

planned to be realised through a local lettings agency but with the advantage of greater economies of scale. Officers will review any firm proposals as soon as they are published.

5.0 Financial Implications

5.1 There are no immediate financial implications arising from this report.

6.0 Legal Implications

6.1 There are no legal implications arising from this report.

7.0 Diversity Implications

7.1 There are no diversity implications immediately arising from this report.

Contact Officers

Jon Lloyd-Owen, Operational Director of Housing and Leisure

Telephone: 0208 937 5199

Email: jon.lloyd-owen@brent.gov.uk

PHIL PORTER
Strategic Director, Community Wellbeing

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**Community and Wellbeing
Scrutiny Committee
20 July 2016**

**Report from the Director of Performance,
Policy and Partnerships**

For Information

Scrutiny Task Group report on Brent's Housing Associations

1.0 Summary

- 1.1 This task group was set up by the previous Scrutiny Committee to review the implications of the Housing and Planning Act 2016 and the Welfare Reform and Work Act 2016 for housing associations operating in Brent, and consequently the local authority's own housing policies.
- 1.2 The objective set for the task group was after gathering findings from registered providers and other partners to develop a set of recommendations for Brent Council's Cabinet which could influence the local authority's housing policies and its work with housing associations.
- 1.3 The scope of the task group's work was narrowed down to focus on the implications of the Acts for five main areas for policy development – the Right to Buy extension to housing association tenants, social housing supply, social rent reduction, Pay to Stay and partnerships. It was not the purpose of the task group to review all the implications of the wide-ranging pieces of legislation.

2.0 Recommendations

- 2.1 Members of the Community and Wellbeing Scrutiny Committee to discuss and consider the findings of the task group's report.
- 2.2 Members of the committee approve the recommendations made by the task group and support the development of an action plan for the Cabinet to take these forward.
- 2.3 The committee to agree to receive a progress report about the recommendations which are agreed by Cabinet in this municipal year 2016-17.

3.0 Detail

- 3.1 A task group was set up in March 2016 because of concerns about the effects of housing associations of the Welfare Reform and Work Act 2016 and the Housing and Planning Bill. Since the task group started its work, the Housing and Planning

Bill received royal assent on 12 May 2016 and is now the Housing and Planning Act 2016.

- 3.2 As part of its work the task group spoke to senior officers in housing associations, tenants, senior officers at Brent Council and experts who specialise in housing policy. As well as the elected members on the task group a lay representative – Jacky Peacock OBE, executive director of Advice for Renters, was also co-opted onto the task group.
- 3.3 The task group’s methodology was to have structured discussions around the five main policy themes it was looking at, and to consider the issues from these different perspectives. The task group focused on in-depth discussions with a small number of registered providers who were broadly representative of large, medium and small-sized registered providers.
- 3.4 The task group also requested data from Brent Housing Partnership to help develop its analysis of Right to Buy, and during the discussions asked registered providers for data on their modelling of the extension of Right to Buy.

3.5 Task Group Recommendations

The task group made 19 separate recommendations across the five areas of the Right to Buy extension, social housing supply, social rent reduction, Pay to Stay, and partnerships. The detail of the recommendations are contained in the report for members to discuss and agree in committee.

4.0 Financial Implications

- 4.1 There was one recommendation which had financial implications, which was to jointly fund a post with housing associations to do fraud investigations around Right to Buy.

5.0 Legal Implications

- 5.1 None

6.0 Diversity Implications

- 6.1 None

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There would only be staffing implications for Brent Council’s Audit and Investigations Team, which operates a shared service with Ealing and Hounslow councils, if the recommendation to jointly fund an anti-fraud investigator is accepted.

Contact Officers

Pascoe Sawyers

Head of Strategy and Partnerships

020 8937 1045

pascoe.sawyers@brent.gov.uk

PETER GADSDON

Director of Performance, Policy and Partnerships

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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 19th 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. ¹

¹ '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.²

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

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

² 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. ³

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. ⁴

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.

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

⁴ 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.⁵

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 2016.⁶

4.0 Main Findings

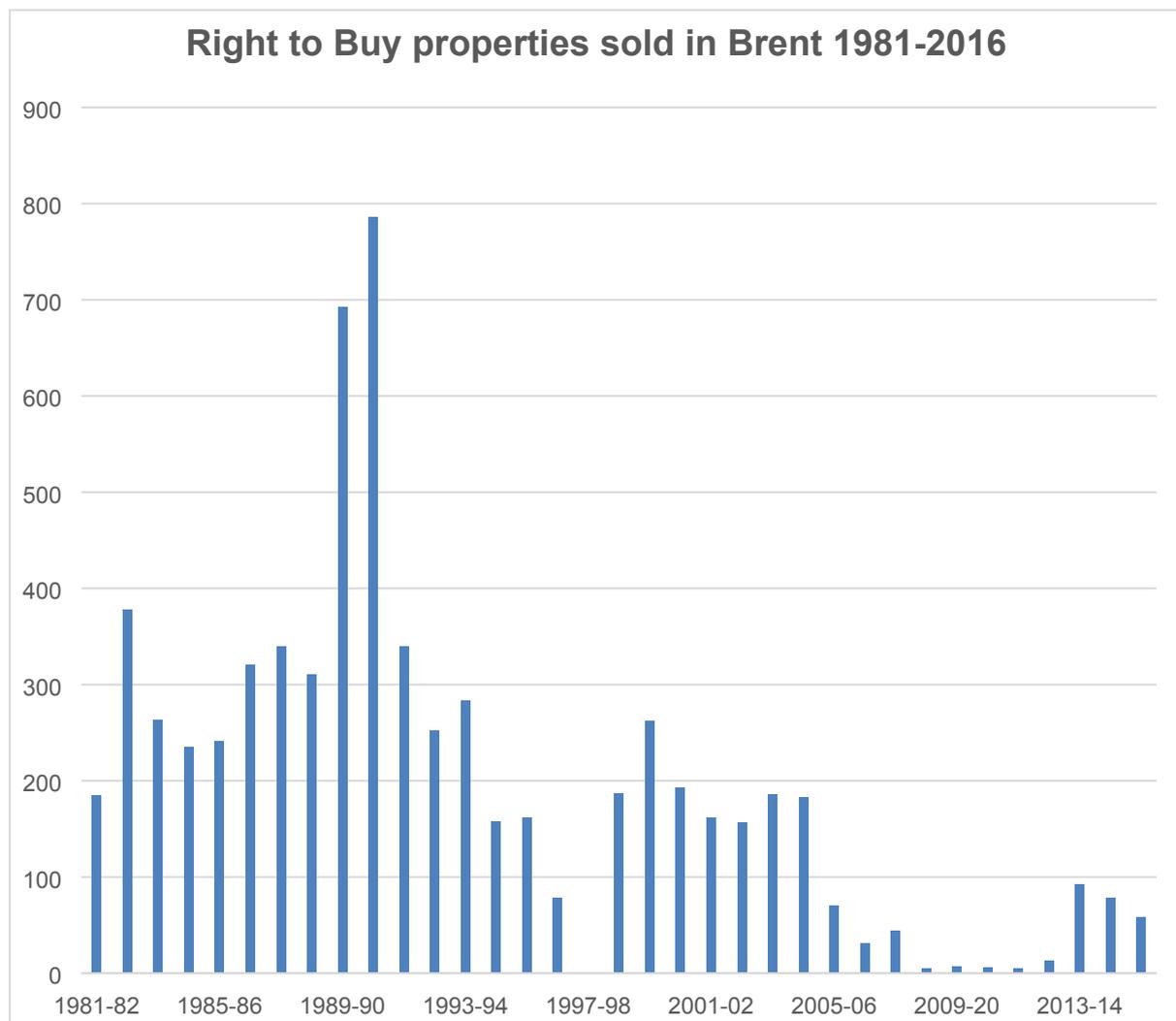
4.1 Right to Buy

⁵ Brent Council Housing Strategy 2014-19, pp2-6

⁶ 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.



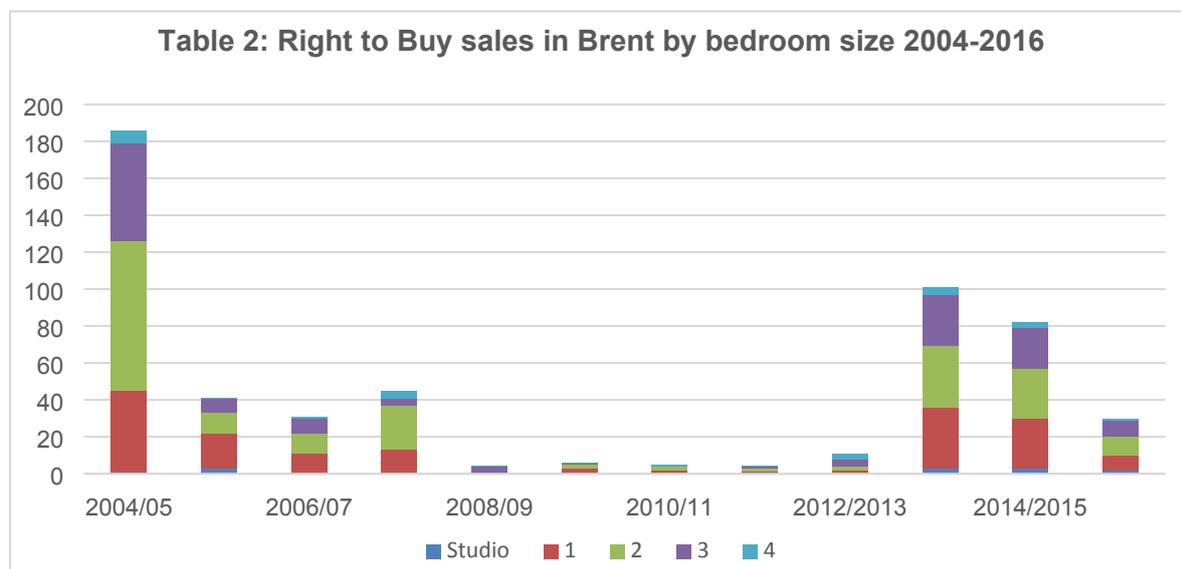
Source: Brent Housing Partnership

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. ⁷

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. ⁸

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. ⁹ 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.

⁷ '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

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

⁹ 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.¹⁰ 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.¹¹

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.¹² 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.¹³ 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.¹⁴

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

¹⁰ Task group meeting 3 May 2016

¹¹ Interview, Helen Evans, Network Homes, 25 May 2016

¹² Task group meeting 3 May 2016

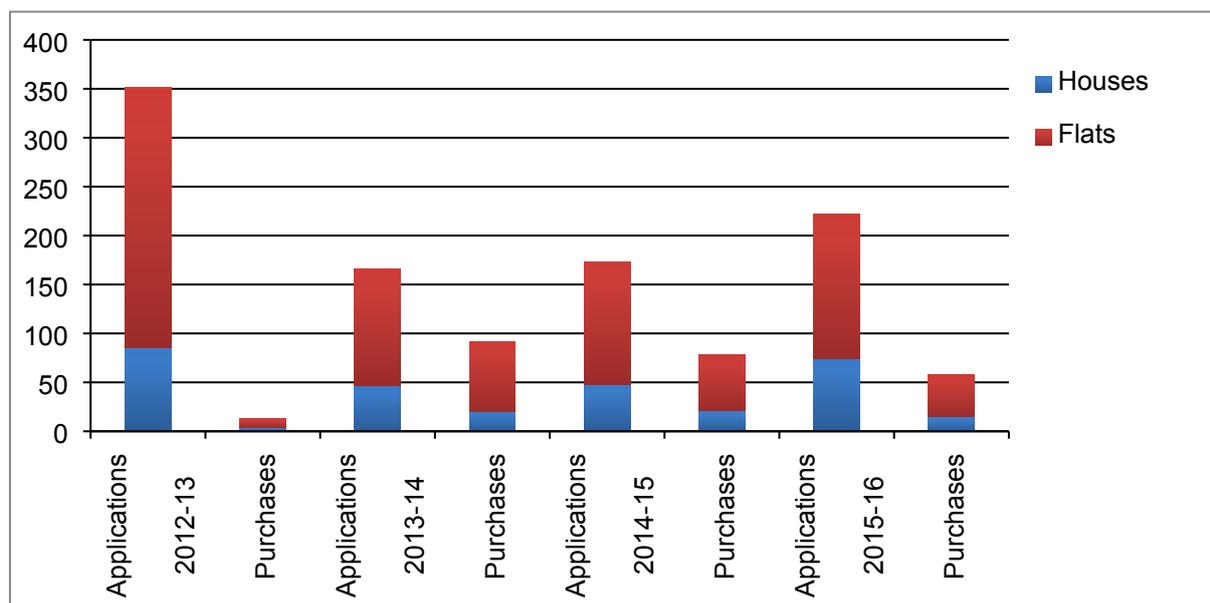
¹³ Interview, Karen Wilson, 24 May 2016

¹⁴ 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.¹⁵

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.¹⁶

4.2 Income and demand

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

¹⁶ ‘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. ¹⁷

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. ¹⁸

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. ¹⁹

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. ²⁰

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

¹⁷ '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

¹⁸ Household income derived from 2011 census data

¹⁹ Inside Housing, 1 July 2016

²⁰ Task group interview, 14 June 2016

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

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.²²

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.²³

²¹ Task Group interview 3 May 2016

²² Task Group interview with Karen Wilson 24 May 2016

²³ 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.²⁴

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.”²⁵

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.

²⁴ Task group meeting 3 May 2016

²⁵ 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. ²⁶

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. ²⁷

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.

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

²⁷ '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.²⁸ Research shows this is an

²⁸ '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.²⁹

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.

²⁹ 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%
Total	19,167	100%

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.³⁰

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

³⁰ 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.³¹

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.³²

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:

³¹ Inside Housing 6 April 016, 7 June 2016; Inside Housing 4 November 2015

³² 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.³³ 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

³³ 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.³⁴

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.³⁵

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:

³⁴ Homes and Community Agency, Statistical Data Return 2014-15

³⁵ 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.³⁶ 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'.³⁷

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.³⁸

Recommendation 13:

³⁶ Network Homes interview 25 May 2016

³⁷ Task group meeting 3 May 2016

³⁸ 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.³⁹

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

³⁹ 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.⁴⁰

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

⁴⁰ 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

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