



Cabinet

Monday 11 October 2021 at 10.00 am

Conference Hall - Brent Civic Centre, Engineers Way,
Wembley, HA9 0FJ

Please note that this meeting will be held as a socially distanced physical meeting with all Cabinet members required to attend in person.

Guidance on the safe delivery of face-to-face meetings is included at the end of the agenda front sheet.

Due to current restrictions and limits on the socially distanced venue capacity, any press and public wishing to attend this meeting are encouraged to do so via the live webcast. The link to attend the meeting will be made available [here](#).

Membership:

Lead Member Councillors:

Portfolio

M Butt (Chair)	Leader of the Council
McLennan (Vice-Chair)	Deputy Leader of the Council and Lead Member for Resources
Farah	Lead Member for Adult Social Care
Knight	Lead Member for Community Safety and Engagement
Nerva	Lead Member for Public Health, Culture & Leisure
M Patel	Lead Member for Children's Safeguarding, Early Help and Social Care
Krupa Sheth	Lead Member for Environment
Stephens	Lead Member for Schools, Employment and Skills
Southwood	Lead Member for Housing & Welfare Reform
Tatler	Lead Member for Regeneration, Property & Planning

For further information contact: James Kinsella, Governance Manager, Tel: 020 8937 2063; Email: james.kinsella@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: **democracy.brent.gov.uk**

Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

(a) Anybody of which you are a member or in a position of general control or management, and:

- To which you are appointed by the council;
- which exercises functions of a public nature;
- which is directed is to charitable purposes;
- whose principal purposes include the influence of public opinion or policy (including a political party of trade union).

(b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item	Page
------	------

1	Apologies for Absence	
----------	------------------------------	--

2	Declarations of Interest	
----------	---------------------------------	--

Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.

3	Minutes of the Previous Meeting	1 - 6
----------	--	--------------

To approve the minutes of the previous meeting held on Monday 13 September 2021 as a correct record.

4	Matters Arising (if any)	
----------	---------------------------------	--

To consider any matters arising from the minutes of the previous meeting.

5	Petitions (if any)	
----------	---------------------------	--

To discuss any petitions from members of the public, in accordance with Standing Order 66.

6	Reference of item considered by Scrutiny Committees (if any)	
----------	---	--

To consider any reference reports from the Council's two Scrutiny Committees.

Community Well-being reports

7	Future of St Raphael's Estate	7 - 30
----------	--------------------------------------	---------------

This report provides an update on the community led masterplanning at St Raphael's Estate, the infill 'plus' development now being progressed and detail on next steps. The report also seeks authority to the allocation of the budget to proceed with the design of the remaining infill plus development sites and additional estate wide improvements.

Ward Affected:
Stonebridge

Lead Member: Lead Member for Housing and Welfare Reform (Councillor Eleanor Southwood)
Contact Officer: Kathryn Eames, Senior Project Manager, St Raphael's, Housing Partnerships

Regeneration and Environment reports

- 8 Article 4 Direction Removing Permitted Development Rights for Change of Use From Class C3 dwelling houses to Class C4 House in Multiple Occupation** 31 - 74

This report details representations received to a borough wide Article 4 direction. The direction required planning permission for change of use from residential dwellings to houses in multiple occupation. It presents the representations received to the consultation and officer responses and recommends the making of a new Article 4 that excludes the draft Local Plan's site allocations within the Church End Growth Area and all parts of the other seven Growth Areas.

Ward Affected:
All Wards

Lead Member: Lead Member for Regeneration, Property & Planning (Councillor Shama Tatler)
Contact Officer: Paul Lewin, Planning, Policy and Projects
Tel: 020 8937 6710
Email: paul.lewin@brent.gov.uk

Chief Executive's reports

- 9 Proposal for ownership and refurbishment of Granville New Homes blocks** 75 - 94

The reports sets out options for funding and carrying out the remedial works identified as required at the Granville Road, Princess Road, and Canterbury Road blocks (otherwise known as Granville New Homes) and potential disposal of these blocks from First Wave Housing Ltd to the HRA.

Ward Affected:
All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Sadie East, Operational Director of Transformation
Tel: 020 8937 1507
Email: sadie.east@brent.gov.uk

- 10 Quarter 2 Financial Report 2021/22** 95 - 124

This report sets out the current Q2 forecast of income and expenditure versus the revenue budget for 2021/22 and other key financial data.

Ward Affected:
All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Minesh Patel, Director of Finance

11 Authority to Award Contract for the Managed Services for Temporary Agency Staff 125 - 136

This report concerns the proposed award of the contract for a Managed Service for Temporary Agency Staff. The service will provide temporary staff to the council to fill vacant posts in the short term and on an interim basis, to manage fluctuations in workload and to obtain specialist skills quickly when the need arises.

Ward Affected:
All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Clare Ebune, HR Manager
Tel: 020 8937 4573
Email: Clare.Ebune@brent.gov.uk

12 2021/22 Quarter 1 (April - June) Performance Report 137 - 158

This report and the performance scorecard set out the position on the Council's performance in the first quarter of 2021/22.

Ward Affected:
All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Lorna Hughes, Head of Strategy & Partnerships
Tel: 020 8937 5068
Email: lorna.hughes@brent.gov.uk

13 Exclusion of Press and Public

The following items are not for publication as they relate to the categories of exempt information set out below as specified under Part 1, Schedule 12A of the Local Government Act 1972:

- Item 9: Proposal for ownership and refurbishment of Granville New Homes blocks (Appendix 2 – additional legal implications) – exempt under Para 5 of Schedule 12 A: "Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings"
- Item 11: Authority to Award Contract for the Managed Service for Temporary Agency Staff (Appendix 1 – list of Tenderers) – exempt under Para 3 of Schedule 12A: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

14 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 her representative before the meeting. Any decisions taken urgently under this heading must comply with the provisions outlined in paragraph's 12 and 39 of the Council's Access to Information Rules (part 2 of the Constitution).

Date of the next meeting: Monday 8 November 2021

Guidance on the delivery of safe meetings at The Drum, Brent Civic Centre

- We have revised the capacities and floor plans for event spaces to ensure they are Covid-19 compliant and meet the current social distancing guidelines.
- Attendees will need to maintain the necessary social distancing at all times.
- Signage and reminders, including floor markers for social distancing and one-way flow systems are present throughout The Drum and need to be followed.
- Please note the Civic Centre visitor lifts will have reduced capacity to help with social distancing.
- The use of face coverings is encouraged with hand sanitiser dispensers located at the main entrance to The Drum and within each meeting room.
- Those attending meetings are asked to scan the coronavirus NHS QR code for The Drum upon entry. Posters of the QR code are located in front of the main Drum entrance and outside each boardroom.
- Although not required, should anyone attending wish to do book a lateral flow test in advance these are also available at the Civic Centre and can be booked via the following link:
<https://www.brent.gov.uk/yourcommunity/coronavirus/covid-19-testing/if-you-dont-have-symptoms/>



LONDON BOROUGH OF BRENT

MINUTES OF THE CABINET

Held in the Conference Hall, Brent Civic Centre on Monday 13 September 2021 at 10.00 am

PRESENT: Councillor M Butt (Chair), Councillor McLennan (Vice-Chair) and Councillors Farah, Knight, Nerva, M Patel, Krupa Sheth, Stephens, Southwood and Tatler.

1. **Apologies for Absence**

Apologies for absence were received from Gail Tolley (Strategic Director Children & Young People) who was represented by Nigel Chapman.

2. **Declarations of Interest**

None.

3. **Minutes of the Previous Meeting**

RESOLVED that the minutes of the previous Cabinet meeting held on Monday 16 August 2021 be approved as an accurate record of the meeting.

4. **Matters Arising (if any)**

None.

5. **Petitions (if any)**

There were no petitions submitted for consideration at the meeting.

6. **Reference of item considered by Scrutiny Committees (if any)**

Councillor Muhammed Butt, Leader of the Council, introduced a report detailing the Executive response to a reference received from the Resources & Public Realm Scrutiny Committee held on 13 July 21 relating to the circumstances surrounding the UEFA European 2020 Championship final at Wembley Stadium.

In presenting the report, Councillor Butt highlighted the Council's participation in the independent review being led by Baroness Casey as the single overarching review process which all partners had agreed to support. As part of this, members noted that the Council had already committed to undertake its own assessment of activities relating to its responsibilities covering safety, licensing and enforcement around the stadium in the build up to the final in order to feed into the Baroness Casey review and to fully review and respond to any recommendations around the Council's role moving forward.

The Leader ended by once again thanking everyone involved in supporting delivery of the Championships at Wembley for their hard work and efforts and it was **RESOLVED** to approve the Executive response to the recommendations made by the Resources & Public Realm Scrutiny Committee on 13 July 2021 regarding the UEFA European 2020 Championship Final hosted at Wembley Stadium, as detailed within Appendix 1 of the report.

7. **Highways Capital Scheme Programme 2021-22**

Prior to consideration of this item Councillor Muhammed Butt, Leader of the Council, welcomed Mr Frank Treviss to the meeting who had requested to speak in support of a petition previously submitted seeking an upgrade of the footways in Logan Road. Highlighting what he felt were the dangerous condition of the pavements, in terms of trip and fall hazards for local residents, Mr Treviss also outlined the lack of any previous upgrade works and importance of the footway as a well-used route to the local school. He also reminded members that the road provided the main pedestrian and vehicle access to a bowling and social club, which was well used by a range of community organisations. He was therefore keen to ensure consideration was given to the necessary footway repairs and upgrade as part of the Council's ongoing major road and footway resurfacing programme.

In responding, Councillor Krupa Sheth, as Lead Member for Environment, began by thanking Mr Treviss for his presentation and recognising the impact that the quality of footways had on the local environment for residents. Whilst highlighting the improvement in the overall conditions of footways across the borough as a result of the £20m Highway and Footway Improvement programme over the last two years, she pointed out that this had still left a third of the borough's footways in need of significant maintenance. Whilst the footways in Logan Road had been surveyed (with 49% by length found to be in poor structural condition) this had unfortunately still not represented a high enough priority within the criteria to be considered for inclusion as part of the 2021/22 programme. Members noted that the footways included as part of the recommended programme had all been assessed with a minimum of 70% in poor condition. Mr Treviss was reassured, however, that Logan Road's future inclusion would continue be reviewed on a regular basis, with the next survey due later in 2021 and local; residents encouraged to report any immediate safety concerns or defects. In the meantime it was also reported that the Lead Member for Environment and Strategic Director Regeneration and Environment had agreed to visit Logan Road in order to further examine the pavements and explore options for future improvement works.

Having noted the response provided, Councillor Muhammed Butt thanked Mr Treviss for his contribution at the meeting.

Councillor Krupa Sheth, Lead Member for Environment, then moved on to introduce the report which set out the Council's Highways Maintenance Scheme Programme for 2021-22. In presenting the report, members noted the £3.5m base allocation for the programme funded through the Council's Capital budget along with the additional bid submitted for funding through Transport for London's (TfL) London wide Principal Road Network scheme, which totalled £1.371m. Details on the outcome of the TfL bid were still awaited, with Cabinet also noting the additional funding provided through the Council's own £20m footway improvement

programme, that was due to end in 2021-22. This would require the base capital funding available for the programme to revert to covering maintenance of both footways as well as carriageway and highway structures.

As a result, a prioritised programme of maintenance and improvement works had been developed based on Brent's Highway Asset Management Planning approach which, as detailed within section 3.3 of the report, sought to utilise improved asset condition surveys as a basis for the scheme prioritisation process.

Whilst recognising the challenging financial constraints under which the programme was operating, Cabinet were keen to recognise the impact of the additional investment made by the Council in terms of the footway improvement programme across the borough along with the improvements delivered to the condition of Brent's road and highway structures as a result of the maintenance programme delivered to date (as highlighted in Appendix A of the report). Members also noted that in developing the proposed maintenance programme moving forward, officers would continue to take account of the nominations received from ward councillors for works within their areas in order to consider how best these could be addressed within the overall resources available.

In concluding the discussions, Councillor Muhammed Butt felt it was important to recognise the positive impact achieved as a result of the maintenance programme delivered to date and additional investment provided by the Council, including the benefits provided through the use of injection patching and asphalt. He also took the opportunity to reaffirm the Council's commitment to continue improving the condition of Brent's roads and footways within the financial constraints identified, recognising their importance to local communities.

Having noted the comments made, Cabinet **RESOLVED**:

- (1) To approve the proposed Highways Maintenance Scheme Programme 2021-22 as detailed in Appendix B of the report.
- (2) To note the receipt of a petition on 9th August 2020 for Logan Road with 52 signatures asking for the renovation and upgrading of the pavements in that road, and comments made in response at both the meeting and as detailed within section 3.4.2 d) - h) of the report.

8. **Parks Service Capital Funding**

Councillor Krupa Sheth, Lead Member for Environment, introduced a report providing details of proposed capital investment within the Parks Service of £1.43m to allow for a programme of essential improvements across a number of sites.

In considering the report, members noted that the proposed investment had been designed to improve various areas of ageing infrastructure across the borough's parks and open spaces as a means of addressing ongoing maintenance issues and costs as well as improving the safety of pathways and playgrounds.

The investment programme, set out in section 3.4 of the report, had been developed on the basis of an analysis of issues raised and risk. Cabinet were supportive of the programme identified, highlighting the important role and value of

the borough's parks and open spaces for the local community. Specific initiatives highlighted by members as benefits included the work being undertaken to enhance biodiversity and CCTV coverage across parks, with the proposals also felt to demonstrate the Council's ongoing commitment towards improving services and the quality of life for residents across the borough.

As no further issues were raised Cabinet **RESLOVED** to approve Council borrowing of £1.43m to allow the Parks Service to carry out a number of urgent infrastructure improvements required in a number of locations across the borough, as detailed within section 3.4 of the report.

9. **Brent Youth Strategy**

Councillor Mili Patel, Lead Member for Children's Safeguarding, Early Help & Social Care, introduced a report presenting the Brent Youth Strategy and Delivery Plan.

In considering the report members noted that development of the Strategy and associated Delivery Plan had been designed to fulfil the recommendation within the Independent Brent Poverty Commission to bring together a statutory-led "Youth and Community Strategy for Young People" in Brent. The Strategy and Delivery Plan had also been developed to ensure they were aligned with relevant planned and in-progress activity include the Black Community Action Plan, other recovery projects, connectivity to the new health Integrated Care Systems and further education settings as well as clarifying the funding position.

In expressing their support for the Strategy & Delivery Plan, Cabinet felt it important to recognise the level of engagement with young people in developing and shaping the Strategy and commitment it was felt this demonstrated to young people across the borough. Members thanked the Lead Member and officers involved in development of the strategy and noted the eight key themes which had emerged from the engagement process and around which the Strategy and Delivery Plan had been focussed as a means of driving positive change, with specific reference at the meeting to themes including skills and opportunities, safety and wellbeing & mental health.

In summing up, Councillor Muhammed Butt, as Leader of the Council, highlighted the Council's commitment to continue ensuring the best outcomes for all young people across the borough and providing every opportunity for them succeed.

As a result Cabinet **RESOLVED** to note and endorse the Brent Youth Strategy and Delivery Plan, as detailed within Appendices A & B of the report.

10. **National Non-Domestic Rates – Applications for Discretionary Rate Relief**

Councillor McLennan, Deputy Leader and Lead Member for Resources, introduced the report, which detailed new applications received for discretionary National Non-Domestic Rate (NNDR) relief since Cabinet had last considered applications in December 2020.

In presenting the report, Cabinet's attention was drawn to the criteria to be considered in dealing with applications for NNDR relief from charities and non-profit making organisations, as detailed in Appendix 1 of the report, along with the

applications which had been received for consideration, as detailed within Appendix 2 of the report. Members were also advised of the requirement to review all existing awards for discretionary relief to ensure they continued to meet the necessary criteria and were focussed on organisations providing a recognised service for residents within the borough. In view of the impact of the pandemic it had been proposed that this review should be moved back to October 2022, with organisations then being required to reapply for relief from April 2024.

Cabinet **RESOLVED**

- (1) To approve the applications for discretionary rate relief in respect of national non-domestic rate liability as set out and detailed within Appendix 2 of the report.
- (2) To note that the Council's National Non-Domestic Rates Discretionary Relief awards would be reviewed in October 2022, for subsequent consideration by Cabinet in early 2023 instead of October 2021 as previously planned due to the effect of the pandemic.

11. **Brent Finance Transformation and Oracle Cloud Transformation Roadmap (Release 2) Capital Investment**

Councillor McLennan, Deputy Leader and Lead Member for Resources, introduced a report seeking approval to further investment in the Oracle Cloud System and Transformation roadmap as a means of gaining further efficiencies and accessing additional transformational aspects offered within the system.

In considering the report members noted the progress being made with implementation of the Oracle Cloud Release 1 project along with the improvements these were expected to deliver in relation to current ways of working, including the use of real time data and other efficiencies in terms of systems and processes. Looking to build on the improvements identified through implementation of Release 1, a range of further benefits and additional functionality had subsequently been identified, which had formed the basis of the additional investment being sought for Release 2 under the Oracle Cloud Roadmap. These included projects related to Finance Accounting and Transactional Management performance, case and project management, governance and risk compliance, sourcing and contract management which would be expected to provide further enhancements and efficiencies in relation to the Finance, Procurement and HR systems, integration and control mechanisms.

Having noted the benefits identified, Cabinet **RESOLVED:**

- (1) To approve the investment of £2.5m for the Oracle Cloud Roadmap (Release 2).
- (2) To agree that each project identified with Release 2 of the Roadmap would be subject to regular review and monitoring by the Corporate Landlord Board and reported into the Capital Programme Board. This would be in consultation with the Deputy Leader, as Lead Member with responsibility for IT.

12. **Exclusion of Press and Public**

There were not items that required the exclusion of the press or public.

13. **Any other urgent business**

None.

The meeting ended at 10.25 am

COUNCILLOR MUHAMMED BUTT
Chair

	Cabinet 11 th October 2021
	Report from the Strategic Director of Community Wellbeing
Future of St Raphael's Estate	

Wards Affected:	Stonebridge
Key Decision:	Yes
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Two Appendix 1 Infill Masterplans Appendix 2 Infill Plus Resident Charter
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Kathryn Eames, Senior Project Manager, kathryn.eames@brent.gov.uk

1.0. Purpose of the Report

- 1.1. St Raphael's sits within the Stonebridge ward. It is bounded by the North Circular Road to the south and east, industrial premises to the north and the River Brent to the west. It is a low density residential area of 1140 homes and a small number of non-residential units.
- 1.2. In November 2018, Brent Council (the Council) sought approval from the Cabinet to commence work on establishing community led masterplans for St Raphael's, for both infill development and redevelopment.

- 1.3. The primary Council objective was to improve the lived experience on St Raphael's estate, whilst also increasing the amount of affordable housing.
- 1.4. This report provides an update on the community led masterplanning, the infill 'plus' development now being progressed and detail on next steps. This report also seeks approval from Cabinet for the allocation of the budget to proceed with the design of the remaining infill plus development sites and additional estate wide improvements.

2.0. **Recommendations**

Cabinet is asked to:

- 2.1. Confirm its continued commitment to improving the lived experience on St Raphael's through an 'infill plus' approach to the delivery of new Council homes. This to include the delivery of resident priorities for green space and play space, streets and safety, community amenities, connectivity, health and employment.
- 2.2. Approve the allocation of £2.35m to enable commencement of the design of the Infill Masterplan, design of the wider estate improvements and the purchase and installation of a temporary community / project building, as described at paragraph 5.0 of this Report.
- 2.3. Note the Resident's Charter developed by St Raphael's Voice, the content of which informs planning for the Infill Masterplan and to acknowledge the role and commitment of St Raph's Voice, the Resident Board on St Raphael's, in the Future St Raphael's project, to date and in the future.

3.0. **Background**

- 3.1. In November 2018, the Council sought approval from Cabinet to commence work on establishing community led masterplans for St Raphael's estate, for both infill development and redevelopment, culminating in a ballot should redevelopment be financially viable.
- 3.2. The Council's primary objective of the masterplanning was to improve the lived experience for St Raphael's residents, whilst also increasing the amount of affordable housing.
- 3.3. As a part of the standard masterplanning process, the masterplanning area was appraised in order to provide an early indication of deliverability. In December 2019, Cabinet approved the adjustment of the masterplanning area to focus only on the area between Besant / Pitfield Way and the Brent River (St Raphael's).
- 3.4. In March 2020, the project team held the last public event on St Raphael's before lockdown, sharing and seeking feedback on the infill and redevelopment

masterplans which had been co designed with the community. The masterplans were developed as a result of thousands of conversations with residents from more than 80% of households at 27 public events and workshops, 7 resident training sessions & 3 study trips.

4.0. The Redevelopment Masterplan

- 4.1. The redevelopment masterplan delivers 2065 new homes. It is an ambitious plan with a significant scale of delivery, which is dependent on the demolition of 759 existing homes. The masterplan would provide 50% affordable and 50% private newly built homes.
- 4.2. As at October 2020, the financial viability assessment of the redevelopment masterplan was based on the assumption that grant funding could be applied for and allocated under the terms outlined in the London Mayor's Building Council Homes for Londoners Programme, Affordable Homes Programme 2016-21 (AHP 16-21). This meant that for the redevelopment masterplan, all 821 social rented homes, both replacement and new, were grant eligible. At this point, the redevelopment masterplan were considered affordable, despite showing a viability gap of -£25.6m.
- 4.3. In December 2020, the Mayor of London issued new funding guidance for London's Affordable Homes Programme 2021-2026 (AHP 21-26), which contained some significant changes to the previous grant funding regime impacted future GLA funding for affordable housing development and estate regeneration in London. The three most significant changes were the abolition of a set tariff rate for grant, removal of eligibility for grant funding for those newly built homes deemed to be replacing existing social rented homes and the requirement for new affordable homes to be set at formula (social) rent in order to attract grant rather than the higher London Affordable Rent previously introduced by the GLA.
- 4.4. In March 2021, a report outlining the delivery implications of the new GLA Affordable Homes Programme 2021-26 on Future St Raphael's was presented to the Council's Policy Coordination Group. This report showed that the viability gap for redevelopment had worsened significantly, with an estimated decrease in viability of £54.5m, from -£25.6m in October 2020 to c. -£80m in February 2021. In response, it was agreed that the project team would bid for grant funding through both the existing AHP 2016-21 programme (final round) and the new 2021-26 AHP programme.
- 4.5. In May 2021, three bids were submitted to the GLA for funding to support the delivery of the first 3 phases (Phase 1a, 1b and 2a) of the redevelopment masterplan, totalling £61.5m.
- 4.6. Following this, the cash flow model was updated in order to reflect programme and market changes, including land assembly costs of £143m, revised GLA grant,

market-pricing changes within the construction sector and refinements to the way future values and programme costs are calculated. The revised cash flow resulted in a project viability gap of -£110.2m which is unviable for the Council due to the negative Net Present Value and as the full redevelopment would not achieve payback within a 60 year period.

- 4.7. The project team, working with market leading financial advisors, considered a number of routes to potentially improve the viability, including a reduction in the provision of affordable housing across the scheme (although this didn't align with the original intent to deliver as much genuinely affordable housing as possible) and increase of density and private for sale homes. However, due to a number of factors and in particular the high cost of land assembly and the loss of grant attributed to the reduction of new affordable homes, the impact on scheme viability was minimal.
- 4.8. The Council's commitment to the residents of St Raphael's was for a community led approach to the masterplanning of their estate, culminating in a resident ballot through which residents would be able to demonstrate their support for redevelopment, with infill development being the default option. This route to ballot has always been predicated on having a redevelopment masterplan that was financially viable and therefore able to be delivered.
- 4.9. In line with this commitment, and because the delivery of the redevelopment masterplan is no longer considered financially viable (as described in the Financial Comments in section 7.0 of this Report), the infill masterplan will be progressed, with a community led approach being followed as before.

5.0. The Infill Masterplan

- 5.1. The infill masterplan (*see appendix 1*) consists of clusters of new homes in the north and south of St Raphael's, facing the river along the western edge of the existing homes, and some in underused pockets of land within the estate. It currently delivers 370 new homes; 334 flats and 36 houses. The detail is likely to change as engagement with the community progresses and the design is developed.
- 5.2. All new homes are forecast to be 100% affordable, owned and managed by the Council, for both overcrowded St Raphael's tenants and people on the social Housing Register. At least 35% of the new homes will be family housing with three or more bedrooms, and in line with GLA funding requirements, formula (or social) rent would be charged¹. This is the same rent charged on all Council properties re-let after becoming vacant.

¹ The basis for the calculation of formula rents is: 30% of a property's rent is based on relative property values, 70% of a property's rent is based on relative local earnings and finally a bedroom factor is applied so that, other things being equal, smaller properties have lower rents

- 5.3. In response to residents preferences and the project objectives, the masterplan proposes that:
- Buildings range in height, with the taller buildings on the north and south edges of the site;
 - Homes are built with front doors facing the park and existing open spaces to improve surveillance, and infill buildings are built in underused areas of the estate to activate the streets;
 - New communal green space is provided in between the new blocks to improve safety and surveillance and improvements to the Brent River Park adjacent to the site are made.
- 5.4. The current financial appraisal indicates that the infill masterplan is financially viable. Detailed financial appraisals will be carried out for each phase as the scheme designs develop and more detailed cost information is known.
- 5.5. The design of the phase 1 site in the south of St Raphael's started in July 2021, with start on site currently forecast for winter 2022/23 and completion winter 2025/26. The design team will, as before, take a co design approach to the design of the buildings and public realm improvements.

Infill Plus

- 5.6. There is the potential to deliver significant place making improvements alongside the delivery of the new homes, which arguably, whilst not as transformational as full redevelopment, has the ability to improve the lived experience for St Raphael's residents.
- 5.7. Early priorities for delivery in 2021/22 ahead of the delivery of the Phase 1 site, are focused on the issues identified through recent consultation with residents on the Resident Charter and via estate walkabouts. They centre on improvements to the care and maintenance of the estate and target green spaces, waste management and parking. In addition, the purchase and installation of a temporary building for use by the community and project team is included. Work to deliver these priorities started in July 2021 and the following have already been completed:
- Grass cutting schedule has been reviewed and updated, and all grass in public areas has been cut;
 - A tree survey has been carried out which has identified all problem (overgrown) trees, now prioritised for cutting in the autumn;
 - Weed spraying over all paths has been completed;
 - Basketball hoops and nets for the cage have been ordered;
 - A plan to improve the external appearance of the Wates site office has been established, with delivery planned winter 21/22;
 - All abandoned vehicles have been removed in a Day of Action;

- Traffic Management Order consultation commenced to establish the best approach to manage the parking;
 - A plan to demolish the dilapidated building on Lovett Way / Hardie Close has been established, with hoarding to be erected to ensure site safety in the meantime;
 - Missing or damaged communal bins have been ordered and will be replaced in autumn 21;
 - All reported repairs to Council owned homes and communal areas have been reviewed and a plan established to address outstanding actions.
- 5.8. Through the engagement with residents over the past two years, a list of more significant improvements have emerged. They include:
- Improved lighting and surveillance across the estate;
 - Improved landscaping and usability of the green spaces and in particular the Brent River Park, with new spaces to sit, play and socialise;
 - Improved and new (green) play spaces across the estate;
 - Provision of a new large community centre, work spaces and improved retail units;
 - Improved waste management across the estate;
 - Improved light public infrastructure such as bridges and paths to create better opportunities for walking & cycling;
 - Reduction of rat running through the estate;
 - Improved connectivity.
- 5.9. The improvements requiring significant investment as listed at 5.8 will be considered alongside the design of the homes for the Phase 1 site and remaining phases of the Masterplan. The current list will be discussed with residents to identify any gaps, and an order of priority for delivery established prior to being taken forward as a definitive part of a scheme.
- 5.10. Consideration of wider Council objectives for health, education, culture, climate emergency etc. will also be brought to bear in these discussions. Priorities and initiatives for these areas will be generated through conversations with residents about need and delivery preferences. Work across the Council on identification of health priorities has already started, with engagement with residents to start in the coming weeks.
- 5.11. The approach to planning needs to be agreed but it is likely that a hybrid planning application would be made, with detailed design for Phase 2 and the remainder at outline. The planning application could be structured such that the wider 'infill plus' improvements are triggered as development phases are brought forward thereby managing cashflow. This position is supported by early conversations with Planning.

- 5.12. Accordingly, the timeline for delivery of the Infill Plus improvements is likely to mirror the development timeline which, although not confirmed at this stage, is as follows:

Infill Plus Improvements	Delivery
Early improvement priorities	2021 to 2022
Phase 1 site (in the south of estate)	2023 to 2026
Phase 2 & 3 sites (middle and north of the estate)	2025 to 2028

- 5.13. The costs to deliver the 'infill plus' improvements outlined at 5.8 and to be confirmed through discussion with residents, will be established through the design process and budget requested at a future Cabinet meeting. The indicative costs as it is understood at this stage are set out in the financial implications in section 7.0 of this report.
- 5.14. Delivery of the improvements will be phased in such a way that they limit sunk costs and do not preclude (in the short to medium term) the future delivery of the redevelopment masterplan should this prove financially viable and desirable at a later date.
- 5.15. Budget is requested for the design of the remaining masterplan phases and the design of the associated estate wide infill plus improvements, and the supply and installation of a temporary community building.
- 5.16. Beyond the works identified through the maintenance programme, it is unlikely that significant improvements to the appearance of the existing homes could be made as the majority of the properties are cross wall construction, which would not support external wall cladding or other energy efficiency improvements in line with the Climate Emergency commitments. That said, households on St Raphael's should continue to expect a good level of ongoing maintenance and repair, both of their homes (if Council tenants or leaseholders) and their estate.
- 5.17. The Council's Allocations Scheme enables Council tenants living in St Raphael's, and on the social housing register, to benefit from the new homes being built. This will include tenants living in previously excluded parts of the area, for example those living next to the North Circular.

6.0. The Resident Charter

- 6.1. St.Raphael's Voice (SRV) is a constituted group of c. 15 resident volunteers from across the estate, established in 2019 and recognised by Brent Council to represent all St Raphael's residents who may be affected by the proposals. The group has consistently supported the Future St Raphael's project, providing an unbiased input on all aspects of the project and critically, championing a

community led approach. The involvement and input from all members of the group and in particular the Chair and Vice Chair, has been invaluable.

- 6.2. The Charter was created by the SRV Board, supported by PPCR, the Independent Tenant and Leaseholder Advisor (ITLA). The St.Raphael's 'Infill Plus' Charter (the Charter) is a set of commitments and ways of working established and requested by residents, developed with the Council. The Charter sets out how the Council will deliver the Infill Plus development for the St.Raphael's estate and community (please see *Appendix 2*).
- 6.3. In May 2021, a consultation on the draft Charter was carried out led by the ITLA, sponsored by the SRV and supported by the Council. The consultation ran for 6 weeks. An overall response rate of 35% of households was achieved with 83% of returns from Council tenants. A summary of the Resident Charter consultation is available on the Council website (www.brent.gov.uk/straphs).
- 6.4. The Charter is built around four themes of:
 - Putting local residents first;
 - Building high quality affordable Council homes for social rent;
 - Being an active place-maker (community builder);
 - Being a responsive, progressive & transparent landlord.
- 6.5. An action plan will be created for each commitment in the Charter, and progress reported to the SRV at its monthly meetings, and to the St Raphael's community bi annually.

7.0. **Financial Implications**

- 7.1. Current modelling estimates a residual land value of £3.7m for the infill masterplan, assuming £100,000 GLA grant funding per unit and over a 60-year investment period, making the infill option viable for the Council. This estimate will be refined as the scheme progresses.
- 7.2. There are a range of initiatives that could be carried out in addition to the infill development to deliver place making improvements and benefits to residents, the 'infill plus' options. The investments required to delivery these infill plus options will be decided through resident engagement and further analysis. The approximate cost of all potential 'infill plus' costs was estimated at c. £30m. These costs are to be refined through the design process and engagement with residents and as such, a budget for this is not requested in this paper. Once the budget requirement is identified, the Council can investigate funding sources, which may include any funds from the development, capital receipts, strategic Community Infrastructure Levy (SCIL) and borrowing.

Viability testing of 'infill plus' options has not been undertaken at this stage.

- 7.3. Previous modelling for the full redevelopment was based on the GLA's former funding programme (AHP 2016-21) and under this funding model, the full redevelopment option had a viability gap of -£26.6m. Under the new GLA funding model (AHP 21-26), the viability gap had worsened from -£26.6m to -£80m.
- 7.4. The changes to the GLA funding programme are :
- abolition of the tariff with grant per unit set at £100k or a negotiated rate based on costs of delivery;
 - removal of grant funding for new Council homes deemed to be replacement for existing Council homes;
 - and a cap on rent that can be charged for new Council homes in receipt of GLA funding at social rent, which is approximately 9% lower than London Affordable Rent (LAR).
- 7.5. The cash flow model has also been updated to reflect programme and market changes, including land assembly costs of £143m, market-pricing changes within the construction sector and changes to the unit and tenure mix. It was also subject to an external audit that concluded the model is fit for purpose but also recommended a number of refinements, which have now been included in the model.
- 7.6. The revised viability gap ranges from -£91.5m as a best-case scenario, to -£148.5m as a worst case, with the intermediate case of -£110.2m preferred by the Council.
- 7.7. The project team has investigated ways to improve viability of the redevelopment including changes to tenure mix and additional private homes for resale. These alterations do not improve viability sufficiently and the full redevelopment remains unviable for the Council due to the negative NPV and as the full redevelopment would not achieve payback within a 60 year period.
- 7.8. This paper requests £2.35m of budget for the commencement of the design in the Infill Masterplan and wider estate improvements and the purchase and installation of a temporary community building. The budget is split as £2.2m for the design and £0.15m for the temporary community building.
- 8.0. **Legal Implications**
- 8.1. The recommendation at paragraph 2.1 is likely to result in the making of a Key Decision as it may result in the Council incurring expenditure or making of savings of £500k or more; or depending on the location of the infill works it may be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority." Key Decisions are subject to the Council's Access to information Rules

within Part 2 of the Constitution. This means that the relevant recommendations must be published on the Forward Plan at least 28 days before the decision is taken unless it is exempt from publication. The Council must also wait a minimum of 5 days after the decision is made to implement the decision, or longer, if the decision is called in by the Council's Overview and Scrutiny Committee.

- 8.2. The recommendation at paragraph 2.1 involves New Spending within the meaning of the Financial Regulations in Part 2 of the Council's Constitution. As such, it will require Cabinet Approval.
- 8.3. The Council may need to appropriate the housing Land for planning purposes in order to override any third party rights. The Consent of the Secretary of State would be required prior to appropriating the site pursuant to section 19 of the Housing Act 1985. The Site may need to be appropriated in order to use the Council's powers pursuant to section 203 of the Housing Act 2016 (the 2016 Act). The Council would need to appropriate the site once planning permission has been granted. Appropriation can only take place once the land is no longer used for housing purposes as defined within part II of the Housing Act 1985. When making an application to the Secretary of State the Council will need to advise the Secretary of State whether social housing will be provided to the secure tenants required to leave the site in order to facilitate the development. Compensation may be payable to parties that may be affected by the use of the Council's powers pursuant to the 2016 Act.
- 8.4. The Council has powers to develop open space pursuant to section 241 of the Town and Country Planning Act 1990 where the open space land has been appropriated for planning purposes. The Council pursuant to section 122(2A) may appropriate open space land provided the requisite advertising period has been adhered to in relation to the consultation that is required to be undertaken prior to exercising the Council's power to appropriate.
- 8.5. A report on title will need to be completed by the Legal department, which may identify third party rights that may need to be overridden using the S203 powers. The Council is under a duty to consult and negotiate with third parties and where necessary, pay compensation. A survey report will identify the level of compensation payable.
- 8.6. The report on title will also identify agreements and easements that will need to be entered into with third parties. It is proposed that we delegate authority to the strategic director to enter into all easements licences leases and agreements relating to the infill development required in order to facilitate the completion of the development

9.0. Equality Implications

- 9.1. When making decisions in regards to service delivery, the Council has a duty to prevent discrimination, harassment and victimisation in relation to the Public Sector Equality Duty that covers the nine protected characteristics. The Council must also advance equality of opportunity and foster good relations between persons who share and do not share a protected characteristic. This would involve removing or minimising disadvantages and taking steps to meet the needs of each individual.
- 9.2. Throughout the master planning engagement to date, persons who share a relevant protected characteristic have been supported to participate. Equality monitoring has been undertaken at all events to track progress on reach and identify gaps.
- 9.3. Targeted initiatives and approaches have been implemented to increase reach with certain groups, but there are still some areas where engagement could be improved, in particular with young people, Asian and Muslim residents and adult men.
- 9.4. Through ongoing equality impact assessment, the project team will continue to monitor the reach and the targeting of the engagement, and the impact of the infill development on residents with protected characteristics, considering and implementing measures to mitigate negative impacts and maximise positive impacts.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 The Lead Member and Ward Members have been consulted on the recommendations in this report.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 None.

Report sign off:

Phil Porter

Strategic Director of Community
Wellbeing

This page is intentionally left blank

INFILL MASTERPLAN

Overview



Unit mix				
100% affordable				
1B	2B	3B	4B	5B
25%	40%	20%	10%	5%
92	148	74	37	19

Overcrowding		
1B:	-0	= 92
2B:	-22	= 126
3B:	-21	= 53
4B:	-14	= 23
5B:	-1	= 17

New
community
space: **300m²**

Refurbished community space
(Lilburne Walk shops and Sufra):
700m²

Proposed built area:
14.9 hectares
Green space: **6.5 hectares**

Existing built area: 12.2 hectares
Existing green space: 9.2 hectares



Individual blocks of flats to the south with communal green space in between improving safety and security in the park



Infill buildings in underused areas of the estate, activating the street on each side by having front doors in both directions



Terrace homes with back to back gardens to existing homes and front doors facing the park

INFILL MASTERPLAN

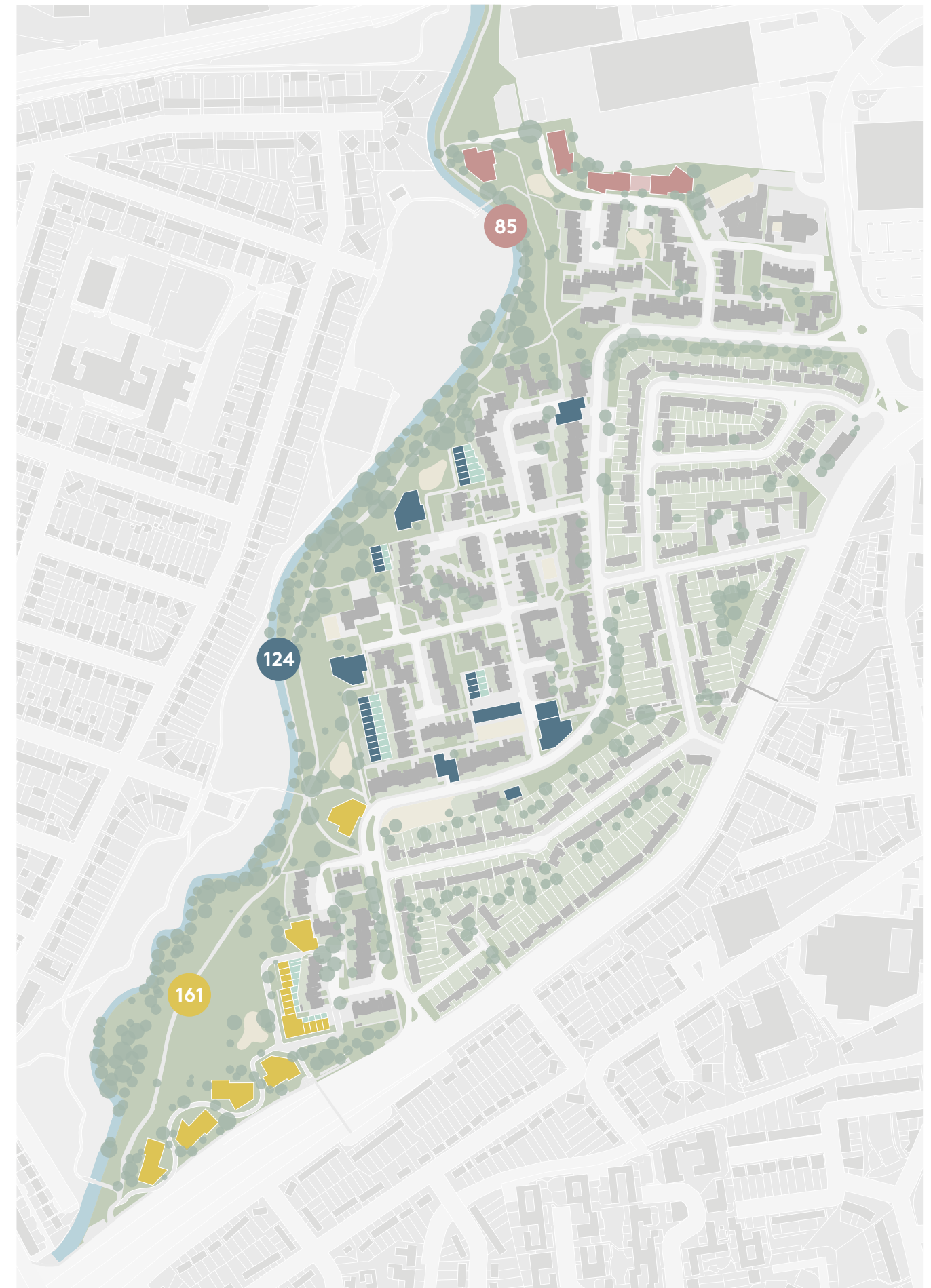
Placemaking



Phasing plan

Page 21

Total new homes: 370



This page is intentionally left blank

Appendix 2 - ST. RAPHAEL'S ESTATE

'INFILL PLUS' CHARTER

Our Vision: Making St Raph's a better place for us to live, work and play

Introduction

The St.Raphael's 'Infill Plus' Charter (the Charter) is an agreement between Brent Council (the Council) and the residents and stakeholders who live and work on the St.Raphael's Estate.

The Charter sets out in detail how the Council will deliver an 'Infill Plus' development for the St.Raphael's estate.

The St.Raphael's Voice Board (SRVB) is a constituted group recognised by the Council to represent all residents who may be affected by the proposals. The principal roles of the SRVB are set out in Appendix 1.

Created by and for residents

The Charter was created by the SRVB. Residents like you have had direct input into this document through engagement on the St Raph's Draft Resident Charter and through surveys, surgeries and discussions online.

This Charter means that residents will know exactly what they will get with the Infill Plus proposals. The Charter maintains our open approach by making it 100% transparent to residents that the Council are delivering what they promised.

Delivering on the Council promises

The Charter will be supported by many initiatives to deliver on the Council's pledges. The Council will work with residents to prioritise these initiatives, and track and report progress bi-annually so that they remain **accountable to residents**. This will allow us to say with confidence that "the Council promised X and delivered it by doing Y and Z".

The Charter reaffirms the Council's commitment to deliver the best possible Infill development for St Raph's, with residents at the heart of the proposals.

A Residents Charter built on four themes

The Charter is built around four themes of:

- Putting local residents first;
- Building high quality affordable council homes for social rent;
- Being an active place-maker (community builder);
- Being a responsive, progressive & transparent landlord.

Delivering the Charter will make St Raph's a better place to live, work and play.

Putting local residents first

Consultation

Continue to consult and work with SRVB and residents in decision-making and shaping the future St Raph's.

Keeping the community together

Council tenants living on St Raphs who are overcrowded will be able to move into a new home on the estate that's the right size for their family.

More homes for Brent families

Increase the number of council-owned homes available for Brent families.

Listen

Listen sensitively to the views of the wider community, to ensure the Infill Plus plans benefit local residents.

Building high quality affordable council homes for social rent

New homes

Build modern new homes with private outdoor space (balcony or garden) at social rents for St Raph's council tenants currently statutorily overcrowded, and new Brent council tenants on the social housing register.

Quality

Ensure the new homes will be built to the latest building and energy efficiency standards.

Considerate contractors

Ensure considerate contractors are used, with access to a resident liaison officer throughout the delivery of the infill masterplan. (See Appendix 2 Considerate Contractors)

Disruption

Make every effort to keep disruption to a minimum.

Being an active place-maker (community builder)

Invest in St Raph's

Commit to investing in St Raph's over the next ten years, to make it a better place to live, work and play.

Community priorities set by local community

Listen and deliver community priorities around:

- Landscape and Play;
- Infrastructure Improvements;
- Connectivity;
- Community Amenities.

Maximise Social Value opportunities

Continue to engage and work with community partners and stakeholders to maximise social value opportunities for St Raph's, including a commitment to a community led initiatives fund for St Raph's.

Homeowner assurances

Homeowners and leaseholders will not have to contribute a penny towards the delivery of the estate wide improvements (with the exception of any improvements made to their homes / blocks in accordance to the terms of their lease).

Being a responsive, progressive & transparent landlord

Responding to the needs of St Raph's

Respond to the priorities of St Raph's residents, including carrying out some immediate estate wide improvements in the first six months (starting October 2021).

Commitment to provide an excellent value for money service

Manage and maintain our Council rented homes ensuring that we receive a good, value for money service and have the peaceful enjoyment of our home and neighbourhood.

Transparent Communication

Maintain regular, open, and honest communication throughout the delivery of the infill masterplan.

Independent advice

Offer access to an independent tenant and leaseholder advisor throughout the delivery of the infill masterplan.

Delivering the charter will make St Raph's a better place to live, work and play.

ST. RAPHAEL'S ESTATE

'INFILL PLUS' CHARTER

Appendix 1 - St Raphael's Voice Board Principal Roles

The St.Raphael's Voice Board (SRVB) is a constituted group recognised by the Council to represent all residents who may be affected by the proposals.

The principal roles of the SRVB are:-

- 1) Work with the Council to achieve the delivery of a successful 'Infill Plus' plan for the estate and comment on the options proposed by the Council, architects and developers etc.
- 2) Participate in the evaluation and selection of consultants, developers and contractors etc.
- 3) Assist in communicating information to all residents on the estate and reflect the residents' opinions on the proposals to the council.
- 4) Participate in the preparation of information material that is circulated to the residents.
- 5) Nominate two members of the SRVB to attend the Council Project Board meetings
- 6) Nominate members of the SRVB to attend the St.Raphael's Community Design Review Group, subject to them signing the code of conduct. (See Appendix 3)
- 7) Attend training events as and when required.
- 8) Consider/comment on 'Infill Plus' options proposed by architects and designers to ensure it is aligned with community priorities.
- 9) Consider/comment on the environmental and open space aspects of the plan.
- 10) All SRVB meetings shall be minuted and made available online at www.brent.gov.uk/straphs. Matters that are deemed confidential by the Chair may be redacted.

ST. RAPHAEL'S ESTATE

'INFILL PLUS' CHARTER

Appendix 2 - Considerate Contractors

It is important that the construction stage of the infill project does not have an adverse impact on existing residents living on the St.Raph's estate.

In order to minimise these impacts, it is recommended that the following should be adhered to by contractors.

- 1) The boundary of the infill site shall be made secure with hoarding.
- 2) The rear access to the gardens of existing properties adjacent to the site shall be maintained during the build.
- 3) Permitted site working hours shall be Monday to Friday 8am to 6pm. Saturday 8am to 1pm. No working on Sundays and Bank Holidays.
- 4) All workers on site must be made aware of the need to keep noise and disruption to a minimum from building works, including equipment, plant and machinery, music, vehicles or any other sources.
- 5) Petrol and diesel engines used to power equipment and plant should not emit smoke once the running temperature of the engine has been reached. Bonfires are not permitted.
- 6) Prevention measures should be taken to minimise the formation and spread of dust and dirt. Where driving through the estate, the wheels of construction vehicles should be cleaned before entering / leaving the site.
- 7) The parking of contractors cars, vans and lorries on the existing St.Raphael's estate roads is not permitted, other than designated areas for contractors.
- 8) The Contractor shall appoint a designated person to liaise with SRV, PPCR and the Council.

ST. RAPHAEL'S ESTATE

'INFILL PLUS' CHARTER

Appendix 3 - St Raphael's Community Design Review Group

Terms of Reference

The Community Design Review Group is a sub-committee of the St. Raphael's Voice (SRV) that represents the interests of all residents living on St Raphael's Estate in matters relating to the future of St. Raphael's Estate.

The SRV in partnership with Brent Council and the design team have developed an Infill Development Masterplan. The Community Design Review Group builds on and progresses this work by ensuring residents are involved in informing and reviewing designs for the Infill Development scheme.

Membership:

- As recognised community representative all members of the SRV Board are invited to join the Community Design Review Group.
- Membership will also include other residents of the St. Raphael's Estate who will be able to express interest in joining the group. To ensure that there is representation from across the estate it may be necessary to limit places.
- Members will be expected to contribute constructively to informing and reviewing design proposals.
- Members are expected to commit to attending and participating in sessions regularly (these may include training, meetings, workshops, visits etc).
- The group is a consultative and advisory body.
- The group will operate with equal opportunities for men and women, regardless of nationality, religious beliefs, race, gender, age, sexuality, disability, marital status, or other potential cause for discrimination.
- Members should conduct themselves in a reasonable manner when attending meetings or any other function in connection with sub-group.
- Any offensive behaviour, including racist, sexist or inflammatory remarks, shall not be permitted and constitute a breach of reasonable manner;
- ***All members must sign the attached code of conduct when you join the Community Design Review Group***

Role:


- To work with Brent Council and the design team, other authorities and organisations to inform and review design proposals as they develop

- To provide a resident perspective on design matters and bring local knowledge beyond that of the design team and council
- Offer advice on design proposals which will lead to their improvement
- To work with Brent Council and the design team to ensure the provision of regular information to, and consultation with, the community on matters of Infill Development design
- To provide updates to the St Raphael's Voice Board on design issues and progress.

NB: The group's role is specifically to inform and review the design of the Council's Infill Development plans and not to review or promote alternative proposals.

Servicing of sessions:

- Sessions will be convened by Brent Council/Design Team
- Sessions will be led and facilitated by the Design Team
- Notes of sessions will be taken by the Design Team

 Brent	Cabinet 11 th October 2021
	Report from the Strategic Director of Regeneration and Environment
ARTICLE 4 DIRECTION TO REMOVE PERMITTED DEVELOPMENT RIGHTS FOR CHANGE OF USE FROM RESIDENTIAL TO HOUSES IN MULTIPLE OCCUPATION	

Wards Affected:	All, excluding parts of Harlesden, Kensal Green, Stonebridge and Tokyngton where Old Oak and Park Royal Development Corporation is the Local Planning Authority
Key Decision:	Yes
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Three Appendix A Article 4 Direction C3 to C4 Consultation Response Summary Appendix B Article 4 Direction C3 to C4 Area Appendix C Photographs of HMOs in Brent
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Paul Lewin, Team Leader, Planning Policy. Tel: 020 8937 6710 paul.lewin@brent.gov.uk

1.0 Purpose of the Report

- 1.1 The purpose of this report is for Cabinet to consider representations received to a borough wide Article 4 direction made in October 2019. The direction required planning permission for change of use from residential dwellings to houses in multiple occupation. It presents the representations received to the consultation undertaken in October 2019 and officer responses. It recommends the making of a new Article 4 that excludes the draft Local Plan's site allocations within the Church End Growth Area and all parts of the other seven Growth Areas.

2.0 Recommendations

- 2.1 Cabinet considers the representations received on a non-immediate Article 4 Direction made in October 2019 removing permitted development rights for change of use from Residential (C3) to Houses in Multiple Occupation (C4) and the officers' responses.
- 2.2 Cabinet agrees that the non-immediate Article 4 Direction made in October 2019 removing permitted development rights for change of use from Residential (C3) to Houses in Multiple Occupation (C4) does not proceed to confirmation and the Direction is formally revoked.
- 2.3 Cabinet approves the making of a new borough wide non-immediate Article 4 direction for change of use from Residential (C3) to Houses in Multiple Occupation (C4) that excludes the draft Local Plan's site allocations within Church End Growth Area and all parts of the other seven Growth Areas as shown in Appendix B.
- 2.4 Cabinet delegate authority to the Strategic Director for Regeneration and Environment in association with the Cabinet Member for Regeneration, Property and Planning to consider consultation responses and the decision on whether to confirm the Article 4 Direction.

3.0 Detail

Background

- 3.1 Cabinet on 14th October 2019, considered a paper titled '*Article 4 Directions To Remove Permitted Development Rights For Changes Of Use From Office And Light Industrial To Residential And Also From Residential To Houses In Multiple Occupation*'. This included:
 - a) *Background*. It set out recent government changes reducing the need for planning permission. This included information on the permitted development rights for residential dwellings to houses in multiple occupation (shared dwellings occupied by between three and six unrelated individuals as their main residence whilst sharing basic amenities such as bathrooms and kitchens) development.
 - b) *Article 4 Directions*. It identified a local planning authority's ability to remove permitted development rights where justified and the process for doing so including consultation and matters such as potential compensation payments to property owners.
 - c) *Consideration of an Article 4 direction to remove change of use of residential (C3) to houses in multiple occupation permitted development rights across the borough*. This identified that there are approximately 17,000 houses in multiple occupation (HMOs) within the borough. It identified their role in meeting housing need. It identified some of the negatives that houses in multiple occupation can bring as summarised in paragraph 3.6 of this report. It set out a range of powers available to the Council in terms of statutory

controls around housing and planning functions, including licensing and enforcement. The section also set out the advantages and disadvantages of undertaking the Article 4 direction.

d) *Conclusion.* This recommended a non-immediate Article 4 to require planning permission for change of use from residential to houses in multiple occupation across the borough. This was consistent with Cabinet's decision on the same agenda to apply additional licensing requirements to all houses in multiple occupation across the borough.

- 3.2 Cabinet approved the issuing of a borough wide non-immediate Article 4 direction removing permitted development rights for change of use from residential (C3) to houses in multiple occupation (C4).
- 3.3 Cabinet delegated authority to the Strategic Director for Regeneration and Environment in association with the Cabinet Member for Regeneration, Property and Planning to consider consultation responses and the decision on whether to confirm the Article 4 directions.
- 3.4 Having reviewed the representations received, it is however considered appropriate for Cabinet to make the decision on how to proceed.

The case for an Article 4 for HMOs

- 3.5 The National Planning Policy Framework (2021) (NPPF) requires that Article 4 Directions are based on robust evidence and apply to the smallest geographical area possible. The case as set out in the Cabinet report of October 2019 is summarised here.
- 3.6 Well maintained and managed HMOs undeniably can provide an important component of meeting housing need, and Brent's planning policies support the provision of good quality, well managed, HMOs. This is predominantly for single people or couples. Notwithstanding their importance in meeting housing needs, the quality of some of the conversions, whether lawful or not, is extremely low. As illustrated by photographs in Appendix C of HMOs in Brent subject to enforcement action the quality of some accommodation is shocking. Poor quality HMOs impact the lives of their sometimes more vulnerable occupants and their surrounding neighbourhoods. Negative impacts can include: inadequate quality of accommodation, transient populations; anti-social behaviour; noise and nuisance; and unmaintained properties and gardens from poor management leading to unsightly premises. They also undermine the ability of larger family households to meet their needs.
- 3.7 Many enforcement complaints, and the team's workload relate to HMOs. As planning permission is not required for a small HMO the team's main focus is whether a change of use has taken place from a dwelling house to a HMO (planning permission not required) or to multiple self-contained flats (permission required). The latter are mainly carried out in the landlord's view, under permitted development rights thinking they are HMOs. In reality these function as poor quality self-contained dwellings, needed planning permission and

should comply with planning policies including space standards. An Article 4 Direction which would require planning permission would remove any uncertainty that permission is required and ensure that planning space standards are met and as a result ensure good quality dwellings are delivered.

- 3.8 Nationally, stronger licensing powers were introduced in 2018. Within the borough HMOs are now required to be licensed. Powers under the Housing Act are different to those in the Town and Country Planning Act. For example, licensing powers would not be able to address potential over-concentration of HMOs, loss of family housing, external amenity standards, control of parking, provision of sufficient space for waste etc. whilst planning policy can. Planning would not deal with ensuring the proper management, use and occupation of the house concerned, and its condition and contents, whilst licensing can. Planning can also deal with what facilities are allowed in a room to address as to whether a room could be classified as a self-contained dwelling and eventually could become a flat. The HMO Licensing and HMO Article 4 Direction proposals will assist in a complementary and co-ordinated approach between the Housing and Planning functions. The approach will allow us to welcome good quality HMOs that provide a suitable standard of accommodation, whilst preventing low quality accommodation. An Article 4 would not impact on existing HMOs, but only new HMOs when it comes into effect in a year's time. Management issues would continue to be principally addressed through licensing powers. Applications for new HMOs would be assessed against our planning policies. A planning fee of £462 for each change of use would apply. For policy compliant schemes that don't need any amendments, subject to consultation, they should be dealt with under delegated authority 6-8 weeks after submission.

Consultation Process

- 3.9 The Council consulted for 6 weeks in Autumn 2019, with notices in the Brent and Kilburn Times and at sites across the borough, with the notices and directions available in libraries. It advertised the consultation on its website and sent notifications to statutory consultees and those on the Local Plan consultation list. All private sector landlords registered who received a monthly landlord news bulletin from the Council were notified of the consultation.

Representations

- 3.10 Thirteen representations were received, one neither for nor against (Highways England) and seven in support of the Article 4 including Brent Parks' Forum, with the remainder being residents. The five not in favour were those who own dwellings for private rent including Quintain/Tipi. A fuller summary of the representations, together with officer responses is set out in Appendix A.

Residents

- 3.11 Residents supported the Article 4 as it would allow for the better control of the quality of dwellings, that it would reduce the potential for concentrations of HMOs and associated anti-social behaviour, environmental quality and

pressure on infrastructure. In addition, the impacts on availability of family housing were identified. These reasons are broadly consistent with those set out by the Council in justifying the making of the Article 4.

- 3.12 Brent Parks' Forum support for the Article 4 was on the basis of its potential to reduce the adverse impacts on water quality. They consider higher occupancy of dwellings was causing greater occurrence of anti-social waste disposal through the sewerage system (wet wipes in particular) which was resulting in poor water quality from blockages/lack of capacity resulting in greater volumes of sewage diversion to watercourses.
- 3.13 Whilst no evidence was produced of the particular impact of HMOs in this regard, the dwellings are likely to be more intensively occupied than owner-occupier homes, which can cause pressure on sewerage infrastructure. Thames Water is responsible for ensuring sufficient capacity exists to reduce potential for pollution of watercourses from sewerage outfall and measures are required to comply with EU Water Directive requirements on meeting water quality in the Thames Basin Catchment.

Landlords

- 3.14 Landlords generally considered that the Article 4 was unnecessary. They regarded it as disproportionately affecting good landlords, bureaucracy, an abuse of power and money making procedure. They said it would result in residents being less able to meet their needs through more affordable rented accommodation being available.
- 3.15 Quintain, owners and developers of Wembley Park, submitted a detailed representation. The main thrust was that the report had not properly considered the impact on the 'build to rent' sector. Much of this accommodation is let out to sharers currently intended to be pre-formed groups either of professionals or students, or alternatively individuals matched by the landlords.
- 3.16 Quintain considered that the original report concentrated on adverse impacts of poor management, low quality standards and anti-social behaviour from concentration of HMOs. They identified that none of these adverse impacts were prevalent at Wembley Park, which has high quality accommodation, management regimes and no higher incidences of anti-social behaviour observed. Occupation of HMOs at Wembley Park would divert occupants away from elsewhere in Brent, thus better helping reduce the pressure on traditional larger family homes, which can meet larger households needs.
- 3.17 Quintain identified that continued investment in new dwelling stock of the scale anticipated in Wembley Park needed the confidence of institutional investors to be maintained through retaining the current flexibility. The reduction of the current flexibilities of letting to single households or sharers, which could occur through requiring planning permission, could limit the potential to reduce durations of property voids. This would affect returns on investment and increase risk. They also identified that the report had significantly under-

estimated the number of planning applications that would be submitted to the Council as a result of the Article 4.

- 3.18 In relation to the points raised in the representations made by landlords, it is considered that the Cabinet report of the 14th October 2019 identified and addressed the majority of the matters. The report was clear that HMOs provide lower cost accommodation that is important in meeting a need, which cannot be met through the lack of availability of low cost self-contained dwellings. The report did have a focus on the adverse impacts of poorer quality HMOs. It did however, also identify the role of licensing in principally being able to address these standards. It also identified the adverse impacts of HMO concentration and also on availability of the very limited supply of larger family sized accommodation (3+ bedroom homes) which means these larger households are unable to meet their needs. These are both factors which licensing, or the quality of landlords cannot fully address.
- 3.19 The Cabinet report identified that the proposed draft Local Plan policy allowed sufficient flexibility to allow for continued provision of additional HMOs. This would help in continuing to meet needs outside areas where levels of acceptable concentration had been reached. Given that the draft Local Plan policy at that time allowed for up to 36% of homes to be HMOs in any one area, (now modified to 26% through the examination process) whilst currently across the borough these comprise 15% of homes, there is clearly scope for potential increases of supply if planning permission is required.

Build to Rent – additional considerations

- 3.20 Based on Quintain's representation, it is acknowledged that the Cabinet report did not fully consider the potential impact on aspects of the institutional 'build to rent' sector and its provision of accommodation in large blocks/ areas. National planning policy, London Plan policy and the Council's policy supports increased provision of this form of development. This is for the potential role it plays in increasing development capacity to deliver much-needed homes and the professionalism/ quality of the product provided for tenants.
- 3.21 Build to rent development at Wembley Park provides for about 20% of the homes that will be delivered in Brent to 2041. It is therefore a key component of assisting in meeting Brent's housing needs, but also ensuring compliance with national planning policies related to the Housing Delivery Test.
- 3.22 In addition, the impact on the planning service, in terms of the time and cost of determining applications was also potentially under-estimated. This is related to the ability of the landlord to be able to 'flip' between dwellings and HMOs on a continuous basis (e.g. Flat X let to sharers on one tenancy, then to a family and then returning to sharers). On an estate of the size of Wembley Park (circa 5,000 build to rent dwellings) this could result in a large volume of applications.
- 3.23 Nevertheless, the Council has to balance up the build to rent sector's commercial desire to retain current flexibilities with other factors identified originally such as national planning requirements to create sustainable,

balanced and mixed communities and meet housing needs, in particular the needs for family accommodation.

Recommended way forward

- 3.24 The Article 4 direction was made with the intention that it would come into effect on 1st November 2020. To come into effect, it requires confirmation from the Council within two years after making the direction, having considered representations received. After it has made an Article 4, regulations do not allow the Council to easily amend its boundaries prior to proceeding to confirmation. To do this Schedule 3 of the GPDO 2015 identifies it has to make another separate Article 4 with the associated process of publicising and seeking and considering representations.
- 3.25 Taking account of the representations, and considering alternative options it is recommended that the Council proceeds with making a new Article 4 that requires planning permission for any change of use from dwelling to HMO, excluding site allocations within Church End Growth Area and all part of the other Growth Areas identified in the draft Local Plan. It is proposed not to include Church End Growth Area in its entirety as this would include areas of terraced family housing, which could be subject to conversion to HMO. The focus is instead on excluding areas of the borough where the majority of new homes will be developed. The reasons for this are set out below.
- 3.26 To provide additional clarity on the status of the existing made Article 4, it is recommended that Cabinet agrees that the Council does not wish to proceed with its confirmation and formally revokes the direction that was made. This will clarify its status and remove it from local searches associated with property transactions.

Alternative options considered

- 3.27 The following alternative options have been considered:
- a) proceed with confirmation of the Article 4 Direction as made (consistent with the original Cabinet decision) to require planning permission for any change of use from dwelling to house in multiple occupation;
 - b) proceed with confirmation of the Article 4 Direction as made to require planning permission for any change of use from dwelling to house in multiple occupation, but introduce deemed planning permission through Local Development Orders in relation to certain types of development in certain areas;
 - c) proceed with making a new Article 4 that requires planning permission for any change of use from dwelling to house in multiple occupation, but excluding selected parts of the borough;
 - d) not proceed with any Article 4 that requires planning permission for any change of use from dwelling to house in multiple occupation.

a) Proceed with the Article 4 as made

Pros	Cons
<p>The Article 4 direction will commence on confirmation, without the need for additional consultation and delay.</p> <p>Will remove uncertainty around when permission for conversion to an HMO is required, and help to reduce the amount of time the planning enforcement team spends on investigating and remedying non-compliant HMOs.</p> <p>Would allow the Council to consider introduction of a supplementary planning document. This can assist in improving the standards of HMOs.</p>	<p>Requiring a planning application for new build developments could result in essentially an administrative function for the Council and applicant with little or no additional beneficial planning outcomes. This is because standards are sufficiently high and over-concentration is unlikely. To gain planning permission new build developments must demonstrate high standards of amenity and high quality management regimes. New builds predominantly have an open plan layout for the kitchen/living room, so unlike other HMOs, living rooms will not be used as an additional bedroom. This provides good levels of internal communal space.</p>

(Continued...)

Pros	Cons
<p>Would address potential adverse impacts of over-concentration on neighbourhoods that cannot be addressed by licensing alone, for example balanced and mixed communities, volume of anti-social behaviour, impacts of transient populations and pressure on infrastructure including parking.</p> <p>Would prevent competition from HMOs impacting on the ability of larger households meeting their needs, particularly as a result of competition for three or more bedroom homes.</p>	<p>In terms of impact on family accommodation, new builds are predominantly one and two beds, and three bedroom dwellings or larger can be subject to condition, which states that they must remain single household dwellings. As such, the Council already has control over how they are occupied.</p> <p>Build to rent landlords desire to flip between dwelling and HMO could well result in a significant uplift in planning applications if change of use were applied for each dwelling individually. This will potentially substantially increase the 250 planning applications per annum identified in the 14th October 2019 Cabinet report. This would effectively result in a disproportionate unnecessary burden on the Council's development management function.</p> <p>The updated NPPF (2021) states Article 4 Directions should apply to the smallest geographical area possible. Taking into account the above, a borough wide Article 4 would not reflect the smallest possible area required to protect local amenity or the well-being of the area.</p>

b) Confirm Article 4 Direction in association with a Local Development Order that grants planning permission for two bedroom dwellings to be houses in multiple occupation in Growth Areas or more identified parts of the borough

- 3.28 An Article 4 direction removes permitted development rights and thus requires planning permission. Nevertheless, the Town and Country Planning Act 1990 also allows the Council to implement Local Development Orders (LDO). These provide permitted development rights for specified types of development in defined locations. It could grant planning permission for existing dwellings to become houses in multiple occupation. It can do this unconditionally, or attach conditions for example requiring notification to the Council of the change of use.

Pros	Cons
<p>Removes the majority of what can be regarded as potentially unnecessary planning applications, whilst focussing on a key matter for the Council: the potential loss of three and four bedroom homes.</p> <p>Would allow the made Article 4 to commence borough wide on confirmation, without the need for a new Article 4.</p>	<p>Potentially a significantly more administratively intensive process than would be associated with taking forward a new Article 4, particularly if applied to all Growth Areas.</p> <p>Could create confusion as the Council is removing a permitted development right, only to reinstate it in certain locations.</p> <p>There would be a lead in times due to the need to consult for a minimum period and consider responses. This will mean there will be a short period when planning permission will be required resulting from the Article 4 being confirmed in advance of the LDO. Alternatively, confirmation of the Article 4 would need to be delayed.</p>

c) Make a new Article 4 for change of use from dwelling to house in multiple occupation, removing site allocations within Church End Growth Area and all parts of the other seven Growth Areas

Pros	Cons
<p>Within Growth Areas new homes will be built to high standards, therefore this removes the risk of conversion to low quality HMOs.</p> <p>As many of the homes in these areas have yet to be built, the issue of renting to sharers in new development proposals can also be dealt with, as has been the case in many developments in these areas already, at the planning application stage. Conditions could set out the extent to which the flexibility to use such properties as HMOs without the need for planning permission is permitted.</p>	<p>A new Article 4 direction will be required. A non-immediate Article 4 direction would remove the risk of compensation claims from disaffected property owners/developers.</p> <p>The General Permitted Development Order specifically identifies that compensation cannot be claimed for loss if the Article 4 comes into effect at least 12 months after it is made. This means that it will not be until 2022 at the earliest that the Article 4 will come into effect.</p>

(continued...)

Pros	Cons
<p>It will not undermine the draft Local Plan policy approach of seeking to avoid concentrations of HMOs, as most homes in new developments in Growth Areas contain limited numbers of new larger family sized homes (three plus bedrooms).</p> <p>Requiring planning permission for all HMOs outside the Growth Areas will also allow the Council to consider introduction of a supplementary planning document. This can assist in improving the standards of HMOs.</p> <p>Removes the risk of more planning applications being submitted than originally considered, diverting resources away from proactively delivering high quality major regeneration and place making.</p> <p>This approach is consistent with the NPPF (2021) which states Article 4 Directions should apply to the smallest geographical area.</p>	

d) Proceed with no Article 4

Pros	Cons
<p>Would give dwelling owners flexibility to change use to HMO and maintain the current supply of additional HMOs, which do meet a housing need.</p> <p>Removes the risk of a significant additional number of planning applications and certificates of lawfulness. This risk has the potential to divert resource away from proactively delivering high quality major regeneration and place making.</p>	<p>Would not address the disproportionate amount of time the planning enforcement team spends on investigating and remedying non-compliant HMOs.</p> <p>Continued potential adverse impacts of over-concentration on neighbourhoods that cannot be addressed by licensing alone, for example balanced and mixed communities, volume of anti-social behaviour, impacts of transient populations and pressure on infrastructure including parking.</p>

(continued...)

Pros	Cons
	<p>Continued competition from HMOs impacting on the ability of larger households meeting their needs, particularly as a result of competition for three or more bedroom homes.</p> <p>The Council will not be able to use its planning powers to ensure HMOs provide a suitable level of amenity, which could result in low quality accommodation.</p>

Conclusion

- 3.29 The representations received indicate both support and objection to the Article 4. Fundamental issues raised in addition to those outlined in the report to Cabinet in 2019, when originally considering the making of the Article 4, are the impact on build to rent. The first relates to impacts on their business model, which is reliant on current flexibility allowed by permitted development rights and the impact on their confidence to continue their substantial development programme. The second is the potential increase in planning applications likely to be submitted to the Council being well above that which was identified. The risk to the Council is that this could divert planning resource away from the growth and regeneration agenda.
- 3.30 The Council has reconsidered its approach to the type of Article 4 Direction it should implement. A number of options have been considered, as outlined above. It is recommended that option c) is progressed which requires the making of a new Article 4 Direction that will exclude the draft Local Plan's site allocations in Church End Growth Area and all parts of other draft Local Plan Growth Areas where the majority of new homes will be built. New homes will be built to high standards, therefore this removes the risk of conversion to low quality HMOs. It is considered this option will balance the ability of the Council to control HMOs coming forward, without a disproportionate unnecessary burden on the Council's development management function. This would also represent the smallest geographical area possible for the Article 4 to be necessary to protect local amenity and well-being, consistent with the NPPF.
- 3.31 Alternative option a) will allow the earliest implementation of controls on HMOs. Requiring a planning application for new build developments to HMOs could result in essentially an administrative function for the Council and applicant with little or no additional beneficial planning outcomes. This is because standards are sufficiently high and over-concentration is unlikely. New builds are predominantly one and two beds, and three bedroom dwellings or larger can be subject to condition, which states that they must remain single household dwellings, meaning family housing can be protected. For this reason this option is not recommended.
- 3.32 Option b) is more complex in that it responds to taking away permitted development rights by reinstating them for certain areas, e.g. the Growth Areas

identified. This will allow the current Article 4 to proceed to confirmation (assuming the decision to do so is made before 21st October 2021), meaning no delay in start date of when it will take effect. The downside is that it is confusing and potentially cumbersome in its implementation, with if it is applied to all Growth Areas, the significant additional administration associated with granting a Local Development Order. For these reasons this option is not recommended.

- 3.33 Option d) retains permitted development rights with the associated adverse impacts. These were considered at length in the Cabinet decision of 14th October 2019 and the reasons for applying an Article 4 direction to the majority of the borough still stand. For these reasons this option is not recommended.

4.0 Financial Implications

- 4.1 The Fees Regulations 2017 allowed for the charging of fees for planning application resulting from permitted development rights being removed through an Article 4 direction. For changes of use of C3 to C4 the fee is currently unlikely to cover the cost of determining the planning application. The impact of this however needs to be weighed up against the cost of planning enforcement investigating complaints raised in relation to changes of use from residential to HMOs. The impact on the planning service as a whole could be cost-neutral.
- 4.2 The cost of the implementation of the Article 4 directions Order will be met from existing planning budgets. Costs will be low, limited to notices in the local press and site notices to be displayed in the area affected, plus some minor printing for consultation materials to be placed in libraries.

5.0 Legal Implications

- 5.1 The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) enables a local planning authority may make an “Article 4 Direction” to remove permitted development rights.
- 5.2 These orders do not prevent a development (which would otherwise be permissible without planning permissions) to which it applies, but instead requires that planning permission is obtained from the local planning authority for that development.
- 5.3 Before making such an order, the law requires that the local planning authority must be satisfied it is expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application.
- 5.4 In addition, the local planning authority must also have regard to other considerations including governmental guidance and policies. And in particular, paragraph 53 of the *National Planning Policy Framework*, which was revised in July 2021 following a consultation conducted by the government earlier this

year (reviewing the impact of these orders). The wording to paragraph 53 has been revised to include the following.

“The use of Article 4 directions to remove national permitted development rights should... be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities) In all cases, be based on robust evidence, and apply to the smallest geographical area possible”.

- 5.5 The effect of these revisions, is to make it harder for local planning authorities to remove permitted development rights (and not only in respect of *non-residential uses to residential uses*, which appears to be the government's principal motivation to these reforms.
- 5.6 As any Article 4 Direction introduced must now be limited geographically to the “*smallest area possible*” suggests that borough wide orders will be at a greater risk for challenge not least by the secretary of state (who has the power to modify or cancel a direction even after they are made). Government has pointed out (in their response following the consultation) that this “*shouldn't result in local authorities having to secure multiple Article 4 directions rather than one larger one where this is more appropriate*”. In any event, the government is keen to emphasis that the supporting evidence must be ‘robust’. Quite likely this means it envisages a higher standard of evidence, especially read together with the requirement for it to apply to the smallest area possible.
- 5.7 Nevertheless, the procedure for making and confirming these orders which the Council will follow is contained in Schedule 3 of The Town and Country Planning GPDO.
- 5.8 The GDPO also contains provisions to allow local planning authorities to cancel an order by making a subsequent order. An order can also be modified by cancelling the existing direction and replacing it with a new one.
- 5.9 Where a planning authority makes an Article 4 Direction, this can in certain circumstances trigger a requirement to pay compensation to those who lose permitted development rights. Compensation can be claimed for example for abortive expenditure or other loss or damage directly attributable to the withdrawal of permitted development rights.
- 5.10 The Council can avoid compensation liability by publicising their intention to make an article 4 direction at least one year, and not more than two years, ahead of the article 4 direction taking effect (a non-immediate order).

6.0 Equality Implications

- 6.1 The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and

maternity, race, religion or belief, sex and sexual orientation. The Council must, in exercising its functions, have “due regard” to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

6.2 For the removal of permitted development rights to C4 HMOs, the results are mixed. Due to their lower cost HMOs are more likely to be occupied by the economically disadvantaged which proportionately are more likely to comprise the young and black and minority ethnic groups. As such, a reduction in the number of HMOs coming forward might adversely impact on these groups in meeting some of their housing needs. In some cases, this will mean that they remain in temporary accommodation. Realistically however it is considered that supply numbers are unlikely to be significantly adversely affected in the medium term as landlords will seek to provide HMOs in a policy compliant manner in locations which avoid an over-concentration.

6.3 In the longer term, supply could be restricted by policy if the 27% threshold is met across the borough. This could adversely affect the protected characteristics identified. On the other hand, the need for planning permission will provide extra scrutiny of HMO accommodation and will raise its quality, which should improve the standard of accommodation provided for the protected characteristics identified.

6.4 The threshold together with the application of the Local Plan policy that restricts loss of housing will in time limit the loss of family accommodation. This will be a positive for black and minority ethnic groups in meeting their needs as these groups comprise the majority of Brent households and have larger average household sizes for which larger accommodation is required.

7.0 Consultation with Ward Members and Stakeholders

7.1 The Lead Member has been kept informed. The initial consultation was publicised in the members’ bulletin. There has been considerable dialogue with council services addressing housing needs, private sector housing and planning enforcement.

7.2 For the consultation a public notice was placed in the local press. There was a press release and awareness raising through the council’s website, plus letters sent to statutory consultees and those on the Council’s local plan consultation database. Registered private sector residential landlords were made aware. The documents were available in libraries and on the council’s website. Public notices were placed across the borough. The consultation was publicised in association with and at the same time as publication of the Local Plan with a 6 week consultation period.

- 7.3 These processes will be repeated for the new Article 4, although the consultation period will be the statutory minimum of 21 days, as consultation will not occur in association with the Local Plan.

Related Documents

[London Borough of Brent Cabinet Paper 14th October 2019: Article 4 Directions to Remove Permitted Development Rights for Changes of Use from Office and Light Industrial to Residential and also from Residential to Houses In Multiple Occupation](#)

Report sign off:

Alan Lunt

Strategic Director of Regeneration
and Environment.

Appendix A Article 4 Direction Consultation –C3 to C4 October –December 2019

Summary of representations received and officer comment

In total 13 representations: 7 in favour, 5 against and one no impact.

Respondent	Summary of Comments	Officer response	Change to Article 4
Highways England	Changes will not materially affect the safety, reliability, and/ or operation of the Strategic Road Network (SRN).	Noted.	No change.
Resident	In support. Landlords should be restricted from profiting at the expense of the wider community, and that of the tenants who inhabit these often poor dwellings. Impact on neighbours is unacceptable, and impacts on waste, sewerage, noise, footfall, character and parking needs to be considered. Going forward, future development proposals should consider: impact on employment/ businesses, accommodation standards, and impact on neighbours.	<p>Noted. Additional licensing requirements for houses in multiple occupation can help address the quality of dwellings to bring them up to minimum standards. The licences do address matters like management of the properties, so can reduce the potential for adverse impacts related to anti-social behaviour of tenants.</p> <p>Implementation of an Article 4 requiring planning permission would be able to address the potential for otherwise local adverse impacts associated with an over-concentration of houses in multiple occupation, which might impact on matters such as sewerage, noise footfall and character and parking. Planning permissions typically ensure that matters such as waste management, noise and parking are also addressed on-site.</p>	No change.
Resident	In support. Recognise need for housing in London, however, unregulated HMO's are not the answer. Changes to family dwellings across the borough has been rapid, resulting in problems with: subletting, parking, waste management, and anti-social behaviour. Increase concentration of occupants exacerbates these problems due to their lack of	Noted. Additional licensing requirements for houses in multiple occupation can help address the quality of dwellings to bring them up to minimum standards. The licences do address matters like management of the properties, so can reduce the potential for adverse impacts related to anti-social behaviour of tenants.	No change.

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>communal space, changing high streets where the offer becomes less welcoming to locals due to anti-social behaviour. Disproportionate occupation by single men increases feelings of discomfort for local women. Increased population turnover encourages illicit activity. A particular issue is the levying of council tax. Capacity to convert also increases non-occupier/ non-locals to exploit housing stock for investment, reducing affordability for local residents who wish to stay in Brent.</p>	<p>Implementation of an Article 4 requiring planning permission would be able to address the potential for otherwise local adverse impacts associated with an over-concentration of houses in multiple occupation, which might impact on matters such as population churn, anti-social behaviour, character and parking. Planning permissions typically ensure that matters such as amenity/communal space, waste management, noise and parking are also addressed on-site.</p> <p>Both the licensing and the need for planning permission would not intervene in who occupies a house in multiple occupation in terms of their gender.</p> <p>A control on the number of houses in multiple occupation may be a component of potentially reducing house prices. Notwithstanding this, private landlords who may either be residents or from outside the borough, letting to single households may also be in a better position to purchase properties than those buying their own home.</p>	
Resident	<p>In support. HMO's have adverse effects, namely anti-social behaviour due to over-crowding, and also impacts on: waste management, crime, public realm, parking/ transport, and the environment. This also impacts upon the availability of family housing which is lacking in Brent, reducing peoples capacity to put down roots and increasing population turnover.</p>	<p>Additional licensing requirements for houses in multiple occupation can help address matters like occupation levels and management of the properties, so can reduce the potential for adverse impacts related to anti-social behaviour of tenants.</p> <p>Implementation of an Article 4 requiring planning permission would be able to address the potential</p>	No change.

Respondent	Summary of Comments	Officer response	Change to Article 4
		for otherwise local adverse impacts associated with an over-concentration of houses in multiple occupation, which might impact on matters such as population churn, anti-social behaviour, character and parking. Planning permissions typically ensure that matters such as number of occupants, amenity/communal space, waste management, noise and parking are also addressed on-site. The Article 4 would provide in association with policies in the draft Brent Local Plan the potential to retain more properties for larger households to occupy as family housing.	
Brent Parks Forum	<p>In support. The Forum has joined with Thames Water; Thames 21, Brent Council and the Environment Agency as well as Woodcock Park Friends Group as part of the Friends of Wealdstone Brook. List of HMOS is not easily accessible currently. HMOs result in:</p> <ul style="list-style-type: none"> a) Increases in sewerage abuse – wet wipes have caused two medium sewage pollutions to the surface water systems and Wealdstone Brook in October and November 2019. b) Undermining sewerage capacity if numbers are too great. <p>Thames Water needs to be notified of HMOs in the future.</p>	<p>The Council is not specifically aware of evidence that HMOs in particular are likely to have higher instances of sewage abuse compared to other dwellings. Nevertheless, assuming abuse is consistent on average across the population as a whole, the volume of sewage and associated issues like increases in wet-wipes is likely to rise from higher occupation of residences. Rented dwellings and HMOs are likely to be more intensely occupied than owner-occupier, which tend to be under-occupied.</p> <p>Thames Water has not specifically requested to be notified of HMO development.</p>	No change.
Resident	In support. Strongly in favour of planning permission being required and needing to demonstrate adequate waste disposal facilities.	It is likely that the Council would seek to take forward a HMO Supplementary Planning Document to support emerging draft Brent Local Plan policies. This will provide additional advice	No change.

Respondent	Summary of Comments	Officer response	Change to Article 4
		on requirements for matters such as waste associated with the prospect of obtaining planning permission.	
Resident	In support. Council should be able to control over HMO development.	A requirement for planning permission will be able to better address this in association with emerging Brent Local Plan policy that identifies an acceptable number of HMOs in an area. It will however not be able to retrospectively deal with the many existing HMOs as these if lawful will not need planning permission.	No change.
Resident	In support. Vital development that the impacts on local services and amenities should be managed and not overwhelmed. The character of areas should not adversely affected by uncontrolled expansion in terms of housing units and numbers of people.	A requirement for planning permission will be able to better address this in association with emerging Brent Local Plan policy that identifies an acceptable number of HMOs in an area.	No change.
Landlord	Not in support. Council flouting the powers it has available to it. Should not be introducing an Article 4. Nor is there a need for licensing for good quality landlords. It is a money making venture which the Council does not apply to its own properties.	<p>The Council understands that good quality landlords feel they are unfairly being impacted on by the poor practises of some landlords. Where the landlord is of a better quality, then the level of Council intervention associated with licensing is less intense.</p> <p>The introduction of planning permissions for HMOs will not make the council money. The administration costs associated with an application currently are likely to outweigh the fee received.</p>	No change.
Landlord	Not in support.	Noted.	No change.
Landlord	Not in support. HMOs provide lower cost accommodation for single people and couples. The	HMOs do provide accommodation that might be more affordable for many and it is important in addressing the housing needs of residents. This	No change

Respondent	Summary of Comments	Officer response	Change to Article 4
	licensing regime gives sufficient scope to regulate properties.	<p>was acknowledged in the Cabinet paper that supported the consideration of the case for making the Article 4.</p> <p>The licensing does not deal with all matters, such as over-concentration of properties or loss of larger family homes for which there is also a housing need, which is currently not being met.</p>	
Landlord	Not in support. HMOs provide lower cost accommodation for those looking to climb the property ladder or may not be able to afford a flat. Planning permission adds bureaucracy that is excessive and will deter landlords.	<p>HMOs do provide accommodation that might be more affordable for many and it is important in addressing the housing needs of residents. This was acknowledged in the Cabinet paper that supported the consideration of the case for making the Article 4. In some cases residents might be seeking to save up sufficient funds to open up their housing options, for example by saving funds for some form of home ownership.</p> <p>Whilst a need for planning permission will add another process for potential landlords, it is part of a wider regulatory regime that will now apply in the borough associated with licensing. This is likely to ensure that committed/ more professional landlords are bringing forward properties for rent to better meet tenants needs.</p>	No change.
Herbert Smith Freehills and Quod on behalf of Quintain	Not in support. Wembley Park subject to masterplanning when completed by Quintain will have 8,500 homes of which 5,000 will comprise build to rent. The build to rent element is managed by Tipi.	Noted. It is recognised that the Wembley Park development is substantial. This is in terms of both the volume of dwellings and now the extent to which these properties will be privately rented. Due to its size, Wembley Park undoubtedly has a substantial role to play in addressing the diverse	The report identifies a range of options that the Council could pursue in response to the

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>These homes all meet or exceed national, GLA or local standards.</p> <p>Occupants of Tipi homes include pre-formed groups such as work colleagues, friends and students. Other occupant groups may be matched through businesses such as Lyvly which seek to pair unrelated individuals in furnished homes.</p> <p>Tipi has a number of homes with HMO licences. Tipi homes are generally not let to more than 6 occupants at any one time. As 4 beds are released in the future, these might have more than 6 occupants.</p>	<p>housing needs of the borough and due to its transport connections, a larger wider London than some other developments in other parts of the borough. Delivery of homes is also critical to the Council achieving national planning requirements around the Housing Delivery Test.</p> <p>As the developments have recently been given planning permission, or will be subject to future planning permission it is agreed that the standards achieved do meet or exceed national, GLA or national standards that apply to self-contained accommodation.</p> <p>As private sector rented homes, not unlike other similar properties in the borough it is expected that homes are currently let to groups of individuals rather than single households. It is also understood that this is on the basis of both pre-formed groups and also on a matching basis of effectively letting out individual rooms by an agency.</p> <p>Homes let to more than 6 occupiers of two or more households have previously and will in the future in any case require planning permission, irrespective of whether an Article 4 direction is confirmed as they are no longer from a planning perspective considered to be use class C3 dwelling houses. The Council will need to assess the impact of letting these larger dwellings on the availability of family housing, which was the</p>	<p>specific circumstances of the institutional build to rent sector which it is accepted the original report did not fully take into account in the recommendations that were made when recommending the making of the Article 4 direction. The recommendation is to make a new Article 4 that excludes site allocations within Church End and all other parts of Growth Areas where the majority of new housing will be delivered.</p>

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>Tipi does not currently market individual rooms but will from 2020 along with operators such as Lyvly. It will sublet to separate tenants who will share common facilities.</p> <p>Currently there is flexibility in the use class which can freely change to reflect occupants' relationships and in allowing lettings. The Article 4 would reduce the flexibility and letting market available, increasing the planning risk in letting new homes, increase administrative burdens and reduce the flexibility in the housing market to meet housing demand in the borough. Homes within the area identified by Quintain at Wembley Park should be excluded from the Article 4.</p>	<p>original reason why larger dwellings were sought as part of a mixed and balanced community.</p> <p>As the Council at Cabinet on 14th October 2020 approved a borough wide additional licensing scheme, every dwelling let to three individuals of 2 or more households sharing basic amenities is now required to be separately licensed. This is a legal requirement that will not change if an Article 4 direction is not confirmed.</p> <p>The current flexibility with regards to not requiring planning permission is understood. The Quintain response nevertheless, does not take account of the impact of the Council's additional licensing regime, which will require each HMO to be separately licensed. As the regulations stand, this could limit the extent to which landlords can or will want to flip between a private rented dwelling let to one household and a HMO as technically they will require different licences, with the associated cost/administration of doing so.</p> <p>The impact of the planning risk is understood and as Wembley Park is such a significant component of planned housing supply in Brent, impacts on confidence that would ultimately reduce delivery is a substantial material implication in terms of the potential adverse impact on meeting the Housing Delivery Test and the associated planning risks to the borough. Nevertheless, the planning process through national policy is also required to meet identified housing needs. As identified in the 14th</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>The homes at Wembley Park are professionally managed and are not causing 'nuisance' consistent with the problems associated in the Cabinet report that justifies the Article 4.</p> <p>National and London Plan policy supports provision of HMOs. The high quality of Tipi homes means that the Council has not sufficiently justified the threshold for introducing the borough wide Article 4 and it should not be applied in Wembley Park.</p>	<p>October Cabinet report, there is a significant need for family homes (65% 3+ bed properties). This need is not being met in new developments and existing 3+ bed homes are desirable for HMO landlords who are often in a better position financially to purchase those properties, rather than families. Quintain have identified that 3+ bedroom properties typically will become HMOs. In this scenario, two bedroom 3-4 people homes that can accommodate families are also important. Dwellings let out to sharers rather than families further reduce that available stock. The rents at Wembley Park are typically much higher than those in adjacent areas of Brent. Letting to sharers, whether they be professionals or students will help sustain higher rent levels and will displace potential family household occupiers. This ultimately will impact on Wembley Park's ability to meet non-affordable housing needs, particularly for smaller families in the borough.</p> <p>This is accepted. The quality of the dwellings, communal spaces, estate management and landlord practices is high. It gives an indication of the professionalism and quality that an institutional landlord can bring and why the Council and Mayor supports such operators.</p> <p>The Council also supports HMOs. As the 14th October Cabinet report identified the role that they play in meeting housing needs. This however has to be balanced up against other impacts and housing needs. Emerging policy in the draft Local</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>It is not clear where the statistics have come from in the Cabinet report para 3.21. The increase in owner occupation becoming unaffordable in the borough is an irrelevant consideration when determining whether an Article 4 direction should be confirmed. An Article 4 direction should not be used to control ownership in the borough.</p> <p>The use of Tipi homes in the disputed way helps reduce pressures for conversion of family dwellings elsewhere in the borough, but meeting market demand.</p>	<p>Plan sets a benchmark of approximately 27% of homes in anyone area being HMOs. This does not however mean that it encourages all potential dwellings to go up to this threshold. Consistent with the rest of the borough, provision of 15% would be more representative of its reflection within a mixed and balanced community.</p> <p>The information in paragraph 3.21 was set out in a publically available report 'The Case for Extending Selective Licensing in Brent' by Mayhew Harper Associated Ltd December 2016 and Census 2011. The increase in owner occupation becoming unaffordable is not an irrelevant consideration, as the Council needs to plan to meet housing needs in its Local Plan. The amount of HMOs and competition between private landlords and families seeking homes, combined with the lack of new supply of family homes means that permitted development rights are prejudicing the ability of the Council in proper planning of the area to meet family housing needs. The regulations allow Councils to justify Article 4s on this basis. Ensuring a mix of dwelling types/sizes for a range of occupants is part of the desire at a national level of creating balanced and mixed communities and providing for housing that meets local needs.</p> <p>It is accepted that this is possible in some cases.</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>Build to rent will be an important part of the housing market, helping LBB meet and potentially exceed its housing targets. It will provide a more diverse housing market that is more resilient to market downturns. The Article 4 will directly impact Build-to-Rent delivery due to the development's long term and retained investment profile as investors are less likely to risk investing if their eventual use and letting is significantly restricted.</p>	<p>The Council recognises that private rented dwellings will form a significant component of the borough's housing offer and that the continued attractiveness to investors of such homes will ultimately also impact on the rate at which new homes are built. Compared to the delivery of homes under the traditional build to sell model, there has been a significant upturn in dwelling completions since Quintain focussed on build to rent.</p> <p>The programmed build out rates indicate that this trend could well continue. It might well prove to be more resilient to market downturns. However, to date it is clear that build to rent has effectively been targeting the upper tiers of the rented market, with more premium products. This relies on high rents being sustained and much like has been shown with the wider developments of homes for sale across London concentrating on the same types of market, levelling out of demand means this focus cannot be sustained in the long-run. Whilst demand for private rent is probably more resilient in recessionary times, it does lead to reductions in spending capacity, which ultimately will result in lower rents, particularly in non-prime locations and consequently this will also affect investor confidence.</p> <p>In relation to the flexibility required for individual dwellings to flip between HMO and single household, as identified above, the Quintain</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>There is not an over-concentration of HMOs in Wembley Park. Tipi take steps to reduce potential for adverse impacts such as anti-social behaviour through pro-active management and a whole estate approach to ensuring high quality.</p> <p>Tipi homes are rented on flexible 6 month to 3 year terms giving tenants security. In this instance, the populations of Wembley Park may be less transient than elsewhere within the borough.</p> <p>Tipi do not charge additional rent for units rented to sharers over those rented to families. Rents are determined by unit size, design and location.</p>	<p>response does not take account of the impact of the introduction of additional licensing and as it stands currently, this similarly would affect the potential ease to flip between self-contained and HMO accommodation.</p> <p>It is accepted that Tipi through its management of the rental estate has to date removed adverse impacts that can be associated with a concentration of HMO properties, which are not prevalent in the Wembley Park area to date.</p> <p>It is recognised that Tipi is a good landlord with flexible terms that allow tenants to remain if they wish. The retention of tenants for longer periods is usually also in the interests of the landlord, reducing costs associated with turnover such as voids, marketing costs and administration.</p> <p>This is welcomed.</p> <p>It is recognised that the issues identified to date have not typically arisen in Wembley Park.</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>Council mechanisms including licensing, policy, enforcement, community safety and environmental health are not considered necessary in Wembley Park given the lack of issues typically associated with HMO's. If such issues do arise in the future such mechanisms may be appropriate. However, it is not considered appropriate to enact the Article 4 on the basis that these issues may arise in the future.</p> <p>Quintain has not sought to subvert the planning regime and complies with planning policies such as space standards. This element of the Cabinet report does not reflect experiences in Wembley Park and therefore is another reason for not confirming the A4 there.</p> <p>In relation to the boroughwide Article 4 the Cabinet report only deals with the matter of potential Secretary of State intervention. It does not deal with other alternatives, such as application to smaller areas/ hot spots/ borough wards. This is unreasonable.</p>	<p>The fact that Quintain complies with policies such as the space standards is accepted. Overall, it is accepted that consideration of the institutional build to rent model was not been appropriately addressed in the report and that the Council needs to identify and justify a suitable response.</p> <p>This is incorrect. The report's 'reasons for not making an Article 4 direction' j) identified "An area-specific Article 4 Direction could have the unintended consequence of encouraging HMOs outside of the restricted area, leading to further concentrations more widely across the Borough." The borough's response is considered proportionate as it does not preclude the provision of additional HMOs. Indeed compared to other councils the HMO allowable threshold for areas in emerging draft Local Plan policy at 27% is comparatively high. Unlike his response to the B1a and B1c to C3 article 4 directions, the Secretary of State chose not to seek clarification questions, neither has he indicated the potential to intervene. As such, the approach proposed by the Council in making the Article 4 is considered justifiable as reasonable.</p> <p>Agreed. The Cabinet paper indicates a range of issues in relation to addressing the number and concentration of HMO properties. It is not necessary for each potential adverse impact to be</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>The reasons identified in para 3.31(a) for the article 4 such as parking pressure and waste management do not occur in Wembley Park.</p> <p>There is no evidence in the report that the Article 4 will reduce the number of enforcement investigations. Actual and specific evidence evidence should be relied upon in confirming a borough wide Article 4 rather than anecdotal.</p> <p>The following reasons in the report are irrelevant in the confirmation of the report: e), f) and g).</p>	<p>fulfilled in each case for the Article 4 to be justified.</p> <p>The number and type of enforcement cases associated with HMOs is one of the reasons for pursuing an Article 4, not the only one. Compared to a scenario where no planning permission is required, it is not unreasonable to anticipate that owners of properties will proceed with more diligence, submitting their plans to the Council and awaiting confirmation of permission. This cannot be exact in its estimation. At the moment, owners are likely to just start on site with a layout that may well be incompatible with a C4 use. The need for permission is likely to result in less enforcement cases. Point c) has been based on the enforcement team's feedback from other councils on enforcement forums where the matter of HMOs has been a subject for discussion over the years.</p> <p>e) is relevant in that it gives an indication that in terms of outcomes communities view the benefits associated with designation as outweighing the potential adverse impacts on the supply of HMOs to meet housing needs. f) Again indicates that where a council has had to balance up the need to protect neighbourhood amenity or family housing through restricting concentrations of HMOs that it has not had to fundamentally review this on the basis of potential adverse impacts in terms of the supply of HMOs to meet housing needs. g) Indicates that on the basis of balancing up the need for HMOs/ flexibility of the planning system,</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>No evidence in the report is provided that the impact to the planning service will be “cost neutral”.</p> <p>The counter arguments for the Article 4 are limited in their scope and balance. Quintain however supports reasons: 3.31a)-c) under the reasons for not making an Article 4 Direction.</p>	<p>versus potential adverse impacts on communities through concentration/ loss of family housing that wider areas (in this case national) the case for planning permission has been established.</p> <p>It is true that the report’s statement is not based on a forensic financial analysis. It is based on professional judgement taking account of the likely small shortfall of income related to an application for change of use for the projected HMO applications (240 cases) versus the extensive enforcement officer time per HMO investigation case for which no fee, or sometimes a change of use fee can be attained on regularising development. No additional resources are sought in association with the decision and as such, the risk/balance lies with the planning service to manage within the financial parameters/ work priorities that it has to manage on an on-going basis.</p> <p>Noted</p> <p>The Council has been clear of the role that planning and housing licensing play and their respective controls. The need for planning permission is related to limiting concentration, which as indicated can have adverse impacts whether landlords are good or bad and the reductions in availability of family sized housing to meet needs which is being impacted by lack of</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>The fact that the Article 4 will have limited impact on existing stock and hit good and bad landlords equally does not provide adequate justification for the additional burdens it imposes.</p> <p>The paper significantly underestimates the potential number of applications. In the Quintain estate alone it is estimated that between 1500 and 2000 applications will be sought per annum. This has not been considered in the financial implications. The report fails to establish the overall benefits would outweigh the burdens and costs.</p>	<p>sufficient sized homes being delivered in new development and change of use of existing homes to HMOs.</p> <p>It is recognised that the figure provided is an estimate, but this was done on the basis of available information. That is the growth in number of HMOs over the last decade. The Quintain representation does not take account of the Council's additional licensing requirements that apply to every 3 or more person HMO across the borough. There is an administrative cost to the landlord to license the property as a HMO. Additional licensing requirements mean that adaptations to properties also need to occur to make them compliant. These features may not necessarily be easily removed, nor desirable to single household lets (such as locks on bedroom doors/fire doors, etc.) In addition, there are different management/administrative issues for landlords and risk profiles to letting homes to a single household, people who rent together, or individual tenancy agreements related to room lets, which is related to means to obtain possession of the property either for the owners or lenders. These factors mean it is likely that non-institutional landlords largely sit in the camp of either renting to a single household, or letting to individual tenants.</p> <p>For institutional build to rent however, it is accepted that a more flexible approach to tenancies might be a model that could apply to</p>	

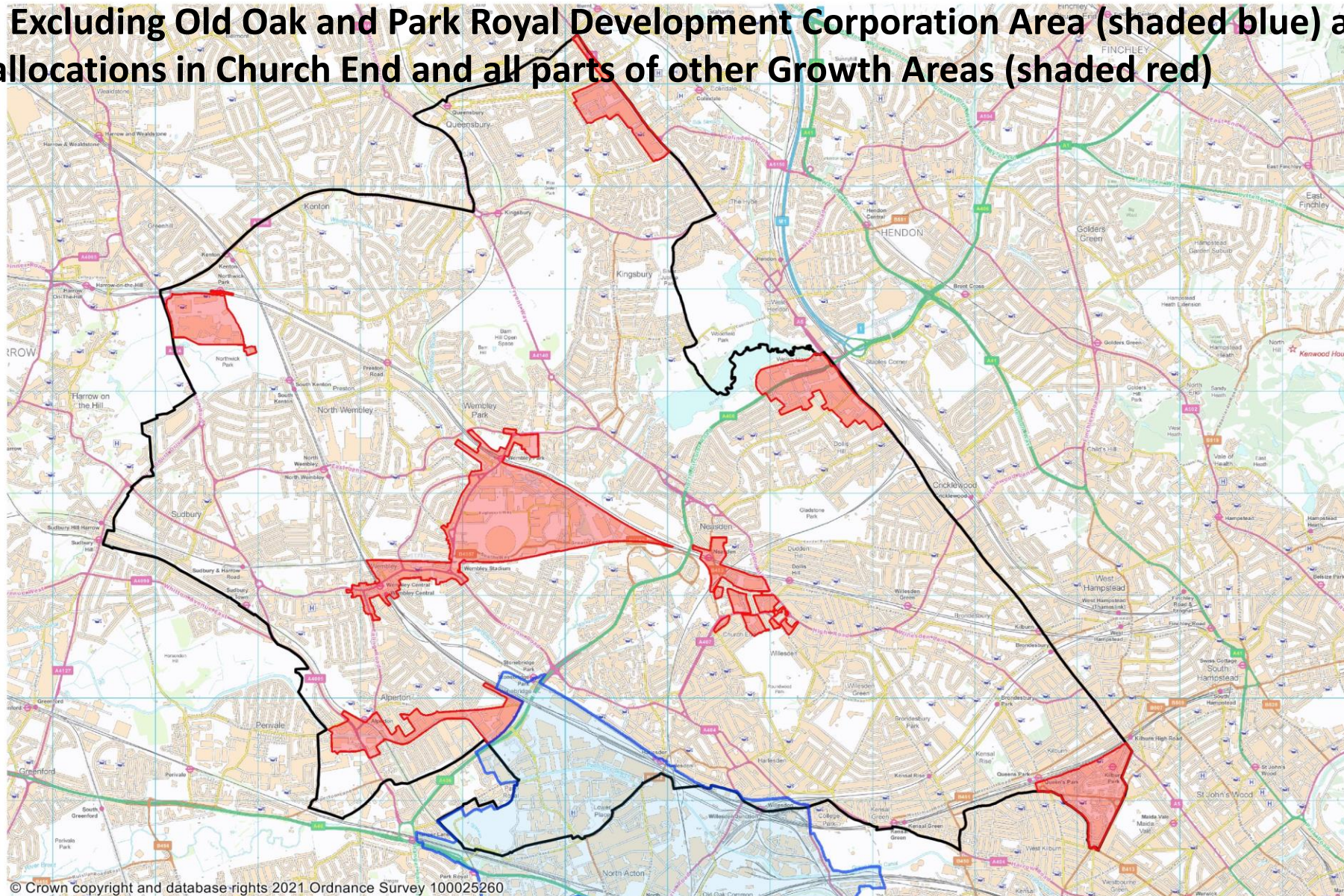
Respondent	Summary of Comments	Officer response	Change to Article 4
		<p>any of their dwellings as Quintain have identified could apply at Wembley Park. Notwithstanding this, the estimate provided by Quintain of between 1500 and 2000 applications is considered to be grossly inaccurate. Quintain have identified that 5000 dwellings within the estate will be build to rent. On the basis of current consents, the property size profile of the private rented dwellings is heavily weighted towards one bedroom properties (55%). Projecting this forward indicates that 2,250 of the 5000 dwellings will be 2+ bedroom. These realistically are the only size of dwellings that can be let as a HMO (3 or more people sharing). If each of these dwellings were let at a maximum of 6 months it would create a maximum of 4,500 new lets in a year. Nevertheless, to require consent needs a change of use from C3 to C4 to occur, the maximum of which would generate the need for 2,250 applications. In reality, the average tenancy is longer than 6 months. Kinleigh Folkhard and Hayward Annual Tenant Barometer 2019 indicates an average tenancy length at around 20 months. Applying this would bring the number down to around 681. Admittedly, this is well above the 250 applications identified in the report and its potential impact needs further consideration.</p> <p>At the time of designation the Council considered a whole borough approach proportionate. It had evidence that whilst HMOs did have areas where they were very concentrated, due to their numbers overall there is a high prevalence across nearly all</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>It is proposed that having an area specific Article 4 direction could lead to increased concentrations of HMO's elsewhere in the borough. It is hard to see how this would apply to the Wembley Park area if it was excluded as there would be no change in the status quo. If this were to take place, it would be within the Council's power to enact an Article 4 in light of this new evidence. A targeted approach will better reflect local circumstances. Where boroughs have done this, such as Haringey and Hillingdon it has not resulted in adverse impacts elsewhere. The Council would have the ability to take forward an Article 4 for those areas if evidence indicated that this was the case.</p> <p>The Tipi BtR model helps accelerate housing delivery and meets specific market demand. By imposing this Article 4 on the Wembley Park area the Council may push sharers out into the wider Brent housing market, putting more pressure on family units to convert to HMO's without the necessary licencing and permissions.</p> <p>Current lack of affordable housing may see a rise in age polarity between neighbourhoods, especially considering the aging population. The Tipi model</p>	<p>of the borough. Brent's levels of in-migration, particularly from overseas and its role as an initial landing point, prior to migration elsewhere means that there is a strong market interest in the provision of HMOs, which if restricted in one area is likely to result in displacement elsewhere. This is consistent with the approach of most boroughs which has been to apply their Article 4s to the whole of the borough.</p> <p>It is accepted that build to rent has accelerated housing delivery at Wembley Park. The need for planning permission at Wembley Park is not likely to result in a significant change in supply of HMO accommodation there if it is a necessary part of Quintain/Tipi's investment model. Due to the levels of rent charged at Wembley Park, it is not considered that prospective tenants are likely to be in the same market segment as those tenants who may be taken advantage of by poorer quality landlords.</p> <p>The lack of affordable homes to rent or buy is undoubtedly affecting demographics and social mix across London. The Tipi model has a particular focus, which arguably does help attract residents which may not be catered for within the borough, but similarly its niche focus cannot be wholly regarded as meeting Brent's needs or those of a balanced and mixed community.</p>	

Respondent	Summary of Comments	Officer response	Change to Article 4
	<p>helps to meet demand of affordable housing for those in the middle (i.e. young professionals and middle income households), helping to attract a mix of residents which otherwise may not be catered for within the borough, increasing the areas economic vitality.</p> <p>The government projects that by 2014 all of Brent's population growth will be in single person households and households with two or more adults with no children. This is the market which BtR, and in particular the sharer units will accommodate.</p> <p>Part of the appeal of these homes is their stress-free, flexible nature. By imposing an Article 4 this appeal would be lost.</p> <p>LBB has already acknowledged the special circumstances that apply to Wembley Park through creating an exclusion for the area in relation to Selective Licensing.</p>	<p>The Brent Strategic Housing Needs Assessment takes account of the projected household growth by demographic and people's financial ability to meet their housing needs, this indicates a majority need for new larger family homes in the borough.</p> <p>It is for the landlord to manage tenants' services. It is unlikely that an occupying single household will seek another tenant to live with them.</p> <p>The Council has however confirmed Additional Licensing for Houses in Multiple Occupation that would apply to the whole borough including Wembley Park.</p>	

Appendix B Dwelling House to House in Multiple Occupation Boundary

- Excluding Old Oak and Park Royal Development Corporation Area (shaded blue) and site allocations in Church End and all parts of other Growth Areas (shaded red)



This page is intentionally left blank

Appendix C: Photographs of HMOs in Brent subject to Planning Enforcement

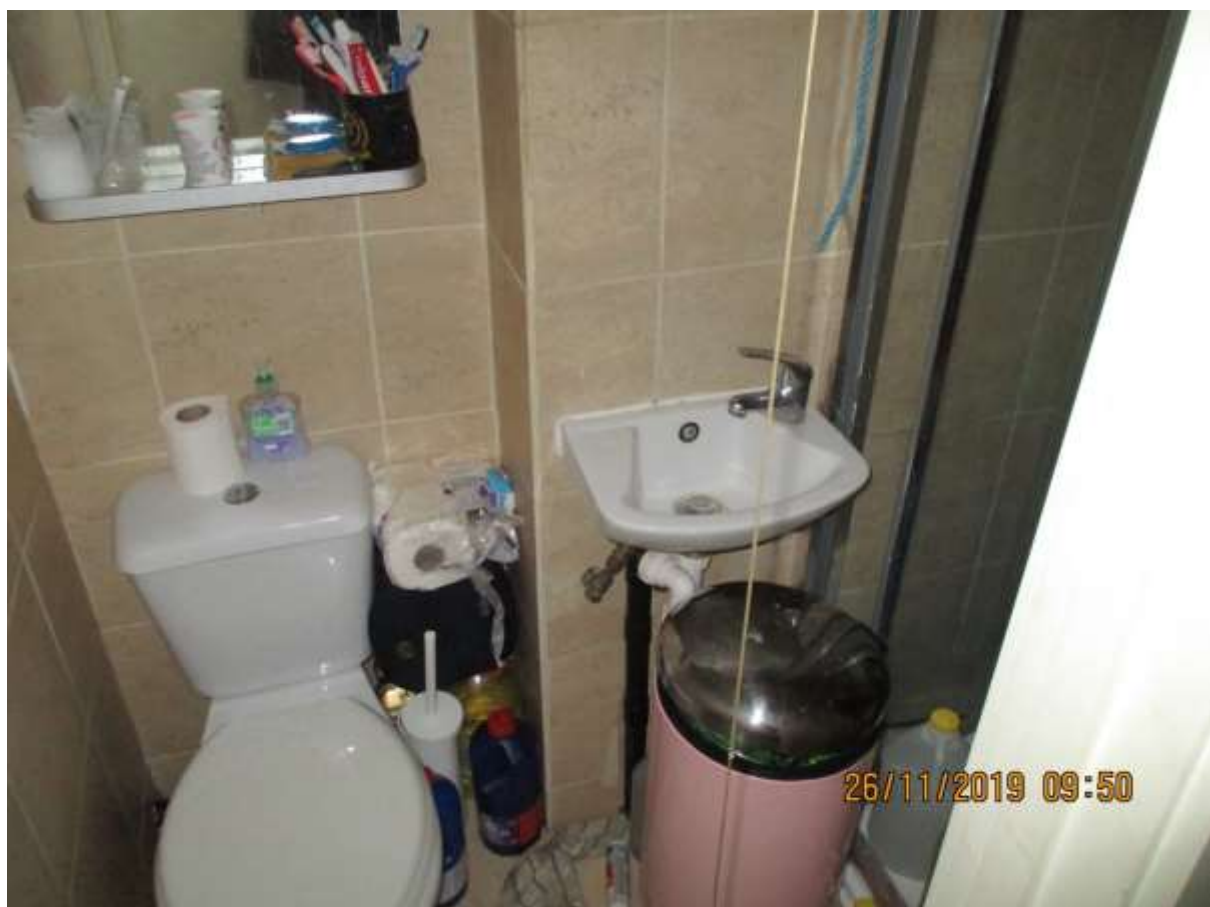















This page is intentionally left blank

 Brent	Cabinet 11 October 2021
	Report from the Chief Executive
Proposal for ownership and refurbishment of Granville New Homes blocks	

Wards Affected:	Kilburn
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix B contains additional legal Implications with have been classified as exempt pursuant to paragraph 5 of Schedule 12A of the Local Government Act 1972: “Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.”
No. of Appendices:	Two Appendix A Cashflow implications of options Appendix B (Exempt) Additional Legal Implications
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Adam Barrett, Senior Finance Analyst, 020 8937 2174 Adam.Barrett@brent.gov.uk Ralph Gibson, Strategy Delivery Manager, 020 8937 2572 Ralph.Gibson@brent.gov.uk

1.0 Purpose of the Report

- 1.1 First Wave Housing (FWH) has commissioned a report from Ridge Consultants to investigate water penetration, cladding, fire safety and window issues at FWH’s Granville Road, Princess Road, and Canterbury Road blocks (otherwise known as Granville New Homes). Ridge have recommended that works be carried out at the blocks to remediate these issues. It is estimated that the cost of works will be £18.5m. This makes the FWH business plan unviable.
- 1.2 Within these constraints, a report was presented at FWH’s biannual Guarantor meeting, detailing the possible options for funding and carrying out these remedial works. The report recommended disposing of the blocks to the Council’s Housing Revenue Account (HRA).

- 1.3 Following the Guarantor meeting, the Guarantor asked FWH to investigate options around how FWH could structure its debt, primarily whether it retains the debt for the blocks at a new interest rate of 2%. The Guarantor also requested that FWH explore options for protecting the revenue flows of FWH's intermediate rented properties. Further information on this is in section six of this report.
- 1.4 The report also presents options for transferring FWH's properties to the HRA including how FWH structures its future debt, and whether the intermediate rented properties at the blocks are transferred to the HRA or i4B, for Cabinet to review. It is recommended that subject to consultation with residents at Granville New Homes, the 84 social rent properties are transferred to the HRA, and the leasehold interest of the 25 intermediate rent properties is transferred to i4B, with the freehold interest of the entire blocks being transferred to the HRA. This is recommended as the best option to balance costs between the Council's General Fund, HRA and housing companies and ensure the works are carried out as rapidly as possible.
- 1.5 Audit and Standards Advisory Committee (ASAC) considered a regular update on FWH at its meeting on 22nd September 2021, and ASAC recommended that the Community and Wellbeing Scrutiny Committee consider and comment on the implications for BHM and the HRA of the recommended disposal option. The Committee will meet on 7 October, and any comments and recommendations will be circulated in advance of the 11 October Cabinet meeting.
- 1.6 Finally, as per guidance from the Regulator of Social Housing, First Wave Housing will be expected to consult with residents prior to disposing of its ownership of the properties to another landlord. Therefore, this report seeks Cabinet's approval to begin a consultation with residents on the potential disposal of the block to the HRA. Subject to the outcomes of this consultation, this report asks Cabinet to delegate authority to the Strategic Director of Community Wellbeing for a final decision regarding the disposal of the properties.

2.0 Recommendation(s)

- 2.1 Cabinet note the options analysis and agree that disposing of the blocks at Granville New Homes to the HRA is the best option, subject to a consultation with residents being carried out.
- 2.2 Cabinet give approval to commence a consultation with residents on the proposed option 1C as set out in sections 5 and 6 of this report.
- 2.3 Cabinet delegate authority to the Strategic Director of Community Wellbeing in consultation with the Director of Finance and the Lead Member (the Deputy Leader) for a final decision regarding the disposal of the properties, subject to the outcomes of the consultation with residents.
- 2.4 Cabinet delegate authority to the Director of Finance to renegotiate the terms and payment of the loan between Brent Council and FWH.

3.0 Background

- 3.1 FWH is one of the Council's wholly owned housing companies. It is a registered provider with 326 properties. A breakdown of these properties is below:

Table 1 – Breakdown of FWH portfolio

Rent Type	Number	Annual rent	Comment
Intermediate	25	£379,684	All intermediate units are at Granville New Homes. Let on assured short hold tenancies (ASTs). Rents are let via external estate agent with intention that reduced rents allow families to save for a deposit.
Market	45	£709,147	Let at market rates on ASTs. Located across the borough.
Settled Homes	167	£2,612,876	Purchased through grant funding, let as a form of TA. Let on ASTs. Rents reduce to affordable rates over time.
Social	89	£603,879	Let at social rent levels. 84 units are at Granville New Homes. Large amount of tenants were ex-Council tenants, with secure tenancy rights.
Total	326	£4,305,585	

- 3.2 Of FWH's 326 properties, 110 are located at Granville New Homes. These 110 properties comprise of 84 social rented properties, 25 intermediate rented properties, and one leaseholder.
- 3.3 Granville New Homes is a residential development that completed in 2009. It was developed by the Council and Higgins. In 2007, the Council selected Hyde Housing as their preferred partner to purchase the properties. However, due to economic downturn in 2008, Hyde reduced their initial offer for the blocks. This was not acceptable to the Council as the revised offer did not cover the Council's development costs.
- 3.4 The Council, therefore, looked at alternative options. Retaining Granville New Homes within Council ownership was not deemed viable. As a result, the Council's arm's length management organisation (ALMO), Brent Housing Partnership (BHP), purchased the properties at a cost of £17.1m. This figure met the Council's development costs and was funded via a loan from the Council. BHP also received 45 one bedroom market rented properties in order to cross subsidise the acquisition, as on its own, the purchase of Granville New Homes would not have been viable for BHP. Since 2009, the properties have been managed as part of BHP, now FWH's portfolio.
- 3.5 At the December 2020 Guarantor meeting, the Guarantor was made aware of potential defects at Granville New Homes relating to fire safety and water ingress. Currently, a waking watch service has been put in place at the blocks and a communal fire alarm is being installed.
- 3.6 Since December 2020, investigations have taken place into these issues. At the June 2021 FWH Board meeting, the Housing Property Services team presented the results of fire risk assessments and intrusive investigations into fire safety concerns. Ridge Consultants also presented the results of intrusive investigation into the water penetration, cladding and window issues at the blocks.
- 3.7 In summary, the investigations determined that the blocks suffer from poor quality design, construction and workmanship going back to the original construction. Water ingress is an issue at various locations in the blocks and

the blocks do not comply with current fire safety building regulations. The report found the concrete core of the building was structurally sound and that the most effective solution would be to refurbish the blocks.

3.8 The Ridge report stated that the issues identified are not easily repairable in a way which will offer a guaranteed and satisfactory solution. On this basis, the only available option is to replace the facades, roof coverings and balcony waterproofing systems. These works include:

- Removing and replacing all cladding (both cementitious and brick effect panel) with non-combustible A1 or A2 fire rated materials;
- Stripping external façades and removing all external doors and windows;
- Providing new external doors and windows within a new panelised cladding system;
- Replacing insulation; and
- Stripping roofs and providing new roof coverings.

3.9 Including consultancy services, the waking-watch, the fire alarm system and contingency allowances, the estimated total cost of remediation works is circa £18.5m (including VAT). This figure includes £2m of contingency costs. If the remediation is carried out as outlined, the estimated completion date is September 2023. At present these costs are not affordable for FWH. It should be noted that the £18.5m is an estimated value from Ridge; until works are tendered and completed the actual cost will not be known.

3.10 The Guarantor and FWH Board requested that officers explore options for funding the works. An options analysis was presented to the Guarantor on 23 August 2021 and it was agreed that the recommended approach is for FWH to transfer the units at Granville New Homes to the Council's Housing Revenue Account, subject to further work being undertaken on the details of the transfer.

4.0 Summary of Discounted Options

4.1 The following section presents a list of the discounted options. In summary, there are no cost free options available to the Council. Therefore, options were reviewed against the following criteria:

- Putting the properties back into a good state of repair as quickly as possible;
- Causing the least disruption to residents;
- Allocating the risks of a major refurbishment programme to where they can best be managed; and
- Utilising the structures of the Housing Revenue Account (HRA), General Fund, FWH and i4B in a way that is most financially beneficial to Brent Council overall.

4.2 A summary of the discounted options is below.

Option	Comment	Reason for exclusion
Rebuild at higher density	The blocks would be demolished and rebuilt at a higher density to offset demolition and rebuilt costs.	Not possible at sufficient scale to be affordable due to planning constraints, and would require temporary decanting of residents.

Market sale	The blocks would be sold on the open market. This would require vacant possession and therefore require residents to be permanently re-housed.	Would require permanent decanting of residents and would not be an option that could be implemented rapidly due to the decant process.
Transfer to the General Fund	Under this option, the blocks would be disposed of to the General Fund.	The General Fund cannot operate permanent tenanted accommodation (at least not without the consent of the Secretary of State); therefore a full permanent decant would be required.
Disposal to i4B	The blocks would be disposed of to i4B. i4B would carry out remediation works to the block.	i4B cannot afford remediation works. Therefore, this option would require £18.5m equity funding from the General Fund.
Disposal of all FWH stock to the HRA and wind up of FWH	Under this option, all of FWH's 326 properties would be transferred to the Housing Revenue Account (HRA).	This option has not been excluded but is not recommended at this stage as it would delay rectifying the issues in the blocks. The transaction would be highly complex and would require specialist advice and a full audit on a final set of company accounts. This option could still be pursued at a later date.

5.0 Recommended Option – Disposal of the blocks to the HRA

5.1 The recommended option is for FWH to dispose of the blocks to the HRA and for the HRA to carry out remediation works as recommended in the Ridge report. There are nuances to this option in regards to how the transaction would be structured. These are detailed in section 6. However, broadly, under this option:

- The transfer occurs at zero value as the blocks' asset valuation of £12.5m is offset by the £15.4m of works required to the asset (the figure excludes VAT as this is reclaimable by the Council). The HRA as part of the Council will come within the scope of public law principles. Therefore, it cannot act unlawfully or irrationally. Therefore, the HRA cannot pay a sum for the blocks.
- The HRA carries out the remediation works.
- The 84 social rented tenants would become secure Council tenants.
- The 25 intermediate rented tenants would be transferred to i4B under the recommended option; the HRA will recharge i4B for its proportion of the works.
- FWH's loan for the blocks would be refinanced to a more affordable rate.
- As the transfer will formally be valued at zero value by the valuer no capital gains or SDLT costs are anticipated. As the transaction is a commercial transaction to support the ability of FWH to trade as a going concern, any tax implications to the transfer are incidental and would be in accordance with General Anti avoidance Rules operated by HMRC. Tax advice from the Council's tax advisors have confirmed this position.

5.2 The following assumptions have also been made:

- It is assumed the housing management function will be managed within existing staffing resources. There will be a reallocation of resource time and cost from FWH to the HRA to reflect the work associated with the transferred units.
- Rent inflation at 1.5% in line with CPI+1 and cost inflation at 2% per annum in line with Bank of England target rates.

- The cost assumptions in this report do not include estimates for decarbonisation works, as this is a known budget limitation across the sector.
- Further major works at £2,000 per property assumed from year 8 of the HRA Business Plan.

5.3 This option balances the cost between FWH, i4B, the Council's General Fund and the HRA. It also offers the minimum disruption to residents in the blocks by offering the most rapid solution to addressing the remediation works required. Furthermore, it is acknowledged that this is a reasonable way to achieve appropriate levels of different types of housing tenure in the borough.

6.0 Summary of HRA Disposal Options

6.1 Within the disposal of the blocks to the HRA option, there are different ways the transaction could be structured.

Option	Description
1A	Transfer 84 social housing units and write off associated debt of £9.1m
1B	Transfer 84 social housing units and refinance the debt
1C	Transfer 84 social housing units to the HRA and 25 intermediate units to i4B and refinance the debt
2A	Transfer all 110 units and write off associated debt of £11.6m
2B	Transfer all 110 units and refinance the debt

6.2 There are two primary issues for consideration:

- What happens to FWH's intermediate rented properties and whether they are retained by FWH (Options 1A and 1B), transferred to i4B (Option 1C) or transferred to the HRA (Options 2A and 2B); and
- What happens to FWH's loan i.e. whether it is written off (Options 1A and 2A) or refinanced at a reduced financing rate (Options 1B, 1C and 2B).

6.3 The recommended option is Option 1C: for FWH to dispose of its freehold interest in the 84 social housing units (and the one leasehold property) to the Council's HRA and to transfer its leasehold interest in the 25 intermediate units to i4B. Once the leasehold transfer of the intermediate rented properties to i4B has taken place, the freehold interest of the intermediate rented properties will be disposed to the Council's HRA. Under this option the FWH business plan is still viable. It improves the financial position of the HRA by reducing the capital investment requirement by £3.5m and strengthens the i4B business plan by retaining units at a higher rental level. i4B in addition benefits from the capital works being carried out by the Council and recharged as a leasehold charge excluding VAT.

6.4 This option also allows the rents for the 25 intermediate units to be kept at current levels, protecting this revenue stream and reducing the capital refurbishment and debt burden in the HRA. If transferred to the HRA, rents for these units would have to be reduced to social levels which reduces the financial capacity to fund the refurbishment works. The average weekly rent level for an intermediate rent property is £322.97; for a social rent property, this is £118.97. This is a difference of £10,608 per annum. Furthermore, as set out

above, this option is a reasonable way to achieve appropriate levels of different types of housing tenure in the borough.

- 6.5 Tenants of intermediate rented properties are market tenants sourced via external agents, rather than traditional social housing clients. Intermediate tenants have no specific housing need. Therefore, they are able to afford rents within the private rented sector and are free to move. Transfer to the HRA would entitle these tenants to reduced rents, secure tenancies and RTB that, as intermediate or private tenants, they would not usually be entitled to.
- 6.6 External legal and tax advice has confirmed that Option 1C is technically viable. In addition, FWH and i4B have obtained their own legal advice regarding the preferred option as proposed in this report.

7.0 Option 1A – FWH retain intermediate rented properties

- 7.1 Under this option, the 84 social rented properties and one leaseholder would be disposed of to the HRA. FWH would retain the 25 intermediate rented properties.
- 7.2 The following assumptions have been made:
- The Council would write off £9.1m of debt. The remaining loan would be paid over 50 years at 3%. New borrowing for capital investment would be at 2% subject to future movements in PWLB rates.
 - The HRA incurs £11.2m of the estimated £14.6m refurbishment cost and FWH is recharged £3.4m.
 - This option would require the Secretary of State's approval to grant a lease of the 25 intermediate rental units back to FWH.

7.3 Implications for tenants

- 7.3.1 The 84 social rented tenants at Granville New Homes would become secure council tenants. The leaseholder would become a Council leaseholder. Social rents remain the same.
- 7.3.2 The 25 intermediate tenants would remain FWH tenants. Their rents would remain at current levels.

7.4 Implications for FWH

- 7.4.1 FWH benefits from increased rents on the intermediate rental units as well as a reduction in financing costs. There are no years where negative cashflows are incurred with this option (see Appendix A).
- 7.4.2 FWH benefits from there being no VAT on its share of the works as they are charged as a service charge without VAT by the Council.
- 7.4.3 The cashflow surplus over the 30 year life of the FWH business plan is £22.8m.

7.5 Implications for the General Fund

- 7.5.1 Under this option £9.1m of the loan to FWH will be written off against the general fund. This one off cost would need to be managed within the overall revenue

budget for 2022/23. There will be additional financial implications for loss of interest, however it is anticipated that this can be managed within the overall capital financing budget.

7.6 Implications for the HRA

- 7.6.1 The HRA operates with a break-even budget, with limited financial capacity to absorb cost pressures without identifying offsetting budget mitigations. The HRA currently faces competing pressures from investment requirements in its existing stock.
- 7.6.2 Transfer of 84 social rent properties to HRA is estimated at nil value, on the basis that the capital investment required of £11.2m (HRA share of remediation cost) is greater in comparison to the net book value of the properties. The remediation cost can be part funded through useable capital receipts of £4m, with the remaining balance of £7.2m funded through borrowing. Annual interest cost is estimated to be £0.2m at 2.1% PWLB rates in July 2021.
- 7.6.3 The 84 social rent properties are estimated to generate income of £0.5m per annum for the HRA. Based on the average cost in the HRA for stock maintenance, there is a projected break-even position. It is assumed housing management function will be managed within existing staffing resources.
- 7.6.4 The HRA affordable rent policy for Brent is set at 65% of market rates. This means that intermediate rented properties would require rent reductions if they were to transfer to the HRA. The total estimated rental income to the HRA from the 25 intermediate properties after rent reductions would be £0.2m, which is £0.2m less when compared to FWH intermediate rent levels currently.
- 7.6.5 Transferring to the HRA would allow Right to Buy (RTB) rights for secured tenants. Stock reductions from RTB sale receipts will need to be replaced with affordable homes within five years, or paid over to central government.

8.0 Option 1B – FWH retain intermediate rented properties

- 8.1 Under this option, the 84 social rented properties and one leaseholder would be disposed of to the HRA. FWH would retain the 25 intermediate rented properties. FWH would refinance its debt for the blocks to 2% over 50 years. The following assumptions have been made:

- Debt for the blocks is retained by FWH but refinanced, with interest rate reduced from 3% to 2% over 50 years.

8.2 Implications for tenants

- 8.2.1 The 84 social rented tenants at Granville New Homes would become secure council tenants. The leaseholder have the Council as the freehold owner. Social rents remain the same.
- 8.2.2 The 25 intermediate tenants would remain FWH tenants. Their rents would remain at current levels.

8.3 Implications for FWH

- 8.3.1 FWH benefits from increased rents on the intermediate rental units as well as a reduction in financing costs. There are no years where negative cashflows are incurred with this option (see Appendix A).
- 8.3.2 FWH benefits from there being no VAT on its share of the works as they are charged as a service charge without VAT by the Council.
- 8.3.3 The cashflow surplus over the 30 year life of the FWH business plan is £19.3m, indicating that refinancing is less beneficial than debt write off to FWH. Either way, the FWH business plan is still viable under both options.

8.4 Implications for the HRA

- 8.4.1 Implications to the HRA are the same as for Option 1A.

9.0 **Option 2A - All 110 units are transferred to the HRA**

- 9.1 Under this option, the 110 units (including one leaseholder) would be disposed of to the HRA. The following assumptions are made for this option:

- Debt of £11.6m would be written off. The residual existing loan would be refinanced over 50 years at 3%. New borrowing would be at 2% subject to fluctuations in PWLB rates.
- The 84 social rented properties at Granville New Homes would continue to be let at existing rent levels.
- Rents for the 25 intermediate rented properties would be reduced to HRA rents. This is in line with Brent affordable rent policy of 65% market rate.
- FWH debt is retained by FWH, with interest rate reduced from 3% to 2% over 50 years.

9.2 Implications for tenants

- 9.2.1 The 109 tenants at Granville New Homes would become secure council tenants, with one leaseholder having the Council as the freehold owner. Tenants would have the right to buy, and rents would be set in line with HRA rent setting policy of charging 65% of market rate.
- 9.2.2 Rents for the 25 intermediate properties would need to reduce to be compliant with HRA rent setting policy. This would result in lower rental charges to tenants.

9.3 Implications for FWH

- 9.3.1 FWH benefits from a reduction in financing costs. There are no years where negative cashflows are incurred with this option (see Appendix A).
- 9.3.2 There are no refurbishment costs to be incurred by FWH.
- 9.3.3 FWH incurs greater loss of efficiency from economies of scale through the loss of the higher rent intermediate rental units.
- 9.3.4 The cashflow surplus over the 30 year life of the FWH business plan is £20.7m indicating that refinancing is less beneficial than debt write off to FWH.

9.4 Implications for the General Fund

- 9.4.1 Under this option £11.6m of the loan to FWH will be written off against the general fund. This one off cost would need to be managed within the overall revenue budget for 2022/23. There will be additional financial implications for loss of interest, however it is anticipated that this can be managed within the overall capital financing budget.

9.5 Implications for the HRA

- 9.5.1 The HRA operates with a break-even budget, with limited financial capacity to absorb cost pressures without identifying offsetting budget mitigations. The HRA currently faces competing pressures from investment requirements in its existing stock.
- 9.5.2 Transfer of all 110 properties to HRA is estimated at nil value, on the basis that the capital investment required of £14.6m (excluding VAT) is greater in comparison to the net book value of the properties. The remediation cost can be part funded through useable capital receipts of £4m, with the remaining balance of £10.6m funded through borrowing. Annual interest cost is estimated to be £0.2m at 2.1% PWLB rates in July 2021.
- 9.5.3 Transfer of rented properties is estimated to generate income of £0.8m per annum for the HRA, after adjusting for affordable rent at 65% of market. Based on average cost in the HRA for stock maintenance, there is a projected break-even position. It is assumed housing management function will be managed within existing staffing resources.
- 9.5.4 Transferring to HRA would allow Right to Buy (RTB) rights for secured tenants. Stock reductions from RTB sale receipts will need to be replaced with affordable homes within five years, or paid over to central government.

10.0 Option 2B – All 110 units are transferred to the HRA

- 10.1 Under this option, the 110 units (including one leaseholder) would be disposed of to the HRA. The following assumptions are made for this option:
- Debt would be refinanced from 3% to 2%. New borrowing would be at 2% subject to fluctuations in PWLB rates.
 - The 84 social rented properties at Granville New Homes would continue to be let at existing rent levels.
 - Rents for the 25 intermediate rented properties would be reduced to HRA rents. This is in line with Brent affordable rent policy of 65% market rate.
 - FWH debt is retained by FWH, with interest rate reduced from 3% to 2% over 50 years.

10.2 Implications for tenants

- 10.2.1 The 109 tenants at Granville New Homes would become secure council tenants, with one leaseholder. Tenants would have the right to buy and rents would be set in line with HRA rent setting policy of charging 65% of market rate.

10.2.2 Rents for the 25 intermediate properties would need to reduce, resulting in lower rental charges to tenants.

10.3 Implications for FWH

10.3.1 FWH benefits from a reduction in financing costs.

10.3.2 There are no refurbishment costs to be incurred by FWH.

10.3.3 FWH incurs greater loss of efficiency from economies of scale through the loss of the higher rent intermediate rental units.

10.3.4 The cashflow surplus over the 30 year life of the FWH business plan is £15.7m indicating that refinancing is less beneficial than debt write off to FWH. This is the least beneficial option for FWH.

10.4 Implications for the HRA

10.4.1 Implications to the HRA are the same as for Option 2A.

11.0 **Option 1C – Intermediate units are transferred to i4B**

11.1 Under this option, the freehold interest of 84 social rented properties and one leasehold property would be disposed of to the HRA. The leasehold interest of the 25 intermediate rented properties would be transferred to i4B. FWH would refinance its debt for the blocks to 2% over 50 years. The following assumptions have been made:

- Debt would be refinanced from 3% to 2%. New borrowing would be at 2% subject to fluctuations in PWLB rates.
- The 84 social rented properties at Granville New Homes would continue to be let at existing rent levels.
- The 25 intermediate units would be transferred to i4B at nil value. Rents for these properties would be kept at the same level.
- The freehold for the blocks would be transferred to the HRA after the leasehold interest of the intermediate rented properties is disposed of to i4B, and the HRA would recharge i4B for its share of the remedial works, estimated at £3.6m.
- FWH debt is retained by FWH, with interest rate reduced from 3% to 2% over 50 years.

11.2 Implications for tenants

11.2.1 The 84 social rented tenants at Granville New Homes would become secure council tenants. The leaseholder would become a Council leaseholder. Tenants would have the right to buy, and rents would be set in line with HRA rent setting policy of charging 65% of market rate.

11.2.2 The 25 intermediate tenants would become i4B tenants, with their ASTs transferring over. Under this option there would not be a need to reduce rents for these properties, which would be necessary with a transfer to the HRA. In addition, tenants would not receive the benefits of being a secure Council tenant such as secure tenancy rights and Right to Buy.

11.3 Implications for FWH

- 11.3.1 The implications for FWH are the same as for option 2B with a positive cashflow of £15.7m over the 30 year life of the business plan. This is the least beneficial outcome for FWH, however the overall business plan is still viable.

11.4 Implications for i4B

- 11.4.1 Detailed modelling of the i4B business plan has been undertaken. i4B would be acquiring units for £3.5m with an average rental of £324 per week. The average purchase price per unit is £140,000. This is within the affordability parameters of the i4B purchase model and would allow i4B to benefit from economies of scale due to an increase in units under management.

11.5 Implications for the HRA

- 11.5.1 Implications to the HRA are the same as for Option 1A.

12.0 **Next Steps**

- 12.1 Following Cabinet approval, FWH will begin the consultation process with residents on the potential disposal of the Granville New Homes properties.
- 12.2 Subject to the outcomes of the consultation with residents, a final decision on the disposal of Granville New Homes will be agreed by the Strategic Director of Community Wellbeing.

13.0 **Legal Implications**

- 13.1 First Wave Housing Limited is a company that is limited by guarantee and the company's sole guarantor is Brent Council. First Wave Housing Limited owns a number of residential properties as a landlord in its own right and this remains the case after the Council's housing management functions in relation to the Council's housing stock were removed from Brent Housing Partnership and brought back in house.
- 13.2 Local authorities can either grant secure tenancies or non-secure tenancies under one of the exceptions set out in Schedule 1 of the Housing Act 1985. Local authorities cannot be landlords of assured tenancies / tenants as local authorities are excluded from granting assured tenancies as set out in paragraph 12 of Schedule 1 of the Housing Act 1988).
- 13.3 Properties in which there are secure tenancies in which the council is the landlord involves housing provided or acquired under Part II of the Housing Act 1985 and such properties have to be held within the HRA pursuant to section 74(1) of the Local Government and Housing Act 1989 unless the Secretary of State gives specific consent to hold such properties outside the HRA pursuant to section 74(3)(d) of the Local Government and Housing Act 1989.
- 13.4 Under section 76 of the Local Government and Housing Act 1989, the Council has a duty to prevent a debit balance on its Housing Revenue Account. The Council currently has a self-financing settlement agreement with MHCLG regarding paying off its HRA debt as the Government no longer provides an

annual subsidy towards the HRA. One would need to consider whether any proposals to transfer FWH's properties to the Council's HRA will have a significant effect on the self-financing agreement reached between the Council and MHCLG regarding payment of the Council's HRA debt and how it would affect the current HRA Business Plan. The government removed the HRA borrowing cap on local authorities in October 2018 and borrowing in the HRA is now subject to the similar prudential guidelines as the General Fund. As set out in Part II of Schedule 4 of the Local Government and Housing Act 1989, capital expenditure in respect of houses or other properties within the HRA which involves capital expenditure for the year and which the local authority decide should be charged to a revenue account for the year, must be debited to the HRA.

- 13.5 All of FWH's tenants are either assured tenants or assured shorthold tenants. However, none of FWH's tenants are secure tenants. If the FWH properties disposed to another non local authority landlord like i4B, the FWH tenants would remain as assured tenants. If the FWH properties were disposed to the Council, the FWH tenants would become secure tenants. After such a transfer, the Council would be in a position to have the ability to consult on varying the tenancy terms and conditions under the procedure set out in section 103 of the Housing Act 1985.
- 13.6 There is no statutory duty to consult assured tenants under the Housing Act 1988 regarding disposing of properties to another landlord or transferring the ownership to a different landlord. However, the guidance from the Social Housing Regulator states that it expects RP landlords to consult with its tenants before disposing of its ownership of properties to another landlord and the actual wording in the guidance states that the Regulator expects "*accountability to tenants and proper consultation with tenants when considering a disposal that would mean a change in the tenant's landlord or changes that affect tenant's statutory or contractual rights*". This quote is taken from one of the bullet points in paragraph 2.1 of the guidance of the Social Housing Regulator dated March 2017 and entitled: "*Guidance for private registered providers on how to notify the regulator about the disposal of social housing dwellings*". The new landlord would be under a duty to inform its new tenant(s) of the address of the new landlord pursuant to section 3 of the Landlord and Tenant Act 1985.
- 13.7 There is a requirement for a Registered Provider of Social Housing to notify the Regulator of Social Housing of the relevant disposal(s) of its residential properties within three months of the disposal(s) as set out in the direction entitled "Regulator of Social Housing – Direction about notifications of disposal of social housing dwellings and of land other than a dwelling 2017". There is no requirement on a Registered Provider (including FWH) to obtain the consent of the Regulator of Social Housing when disposing of properties, including tenanted properties.
- 13.8 As a landlord, FWH is under a statutory obligation to carry out repair works in respect of properties it lets out to its assured tenants. Section 11(1) of the Landlord and Tenant Act 1985 states the following must be kept in repair by the landlord of a residential property involving a tenancy and this includes the structure and exterior of the properties:

"(a) to keep in repair the structure and exterior of the dwelling-house (including drains, gutters and external pipes),

(b) to keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity), and
(c) to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water.”

Furthermore, failure to comply with fire safety regulations can lead to enforcement action against FWH by the London Fire Brigade, in particular breach of the Regulatory Reform (Fire Safety) Order 2005.

- 13.9 The Council, as the guarantor of FWH, must be mindful of its fiduciary duties towards its tax payers. The Council's fiduciary duties can be briefly summarised as acting as a trustee of Council tax and public sector income on behalf of its rate and tax payers.
- 13.10 Under the general power of competence pursuant to section 1 of the Localism Act 2011, a local authority has power to do anything that individuals may generally do, though there are some restrictions. The power does not permit local authorities to do anything that is specifically prohibited in legislation or to raise taxes. Section 3 of the Localism Act 2011 sets out further clarification and restrictions regarding commercial activities.
- 13.11 The Council has the power under section 24(1) of the Local Government Act 1988 to provide any person with financial assistance for the purposes of, or in connection with, the acquisition, construction, conversion, rehabilitation, improvement, maintenance or management (whether by that person or by another) of any property which is or is intended to be privately let as housing accommodation, subject to consent being provided by the Secretary of State under section 25 of the said Act. As for the scope of such financial assistance, this includes (pursuant to section 24(2) of the Local Government Act 1988) as follows:
“(a) make a grant or loan to that person;
(b) guarantee or join in guaranteeing the performance of any obligation owed to or by that person;
(c) indemnify or join in indemnifying that person in respect of any liabilities, loss or damage; or
(d) if that person is a body corporate, acquire share or loan capital in that person.”
- 13.12 As for consent under section 25 of the Local Government Act 1988, the Secretary of State gave a general consent in 2010 entitled:
 “The general consents under section 25 of the Local Government Act 1988 (Local Authority assistance for privately let housing) 2010” and this includes the following:
“C - A local authority may provide any person with any financial assistance (other than the disposal of an interest in land or property):
(a) for the purposes of or in connection with the matters mentioned in section 24(1) of the 1988 Act...”
- 13.13 Any proposed option must be consistent with the subsidy control regime under the EU-UK Trade & Cooperation Agreement and the proposed replacement Subsidy Control Bill. Option 1C involves the Council agreeing to refinance the debt at a lower interest rate to that currently charged. This would however be

at a rate in excess of the Council's own borrowing rate and be against a background of extending the duration of the loan and the transfer of assets to the HRA and i4B to ensure that FWH remains a viable entity. Whilst the arrangement would have to be appropriately structured, Option 1C is considered to be in compliance with the subsidy control regime.

13.14 Section .17 Housing Act 1985 (HA 1985) provides power to acquire land for housing purposes, and s.9 HA 1985 sets out the Council's power to provide housing accommodation. Section 9(2) of the Housing Act 1985 also provides the Council with power to "*alter, enlarge, repair or improve a house so ...acquired*". Therefore, the Council has power to acquire the land and do the repair works, but in exercising that power, the Council must act for proper purposes, in good faith, and must exercise the power properly, following proper procedures in a "*Wednesbury reasonable*" manner. The Council must act for proper motives, taking into account all relevant considerations, ignoring irrelevant matters. The Council must not act irrationally, must balance risks against potential rewards, and when making decisions, must consider the usual fiduciary, best value, crime and disorder reduction, equalities, health and wellbeing and other relevant overarching duties, and any explicit requirements placed on a power.

13.15 FWH and i4B have obtained their own legal advice regarding the preferred option as proposed in this report.

13.16 Members are referred to the content of the exempt Appendix B to this report.

14.0 Financial Implications

14.1 Financial Implications of each of the options under consideration are set out throughout the report. Overall, the recommended option is the best option to balance costs between the Council's General Fund, HRA and housing companies and ensure the works are carried out as rapidly as possible, while providing minimum disruption to residents.

15.0 Equality Implications

15.1 An equalities impact assessment will be undertaken during the consultation and will be considered along the outcomes of the consultation.

16.0 Consultation with Ward Members and Stakeholders

16.1 Ward members are being consulted.

Report sign off:

Carolyn Downs
Chief Executive

This page is intentionally left blank

Options		Finance Rate	Debt Treatment	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	Net Cash
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
1A	Intermediate rented units retained - loan write off	3%	£9.1m loan written off	381,000	416,000	451,000	453,000	454,000	11,182,000	184,000	189,000	194,000	195,000	205,000	236,000	265,000	298,000	330,000	361,000	394,000	426,000	460,000	493,000	529,000	562,000	600,000	636,000	673,000	710,000	747,000	788,000	22,812,000
1B	Intermediate rented units retained - loan refinanced to 2%	2%	no loan write off	258,000	294,000	327,000	330,000	330,000	11,058,000	60,000	66,000	69,000	71,000	80,000	112,000	140,000	173,000	205,000	235,000	268,000	301,000	334,000	368,000	405,000	437,000	475,000	512,000	548,000	585,000	623,000	663,000	19,327,000
1C		2%	no loan write off	209,000	236,000	266,000	263,000	260,000	10,012,000	11,000	9,000	7,000	5,000	12,000	35,000	60,000	86,000	113,000	139,000	167,000	195,000	223,000	253,000	283,000	313,000	343,000	375,000	406,000	439,000	472,000	504,000	15,696,000
2A	All units transferred - loan write off	3%	£11.6m loan written off	412,000	441,000	470,000	468,000	466,000	10,183,000	182,000	181,000	179,000	176,000	183,000	208,000	233,000	260,000	286,000	314,000	340,000	369,000	397,000	426,000	457,000	487,000	517,000	548,000	580,000	614,000	647,000	680,000	20,704,000
2B	All units transferred - loan refinanced to 2 %	2%	no loan write off	209,000	236,000	266,000	263,000	260,000	10,012,000	11,000	9,000	7,000	5,000	12,000	35,000	60,000	86,000	113,000	139,000	167,000	195,000	223,000	253,000	283,000	313,000	343,000	375,000	406,000	439,000	472,000	504,000	15,696,000

Options

1 Write off a proportion of the loan to reflect the transfer of assets out of FWH. The original loan remains at 3%. New borrowing is at 2%.

2 No loan is written off but the whole of the borrowing is refinanced at 2%.

A All assets are transferred to the HRA.

B Only the 84 social housing assets are transferred to the HRA. The 25 intermediate rental units stay with FWH.

C Only the 84 social housing units are transferred to the HRA. The 25 intermediate rental units transfer to i48.

All options have a pro rata reduction in Housing SLA costs in line with unit transfers. Corporate SLA charges remain the same.

All options have additional borrowing costs of £8,750,000 assumed in 2029/30 to ensure there is a stress test for capital investment not yet planned.


Base capital investment requirements are £2,000 per unit per year.

This page is intentionally left blank

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

 Brent	Cabinet 11 th October 2021
	Report of the Director of Finance
Quarter 2 Financial Report 2021/22	

Wards Affected:	All
Key or Non-Key Decision:	KEY
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	OPEN
No. of Appendices:	Two Appendix A Savings Delivery Tracker Appendix B Recovery Initiatives
Background Papers:	
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Director of Finance 020 8937 4043 Minesh.Patel@brent.gov.uk Ben Ainsworth, Head of Finance 020 8937 1731 ben.ainsworth@brent.gov.uk

1. Summary

- 1.0. This report sets out the current forecast of income and expenditure versus the revenue budget for 2021/22 and other key financial data. Total pressures for the year are forecast to amount to £4.2m.
- 1.1. All the £4.2m pressure relates to the Dedicated Schools Grant (DSG), and needs to be recovered from DSG received in future years.
- 1.2. The 2021/22 budget was set to accommodate additional costs and losses of income arising as a result of the COVID-19 pandemic. At present, it is expected that the pressures reported can be contained within the growth provided to service areas. Currently, the General Fund and the Housing Revenue Account (HRA) forecasts match the central case as set in the February budget, however, the DSG is facing a £4.2m pressure.

Table 1	Budget	Forecast	Overspend / (Underspend)
	£m	£m	£m
Chief Executive Department	29.2	29.2	0.0
Children and Young People	59.8	59.8	0.0
Community and Well-Being	133.6	133.6	0.0
Customer & Digital Services	29.0	29.0	0.0
Regeneration & Environment	51.0	51.0	0.0
Subtotal Service Area Budgets	302.6	302.6	0.0
Central items	(302.6)	(302.6)	0.0
Grand Total General Fund Budgets	0.0	0.0	0.0
DSG Funded Activity	0.0	4.2	4.2
Housing Revenue Account (HRA)	0.0	0.0	0.0
Position before COVID-19 funding	0.0	4.2	4.2

DSG and HRA gross income and expenditure			
	Budget	Forecast	(Under)/ overspend
	£m	£m	£m
DSG			
Income	203.2	202.5	0.7
Expenditure	(203.2)	(206.7)	(3.5)
	0.0	4.2	4.2
HRA			
Income	56.7	56.7	0.0
Expenditure	(56.7)	(56.7)	0.0
	0.0	0.0	0.0

- 1.3. At the time of writing, there are significant uncertainties connected with COVID-19, such as how individuals and businesses will change their behavior following the pandemic, how quickly the economy will recover from COVID-19, and whether there will be a significant fourth wave of COVID-19 infections.
- 1.4. A new emerging risk to the Council's budget is the significant increase in asylum seekers and refugees arriving in the UK. While the Council continues to be committed to supporting vulnerable families and individuals seeking asylum, it is important that the asylum seeker dispersal scheme is proportionate and reasonable across all London Boroughs. Although indicative funding has been set out, individual council allocations are yet to be announced, as is funding for extra school places and long term accommodation. At this stage there is a concern that the

funding will not cover the totality of pressures expected, which are across community safety, housing services, adult social care, public health and children's services.

- 1.5. The Council's budget has savings of £5.5m this year, and £2.2m next year. The latest savings delivery tracker in Appendix A shows that the Council is on track to deliver £6.9m of these savings, with £0.8m delayed. The detail below in section three highlights any implications for the overall forecast. Overall, the latest forecast on savings is broadly positive at this stage of the financial year, in that the majority of savings are on track to be delivered and mitigating actions have been put in place for those savings identified as delayed. Further details are set out in Appendix A.
- 1.6. In July 2021 Full Council agreed £17.6m of funding from reserves to promote the recovery from COVID-19. This year's budget is £6.3m, currently forecast to be spent in full, details of which are in Appendix B.
- 1.7. The pandemic has also created some significant risks for the Council's capital programme, such as increasing costs for construction and housing acquisitions, which are detailed in section 4. The capital programme is forecast to underspend by £0.2m overall, as shown in the table below, and detailed in section 4:

Directorate	Original Budget Approved Feb 21 (£m)	Revised Budget (£m)	Current Forecast (£m)	Over / (Under) Spend to Budget (£m)
Corporate Landlord	5.9	16.3	16.8	0.5
Housing GF	64.4	60.2	60.7	0.5
Housing HRA	64.7	66.1	66.3	0.2
PRS I4B	24.4	24.4	24.4	0.0
Public Realm	13.7	16.5	17.3	0.8
Regeneration	36.6	12.9	12.9	0.0
Schools	26.3	10.0	9.3	(0.7)
South Kilburn	23.6	17.9	16.5	(1.4)
St Raphael's	1.3	1.5	1.4	(0.1)
Total	260.9	225.8	225.6	(0.2)

- 1.8. As reported to Cabinet in July 2021, the Council agreed a two year budget in February 2021 covering the period 2021/22 and 2022/23. In February 2022 it would be open to Council, subject to all the usual planning uncertainties and caveats, simply to re-confirm the proposals set out a year earlier, which would result in a balanced budget for the 2022/23 financial year. However, it is now understood that there will be a three year Spending Review on 27 October 2021 covering the period 2022/23 – 2025/26. This is expected to include how the new Health and Social Care Levy will work alongside other existing social care grants/schemes such as the Improved Better Care Fund, the Social Care Grant and the Adult Social Care Council Tax precept. Given the timing of the announcement and the changes expected to be set out in the Local Government finance settlement for 2022/23, it is now planned to publish the draft 2022/23 budget at the Cabinet meeting of 6 December 2021, instead of 11 October 2021 as previously planned. This will allow sufficient time to work through any changes, and impacts, to refine the draft budget and to ensure it is balanced and robust.

2. Recommendation

2.0. To note the overall financial position and the actions being taken to manage the issues arising.

2.1. To note the budget setting strategy for 2022/23.

3. Revenue Detail

3.1. Chief Executive Department (CE)

Chief Executive Department	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Legal, HR and Audit	10.0	10.0	0.0
Finance	9.4	9.4	0.0
Assistant Chief Executive	9.8	9.8	0.0
Total	29.2	29.2	0.0

Summary

3.1.1 Legal, Human Resources (HR) and Audit are currently forecasting to budget for 2021/22.

3.1.2 Finance is forecasting to budget for 2021/22.

3.1.3 The Assistant Chief Executive (ACE) department is currently forecasting to budget for 2021/22. The department has been allocated £1m for the delivery of the Borough Plan and £0.9m for the Recovery Initiatives projects.

Risks and uncertainties

3.1.4 There is uncertainty in the conferences and events income forecast which is dependent on the Delta variant and potential further lockdowns and restrictions. The outturn, which has been heavily affected by lockdowns in the past year continues to be reviewed as COVID-19 restrictions evolve.

Savings and Slippages

3.1.5 A total of £0.3m savings were planned to be delivered from the department's budgets. The department is on track to deliver the savings.

Recovery Initiatives

3.1.6 The department has been allocated £0.9m comprised of £0.2m for revenue projects and £0.7m for capital projects (reported in paragraph 4.11) to fund the following projects and is forecasting to fully spend to budget. The projects for each of the initiatives are on track to be delivered.

- Decarbonisation via LED Lighting Upgrades (£0.5m - Capital project)
- Black Excellence Quality Mark (BCAP) Projects and Black Excellence Quality Mark (BCAP) Markets (£0.2m)

- Zero Carbon Projects (£0.2m - Capital project)

3.2 Children and Young People (CYP) (General Fund)

CYP Department	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Central Management	5.1	5.1	0.0
Early Help	5.6	5.6	0.0
Inclusion	1.8	1.8	0.0
Localities	18.6	18.6	0.0
Looked After Children and Permanency	6.6	6.6	0.0
Forward Planning, Performance & Partnerships	20.0	20.0	0.0
Safeguarding and Quality Assurance	1.9	1.9	0.0
Setting and School Effectiveness	0.2	0.2	0.0
Total	59.8	59.8	0.0

Forecast

- 3.2.1 The Children and Young People department is currently forecasting to breakeven in Qtr. 2, in line with the reported Qtr. 1 forecast position. There are a number of risks and uncertainties discussed below which may have an impact on this breakeven position going forward. The forecast assumes that COVID-19 related pressures impacting this financial year, will be supported by one-off funding, however, if pressures are recurring, longer term solutions will need to be identified.

Risks and uncertainties

- 3.2.2 There remain a number of risks and uncertainties within the department that may affect the projected outturn such as:
- Rising caseloads in the Localities and LAC & Permanency service which are above the budgeted levels of circa 2,500 mainly due to an increase in referrals linked to the impact of COVID-19.
 - This has led to an increase in temporary agency social work staff. There has been a 20.9% increase in the number of cases to 2,806 in July 2021 exceeding the budgeted levels of 2,500 cases by 12% and the challenge also remains that many of these cases are highly complex.
 - The high caseloads and complexity of cases as well as attractive offers and manageable caseloads from other local authorities is creating a challenge with recruitment and retention of skilled and experienced social workers. However, CYP management undertook a project to review the Localities caseload pressures where there is a noticeable increase, and the outcomes include increasing the number of social workers in the service from 66 to 80 at an additional annual cost of c£1.5m which will be contained within growth funds allocated in the 2021/22 budget.

- Management will also continue to monitor the use of agency workers and continue the drive to recruit permanent staff. This coupled with one-off funds to cover the costs of £1.2m of COVID-19 related pressures arising from agency staffing costs and a bridging team to manage the surge in cases brings the Localities service area forecast to a breakeven position.
- The volatility of placement costs for Looked after Children (LAC) within the Forward Planning, Performance and Partnerships service and Children with Disabilities within the Localities Service remain a risk.
 - An individual high cost residential or secure placement can cost over £0.3m per annum. The highest current residential placement is £10.5k per week. However, there have been multiple successful step downs from expensive residential placements to semi-independent with an average weekly rate of £830 or independent foster placements, with an average cost of £900 per week.
 - Due to the pandemic, a delay still remains in the Home Office processing immigration status claims for care leavers and also delays in moving care leavers into their own tenancies. This has led to an increase in the number of over 18s being supported by the budget and numbers have grown from the start of the pandemic, i.e., 88 in January 2020 to 146 by July 2021, a 66% increase.
- Management actions in place to control spend include establishing additional sign off processes at Children's Placement Panel; undertaking further work with finance colleagues to refine the forecast; more challenge and support around stepdown arrangements from residential placements to foster placements and/or semi-independent placements, monitoring and actively supporting the transition of care leavers to their own tenancies.
- The forecast also assumes income will be received from the Home Office for Unaccompanied Asylum-Seeking Children (UASC). However, there is a risk that if by September 2021 number of UASCs are below the higher rate threshold of 0.07% of the child population, Brent will receive a lower daily UASC funding rate. Brent currently has 47 UASCs and the 0.07% threshold is 56. In 2020/21 Brent met the threshold and received the higher daily funding rate for UASC's of £143 and this continued in 2021/22 but if numbers are not up to 56, the rate will reduce to £114. The 2021/22 impact of this on UASC funding is a reduction of c£0.25m (£0.5m full year impact).
- The Early Help service is reporting a breakeven position, but the forecast assumes that successful claims will be made against the Supporting Families (previously called Troubled Families) grant which is based on a 'payment by results' system. Last year, the team successfully achieved 100% of their claims target. The target this year is to support 560 families, and as at the end of Qtr. 1, there have been 139 successful claims made and the service is on track to achieve the target.

Savings and Slippages

- 3.2.3 The department has a savings target of £0.6m of which £0.25m is at risk of slipping, due to the impact of the COVID-19 pandemic and these include:

- £0.15m CYP003 - Adjusting resources in demand led budgets (reduction in staffing assuming low caseloads). The LAC & Permanency service has seen caseloads increase due to the pandemic.
- £0.1m CYP002 - The Short Breaks Centre (SBC) and the Gordon Brown Centre (GBC) CYP005 each have a savings target of £50k to sell spare capacity at the SBC to neighbouring authorities at market rate, and increase trading at the GBC. These slippages are forecast to be mitigated by the COVID-19 funding for 2021/22.

Recovery Initiatives

3.2.4 The department has been allocated £1.7m to spend on recovery initiative projects across two financial years. The current forecast for 2021/22 assumes that £0.3m of the funds will be spent on:

- Setting up a team of specialist social workers, who are skilled in adolescent safeguarding interventions to deliver statutory work alongside current preventative services at a cost of £0.2m. The recruitment process for two additional social workers has commenced. (KSP-CYP-001)
- Fund the West London Fostering Collaboration project cross-borough co-ordination through two consultants (KSP-CYP-002); the consultants have already started working on this project.
- Fund consultancy costs for the development of a post-16 skills resource for young people with SEND and feasibility studies; project management work for this has commenced (KSP-CYP-004).

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if Better	Mitigations
LAC and Care Leaver placements forecast assumes numbers of about 762 and unit costs reflect current trends.	An increase in the number of high cost residential or secure placements would place pressure on the budget e.g., an increase by 3 would cause an in-year pressure of c£0.4m	Increased step-down arrangements result in falling number of residential placements. A single stepdown from a residential placement to a semi-independent placement could reduce expenditure by c£0.1m in-year.	Targeted stepdown arrangements to support more children to transition from residential to foster and/or semi-independent placements. Supporting the transition of care leavers to their own tenancies. Maximising Joint commissioning with health to ensure contributions to placement costs where applicable.

UASC Numbers will stay below the high-rate threshold of 0.07% (~56 for Brent) of the child population by the end of September 21, causing Brent's UASC daily funding rate to fall from £143 to £114.	Numbers fall lower than current (47) and grant funding reduces further than has been forecast.	If Brent's numbers exceed the higher rate threshold the daily rate funding will remain at £143 for the remainder of the year, which would increase the UASC Grant income forecast by £0.25m	Monthly monitoring of UASC numbers, with an increase expected over summer months.
Owing to the challenges experienced in Localities of recruiting permanently, it is assumed that the proportion of agency staff in this service area will remain steady through the year.	If the proportion of agency staff in this area were to increase, expenditure would increase by £20k per additional agency staff compared to their permanent equivalent. As of July 2021, Localities had 68 Agency staff.	If the number of staff were reduced this would reduce expenditure at an equal rate of £20k per staff member.	Continued management action to recruit permanent staff and review all agency posts regularly.

3.3 Community Well-Being (CWB) (General Fund)

CWB Department	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Housing	4.0	4.0	0.0
Public Health	22.3	22.3	0.0
Culture	5.1	5.1	0.0
Adult Social Care	102.2	102.2	0.0
Total	133.6	133.6	0.0

Forecast

- 3.3.1 Based on current trends and assumptions around COVID-19 implications, the Community Wellbeing department is forecasting a break-even position for 2021/22.
- 3.3.2 The department's finances have been significantly impacted by the COVID-19 outbreak in 2020/21. The 2021/22 budget has been set accordingly and takes into account that some pressures are expected to remain in this financial year.
- 3.3.3 The increased demand for mental health services is leading to forecasting a £0.5m overspend. This is attributed to continuing effects of the prolonged pandemic on mental health that are resulting in a greater than anticipated budgetary pressure.
- 3.3.4 In order to mitigate against the projected overspend, the service is working with commissioning to identify care providers to support people with mental health needs returning to Brent supported living from out of area placements. In addition, Brent is working closely with the London Association of Directors of Adult Social Services to lobby government for more funding to address the increased complexity of care needs.

Risks and uncertainties

- 3.3.5 There are a number of other risks and uncertainties within the service that could affect the assumptions made and the overall forecast outturn. The key risks and uncertainties predominately relate to Housing and Adult Social Care services.
- 3.3.6 Within Housing, there are uncertainties in relation to the time required for the fall in rental income collected to be reversed, and for any improvement to rent collection rates to be sustained in order to provide assurance that the upward trend will continue. A potential future recession and the end of the furlough scheme is likely to slow this recovery in collection rates, leading to a greater income shortfall within the Housing service. Whilst the budget set for 2021/22 takes a likely temporary decrease in collection rates into account, if this decrease is greater than anticipated, this could create a budgetary pressure. A 10% drop in collection rates could cost over £2m. Collection rates are being closely monitored and there are ongoing investigations to better understand the drivers for the movements.
- 3.3.7 The impact of the eviction ban on enforcing eviction orders having been lifted to date has been managed by proactive early intervention work. However, in the longer run, this could lead to an increased demand for temporary accommodation for homeless people. Based on scenario planning, the 2021/22 budget allows for an associated increase in costs, however there is a risk that the demand could be higher than anticipated. A 10% increase in tenancies could cost the Council an additional £0.6m in 2021/22.
- 3.3.8 Within Adult Social Care, a rise in homecare hours is expected to be offset by a reduction in costs as a result of a decreased demand for Residential and Nursing placements. However, if reliance on Council support and the increased complexity of care needs are greater than anticipated, this could create additional budgetary pressures.
- 3.3.9 When the initial Clinical Commissioning Group (CCG) funding of Residential and Nursing placements ceases, the Council could inherit some additional and more expensive placements. However, a formal pooled budget arrangement with Brent CCG for COVID-19 hospital discharges has been agreed and timely re-assessments are taking place.
- 3.3.10 In addition, within Culture, a restricted capacity and a slow uptake of leisure centres' offers could lead to higher than anticipated losses of income.

Savings and Slippages

- 3.3.11 A total of £3.7m savings were planned from the department budgets, in addition to £2m that relate to the ongoing New Accommodation for Independent Living (NAIL) programme and were re-profiled from the 2020/21 financial year.
- 3.3.12 There is an anticipated £0.3m slippage against one of the savings that relates to the creation of the in-house re-ablement service as the launch of the in-house service has been pushed back to April 2022. This slippage is forecast to be maintained within the existing Community Wellbeing budget and offset by a reduction in costs due to early care package terminations.

Recovery Initiatives

- 3.3.13 The department has been allocated £0.5m to fund the recovery initiative projects that focus on reducing health inequalities. Recruitment is currently ongoing for the

positions required to develop these projects and the full allocation is anticipated to be spent in this financial year. The funding is forecast to be fully spent in the current financial year on the following initiatives:

- Universal healthy start and physical activity programmes (£0.3m)
- Tackling childhood obesity and addressing tooth decay in children (£0.1m)
- Providing mental health support for families who are living in emergency accommodation (£0.05m)
- Provision of Community Perinatal Nurse 0-19 years commissioned services (£0.05m)

Reform of Adult Social Care by Central Government

- 3.3.14 The Government has announced a new plan for health and social care that would increase spending in this sector across the UK by an estimated £12 billion per year from April 2022 and bring into effect social care reforms by October 2023. The Government is to invest £5.4 billion in adult social care over the next three years. This will be shared across the NHS and local authorities so it is difficult to estimate the exact impact on the Council
- 3.3.15 From October 2023, the Government will introduce a new £86,000 cap on the amount one will spend on their personal care over their lifetime. In addition, changes will be made to financial assistance provided to people without substantial assets and self-funders' support. This will consume the bulk of the £5.4 billion available across the country, although some limited funding to address some other issues such as improving qualifications within the sector will be available. Given the focus on capping costs of adult social care, it is unlikely that this level of funding will be sufficient to significantly increase pay in the sector or significantly increase access to adult social care, unless the reforms proposed to the sector in the plan deliver major efficiency gains. This is in addition to the current levels of uncertainty in relation to IBCF, social care grant and continuation of the adult social care precept.
- 3.3.16 The new reform will create the need for significant changes to policy and processes in order to adapt to the changes. Due to variations in the demography, the impact will vary across different Local Authorities. The market is also going to be significantly impacted and the overall cost of care is likely to increase, making any efficiency gains from this plan unlikely. Over the medium and long term capping adult social care costs will increase the challenge of growing costs due to an aging population; it is unclear from the paper whether additional funding will be forthcoming from central government for this or if this will need to be funded by Local Authorities with council tax rises and savings from service delivery.
- 3.3.17 The Government has pledged to cover the costs that Local Authorities will face in implementing the charging reforms, as well as to invest in supported living and the Disabled Facilities Grant. However, there is limited clarity on how this funding will be made available. Further details are anticipated to be provided in a White Paper later this year. In the meantime, the Council will continue to work collaboratively with other Local Authorities to consider the implications.

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
The additional numbers of homeless people can be managed within the existing budgets.	Each person costs on average £340 per week to accommodate, so a delay for 13 weeks (1 quarter) of 20 people will cost an additional £0.1m.	Faster progress on homeless pathways will reduce expenditure by £340 per person per week.	Additional support (at additional cost) is being brought in to assist moving homeless clients along the various pathways. Use of FHSG reserves could help to offset the overspend.
The YTD collection rates for Housing Needs recover to pre-pandemic levels by the end of the financial year.	A 5% worsening in the collection rate will cost £0.8m	A 5% improvement in the collection rate will recover £0.8m.	Collection rates are being closely monitored and investigations into the drivers for the movements in the collection rates are ongoing.
That the additional cost of CCG placements reverts to the Council from September onwards.		Projected at £0.2m a month and if the NHS continues to fund this will bring the forecast cost down.	Work with the CCG to prevent excessively priced care packages and review all care placements, to ensure that social care is responsible for funding those costs only.

3.4 Customer & Digital Services (CDS)

Operational Directorate	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Customer and Digital Services Directorate	0.8	0.9	0.1
Customer Services	16.6	16.6	0.0
Shared ICT Service	0.0	0.0	0.0
ICT Client and Applications Support	6.6	6.7	0.1
Procurement	1.3	1.2	(0.1)
Transformation	3.7	3.6	(0.1)
Total	29.0	29.0	0.0

Summary

- 3.4.1 The CDS department is currently forecasting to budget for 2021/22.

Risks and uncertainties

- 3.4.2 The department's net position includes COVID-19 related pressures from work undertaken to support residents and businesses. The risks include:
- The risk that further lockdowns will require additional shielding costs.
 - The Customer Access department continues to deliver COVID-19 related projects. This includes the Local Test and Trace Service, the processing of Grants for Businesses affected by COVID-19, Self-Isolation Payments and the local COVID-19 test booking line and COVID-19 Support line. At this stage the growth allocated to the department, as well as specific central government grant funding, is sufficient to cover these costs. These projects will be reviewed at Q3 as they are dependent on Government advice regarding provision of grants and services.

Savings and Slippages

- 3.4.3 A total of £0.6m savings were planned to be delivered from the department's budgets. The department is on track to deliver the savings.

Recovery Initiatives

- 3.4.4 The department has been allocated funding of £3.7m comprised of £3.1m for revenue and £0.6m for capital projects (reported in paragraph 4.11). The projects for each of the initiatives are on track to be delivered.
- Bubltown (£23k - Capital project)
 - FAME Database (£44k - Capital project)
 - Pilot Business Support Fund (£0.2m - Capital project)
 - Wembley Park co-working space (£0.5m)
 - Additional Restrictions Grant Scheme to support businesses (£2.6m)
 - Digital Packages for Children and Young People (£0.3m - Capital project)

3.5 Regeneration & Environment (R&E)

R&E	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
Environmental Services and R&E Directorate	43.5	43.3	(0.2)
Regeneration Services	1.1	1.1	0.0
Property Services	6.4	6.6	0.2
Total	51.0	51.0	0.0

Forecast

- 3.5.1 The Regeneration & Environment department is currently forecasting a break even position for 2021/22.

- 3.5.2 The forecast break even position consists of a £0.2m overspend in Property which is mitigated by a £0.2m underspend in Environmental Services and R&E Directorate. The reported £0.2m overspend in Property relates mainly to a) the use of agency staff which is planned to be reduced by March 2022 or sooner if possible and b) water bills which at this stage cannot be estimated reliably. The service is looking at mitigating actions such as converting posts to permanent positions sooner than March 2022 in order to reduce the overspend.

Risks and Uncertainties

- 3.5.3 R&E has an income budget of £47m. A small percentage change can have a large monetary impact. For example, an additional 1% reduction in income would be equivalent to around £0.5m. Commercial rental income is likely to suffer as tenants may be unable to pay rent. There is a current moratorium on landlord action for rent arrears until 25 March 2022. The longer-term impact on income anticipated from planning applications and building control applications is also uncertain due to slow progress on current major projects and a potential reduction in the number of new major projects received.
- 3.5.4 The Highways revenue budget is reliant on TfL LIP (Local Implementation Plan) funding which has been significantly reduced due to severe financial pressures. TfL has recently reached an agreement with the Government and confirmed the funding will be available up to 11th December 2021. Further discussions are ongoing between the Government and TfL for funding for the last quarter of the financial year, and therefore funding beyond this date remains uncertain. The current situation has improved and there is currently a risk that up to £0.6m of fees generated from the delivery of TfL funded programmes, compared with £1m reported previously. The deficit would be further reduced should additional TfL funding be made available for Q4. The service has estimated that if this risk was to materialise, the release of agency staff could mitigate the financial impact on the Council. However, the loss of fees cannot be fully mitigated because a minimum core staff complement is required to continue day to day operations and deliver key Council funded projects.

Savings & Slippages

- 3.5.5 The department has a target of £0.9m savings to be achieved in 2021/22. Of these, all are on track to be fully delivered or will have alternative savings found.

Recovery Initiatives

- 3.5.6 R&E has been allocated £4.2m revenue funding for recovery initiatives, of which £2.0m are budgeted to be spent in 2021/22 and £2.2m in 2022/23. The projects are not reporting any slippage and funding is expected to be utilised within this timeframe.
- 3.5.7 In addition, R&E and CDS are working jointly on projects with total revenue budget of £2.7m, of which £0.9m relates to 2021/22 and £1.8m relates to 2022/23.

Summary of Key Assumptions

Key Assumption	Downside if worse	Upside if better	Mitigations
Parking income will continue to recover to pre-pandemic levels and will not be further affected by COVID-19 restrictions.	Increased pressure on the budget if income falls below the current forecast level.	If activity recovers faster than expected, then this would increase the income collected	COVID-19 growth of £0.7m has been provided to cover the estimated impact of COVID-19 restrictions to parking income.
SEN Transport taxi spend is budgeted to increase by 5% compared to the previous academic year.	Every additional child requiring transport via taxis costs the Council an average of £11,300 per annum.	Reduction in the growth requirement for future years.	The service is monitored as part of the shared service with Harrow. Client numbers can therefore be planned for. Strategic funding has been made available for a review of the service.
Facilities Management will not be disrupted by the changes to the contract from the 1 st July 2021. Soft FM services have bought in house, and a new contract awarded for Hard FM services (with new buildings bought under the arrangements).	Potential for additional costs to arise if the service does not operate as planned. In particular, if existing budgets supplied are not sufficient to include the additional buildings covered by the new Hard FM contract.	The service will operate as expected and within budget. Can then look for efficiencies within the service.	Increased monitoring of the contract in initial months. Some contingency had been built into the project within the first year.

3.6 Central items - Collection Fund

- 3.6.1 The budgeted net collectible amount for Council Tax (after exemptions, discounts and Council Tax support) is £175.9m. The actual net collectible amount as at July 2021 has reduced by £1.1m since April 2021. It is expected that this figure may decrease during the year if new properties are not completed as expected and reliefs granted to residents increase further due to COVID-19. This is being closely monitored to assess the overall impact over the timeframe of the medium-term financial plan. As at the end of July 2021, the amount collected was 35.6%, a shortfall of 0.6% when compared to the in-year target. The amount collected in the same period last year was 38.6%. The amount collected in the same period last year was 38.6%, however, pre-pandemic collection rates at the same period were around 1% higher amounting to just under £2m. If the under-collection of tax continues throughout the year it will have

an adverse effect on the Council's cashflow and possible implications for the medium-term financial plan.

3.6.2 The budgeted net collectible amounts for Business Rates (after exemptions, reliefs and discounts) is £136.0m. The actual net collectible amount as at July 2021 is £104.8m, a decrease of £31.2m since April 2021. This decrease is mainly due to additional reliefs that were announced during the government's budget. Further reductions may occur due to reductions in properties and successful appeals against rateable values. Additional grants will be made available to the Council to offset the loss of income from the additional reliefs. As at the end of July 2021, the amount collected was 25.6%. The amount collected in the same period last year was 25.8%. Prior to the pandemic the levels collected during the same period were around 2% higher, amounting to just over £2m.

3.6.3 Movements between the budget and actual collectable amounts affect the overall level of balances held in the Collection Fund at year-end after deducting charges, with deficits requiring repayment by all of the precepting authorities in future years. At the end of 2020/21, additional amounts due to the General Fund totaling £20.3m were transferred into reserves to repay the Council's share of the deficit. This will be repaid over three years, in-line with national accounting rules governing the Collection Fund. The income due to the General Fund from the Collection Fund is forecast on budget with no variation expected in the current year. However, it is expected that the additional grants received from central government will generate a surplus in the general fund that will be required in future years to repay the collection fund to bring it back into balance. The overall impact will be closely monitored to assess the impact on the Council's MTFS (medium term financial strategy).

3.7 Dedicated Schools Grant

Funding Blocks	Overall DSG Funding 2021/22	DfE Adjustment-Academies Recoupment	Revised Allocation excl. Academies 2021/22	Forecast	Overspend / (Underspend)
	£m	£m	£m	£m	£m
Schools Block	246.5	(129.0)	117.5	117.5	0.0
High Needs Block	67.6	(7.6)	60.0	64.2	4.2
Early Years Block	23.4	0.0	23.4	23.4	0.0
Central Block	2.3	0.0	2.3	2.3	0.0
Total DSG	339.8	(136.6)	203.2	207.4	4.2

Summary

3.7.1 The DSG forecast is a deficit of £4.2m, against grant funds of £203.2m for 2021/22, resulting mainly from the High Needs (HN) Block. The DSG budget has been revised in year to exclude the proportion of the grant that relates to academies. This is made up of £129m from the Schools Block and £7.6m from the HN Block. Future reports will exclude the column which includes the adjustment for Academies.

3.7.2 As reported in Q1, apart from the HN Block, the forecast is for the other funding blocks to achieve a balanced budget by year end. This position is likely to change over the next two quarters as more information comes to light. For example, the forecast for the Early Years Block is likely to change following an update on the

autumn head count of pupils. This will determine the actual cost to Providers for the first two quarters and inform a better projection for Q3 & Q4.

3.7.3 Although the HN Block allocation increased by £6m in 2021/22, the number of children with Education, Health and Care plans (EHCPs) has continued to rise, therefore adding continued pressure against the HN Block from growing demand. The HN budget, excluding the proportion allocated to academies, is £60m. This allocation will be reduced further by c£0.7m due to recoupment for school place funding for Brent pupils in other local authority areas, following an import/export review by the DfE in July 2021.

3.7.4 At the end of 2020/21, the DSG budget was in deficit of £10.5m. The in-year forecast deficit of £4.2m will increase the DSG deficit to £14.7m by the end of this financial year.

Forecast

3.7.5 The £4.2m deficit is £0.7m more than the reported pressure of £3.5m in Qtr. 1. This additional pressure is due a reduction in the HN Block funding for payments to be allocated to other local authorities for out of borough placements following an adjustment by the DfE in July 2021.

3.7.6 The pressures in the HN Block are due to continual increases in EHCP numbers which has resulted in forecast overspends against top-up funding, predominantly in out-of-borough special schools, mainstream schools, independent residential schools and post-16 placements. The growth in EHCPs is a national and London-wide trend whereby the number of children assessed as meeting the threshold for support continues to increase, but HN funding has not increased in line with the continued growth in overall pupil numbers, which has created financial pressures. The forecast assumes an 11% projected increase in the number of EHCPs comparing 2805 at the end of 2020/21 to a 2021/22 projection of 3114. As at the end of July 2021/22, there were 2845 EHCPs which represents a growth of 1.4% from 2020/21.

3.7.7 The forecast position is a result of the following pressures:

- £2m forecast pressures against mainstream, independent and out of borough special schools' top up funding due to increased number of pupils;
- £1.5m forecast pressure due to growth in the number of young people remaining in education in post-16 who have EHCPs and who may have to be supported from the High Needs block until the age of twenty-five;
- £0.7m additional pressure against the HN block for the recoupment of funding to be allocated to other local authorities for out of borough placements; following an adjustment by the DfE in July 2021.

3.7.8 The DfE requires Local Authorities to have a management plan agreed by the Schools Forum in place to recover the deficit over a number of years. Progress against the plan will be tracked. Options reviewed by the task group set up by the Strategic Director of CYP to recover the deficit include:

- The introduction of the SEN Support service with the expectation to manage demand, as part of the Graduated Response Programme; improved quality

EHCP assessment; and person centred planning and SMART annual reviews. Therefore, young people will be provided with earlier support, thereby reducing the need for an EHCP to trigger additional support.

- Looking to establish more SEND provision in the borough as part of the School Place Planning Strategy Refresh including developing new Additionally Resourced Provisions (ARPs) (7 in Primary and 2 in Secondary) in the academic year 2022/2023. This will reduce the need for young people to be placed in schools in other boroughs.
- Ensuring there is full cost recovery from other local authorities that place pupils in Brent special schools including administration and other specific costs;
- Continued central government lobbying.

3.8 HRA

HRA	Budget (£m)	Forecast (£m)	Overspend / (Underspend) (£m)
HRA	0.0*	0.0	0.0

* The HRA budget is comprised of £56.7m expenditure and £56.7m income

Forecast

3.8.1 The budgets for the Housing Management function are contained within the ring-fenced Housing Revenue Account (HRA), which has a balanced budget set for 2021/22.

3.8.2 The overall forecast for the HRA is a break-even position for 2021/22. This is a net result of a £0.2m overspend being mitigated by a £0.2m underspend. The individual variances consist of:

- £0.2m additional costs over budget related to disrepair claims and placing tenants in emergency accommodation
- £0.2m in-year underspend on staffing costs due to vacancies

Risks and uncertainties

3.8.3 The main risk and uncertainty within the HRA (that could affect the projected outturn and assumptions made) is associated with rent collection. The impact on rental income collection rates and the subsequent increase in arrears due to the prolonged effects of the pandemic and the end of the furlough scheme is uncertain. A 5% drop in collection rates could result in an increase in rent arrears of over £2m. Scenario analysis has been undertaken in order to evaluate a range of potential options and explore the extent of possible mitigating actions required.

4 Capital Programme

4.1 The table below sets out the current capital programme forecast to the revised budget position of £225.8m as of July 2021. This also includes the new projects

approved as part of the recovery initiatives. The original approved capital programme for 2021/22 totaled £260.9m.

Directorate	Original Budget Approved Feb 21 (£m)	Revised Budget (£m)	Current Forecast (£m)	Over / (Under) Spend to Budget (£m)
Corporate Landlord	5.9	16.3	16.8	0.5
Housing GF	64.4	60.2	60.7	0.5
Housing HRA	64.7	66.1	66.3	0.2
PRS I4B	24.4	24.4	24.4	0.0
Public Realm	13.7	16.5	17.3	0.8
Regeneration	36.6	12.9	12.9	0.0
Schools	26.3	10.0	9.3	(0.7)
South Kilburn	23.6	17.9	16.5	(1.4)
St Raphael's	1.3	1.5	1.4	(0.1)
Total	260.9	225.8	225.6	(0.2)

- 4.2 An underspend of £0.2m is being forecast against the current revised budget. An explanation of the variance of current forecast to the revised budget for each board area is provided in the paragraphs below.

Corporate Landlord

- 4.3 The Oracle Cloud System roll out has experienced a delay to the go-live implementation date by 2 months resulting in an £0.3m overspend for the project. The property management team have identified further works that will need to take place across the Council's corporate sites resulting in a forecasted overspend of £0.2m.

Regeneration

- 4.4 The Regeneration Board is currently forecast to spend to budget across all programmes following a re-profiling of the Morland Gardens and Designworks budget. The delay in procuring a delivery partner has caused the slippage for Morland Gardens and further feasibility works are being completed for Designworks. Following the Secretary of State approval for the de-designation of land in the Wembley Housing Zones scheme, procurement is underway for a delivery partner for the sites.

St Raphael's

- 4.5 The scheme is expected to underspend by £0.1m due to lower than expected costs as part of the master planning stage. The budget for the design of the remaining infill sites and scoping of the infill plus improvement activities will be requested to Cabinet.

Housing, Care and Investment

- 4.6 The Housing General Fund programme is forecasting an overspend of £0.5m for the NAIL scheme following negotiations to settle the final accounts with the contractor at the Peel Road site.
- 4.7 The £0.2m overspend expected within the HRA programme is for additional works identified at the Gloucester and Durham site to refurbish the lift lobbies, additional fire safety improvements, CCTV works and flood prevention measures worth £0.3m. This is offset by underspends on the final accounts for three schemes within the new council homes programme. The private rented sector programme is forecast to purchase 60 properties during the year in line with the budget.

Schools

- 4.8 The School's Board is currently reporting an underspend of £0.7m. The Ark Elvin project is forecasting an underspend is £0.4m, we are awaiting the school to invoice the Council's final contribution to the scheme, allowing the underspend to be released. Phase 3 of the permanent primary expansion programme is due to complete this year and is currently forecast to underspend by £0.2m. There is also an underspend expected of £0.1m in the secondary school expansion design and feasibility budget. The next stage of the project is to be confirmed over the coming months.

South Kilburn

- 4.9 The underspend of £1.4m across the programme primarily owing to a reduction in anticipated acquisitions for the financial year after discussions with remaining leaseholders of the properties required to progress the scheme. In particular on the Austen House and Blake Court project, the majority of leaseholders indicated an unwillingness to sell currently reducing the financial year projection by £2m, offset by accelerated acquisitions spend on the John Ratcliffe of £0.9m. A reduction in acquisition speed could increase costs, as we often end up paying a premium for the properties through negotiations or eventually through CPOs. There was a £0.3m underspend on the NWCC scheme as projected spend on design costs are lower than the budget provision, providing a saving for this scheme.

Public Realm

- 4.10 There is a £1.1m overspend expected due to the increase in costs for the North End Road connector project. Commercial meetings are underway to review these costs and finalise the position. This is offset by smaller underspends of £0.3m in other areas including parks, landscaping, sports and other highways schemes, which are due to be spent in the next financial year. TfL have approved £2.2m in total funding over the various schemes until December 2021, the funding for the final quarter of the financial year is yet to be confirmed.

Recovery Initiatives

- 4.11 The Capital Programme has been allocated £7.6m to fund a number of recovery initiative projects across the Council of which £2.9m has been budgeted for 2021/22. The funding is expected to spend to budget in the current financial year on the following initiatives:

Corporate Landlord

- Decarbonisation via LED lighting upgrades (£500k)
- Zero carbon schools project (£200k)
- Bubltown (£23k)
- FAME Database (£44k)
- Pilot Business Support Fund (£83k)
- Digital Packages for Children and Young People (£200k)

Public Realm

- Wembley High Street Recovery (£663k)
- Public Realm Priorities (£400k)
- Church End (£800k)

5 Financial Implications

- 5.1 This report is about the Council's financial position in 2021/22, but there are no direct financial implications in agreeing the report.

6 Legal Implications

- 6.1 Managing public money responsibly is key legal duty, but there are no direct legal implications in agreeing the report.

7 Equality Implications

- 7.1 There are no direct equality implications in agreeing the report.

Report sign off:

Minesh Patel
Director of Finance

Appendix A - MTFS Savings Delivery Tracker 2021/22 - 2022/23

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Savings unachievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Community Wellbeing	2021-23 CWB 001	Reablement	460	120	320	260		Delivering the outcomes of the Newton Europe project, to increase the number of people going through Reablement, create better quality Reablement and clearer pathways, and minimise costs. Make further savings by reducing local authority contributions to rehab (health) element of the service.	Green	£200k of this has already been achieved through no longer contributing to the pooled budget. The remaining £380k will be achieved through improved reablement care practices which should reduce the need for ongoing adult social care packages after reablement care packages have been completed. Currently it is likely that reablement will be delivered in-house, however the implementation timeline has been been delayed.
Community Wellbeing	2021-23 CWB 003	Placement Review	250		250			Continuing robust challenge of individual package costs based on evidence as part of annual placement reviews.	Green	These savings will be achieved throughout the year as care placements are reviewed and fee reductions achieved through re-negotiated fees and step downs in care requirements
Community Wellbeing	2021-23 CWB 004	Deprivation of Liberty Safeguards (DoLS) provision	30		30			Best Interest Assessments (BIAs) could be done internally; cost savings based on options including payment to staff vs external BIAs.	Green	On track to deliver this saving.
Community Wellbeing	2021-23 CWB 005	Community Care recommissioning	750		750			Recommissioning all external day care / homecare provision, restructuring provision into a new, lower cost model and inclusion of Public Health (PH) outcomes into new model of deliver to allow for rebadging of funding from PH grant.	Green	Will be achieved through homecare repurchase which will be completed by January 2021.
Community Wellbeing	2021-23 CWB 006	Properties to relieve Temporary Accommodation	1,430	560	1,990			Additional properties obtained which reduce demand for Temporary Accommodation.	Green	Savings are on track to be delivered
Community Wellbeing	CWB C2	Salaries Capitalisation	100		100			Capitalising more salaries spend within the Housing Partnerships Service.	Green	Savings are on track to be delivered
Sub Total			3,020	680	3,440	260	-			
Regeneration & Environment	2021-23 R&E 001	General Efficiencies across R&E	215		215			A review of the forecast underspends across the department to identify underspends that are recurring.	Green	On track to deliver this saving, though may be subsumed into a larger extended savings exercise now necessary as part of the medium term financial strategy (MTFS).
Regeneration & Environment	2021-23 R&E 002	Lighting Maintenance	140		140			10% efficiency saving from new lighting maintenance contract	Green	Savings are on track to be delivered
Regeneration & Environment	2021-23 R&E 003	Schemes/Drainage fees	100		100			Increase the level of fees applied to the delivery of large scale funded infrastructure improvement projects	Green	The Highways revenue budget is reliant on TfL LIP (Local Implementation Plan) funding which has been significantly reduced due to severe financial pressures. The ability to increase income from fees now very limited. Covid budget growth has been received to offset the non-delivery of this saving.
Regeneration & Environment	2021-23 R&E 004	Damage Cost Recovery		50	50			Deploying an officer to more proactively recover the cost of repairs from developers and builders causing damage to the public highway.	Green	Savings are on track to be delivered
Regeneration & Environment	2021-23 R&E 005	Building Control Fees Review	50			50		a) Charge more - increase Building Control (BC) published fees by 10% (up to 15 dwellings) b) more business from in-house	Green	One-off covid growth funding has been allocated for 2021/22 which will cover the slippage of this saving. On track to be achieved in 2022/23.
Regeneration & Environment	2021-23 R&E 006	Brent Transport Services move		150		150		Relocating buses back to Brent from Harrow to reduce operating times and costs	Amber	There is a risk of delay to this saving being achieved due to a delay in appointing a consultant to review the service and identify where savings can be made

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Savings unachievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Regeneration & Environment	2021-23 R&E 007	Pre-app service; review basic and enhanced offer	5		5			Review fees and charges for 'place making' advice as part of enhanced pre-app service	Green	Still achievable in that fees will increase; however covid impact on volume of work unknown
Regeneration & Environment	2021-23 R&E 009	Apprenticeship levy commercial offer	15	30	45			Offer to businesses on how to use the apprenticeship levy	Green	Alternative savings will be found within R&E. Not achievable in the initially intended form. There are proposals nationally to reform the Apprenticeship Levy. We will await these changes before progressing any proposals.
Regeneration & Environment	2021-23 R&E 011	Facilities Management contract review	70		70			Utilise 12 month contract extension (July 2010 - June 2021) agreement to explore opportunities and impacts linked to savings.	Green	On track to be delivered
Regeneration & Environment	R&E A1	Capitalisation	340		340			Allocating activity to capital projects enabling costs to be transferred from General Fund (GF) to capital	Green	Savings are on track to be delivered
Regeneration & Environment	R&E A2	Brent Transport Service		100		100		A review of the commercial aspects of the service to identify operational efficiencies, particularly with respect to route rationalisation, parking arrangements and on-bus support requirements. This will extend to a joint review with Children and Young People (CYP) of what opportunities there might be to promote and facilitate better take-up of independent travel by pupils.	Amber	There is a risk of delay to this saving being achieved due to a delay in appointing a consultant to review the service and identify where savings can be made
Sub Total			935	330	965	300	-			
Children & Young People	2021-23 CYP 001	Clawback of unused Direct Payments	25		25			Implementation of card payments for Direct Payment clients means the service will be able to reclaim unused or overpaid funds immediately. For a variety of reasons direct payments may no longer be required by a family for the purposes of supporting their child. At present there is a risk that payments can continue for several months before they are amended. The card system will allow officers to identify overpayments and reclaim these rapidly. CWD Direct Payments value £500k per year. A 5% clawback rate would equal £25K.	Green	Savings on track to be delivered. Regular reviews will be undertaken to identify funds to be clawed back.
Children & Young People	2021-23 CYP 002	Short Breaks Centre	50			50		It is proposed that existing spare capacity of respite beds/nights at the Ade Adepitan Short Breaks Centre (SBC) will be sold to neighbouring authorities at market rates. The intention is to sell the beds at £730 per night for planned stays and £910 for emergency bookings. Selling the nights will reduce voids at relatively low marginal cost as payments for the management, building and other operational costs are met from within the existing budget.	Amber	Due to the impact of the Covid-19 pandemic there have been fewer children using the facilities. The saving is dependent on neighbouring authorities purchasing beds at the centre.
Children & Young People	2021-23 CYP 003	Adjusting resources in demand led budgets	150			150		The rate of Looked After Children per 10,000 of population is historically low in Brent and the current rate is low when compared to statistical neighbours. Although with expected population growth this number is likely to increase, it should however be in line with the current statistical measure. With the assumption that this low rate continues over the next 18 months a reduction in the budget in line with posts currently being held vacant could be implemented to align resource to demand.	Amber	Saving assumption to be reviewed due to an increase in caseloads in the the LAC & Permanency service.

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Savings unachievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Children & Young People	2021-23 CYP 004	Review and zero base other service area budgets	100		100			Review and zero base other service area budgets to achieve and accumulate minor savings. Budget analysis to be carried out on non-staff and non-frontline service budgets across CYP. The exercise will concentrate on those budgets which have historically underspent or which represent discretionary spend. For example; 1. The CYP Learning and Development budget is centralised in the SQA service area, and has underspent in recent years. A costed plan could be designed to meet key requirements, such as ensuring Continuous Professional Development for social workers, and deliver a saving.	Green	On track to be delivered
Children & Young People	2021-23 CYP 005	Increased income target for the Gordon Brown Centre	50			50		Increased income target for the Gordon Brown Centre. The Centre has benefitted from recent capital investment, and successful summer trading in 2019 indicates a forecast surplus of £50k against the current net zero budget.	Amber	There has been reduced income due to Covid-19 restrictions which limited the centre's capacity and the activities that it could offer between April and June 2021. For example, there were no residential visits. This led to a significant fall in income. Since June, following the lifting of some restrictions in May, the centre has been able to host residential visits, albeit within some continuing restrictions. With the lifting of nearly all restrictions from 19 July, the centre is now able to operate at full capacity.
Children & Young People	2021-23 CYP 006	10% saving on commissioning	50		50			10% saving on commissioning when contracts become due. The CYP procurement forward plan identifies a number of contracts which are due to go out to tender for new contracts to commence for April 2021, including for Speech and Language Therapy services and Mental Health and Wellbeing services.	Green	On track to be delivered
Children & Young People	CYP A3	Gordon Brown Centre		300	300			An expanded use of the Centre, either supporting families with children at risk of being taken into care or as a residential provision for Looked After Children, would realise either cost avoidance or additional income.	Green	This project is underway. A cross-departmental working group is in place to identify options and plan for the additional provision.
Children & Young People	CYP B1	Integration with health	180		180			Opportunities to deliver more efficient commissioning and service delivery, building on established joint commissioning, have previously been identified with health partners. It is proposed that these opportunities are revisited by Brent Council commissioning and/or directly providing provision on behalf of Brent Clinical Commissioning Group (CCG) to deliver more efficient services and achieve savings.	Amber	CYP Commissioning & Resources team is working with Health and Public Health colleagues to review commissioning approaches with the aim to realise efficiencies.
Sub Total			605	300	655	250	-			
Assistant Chief Executive	2021-23 CE 003	Efficiency savings		100	100			Efficiency savings within Assistant Chief Executive	Green	Savings are on track to be delivered
Assistant Chief Executive	ACE A1	Executive support team	52		52			Delete 1.5 scale 4 posts (Executive support asst)	Green	Savings are on track to be delivered
Assistant Chief Executive	ACE A2	Governance	10		10			Deletion and realignment of post (NB: this is contingent on staying with virtual or physical meetings i.e. not moving to hybrid meetings)	Green	Savings are on track to be delivered
Assistant Chief Executive	ACE A3	Chief Executive Office	30		30			Reduce various small budget lines	Green	Savings are on track to be delivered
Sub Total			92	100	192	-	-			

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Savings unachievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Chief Executive	2021-23 CE 001	Efficiency savings		100	100			Efficiency savings within Legal, Human Resources (HR), Audit & Investigations	Green	Savings are on track to be delivered
Chief Executive	2021-23 CE 002	Efficiency savings		100	100			Efficiency savings within Finance	Green	Savings are on track to be delivered
Chief Executive	CE A1	Reduce an assistant account post		50	50			This saving can be achievable through efficiencies expected from the Oracle Cloud implementation, for example through more efficient working practices	Green	Savings are on track to be delivered
Chief Executive	CE A2	Energy savings	100		100			Savings are expected from reduced energy usage from council owned buildings.	Green	Savings are on track to be delivered
Chief Executive	CE B2	Restructure in a Legal Team	60		60			Reduce Principal Lawyer posts by 1 enabling a team restructure	Green	Savings are on track to be delivered
Chief Executive	CE B5	Restructure in an HR team	50		50			Delete two roles and redistribute essential functions. Cease routine Occupational Health (OH) checks on new recruits.	Green	Savings are on track to be delivered
Sub Total			210	250	460	-	-			
Customer & Digital Services	2021-23 CDS 001	ICT Client and Application support - Income generation	80		80			Increase in income generated from charging for IT support	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 003	ICT Client and Application support - Printing Costs	40		40			Expected reduction in printing costs	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 004	ICT Client and Application support - Salaries		160	160			ICT Client & Applications staffing efficiencies	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 005	ICT Client and Application support - Oracle changes budget	20		20			Reduction in changes to the current Oracle system	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 006	Merger of Housing and BCS contact centre	50	50	100			Merger of Housing and Brent Customer Service (BCS) contact centre	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 007	Reduction in Postal Costs		30	30			Reduction in Postal Costs	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 008	Savings from new Council Tax Support scheme	50		50			Staff saving arising out of the new, simplified, Council Tax Support scheme	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 009	Increased automation in Customer Services	50	50	100			Increased automation in Customer Services	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 010	Replace IEG (on line benefits form)		75	75			Replace IEG (IEG is external company) (on line benefits form)	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 011	Staffing efficiencies in Customer Services	50	95	145			Staffing efficiencies in Customer Services	Green	Savings are on track to be delivered
Customer & Digital Services	2021-23 CDS 012	Transformation - Staffing efficiencies		100	100			Staffing efficiencies	Green	Savings are on track to be delivered

Department	Index	Reference	2021/22 original saving (£000)	2022/23 original saving (£000)	Savings on track to be delivered (£000)	Slippage on delivery but still achievable (£000)	Savings unachievable (£000)	Description	RAG Status	Comments / Mitigating Actions
Customer & Digital Services	CDS A2	Customer Service Operations	75		75			A full review of the customer front face offer in the Civic Centre would take place from autumn 2020 onwards. The intention would be to retain a 4 hours a day 5-day week service managed by customer services (as has been the case since July 2020). In addition to this, it is proposed to establish an additional Hub in the Civic Centre in line with the current 5 community hubs. This would enhance the support on offer at the civic centre to our most vulnerable residents.	Green	Savings are on track to be delivered
Customer & Digital Services	CDS A4	Revenue and Debt	75		75			Reduction of vacant Enforcement Service Manager P06 post. Post is currently vacant.	Green	Savings are on track to be delivered
Customer & Digital Services	CDS A5	Resilience contract	100		100			Review of benefits assessment process, review of the Scale 6 Assessment Officer posts and reduction in use of the resilience contract.	Green	Savings are on track to be delivered
Sub Total			590	560	1,150	-	-			
Grand Total			5,452	2,220	6,862	810	-			

This page is intentionally left blank

	A	B	C	D	E	F	G	I	J	K
1	Depart ment	Unique Reference No.	Theme	Project/ Proposal	Budget £000	Budget 21-22 £000	Budget Future Years	Forecast Spend 21- 22 £000	RAG Status	Comments
2	ACE	KSP-ACE-002	Green and environmental Recovery	Decarbonisation via LED Lighting Upgrades	500	500	-	500	Green	Work planned as part of a wider decarbonisation project with funding requirements to spend during 2021/22. New project manager in place so delivery on track.
3	ACE	KSP-ACE-005	Supporting Communities	Black Excellence Quality Mark (BCAP) Projects	123	123	-	123	Green	Consultant brief developed and in procurement, and on track to fully spend to budget.
4	ACE	KSP-ACE-006	Supporting Communities	Black Excellence Quality Mark (BCAP) Markets	45	45	-	45	Green	Project on track to fully spend to budget.
5	ACE/CYP	KSP-ACE-009	Green and environmental Recovery	Zero Carbon Schools Project	200	200	-	200	Green	Project is on track to spend full budget this financial year.
6	CDS/R&E	KSP-CDS-001	Supporting Businesses	Bubltown	23	23	-	23	Green	Project is on track
7	CDS/R&E	KSP-CDS-002	Supporting Businesses	FAME Database	44	44	-	44	Green	Project is on track. Recruitment for the new post to support the project is ongoing.
8	CDS/R&E	KSP-CDS-003	Supporting Businesses	Pilot Business Support Fund	200	83	117	83	Green	Project currently on track with expenditure expected to June 2022. Forecast based on the expected uptake of the fund.
9	CDS	KSP-CDS-004	Supporting Businesses	Wembley Park co-working space	479	259	220	259	Green	This is a 2 year programme. Project is on track to fully spend to budget in 2021/22.
10	CDS/R&E	KSP-CDS-005	Supporting Businesses	Additional Restrictions Grant Scheme to support businesses	2,650	850	1,800	850	Green	Work is underway to deliver projects this financial year including events, digital skills training etc. and expenditure for 21-22 includes £250K of grants.
11	CDS	KSP-CDS-006	Supporting Communities	Digital Packages for Children and Young People	300	200	100	200	Green	As per the project plan, £50k per annum needed for the next three years to match fund crowd donations for digital packages. Project currently working to plan with forecast based on expected demand for the equipment.
12	CWB	KSP-CWB-004	Reducing Health Inequalities	Tackling Childhood Obesity	32	32	-	32	Green	Project is on track
13	CWB	KSP-CWB-005	Reducing Health Inequalities	Addressing tooth decay in children	60	60	-	60	Green	Project is on track
14	CWB	KSP-CWB-006	Reducing Health Inequalities	Universal Healthy Start	225	225	-	225	Green	Project is on track
15	CWB	KSP-CWB-007	Reducing Health Inequalities	Physical Activity Programme	76	76	-	76	Green	Project is on track
16	CWB	KSP-CWB-008	Reducing Health Inequalities	Mental Health Support for families who are living in emergency accommodation	45	45	-	45	Green	Project is on track
17	CWB	KSP-CWB-009	Reducing Health Inequalities	Provision of Community Perinatal Nurse 0-19 years Commissioned Services	55	55	-	55	Green	Project is on track
18	CYP	KSP-CYP-001	Supporting Communities	Scale up of the Accelerated Support Team	337	200	137	200	Green	The funding is to be used for recruiting additional AST team members. Recruitment is in process for 2 additional Social workers , a practice lead and a gangs /reduction in violence officer. The operational plan for AST has been updated to reflect a different way of working. Information is being shared across appropriate teams to facilitate referrals of vulnerable young people where they will benefit from intensive intervention.

	A	B	C	D	E	F	G	I	J	K
19	CYP	KSP-CYP-002	Supporting Communities	West London Fostering Collaboration Project	58	23	35	23	Green	The resource is being used to fund cross-borough co-ordination through 2 consultants, who have produced a large amount of research activity, consultation work and background planning. The next stage is to decide with the 3 other boroughs (Harrow, Ealing, Hounslow) the extent of the proposed collaboration and for an implementation plan to be agreed, with operational changes ready to commence from April 2023. Brent continues to chair steering group activity'.
20	CYP	KSP-CYP-003	Supporting Communities	The Gordon Brown Centre (GBC)	200	-	200	-	Green	Project group has been established. Workshops have been held with professionals and young people to design pilot projects. A pilot Care Leaver project to undertake independence training is planned for the Autumn term. Architects have visited to look at design options and changes which will also be made in the Autumn term to support independence training. Commissioning of a pilot for assessments is underway.
21	CYP	KSP-CYP-004	Supporting Communities	Development of a post-16 skills resource centre for young people with SEND	146	50	96	50	Green	Consultants Social Finance have been awarded the contract and the funding for 2021/22 would be to fund project mananagement costs and for the feasibility study on the horticultural centre
22	CYP	KSP-CYP-005	Reducing Health Inequalities	Mental Health Support Teams in schools	270	-	270	-	Green	Expansion of the current service offer through Anna Freud is planned for the Autumn term. Mental Health Support Teams in schools pilot programme (covering both primary and secondary schools) is expanding with an additional Team from January 2022. Pilot mental health support in schools offer is being developed with Brent secondary schools who dont yet have access to a MHST, for a gradual roll out from Autumn term. Specialist pre diagnostic support is being commissioned from October 2021
23	CYP	KSP-CYP-006	Reducing Health Inequalities	The community based peer support	180	-	180	-	Green	Mapping is underway with health providers of identified young people who need additional support and can't access CAMHS. Proposals are being linked to Brent local voluntary sector provision and the work being undertaken in the BCAP steering group regarding proposals on targeted peer support.
24	CYP	KSP-CYP-007	Supporting Communities	Education recovery	520	-	520	-	Green	Brent Council is agreeing proposals for the recovery programe with Brent schools through the Strategic School Effectiveness Partnership Board in the Autumn term. The Local Cultural Education Partnership has been established, with representatives from schools, Colleges, artists to develop arts based recovery activities across schools from September 2021, linked to the successful Holiday Activities and Food Programme.

	A	B	C	D	E	F	G	I	J	K
25	R&E	KSP-R&E-001	Green and environmental Recovery	Transfer of Waste Disposal team from Veolia	150	-	150	-	Green	Discussions with Veolia regarding a staff transfer will commence in 2022 once internal structures have been re-aligned and appropriate management arrangements for this incoming team have been established. The work to reduce waste continues, nevertheless, as this is an established core area of work for the contractor.
26	R&E	KSP-R&E-002	Green and environmental Recovery	SEN Transport	300	100	200	100	Green	Investigations have so far failed to source a suitably qualified and experienced consultant to lead on a revised approach to clienting and the overall review. Nevertheless, the review is now fully scoped and timetabled. TfL have been approached and are likely to be able to commit a qualified individual to a part time secondment to review policy and commissioning protocols. Given an external search for a qualified person to oversee the Harrow operation has proved unsuccessful, an internal search for a colleague with transferrable skills has commenced and an individual has now been identified. It is anticipated both will be able to commence work on a review and renewed clienting by the end of September.
27	R&E	KSP-R&E-003	Supporting Businesses	Brent Works	500	180	320	180	Green	Project on track, finalising tender specifications to commission element of the projects, other elements to be delivered by Brent Works. Expenditure forecast is based on current programme plan and discussion with partner organisations.
28	R&E	KSP-R&E-004	Supporting Businesses	Wembley High Street Recovery	3,600	910	2,690	910	Green	<p>£600k is earmarked for revenue expenditure to support improvements to shop fronts, meanwhile space, events, training, comms etc is progressing as planned but requirement for detailed agreements with shop owners will defer significant spend to 2022-23.</p> <p>Budget planning has been completed to ensure that economic development activities fall within the £620k limit. There is now work to do on detailed project planning to ensure that risks are identified and mitigated to increase confidence in the ability to deliver by March. There is a balance to be struck between risk and ambition, which all stakeholders will need to engage with. A gphant chart will be completed imminently as well as a risk analysis with mitigations. From there, senior stakeholders and politicians can sign off the programme. Cost estimates for Phases 1-3 of the highways and streetscene improvement works</p>
29	R&E	KSP-R&E-005	Green and environmental Recovery	Public Realm Priorities 2021-22	3,290	1,690	1,600	1,690	Green	<p>A programme is agreed with Gristwood and Toms for the removal of tree stumps. Further preparations and survey work will continue through September, allowing a start date of 1 October. This will be a 12 month programme and is on track.</p> <p>Veolia have been unable to progress the requirement to apply additional drivers, operatives and vehicles to the proposed initiatives around enhanced cleansing. This is due to the national shortage of HGV drivers. This situation is improving and Veolia are now suggesting they will be able to commit to an October start.</p> <p>A tender is advertised for a continuation of the jet patching work that is proposed to resolve pot-hole issues across the borough. This will see a contractor deployed for a four month period from the end of September. Work to create an additional Neighbourhood grouping of wards is completed, with appointments made to an additional Neighbourhood Manager post, and other waste enforcement posts.</p> <p>Additional footways have been identified for improvement as part of the asphalt programme. These will be actioned by way of a continuation of that programme once current work is completed.</p>

	A	B	C	D	E	F	G	I	J	K
30	R&E	KSP-R&E-006	Supporting Communities	Gang and Violent Crime Impact and awareness training	35	35	-	35	Green	Programme development is due to start in September once schools have returned in order that we engage with education as a key driver.
31	R&E	KSP-R&E-007	Supporting Communities	Knife bins	19	19	-	19	Green	Locations have been agreed, and we are working with a provider of the bins to move forward. Bins are expected to be installed in November 2021
32	R&E	KSP-R&E-008	Supporting Communities	Deployment of WCCTV Units and 6 ANPR cameras	129	129	-	129	Green	Order of new CCTV units and ANPR has been made and we await delivery.
33	R&E	KSP-R&E-009	Supporting Businesses	Church end	2,800	98	2,702	98	Green	Project and budget planning has been completed on economic development activities. There is a balance to be struck between risk and ambition, which all stakeholders will need to engage with. A ghant chart will be completed imminently as well as a risk analysis with mitigations. From there, senior stakeholders and politicians can sign off the programme. A streetscene design is being prepared. This will require a review of parking and loading arrangements. Consultation with the community will be required. It will inform the design and the materials and will be required around the middle of October. A 10-12 week lead is required for the supply of materials so that work can commence in April 2022.
34	Total				17,590	6,254	11,336	6,254		

 Brent	<p style="text-align: center;">Cabinet 11th October 2021</p>
	<p style="text-align: center;">Report from the Director of Legal, HR, Audit and Investigations</p>
<p style="text-align: center;">AUTHORITY TO AWARD CONTRACT FOR THE MANAGED SERVICE FOR TEMPORARY AGENCY STAFF</p>	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	Two Appendix 1 (exempt) List of Tenderers Appendix 2 Tender Evaluation Grid
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Clare Ebune, HR Manager Tel: 020 8973 4573 Email: clare.ebune@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report concerns the proposed award of the contract for a Managed Service for Temporary Agency Staff. The service will provide temporary staff to the council to fill vacant posts in the short term and on an interim basis, to manage fluctuations in workload and to obtain specialist skills quickly when the need arises.
- 1.2 The contract for the existing service for the management of temporary agency staff is due to expire on 4 February 2022 and a replacement service must be in place by then to ensure no disruption to users. This report requests authority to

award contracts as required by Contract Standing Order 88. This report outlines the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends the supplier to whom the contract should be awarded.

2.0 Recommendation

That Cabinet:

- 2.1 Approve the award of the contract for a Managed Service for Temporary Agency Staff to Contractor C for a period three years plus one year extension.

3.0 Background Detail

- 3.1 Temporary workers represent an important part of the Council's workforce. The use of temporary workers enables staffing levels to be quickly flexed in line with peaks and troughs of overall workloads. Temps are sometimes used to fill vacant posts before and during restructures to manage the risk of redundancies. They are also used where permanent posts are hard to fill. The annual contract value will vary dependent on the number of temporary workers recruited.
- 3.2 The majority of the council's requirements for temporary staff are met through a managed service contract. This has enabled the council to achieve value for money and reduce the risks associated with recruiting temporary workers outside of the contract. For example engaging workers who have not been sufficiently vetted and individual departments signing up to individual agency on terms and conditions that are not favourable to the council. In some instances the council has been liable for hefty introduction fees where workers have subsequently been engaged on a permanent basis when Officers have not used the managed service contract in place.
- 3.3 The council spends approximately £21m per annum on temporary staff through the contract. This includes workers' pay rates, statutory contributions and fees paid to agencies and the managed service provider.

The Selection Process

- 3.4 The process involved a mini competition via the Yorkshire Purchasing Organisation (YPO) 942 Managing Temporary and Permanent Recruitment Framework Agreement. The use of the Framework Agreement ensures compliance with EU Regulations and reduced procurement timescales. The YPO Framework Agreement also offers aggregated spend, with authority spend amalgamated across the country to ensure best possible rates are provided.
- 3.5 The YPO Framework Agreement gives access to a range of HR related services. Lot 1 was used as it covered the management of temporary recruitment for Local Authorities. The YPO Framework Agreement has been let

in accordance with the Public Contracts Regulations 2015 and was procured via the restricted procedure.

- 3.6 Under Lot 1 there were 15 suppliers appointed.

Evaluation process

- 3.7 All of the 15 potential suppliers on Lot 1 had the opportunity to bid for the proposed contract under a further competition issued via the London Tenders Portal. Of these, 7 submitted a bid by the deadline, all of which were compliant. The tender evaluation was carried out by a panel of officers from Human Resources, Housing and Children and Young People.
- 3.8 The quality element consisted of general quality 35% and Social Value 10%. The price element was 55%. Details of the evaluation criteria and weightings are detailed below.

General quality criteria	Percentage weightings
Implementation	25%
Delivery Model	10%
Service Delivery	30%
Contract Management	15%
Supplier Management	20%
General quality total	100%
Adjusted for quality weighting	35%
Social Value	Percentage weightings
Strong Foundations	20%
Every Opportunity to succeed	50%
A Cleaner, More Considerate Brent	30%
Social Value Total	100%
Adjusted for Social Value weighting	10%
Price criteria	Percentage weightings
Pay rates	18.33%
Agency fees	18.33%
Managed service provider (MSP) fee	18.33%
Price total	55%
Total score	100%

- 3.9 All bids had to be submitted electronically no later than 16th August 2021. There were seven bids received.
- 3.10 Each member of the evaluation panel read the bid responses and carried out an initial evaluation of how well they considered each of the award criteria was addressed. The panel met with the Procurement Category Manager and Procurement Officer on 8th, 9th and 10th September 2021 to moderate the allocated scores and agree an overall score for general quality and social value. Following this, the price element was reviewed by Finance and scored. The pricing, social value and general quality scores were combined to give a total score for each tenderer.
- 3.12 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It is to note that Contractor C received the highest score. Officers therefore recommend the award of the contract to Contractor C.
- 3.13 The contract will commence on 5th February 2022 subject to the Council's observation of the Council's call-in period.

4.0 Financial Implications

- 4.1 The Council's Constitution state that contracts for services exceeding £5 million shall be referred to the Cabinet for approval of the award of the contract.
- 4.2 The estimated value of this contract for the three year period is expected to be approximately £63.9m (based on £21.3 million spend in 2019/20 through the current contract). This includes both the direct staffing costs and agency/management fees. The exact total cost will depend on the volume and types of assignments used by the Council.
- 4.3 Finance have evaluated the pricing element of the submitted bids. This has been combined with the social value and general quality scores to give a total score for each tenderer. Officers therefore recommend the contract is awarded to the most economically advantageous bid submitted to the Council.
- 4.4 The cost of this contract will be funded from existing departmental budgets and is dependent on the use of agency staff. Each assignment is subject to internal authorisation before any spend is committed under the contract. On the whole, the Council does not budget specifically for agency costs as the cost is usually offset against underspends in direct employee budgets through vacancies. Continued pressure on public sector finances means that, like other Councils, Brent will need to deliver cost savings and efficiencies through demand management by hiring managers of agency workers. Hiring Managers should be considering permanent recruitment where appropriate.

5.0 Legal Implications

- 5.1 This report seeks the approval of the Cabinet to the award of the contract for a Managed Service for Temporary Agency Staff to Comensura Ltd. The estimated value of this contract over its lifetime is in excess of the Public Contracts Regulations 2015 threshold for Services and the award of the contract is therefore governed by the Public Contracts Regulations 2015 (the "Procurement Regulations").
- 5.2 The Procurement Regulations allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full process under the Procurement Regulations.
- 5.3. The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Chief Officer and provided that the Director of Legal, HR, Audit & Investigations has advised that participation in the framework is legally permissible. The Director of Legal, HR, Audit & Investigations has reviewed the YPO Framework Agreement used and is able to confirm that participation in the framework is legally permissible.
- 5.4 A further competition operated in accordance with the framework rules identified Comensura Ltd as submitting the most economically advantageous tender in response to this opportunity and Officers therefore recommend the contract is awarded to the said contractor.
- 5.5 The award is subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts given the procurement is valued at more than £2M. Part 3 of the Council's Constitution states that contracts for services £5M shall be referred to the Cabinet for approval of the award of the contract.
- 5.6 As the procurement is from a framework, there is no legal requirement for the Council to observe a 10 day standstill period under the Procurement Regulations although the award of the contract will be subject to the council's usual call-in process.
- 5.7 On the basis of the information received it is not thought that TUPE will apply to this procurement.

6.0 Equality Implications

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

- 6.2 Under the Public Sector Equality Duty, having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 6.3 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.4 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Questionnaires were circulated to appropriate senior managers seeking their views on the current operation of the contract and any improvements that they might like to see in the future.
- 7.2 All of the respondents were generally positive in respect of the current contracts accepting that it had provided an improvement in service in compared with the previous provider and allowed the Council to take a more proactive approach to controlling spend.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 This service is currently provided by an external contractor and there are no TUPE implications for Council staff arising from retendering the contract.

9.0 Public Services (Social Value) Act 2012

- 9.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake

consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.

- 9.2 Bidders were asked to outline how they will add social value initiatives and deliverables which align with the Strategic Themes of the Council's Brent Borough Plan. This equated to 10% of the total evaluation criteria.
- 9.3 The social value commitments offered by Contractor C to support local employment included using Brentworks to work with the long term unemployed and NEETS, to help them become job ready.
To support young people, they will provide:
- CV Workshops and career advice in schools and youth organisations
 - Careers events, training sessions and mentor programme
 - Work with local youth groups to provide opportunities for disadvantaged local children
 - Life Skills sessions offering training and advice on budgeting and finance management, CV workshops and Learning Development

Related Document:

Recordable Decision dated 12.07.21 Authority to procure Managed Services for Temporary Agency Staff using a Framework Agreement

Report sign off:

Debra Norman

Director of Legal, HR, Audit and Investigations.

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

APPENDIX 2

MANAGED SERVICE FOR TEMPORARY AGENCY STAFF CONTRACT

TENDER EVALUATION GRID

Quality		Weighting 5	Contractor A		Contractor B		Contractor C	
			Score	Result	Score	Result	Score	Result
1	Implementation	25%	2	10.00%	2	10.00%	4	20.00%
2	Delivery Model	10%	3	6.00%	3	6.00%	4	8.00%
3a	Service Delivery	6%	3	3.60%	2	2.40%	4	4.80%
3b	Service Delivery	8%	3	4.80%	2	3.20%	4	6.40%
3c	Service Delivery	8%	3	4.80%	3	4.80%	4	6.40%
3d	Service Delivery	8%	3	4.80%	3	4.80%	3	4.80%
4a	Contract Management	5%	2	2.00%	2	2.00%	3	3.00%
4b	Contract Management	10%	3	6.00%	3	6.00%	4	8.00%
5a	Supplier Management	10%	3	6.00%	2	4.00%	4	8.00%
5b	Supplier Management	10%	2	4.00%	2	4.00%	3	6.00%
Total out of 100%		100%	52.00%		47.20%		75.40%	
Total out of 35%		35%	18.20%		16.52%		26.39%	

Contractor D		Contractor E		Contractor F		Contractor G	
Score	Result	Score	Result	Score	Result	Score	Result
3	15.00%	3	15.00%	4	20.00%	3	15.00%
3	6.00%	4	8.00%	2	4.00%	3	6.00%
3	3.60%	3	3.60%	4	4.80%	3	3.60%
4	6.40%	3	4.80%	3	4.80%	3	4.80%
3	4.80%	3	4.80%	2	3.20%	3	4.80%
4	6.40%	4	6.40%	3	4.80%	3	4.80%
3	3.00%	3	3.00%	3	3.00%	3	3.00%
3	6.00%	3	6.00%	4	8.00%	4	8.00%
3	6.00%	3	6.00%	2	4.00%	2	4.00%
3	6.00%	3	6.00%	3	6.00%	3	6.00%
63.20%		63.60%		62.60%		60.00%	
22.12%		22.26%		21.91%		21.00%	


Social Value		Weighting	Contractor A		Contractor B		Contractor C	
			Score	Result	Score	Result	Score	Result
1	Social Value: Strong Foundations	20%	3	12.00%	2	8.00%	3	12.00%
2	Social Value: Every opportunity to Succeed	50%	3	30.00%	3	30.00%	3	30.00%
3	Social Value: A Cleaner Brent	30%	3	18.00%	2	12.00%	4	24.00%
Total out of 100%		100%	60.00%		50.00%		66.00%	
Total out of 10%		10%	6.00%		5.00%		6.60%	

Contractor D		Contractor E		Contractor F		Contractor G	
Score	Result	Score	Result	Score	Result	Score	Result
3	12.00%	4	16.00%	2	8.00%	3	12.00%
2	20.00%	2	20.00%	3	30.00%	2	20.00%
2	12.00%	2	12.00%	2	12.00%	2	12.00%
44.00%		48.00%		50.00%		44.00%	
4.40%		4.80%		5.00%		4.40%	

Summary

Summary	Weighting	Contractor A	Contractor B	Contractor C	Contractor D	Contractor E	Contractor F	Contractor G
Quality	35%	18.20%	16.52%	26.39%	22.12%	22.26%	21.91%	21.00%
Social Value	10%	6.00%	5.00%	6.60%	4.40%	4.80%	5.00%	4.40%
Commercial	55%	50.79%	27.17%	46.11%	42.01%	47.13%	48.45%	33.77%
Total	100%	74.99%	48.69%	79.10%	68.53%	74.19%	75.36%	59.17%

Ranking	3	7	1	5	4	2	6
----------------	---	---	---	---	---	---	---

	Cabinet 11 th October 2021
	Report from the Assistant Chief Executive
2021/22 Quarter 1 (April – June) Performance Report	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix A Corporate Performance Scorecard
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Lorna Hughes Head of Strategy and Partnerships 020 8937 5068 lorna.hughes@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report and the performance scorecard (**Appendix A**) set out the position on the Council's performance in the first quarter of 2021/22. It should be noted that the position of measures will be subject to further adjustment as performance develops and additional data becomes available throughout the year. The content and format of the report and scorecard have been revised to focus primarily on the Council's Borough Plan: Building a Better Brent (2021-2022), and its priorities.
- 1.2 This report will provide Cabinet with a corporate overview of performance in key Borough Plan priority areas, to support informed decision-making and to manage performance effectively.
- 1.3 The Borough Plan: Building a Better Brent 2021-22 refresh was agreed by Full Council in February 2021. This refresh updated the Borough Plan 2019-23. It provides a strategic picture of where the Council would like to be by 2022 and how it intends to get there. The Borough Plan has five overarching strategic priorities, each with detailed desired outcomes. To assist in the delivery of these outcomes, specific key activities have been identified - there are known as annual Delivery Plan Priorities.

1.4 The five priorities set out in the Borough Plan (2021-22) and their desired outcomes are as follows:

- Every opportunity to succeed:
 - Improvement in Key Stage results for boys of Black Caribbean heritage, looked-after children and care leavers
 - High-level skills achievement
 - Increase in average wage
 - Increased opportunities for children and young people to succeed
- A future built for everyone, an economy fit for all:
 - Increased levels of labour market participation and training support
 - Increase in inward investment achieved via the council
 - Adopt our new Local Plan, setting out our vision, priorities and areas for future development in the Borough.
 - Increase in housing supply
 - Reduction in the number of households in temporary accommodation
 - Reduction in number of people who are homeless in the Borough and effective support for those who are homeless
 - Keep traffic moving and our roads and pavements in good repair
- A cleaner, more considerate Brent:
 - Considerable and measurable progress made in reaching net zero carbon emissions, improving air quality and reducing fuel poverty
 - A cleaner more attractive borough
- A borough where we can all feel safe, secure, happy and healthy:
 - Reduction in anti-social behaviour, the risk of harm and re-offending
 - Reduction in violent crime, including gang and knife crime
 - Support our most vulnerable adults, enabling them to choose and control the services they receive, to remain independent and lead active lives
 - Improve the health of Brent residents and reduce health inequalities
 - Make Brent a place where culture is celebrated and vibrant
- Strong foundations:
 - Address digital exclusion and enable residents to get online
 - Making every pound count
 - Building services around residents and their needs
 - Increase in resident satisfaction
 - Increase in resident involvement

1.5 The Corporate Performance Scorecard (Appendix A) sets out the suite of key performance indicators (KPIs) being monitored corporately.

1.6 Where data is not provided, the following apply:

- The measure is annual
- The data is not yet available due to seasonal services and data collection
- The data has not yet been released by a partner organisation e.g. NHS, Met Police etc.

2.0 Recommendation(s)

2.1 Cabinet has been asked to:

- a. Note the performance information contained in the new improved performance report.
- b. Consider the current and future strategic risks associated with the information provided and agree remedial actions on strategic risks as appropriate.
- c. Challenge progress with responsible officers as necessary.

3.0 Detail

The Policy and Performance Framework

- 3.1 A new performance framework has been developed for 2021/22 that sets out how the council will manage its performance from the start of the year. The new framework ensures focus on delivering improved outcomes by driving improvement throughout the organisation. The performance framework covers:
 - Tier 1 – the Borough Plan and delivery plan (refreshed)
 - Tier 2 – key corporate strategies and plans: Black Community Action Plan, Equality Strategy, Poverty Commission, Climate Emergency Strategy and Joint Health and Wellbeing Strategy (in development).
- 3.2 The framework has been developed with a number of principles in mind:
 - There should be a clear golden thread from the Borough Plan to front line delivery
 - The Borough Plan and key strategies/plans are interlinked and cross-referenced
 - Performance measures must be proportionate and meaningful, and include the use of 'journey' indicators to demonstrate progression.
- 3.3 The new framework introduces a new performance-reporting tool (SPINE). SPINE has been developed in house and uses Power BI to store and generate reports. The new tool includes increased automation and reporting capabilities. The benefits of the new tool are:
 - Increased accuracy
 - Undemanding data collection process which eradicates multiple data requests
 - Customised reporting using Power BI to cater for all levels of reporting and detail.
 - All departments can use the data repository to build their own dashboards and reports.

Borough Plan indicators

- 3.4 Overall, there are currently 65 Borough Plan key indicators in the Q1 performance scorecard.
- 3.5 KPIs are rated Red, Purple, Amber or Green depending on their performance:
 - Green KPIs have met or exceeded their target
 - Amber KPIs are between 0.01% and 5% outside of their target
 - Red KPIs are 5% or greater outside of their target
 - Purple KPIs are new – they show performance outside of target, but performance is directly attributable to the impact of the Covid-19

pandemic.

Of the 65 Borough Plan indicators for Q1:

- 23 are on or above target (green)
- 8 just off target (amber)
- 10 significantly off target (red)
- 4 are off target due to Covid-19 (purple)
- 13 provide contextual information
- Corporate performance is awaiting data on the remaining indicators.

Internal business performance indicators

- 3.6 An additional 14 internal business indicators are included in the corporate performance scorecard.
- 1 is on or above target (green)
 - 2 just off target (amber)
 - 7 significantly off target (red)
 - 1 is off target due to Covid-19 (purple)
 - 3 indicators provide contextual information
- 3.7 A summary of performance is outlined in the following sections.

Every opportunity to succeed

Red and purple KPIs

- 3.8 0 local apprenticeships or work experience opportunities for disadvantage groups and young people through SVEPP (Social Value and Ethical Procurement Policy) have been secured in Q1. Even though this currently has a Red rating, the department has made it clear that data is still being collated and positive progress for this measure will flow through into Q2.

Amber, green and contextual KPIs

- 3.9 The percentage of care leavers aged 19-21 in education, employment or training (EET) has performed above target levels in Q1 at 65.2%, against a target of 57%. The Leaving Care Teams and Prospects have been undertaking targeted work to help young people move into EET. The consequence of their work is an excellent Q1 outturn that is higher than the same period in previous years (49% in Q1 2020/21 and 41% in Q1 2019/20).
- 3.10 There have been 85 Employment and Apprenticeship outcomes through Brent Works and Hubs service – above the target of 65. The service has performed exceptionally well once again and has reported a Q1 outturn that is more than double that achieved at the end of Q1 in 2020/21.
- 3.11 The number of students enrolled on Brent Start courses at the end of Q1 has also performed well with 5,114 positive outcomes against a target of 5,000. 3,954 outcomes were delivered through Adult Skills learning, 1,144 through Community learning and the remainder through non-funded learning schemes.
- 3.12 The percentage of Looked After Children (LAC) in education, employment or training (EET) has ended Q1 at 73.7% (contextual). The number of LAC who are EET has increased since the reopening of FE establishments and is now

marginally lower than the same reporting period last year. Brent Virtual School has been working closely with Prospects to develop strategies to increase the number who are EET.

A future built for everyone, an economy fit for all

Red and purple KPIs

- 3.13 No new homes have been delivered in Q1. The Council has a delivery target of 1,000 homes over the 5 year period 2019-24. The current projection is above target at 1,047 new homes.
- 3.14 14 affordable homes have been delivered by i4B and another 10 by external providers (including S.106). Performance is slightly lower than target for both indicators. It is expected that there will be an increasing supply throughout the year, and officers are monitoring the situation closely. The Council has a target to deliver 5,000 new affordable homes over the period 2019-24. The current projection shows delivery of 6,064, exceeding the target by 1,064.
- 3.15 Performance for the voids indicators are both outside of target. The voids recovery plan is now starting to have an impact on the turnaround time (e.g. 15 post April major voids were let in August with an average turnaround of 75 days, but 5 pre April ones were also let in August with an average turnaround of 181 days). Progress continues to be made and the department are confident that the current focus on handover between the various teams involved will significantly improve the turnaround times further. The next focus in the improvement plan is on letting times (the period between completion of refurbishment works and new tenancy start) and the service have secured additional resource to focus on this. The service expects to be hitting targets by Q3.
- 3.16 The number of empty properties refurbished and brought back in to use within the borough at the end of Q1 is 16, against a target of 25. As with previous years, the profile for this indicator is not a constant and due to schemes being approved at the start of the year more tend to therefore complete in quarters 3 and 4. Whilst Q1 is slightly below target, the figure as at the end of July was 26.
- 3.17 3,472 Houses of Multiple Occupation are licensed in Brent, as against a target of 3,804. HMO licences are still being received at a consistent rate and are being processed in time. As we come out of Covid, additional enforcement action and communications is increasing, which officers expect will lead to a surge in the number of HMO applications. Notwithstanding this, the department have suggested that the target for this year is very ambitious and will be difficult to achieve.
- 3.18 The performance of Category 2 highways defects repaired on time continues to perform outside of target levels, as it has for the previous eight quarters. Performance over the last quarter indicates that 63.2% of repairs were rectified in time, against a target of 90%. Q1 has shown signs of improvement with the backlog of works being significantly reduced. However, recurrent issues with Contract Management System (Symology) has on many occasions resulted in work having to be allocated manually and problems with uploading completed photos. This has impacted on measuring performance

accurately. The department have now received approval to move to a managed service whereby faults are picked up and addressed directly by Symology.

Amber, green and contextual KPIs

- 3.19 The number of households in temporary accommodation has reduced slightly since Q4 and continues its positive trend (actual YTD – 1,688 against target – 1,625). This continues to be facilitated by an increase in the supply of social housing lets. This indicator has an ambitious target of 1,400 households in temporary accommodation by the end of 2021/22 and the department are confident that this will be achieved, both through continued prevention work and delivery of new supply.
- 3.20 The percentage of homelessness prevented and relieved is performing above target (64% as against a target of 50%). Prevention numbers remain high due to proactively working with households who are threatened with homelessness.
- 3.21 1,582 students have participated in a Brent ESOL course during Q1, against a target of 1,500. The figure shows continued improvement in this area and highlights the willingness of residents to take part in such services.
- 3.22 The number of employment outcomes in growth sectors through Brent employment services are performing at target levels (20). These outcomes have been achieved in digital tech, pharmaceutical, construction, creative and health and social care.
- 3.23 The number of local suppliers we use in Brent is also performing above target levels, with an outcome of 40% against the target of 35%. The Council's work in engaging with the local supplier base is beginning to realise benefits and has met the target set for 2021-22 with more suppliers who bid having a successful outcome and being awarded a contract.

A cleaner, more considerate Brent

Red and purple KPIs

- 3.24 An average of 138.6 kilograms of residual household waste was collected per household in Q1, against a target of 120kg. The Covid-19 remote working and furlough arrangements have caused more residents to be at home more of the time. This means waste which would normally end up in the commercial waste stream from offices and restaurants has moved to the residential waste stream to be collected by Brent Council. This situation will continue to be monitored closely by both officers and contractor.
- 3.25 0 additional electric vehicle-charging points have been installed across the borough in Q1, against a planned target of 200, rating this indicator Red. Officers have confirmed that over 200 lamppost chargers will be installed during September and October. The initial roll out planned for June has been delayed due to technical issues with equipment.

Amber, green and contextual KPIs

- 3.26 The number of apprentices working towards qualifications in the green circular economy is a new measure for this year. Performance is above target, with actual performance of 16 against a target of 10. The majority of these are green apprenticeships linked to the construction industry, with a steady increase expected in the actual outcomes throughout the year.
- 3.27 397 waste cases have been investigated during Q1 that have led to enforcement actions. This is a very positive start to the year and number of cases investigated and actioned this year are projected to exceed last year's number of 506.
- 2.38 There have been no further trees planted in streets and public spaces during Q1. Tree planting is seasonal and is usually undertaken from October to March, so no trees will be planted in the first and second quarters of the year.

A borough where we can all feel safe, secure, happy and healthy

Red and purple KPIs

- 3.29 The outcome of short-term services: sequel to service (REABLEMENT) is performing off target due to the impact of the pandemic, with an actual of 69.5% against a target of 75%. This is a sharp decline from the end of year (2020/21) performance of 86.2%. During the Covid period more complex needs cases were discharged from hospital, and with cancelled routine surgeries there was a reduction in number of post-surgery reablement cases. It is projected that performance for this measure will improve through the year as the Council and partners recover.
- 3.30 The percentage of children becoming subject to a Child Protection plan for a second or subsequent time is reported at 23% and is higher than its target of 12%. The rise in numbers is a result of the Covid-19 pandemic and is higher than the 2020/21 outturn of 15.4%. Repeat Child Protection Plans have increased each month following the lifting of lockdown at the end of March 2021. Analysis indicates that vulnerability factors for families, such as parental mental health, have increased during lockdown leading to escalations in risk and need. Child Protection Advisors are closely monitoring repeat Child Protection Plans.
- 3.31 A new culture indicator measures the increase in the number of people participating in heritage activity with an actual of 5,123 against a target of 7,500. The service has been focusing on trialling in person events, and due to the continued impact of the pandemic, these events have had to run with reduced numbers.

Amber, green and contextual KPIs

- 3.32 The number of Early Help Assessments and reviews completed per 10,000 children is performing at a rate of 64.4, slightly below target of 66.25. The number of EHAs is expected to increase in line with an increase in step-downs from the Localities Service to Early Help. The Early Help and Localities services are ensuring that appropriate cases are stepped down.

- 3.33 Stability of placements of Looked After Children: three or more placement moves (percentage) (actual YTD – 12.1%, target – 12%) is performing just outside of target by a very small margin. Proactive work is being undertaken to support placements when they first become unstable to minimise placement disruption. Monthly placement stability meetings continue to identify, track and monitor closely children and young people who have had 2 or more moves to ensure that any placement stability risks are proactively managed.
- 3.34 The Child Protection rate per 10,000 children measure has performed well in Q1, with an actual of 40.8 against a target of 45. The Child Protection Rate has been increasing, reflecting an increase in complex cases since schools fully reopened but the measure remains below its Q1 target.
- 3.35 Delivery of specialist accommodation (property receiving enhanced housing management) is a new measure for 2021/22. It is currently performing within target, with 12 units delivered this quarter in Gladstone Park and Preston Road. The department are confident that the annual target of 94 will be met with a plan in place for four further schemes for the remainder of this year.
- 3.36 The number of new admissions to residential and nursing care homes for people aged 65+ (actual YTD – 46, target – 149) and 18-64 year olds (actual YTD – 5, target – 28) are performing above target levels. Since April 2021, nursing home placements with NHS funding are in the process of transfer to Brent. Hence, there is a spike in cases particularly in April but still remain below target.
- 3.37 Both Public Health indicators are performing above target. 96.5% of new birth visits took place within 14 days (target – 95%) and were primarily delivered as virtual contacts unless there were concerns. The percentage of successful completions as a proportion of all opiate drug users in treatment was 6.3% (target – 5%). Using estimates for Q1 2021/22 based on 2 months of available data, Brent services for opiate users continued to exceed the target and were maintained during the period. Clinical interventions, including secondary prescribing are operating to ensure that services remain accessible and clinically safe.
- 3.38 Increase in loans of physical and electronic stock from the libraries is performing well above target levels (actual YTD – 210,430, target – 125,450). Increase in social and physical cultural infrastructure in the borough: five meanwhile / temporary spaces secured for performance or artist studios through the NCHP programme is performing at the target level of 5. In such an uncertain time, it is difficult to forecast how well communities will recover and how quickly they will return to using their library services. The certainty is that people want to access resources as reflected in the statistics for electronic stock. As the service continues its phased approach to full service whilst monitoring visitor numbers and adhering to advice from Government and/or Public Health, the department is confident in its expectation of that approach is the correct course.

Strong foundations

Red and purple KPIs

- 3.39 Revenue income secured from our commercial portfolio is rated Red (actual YTD – £678k, target – £760k). The Q1 figure represents the amount of rent and service charges billed in Q1 for 2021/22. The amount of arrears for Q1 is currently £348,245. The amount of cash collected so far is therefore the difference between the amount billed and the amount of arrears, which is £330,063.

Amber, green and contextual KPIs

- 3.40 Current rent collected as a percentage of rent due is at 99.3%, against a target of 100.5%. The target has increased from 2020/21 to focus on recouping current arrears owed. Several new initiatives have been introduced to maximise rent collection including:
- An income officer attending all sign ups to support with benefit change forms
 - A promotion of using direct debits to pay rent
 - Communications are planned at specific times of the year known to cause financial pressure e.g. start of the school year and Christmas to remind the importance of paying rent
- Senior leadership will continue to monitor individual officers' collection performance and to ensure new initiatives outlined are embedded.
- 3.41 Community Hubs continue to perform very well, with 2,336 residents accessing a hub in Q1, against a year to date target of 975. Demand for support has increased because of the pandemic but the hubs continue to perform well against pressures. Demand is likely to continue to increase in response to the economic impact of the pandemic and officers are developing the hub model to be able to continue to meet this demand at the same time as bringing back face-to-face services. Additionally, the Hubs service have also made 1,013 referrals to food banks, highlighting continued need for this service.
- 3.42 Performance has been above target level in increasing online service uptake as shown in the measure "25% increase in the number of transactions undertaken online across the website (non-logged in state) compared to 2020/21" (actual YTD – 51%, target – 25%). This year the department are including transactions undertaken across the website and our new My Account portal to provide a more accurate representation of how residents are using the Brent website to self-serve. This has resulted in a natural uplift in transactions per month. The website redevelopment programme will further address and improve the experience residents have when they complete a transaction online. As well looking to improve the design, navigation and ease of understanding, there is a significant strand of work underway to simplify and streamline how we design and publish online forms across the website and My Account.
- 3.43 A new social value Procurement indicator – hours contributed toward supporting/financial commitment for sponsorship of community-led initiatives [SVEPP] has been introduced for this year. Performance is above target levels (actual YTD – 6, target – 8).
- 3.44 The number of residents engaging with the participatory budgeting pilot is rated green (actual YTD – 30, target – 30). This is a positive start for the

service and it is anticipated that engagement levels will continue to meet expectations throughout the year.

- 3.45 A new measure for grants; Successful distribution of grant funding to a wide selection of Brent communities has ended Q1 with an actual of 12 (contextual). LWYL remained open during the pandemic, however with restrictions, different type of online projects have been bid for as opposed to community events. It is hoped that with the lifting of lockdown more events will be applied for in the coming months. A communications strategy is in place to ensure the grant is promoted appropriately. Edward Harvist has been continuously open during the pandemic however with a number of registered charities and contacts adjusting to the new normal, bids have been low. Edward Harvist is currently being reviewed and remains open with a view to relaunching later this year.

Internal Business

Red and purple KPIs

- 3.46 The four indicators measuring Stage 1 and 2 complaints have a RAG rating of Red, as they did not meet the target of 100% of cases responded to within timescale. (Actual – Stage 1 Corporate: 85.6%, Stage 1 Statutory: 65.5%, Stage 2 Corporate: 69.6%, Stage 2 Statutory: 25%). Performance declined for Stage 2 Corporate and Stage 2 Statutory KPIs in Q1 continuing the trend from Q4 last year. Staffing had a significant impact in Q4 due to extended sick leave that has had a knock on effect into Q1. There were 4 stage 2 statutory complaint investigations in Q1. This consisted of two CYP cases and two ASC cases. One ASC case was closed on time in April, with the other 3 cases overdue. The team are working towards improving timeliness. With the shortage of independent investigators this has had a bearing CYP complaint responses particularly.
- 3.47 Member Enquiry response performance has increased to 94.4% taking into account a rise in enquiries to 1,680. 1,586 enquiries were closed on time but the measure remains red, with a target set at 100%.
- 3.48 The value of Housing Benefits Overpayments recovered as a percentage of debt created in year is outside target due to Covid19 (actual YTD – 66.7%, target –85%). January 2021 saw Housing Benefit overpayment collection reviewed with processes subsequently changed so that recovery and contact with debtors is brought forward. An ambitious target of 85% has been set and the department continue to monitor recovery rates ensuring the target can be met by Q4.
- 3.49 The average days taken to process new benefit claims and change events is outside of target in Q1 of 8.7 days with an actual of 13 days. Applications for new claims and change in circumstances have increased fourfold since the lockdown. Furlough, changes to tax credits, LHA rates and childcare costs for a large number of residents has meant an increased workload for the department. Additionally, the department has been delivering on work streams such as Self-isolation payments and the Resident Support fund have had an impact too. Additional staff have now been recruited, resilience contracts and overtime to staff has been offered to catch up with outstanding work.

Amber, green and contextual KPIs

- 3.50 The Council Tax collection rate is just outside of target, with a collection rate of 28% falling slightly short against a target of 28.2%. Collection of council tax fell over 4% last year. This year's target is to increase collection to 94%. It is clear from the CTS numbers that many taxpayers continue to struggle with payments. A number of actions are in place, including the restarting of court action.
- 3.56 The percentage of FOI requests responded to within 20 working days is just off target (actual YTD – 89.4%, target –90%). A total of 406 FOIs were received this quarter, with 363 responded to on time.

4.0 Financial Implications

- 4.1 None

5.0 Legal Implications

- 5.1 In Table 3 of Part 3 of the council's constitution, it states that the Cabinet is responsible for formulating and preparing a sustainable community strategy and then submitting the same to Full Council for consideration and adoption or approval. The Sustainable Community Strategy constitutes part of the council's Policy Framework. The Council's Borough Plan, which is its current sustainable community strategy, was agreed by Full Council in 2019.

6.0 Equality Implications

- 6.1 There are no direct diversity implications. However, the report includes performance measures related to the council's diversity objectives and is part of the framework for ensuring delivery of these key outcomes. Service areas have the responsibility for managing the delivery and performance of their services. Therefore, the service area would also need to consider if a variation in performance could lead to equality implications at a service level.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Not applicable.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 None

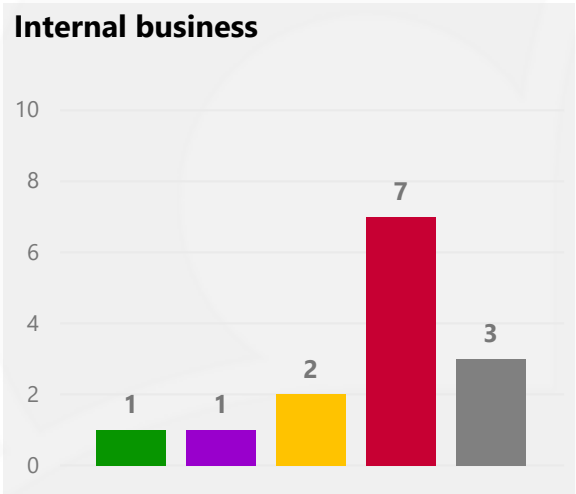
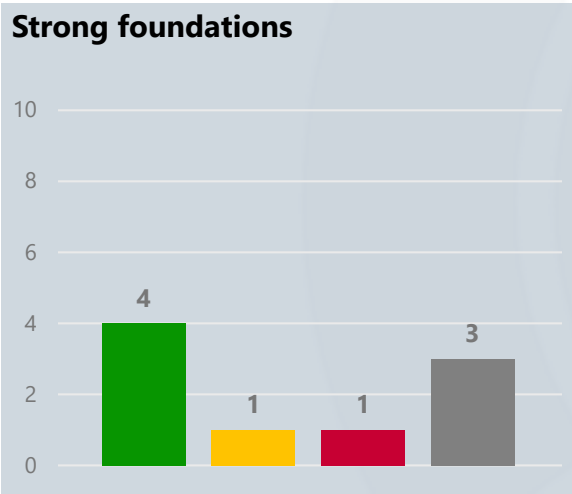
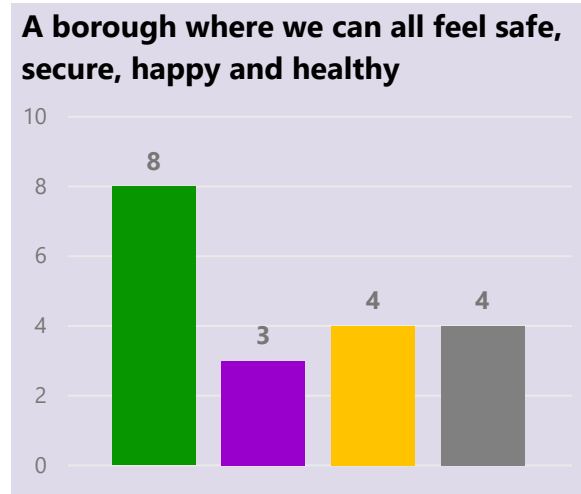
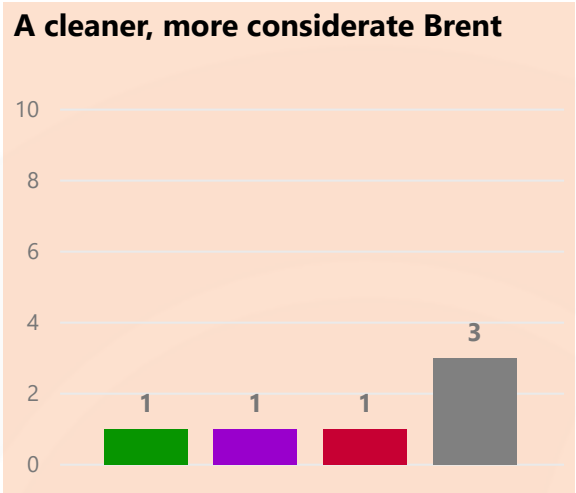
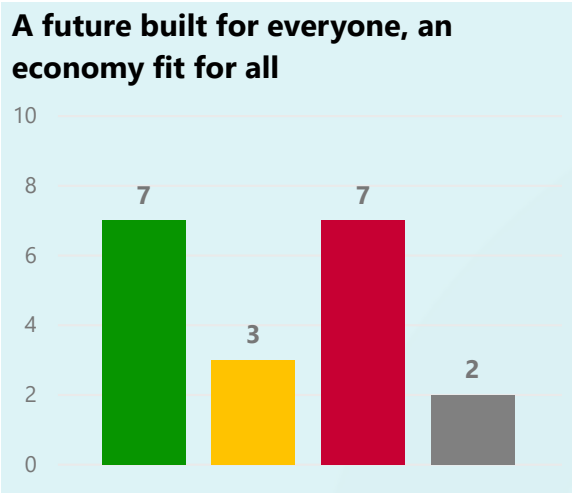
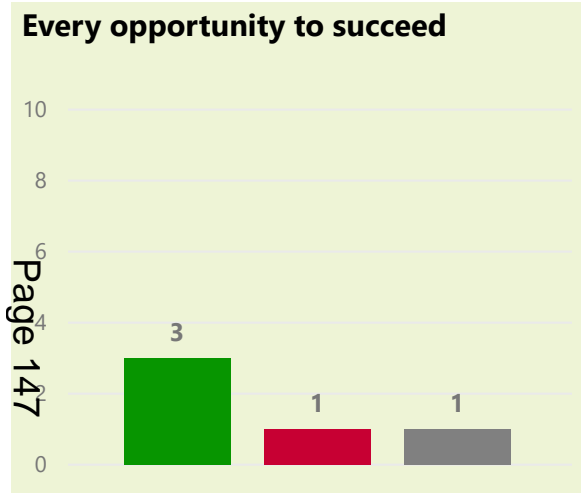
Report sign off:

Shazia Hussain
Assistant Chief Executive

This page is intentionally left blank

Corporate Performance Report Q1 2021-22

Indicators by RAG Rating



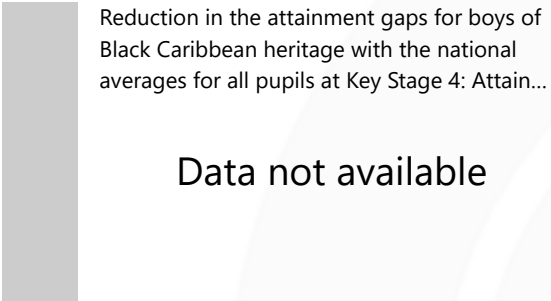
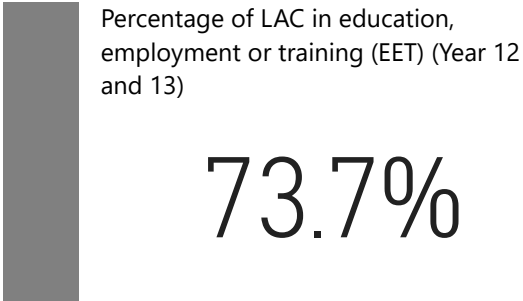
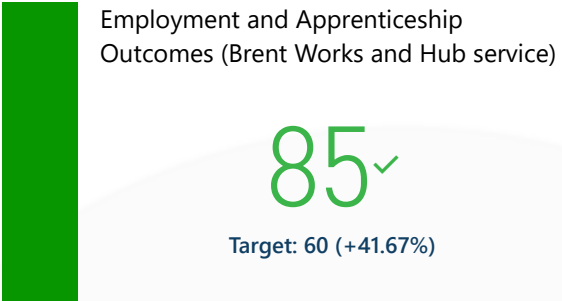
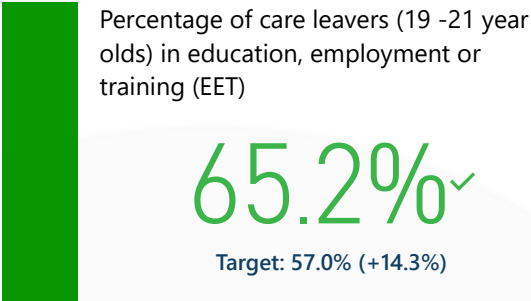
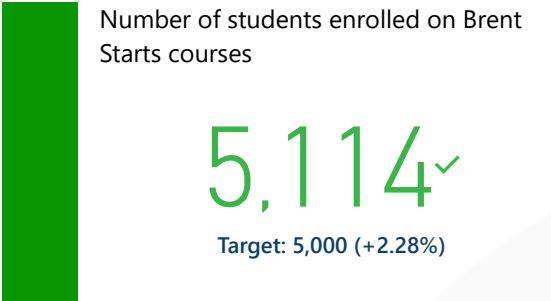
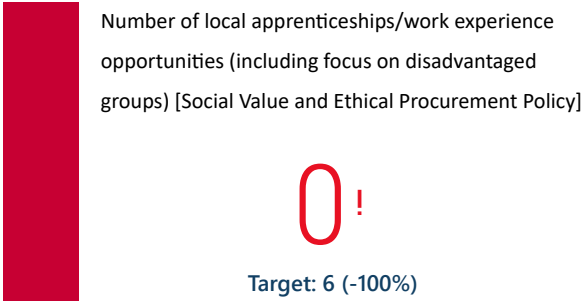
Key for Performance Rating
Unless otherwise defined, performance information is assessed using the following tolerances to give a RAG rating:

- Green** – At target or exceeding target
- Purple** – Outside target and where performance is directly attributable to the impact of COVID-19
- Amber** – 0.01% - 5% outside target, where performance is not directly attributable to the impact of COVID-19
- Red** – Greater than 5% outside target, where performance is not directly attributable to the impact of COVID-19
- Contextual** – No target set
- n/a** – Data not available

Corporate Performance Report Q1 2021-22

Every opportunity to succeed

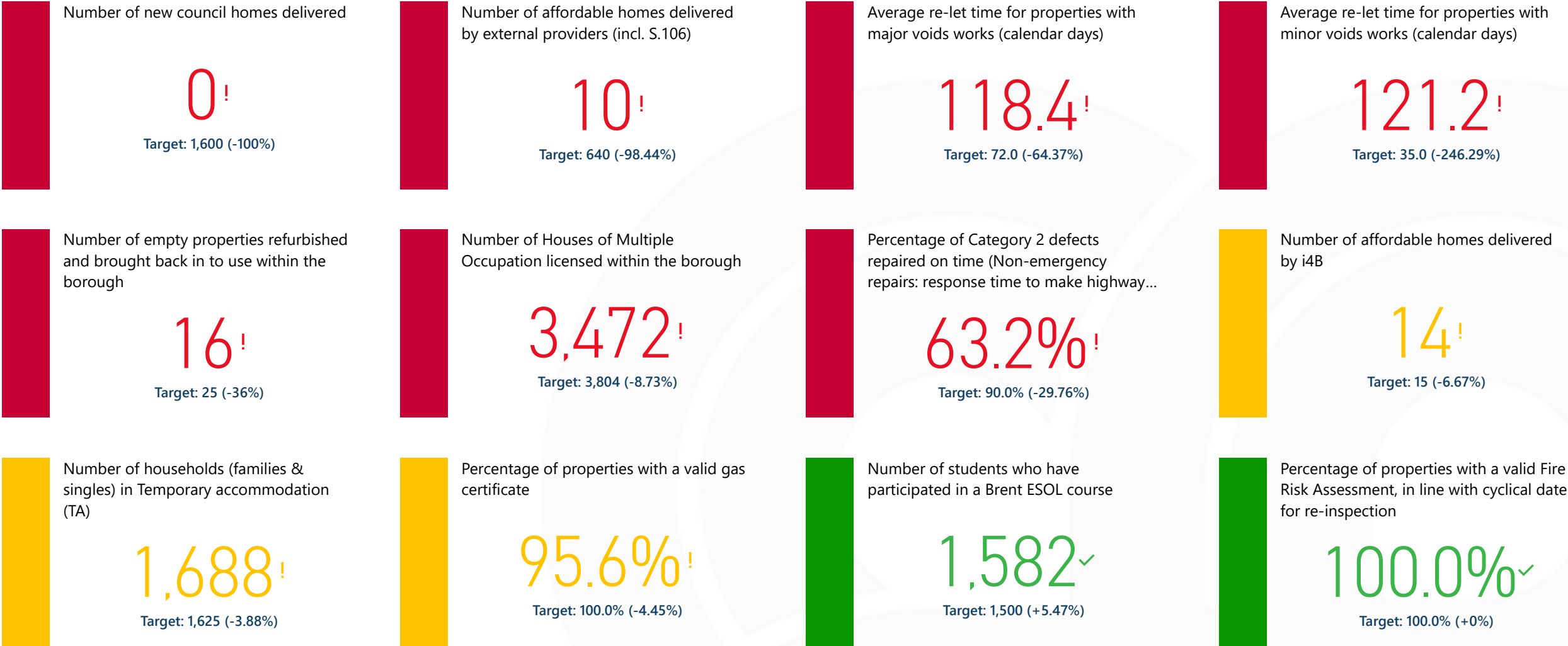
Page 148



Corporate Performance Report Q1 2021-22

A future built for everyone, an economy fit for all

Page 149



Corporate Performance Report Q1 2021-22

A future built for everyone, an economy fit for all

Page 150



Corporate Performance Report Q1 2021-22

A cleaner, more considerate Brent



Additional electric vehicle charging points installed across the borough

0!

Target: 200 (-100%)



Number of kilograms of residual household waste collected per household

138.6!

Target: 120 (-15.5%)



Number of apprentices working towards qualifications in the green circular economy

16✓

Target: 10 (+60%)



Number of trees we plant on our streets and in our public spaces

0



Number of waste cases investigated which lead to enforcement action

397



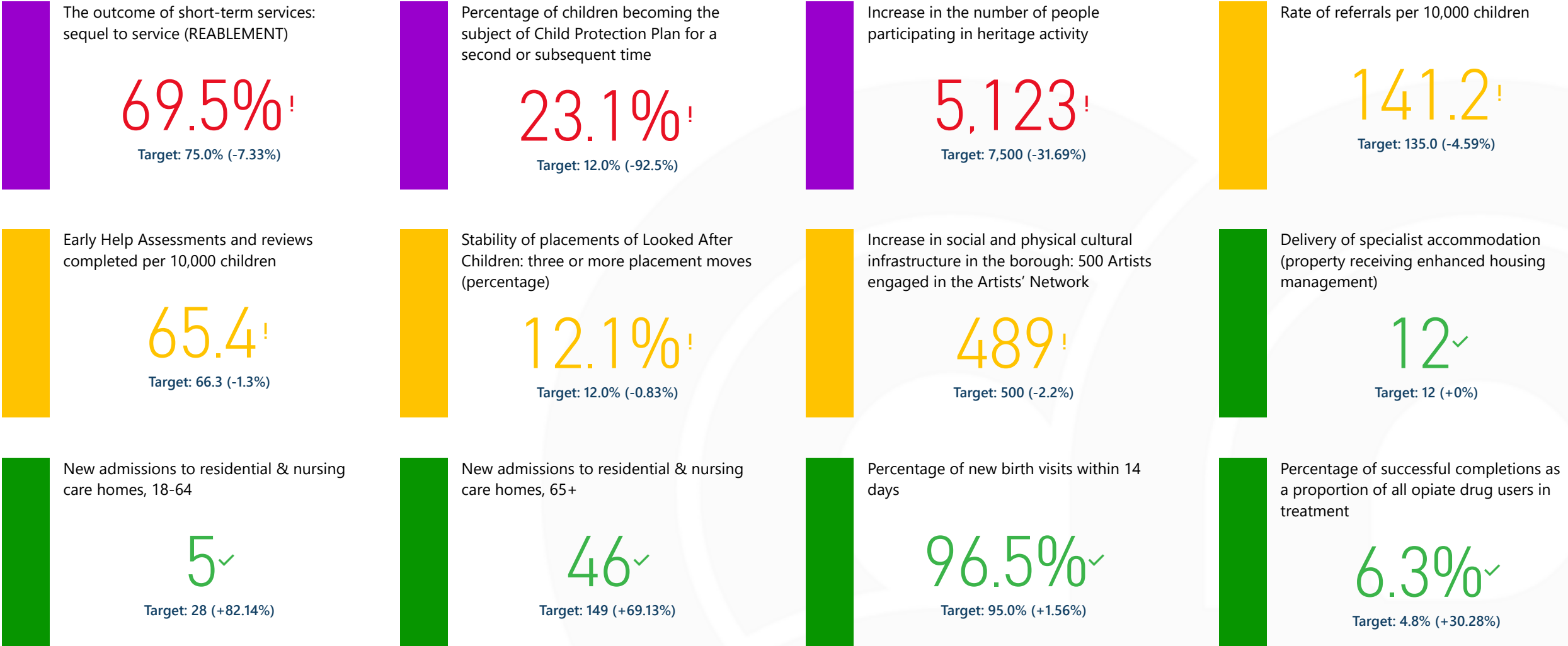
Total cost of energy efficiency works on pilot properties

£0

Corporate Performance Report Q1 2021-22

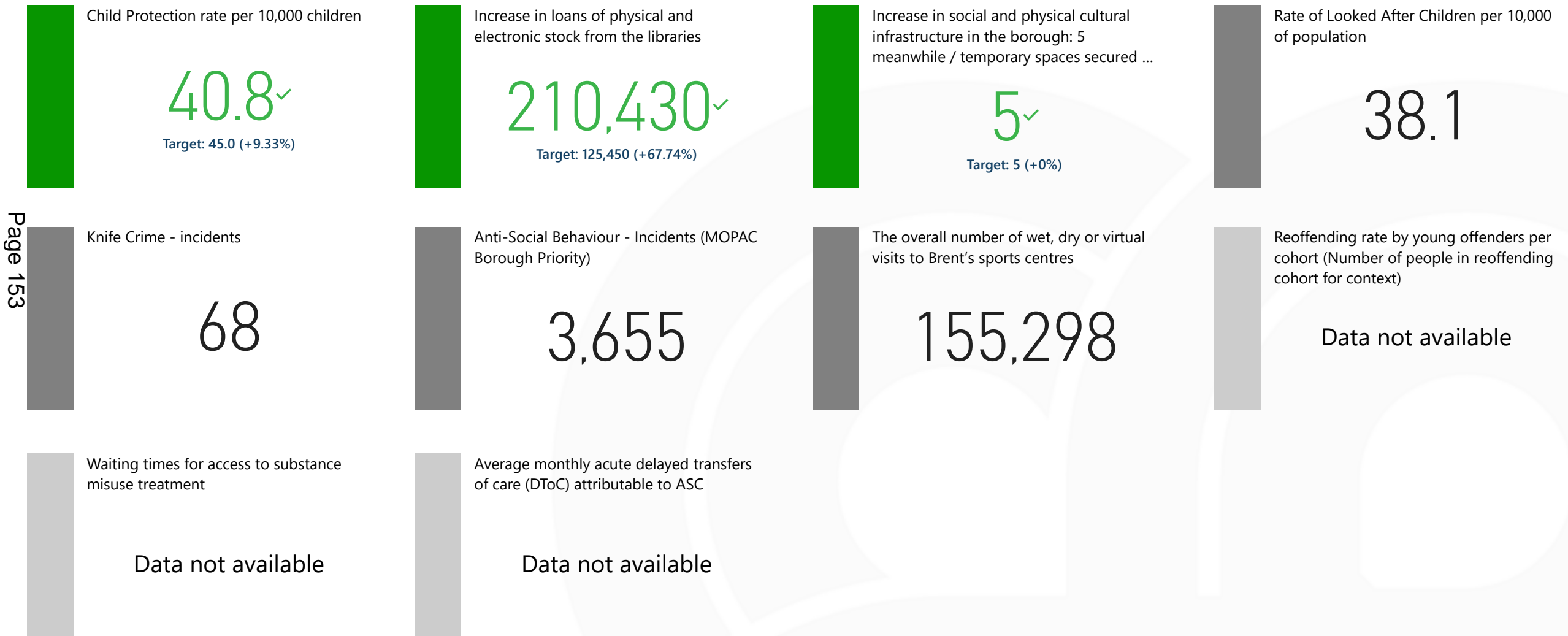
A borough where we can all feel safe, secure, happy and healthy

Page 152



Corporate Performance Report Q1 2021-22

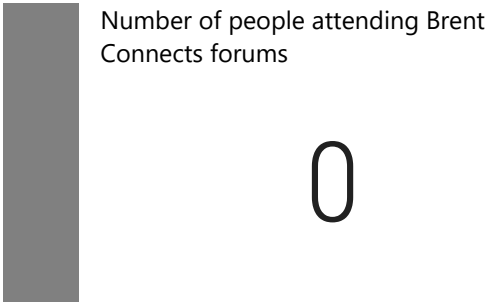
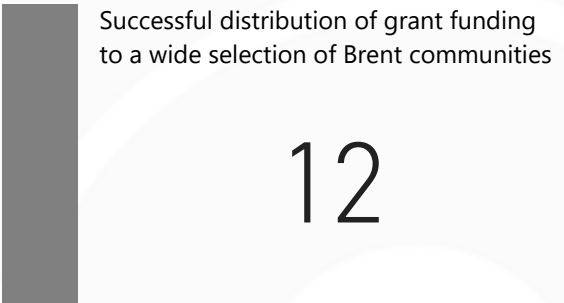
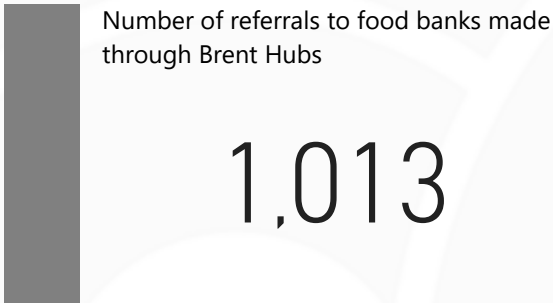
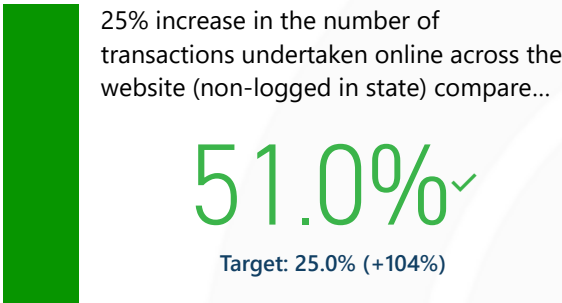
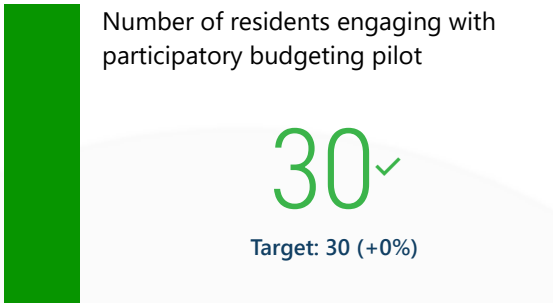
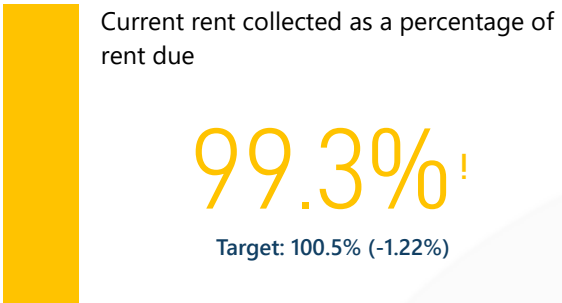
A borough where we can all feel safe, secure, happy and healthy



Corporate Performance Report Q1 2021-22

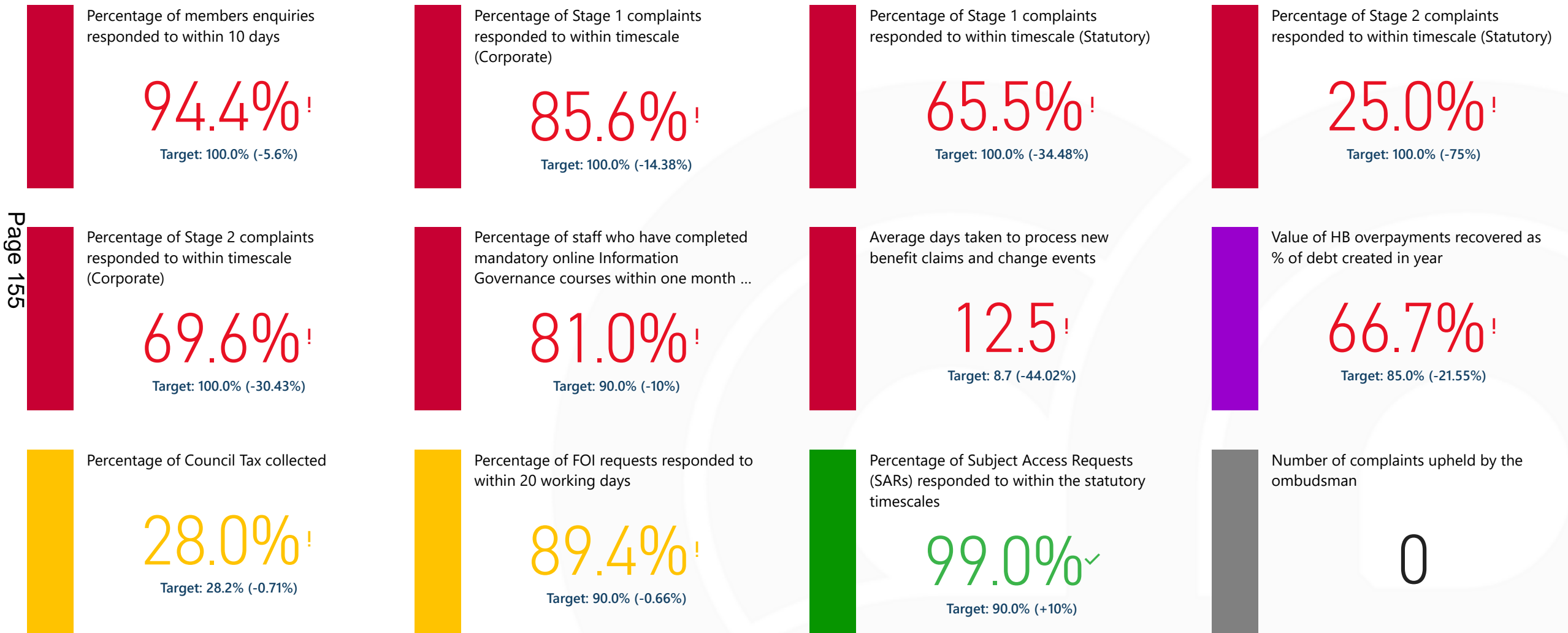
Strong foundations

Page 154



Corporate Performance Report Q1 2021-22

Internal business



Corporate Performance Report Q1 2021-22

Internal business

