MINUTES OF THE RESOURCES AND PUBLIC REALM SCRUTINY COMMITTEE
Wednesday 4 September 2024 at 6.00 pm

PRESENT: Councillor Conneely (Chair), Councillor Kennelly (Vice-Chair) and Councillors Ahmadi Moghaddam, S.Butt, Dixon, Long, Lorber, Maurice, Mitchell and Molloy.

Also Present: Councillor Muhammed Butt (Leader of the Council & Cabinet Member for Housing) representing Councillors Krupa Sheth (Cabinet Member for Environment & Enforcement) and Councillor Tatler (Cabinet Member for Regeneration, Planning & Growth).

Paul Norton and Paul Harris (Continental Landscapes) – for Item 8

1. **Apologies for absence and clarification of alternate members**

Councillor Conneely (as Chair) welcomed members of the Scrutiny Committee to the meeting.

Apologies for absence were received from Councillor Georgiou (with Councillor Lorber attending as a substitute) and from Councillor Shah.

The Chair also confirmed that Councillor Muhammed Butt was attending (as Leader of the Council & Cabinet Member for Housing) to represent Councillors Krupa Sheth (Cabinet Member for Environment & Enforcement) and Councillor Tatler (Cabinet Member for Regeneration, Planning & Growth).

2. **Declarations of interests**

Councillor S.Butt declared a personal interest in respect of Agenda Item 9: Delivery of Affordable Housing by i4B Holdings Ltd and First Wave Housing Ltd as one of the Council appointed Directors on the Board of both companies. Given the nature of the review due to be undertaken he advised that he would withdraw from the meeting for the consideration of that item.

No other declarations of interests were made at the meeting.

3. **Minutes of the previous meeting**

It was **RESOLVED** that the minutes of the previous meetings held on Wednesday 17 July 2024 be approved as a correct record.

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

No matters arising were raised at the meeting.

5. **Deputations (if any)**

The Chair advised that she had agreed to accept requests for two deputations at the meeting, both in relation to Agenda Item 8: Review of Year 1 Grounds Maintenance Contract. The first of these was from Dollis Hill Copse Group and Friends of Gladstone Park and the second from Brents Parks Forum & Friends of Park Groups.

6. **To agree the Resources & Public Realm Scrutiny Committee Work Programme for the 2024-25 Municipal Year**

The Committee received a report from the Deputy Director Democratic Services, which presented the 2024-25 work programme for the Resources & Public Realm Scrutiny Committee.

In considering the report, members were advised that the work programme had been developed to reflect relevant strategic priorities within the Borough Plan, feedback received from residents, and issues raised by members of the Committee and other councillors. Development of the work programme had also involved engagement with key stakeholders in Borough as well as the Audit and Standards Advisory Committee to ensure alignment with their work programme.

Members noted that the work programme had also been developed as a flexible living document that could be adapted as required to include emerging issues.

Having reviewed the proposed work programmed it was **RESOLVED** to agree the Resources & Public Realm Scrutiny Committee work programme for the 2024-25 Municipal Year.

7. **Establishment of Budget Scrutiny Task Group**

The Committee received a report from the Deputy Director Democratic Services seeking approval to establish a Task Group to consider the Council's budget proposals for 2025-26.

In considering the report, the Committee noted the proposed remit and role of the Task Group in seeking to review the budget proposals and priorities identified as part of the Council's budget consultation and setting process for 2025-26, with final recommendations arising from the review to be presented to Cabinet in February 2025 alongside the final budget proposals.

As a result, it was **RESOLVED**:

(1) That a Budget Scrutiny Task Group be established with members to be confirmed at the Committee meeting on 5 November 2024.

(2) To note the Terms of Reference for the Task Group as detailed within section 2.2 of the report.

8. **Review of Year 1 Grounds Maintenance Contract**

Councillor Muhammed Butt (as Leader of the Council attending on behalf of Councillor Krupa Sheth - Cabinet Member for Environment & Enforcement) was

invited to introduce a report providing a review of the first year of the Grounds Maintenance Contact with Continental Landscapes. In presenting the report, members were advised that the information provided included details on overall performance of the contract across parks, Brent Housing Management land as well as highways. The report also provided information relating to the challenges faced in the first year of the contract as well as lessons learned to allow improvements to be delivered moving forward with the contract, overall, felt to be making positive progress.

Following on from the Leaders introduction, Chris Whyte (Director of Public Realm) then continued by outlining the three primary challenges experienced during the first year of operation for the new contract, as identified in the report, including the need to embed and develop local working relationships with the new contractor after the previous arrangements, dealing with adverse weather conditions that had disrupted performance and grass-cutting, and integrating new machinery and electrical equipment. The Committee heard that the Council had been able to maintain an open and honest relationship with the new contractor in seeking to address these initial challenges, who had also acknowledged and reflected on the issues identified. Whilst it was acknowledged challenges remained around grounds maintenance performance on housing estates, larger parks were generally felt to have been maintained to a high standard, however issues with litter and fly-tipping during the summer season were also noted. Looking ahead, there would be ongoing evaluation of current practices to drive further improvements for the coming year. As part of the contract performance arrangements, Continental Landscapes would be conducting a comprehensive review of the summer season with insights and lessons learned to be shared with the Cabinet Member which members were advised could also be shared with the Scrutiny Committee.

Following on from presentation of the report, the Chair then invited David McClement (representing Dollis Hill Copse and Friends of Gladstone Park) to present his deputation outlining his experience of the new Grounds Maintenance Contract. Having thanked the Chair for the opportunity to speak, Mr McClement advised of the work undertaken by the Groups he was involved in supporting in seeking to maintain a small wooded copse area within Gladstone Park. Whilst thanking Continental Landscapes for their ongoing support, the opportunity was taken to highlight challenges which had been experienced following introduction of the new contract. These included the arrangements and delay in provision of a significant amount of woodchip to finalise works to footpaths and a lack of effective communication and flexibility between different teams and management in collaborating with one another. Clarifying questions were raised about practical measures that could enhance communication between different teams with David McClement's view that communication could be improved through knowledge of locality and improving clarity in communication between different teams and management. In recognising and valuing the important role played by Friends of the Park Groups and the volunteers who supported them, the Committee were keen to ensure that the issues highlighted in relation to communication and engagement between the contractor and volunteer groups such as Friends of the Park were addressed, including the need for a communications plan and ongoing support for the community support officer roles in the Grounds Maintenance contract, given their recognised source of valuable local knowledge. Questions were also raised around delivery of the shared vision for the Dollis Hill Copse, which the Committee

were reassured the Group along with their dedicated and experienced group of volunteers would continue to pursue.

The Chair thanked David McClement for his deputation and then invited Suzanne Morpurgo (as the co-ordinator of Brent Parks Forum) to address the Committee. In presenting her deputation on behalf of the Brent Parks Forum and Friends of the Park Groups Suzanne Morpurgo (participating online) began by informing members that Brent Parks Forum was a member of the National Federation of Parks, London Federation of Parks, and Brent Friends of the Earth. The organisation had also carried out educational work with children and engaged in various biodiversity work. Focussing on performance of the contract based on experience highlighted from feedback provided by different Friends of Parks Groups, the Committee was advised of concerns expressed about what was felt to be a reduction in contract specification overtime, compared to the specifications in the former Veolia contract including the loss of key staff. Further issues around tree care, training and staff retention, maintenance of pathways, loss of machinery and the need for new machinery (including reprovision of a haulage vehicle with chain to support brook clearance) were also highlighted. As a result of the issues raised, members advised they would be keen to seek clarification on how the specification of the new Grounds Maintenance Contract had changed when compared to the previous arrangements. As a further issue highlighted, the Committee were advised of specific concerns relating to the maintenance and planting programme for meadows and verges with the specific example provided of Fryent Country Park, meadows not being reseeded and concerns about the lack of a rotavator. In thanking Suzanne Morpurgo for her comments and contribution, the Chair noted a need for improved collaboration and communication between Brent Parks Forum and Continental Landscapes to effectively implement the more detailed horticultural recommendations.

Having thanked both deputations for their contribution and attendance at the meeting the Chair then moved on to invite questions and comments from the Committee in relation to the update provided on first year performance of the grounds maintenance contract, with the following comments and issues discussed:

- Following on from the query relating to specifications, Kelly Eaton (Head of Parks and Green Infrastructure) highlighted a number of key features regarding the differences between the current and previous contract specifications. Whilst the previous contract had been robust, gaps had been acknowledged particularly around the maintenance of pathways with steps taken to address this within the new contract. Given the broad scope of the contract, members were advised that Continental Landscape as the new contractors would be delivering a 5-year rolling programme to deal with the extensive range of tasks that needed to be completed. The new specification had also sought to tighten arrangements and charges for issues such as litter collections in parks which were now included as part of the contract fee. There had also been increases in the frequency of cutting on verges compared to only eight cuts a year in the past. Specifications had been established for the maintenance and cutting of verges. An enhancement of biodiversity had also been specified in the new contact. Additional costs had been reduced where necessary to ensure the Council was delivering an enhanced programme including a focus on biodiversity and the provision of a fleet of electric vehicles substantially lowering the contract's carbon footprint.

- In response to additional questioning, members were advised that whilst comparison specification details had not been requested as part of the original scope for the report commissioned these could be provided as part of any information request made by the Committee following the review. In noting the challenges identified in terms of the move to a new contractor from the previously long-established partner and operational framework, members were informed that the Grounds Maintenance Contract had been based on an output specification. This included a maximum height for verges although it was noted that the grass height had exceeded these limits due to unexpected adverse weather conditions, making this an atypical year of delivery. Although under normal conditions the electric machinery would operate well, Continental Landscapes had sought to acquire additional machinery that would perform better in challenging weather conditions.

- Referring to paragraph 3.6 within the report, which highlighted a new and clear process of monthly contract monitoring, members sought further details on how this operated in practice and how it differed from the framework that was in place under the previous contractor (Veolia). Kelly Eaton (Head of Parks and Green Infrastructure) responded that the previous contract had no formal contract monitoring between the park service and the grounds contractor. Now, there were monthly contract review meetings, weekly operational meetings and briefings for the Lead Member led by Continental Landscapes, all of which provided more robust monitoring arrangements. The system also included an enhanced IT package, although it was recognised the system required more intensive use in order to meet the Council's needs in extracting the necessary information to effectively monitor KPIs. Continental Landscapes were therefore working on a revision to their system with the first test of the new system expected in the coming months.

- Members also referenced paragraph 3.8 in the report around the challenges relating to the use of IT and accuracy of performance data as a means of supporting a meaningful and robust contract monitoring process. In response, Kelly Eaton (Head of Parks and Green Infrastructure) explained that a current problem with the system was that if an issue was marked as closed, such as through Fix My Street, but a resident later reported that it had not been resolved, there was no existing method within the system to escalate this issue or track duplicate reports. As a small team, it was crucial to identify where the problems were to determine wider issues that could then be reported to the contractor. The new system would enable the team to track escalations and duplicate reports from residents and was anticipated to be operational within the next few months. Paul Norton (Continental Landscapes) added, prior to the implementation of the new system, an interim solution would be put in place until the full development was finalised and would be able to provide a report based on a set of KPIs stipulated in the contract.

- Further details were sought on the challenges identified in relation to poor weather as an obstacle to delivery of the contract, given that extreme weather was likely to remain an ongoing challenge in the future, with the Committee keen to explore the measures being put in place to adapt and address weather-related obstacles. In response, the Committee were advised that whilst Continental Landscapes had sought to purchase electric machinery,

where concerns about poor weather affecting the use of this equipment had been identified, they had sought to hire alternative machinery powered by a low carbon fuel, which permitted grounds maintenance activity and verge cutting in wet or more challenging weather conditions and would be used going forward. Additionally, plans were being developed to undertake grass cutting earlier in the season to better manage weather-related challenges.

- Members expressed concerns about the effectiveness of electric machinery in certain weather conditions, with additional questions raised regarding whether the electric machinery was operating at full capacity, given the challenges mentioned in the report. There were also concerns around whether purchasing low carbon fuel, which was approximately four times the cost of petrol, was a suitable use of resources. Members also noted that high grass verges concealed cans and broken bottles, posing a hazard to people and animals. As a further issue highlighted, the Chair sought details about who bore the additional costs of hiring the new machinery and the extra expense of using low carbon fuel. In response, Paul Norton (Continental Landscapes) clarified contract arrangements. The Committee were advised that when machinery was purchased for the contract, it underwent rigorous testing and multiple demonstrations over several weeks. These tests showed that under normal conditions the electric machinery used in parks and on verges could operate for 7-9 hours per day, depending on the length of the grass. In terms of initial performance, as a result of the initial verge cutting programme being delayed due to early-season rain, the grass had grown rapidly and by the time it was dry enough had become too long and damp, which drained the battery of the electric machinery. In response to these issues, additional machinery had been added to the contract and alternative fuels investigated for running the equipment. The Committee were advised that Continental Landscape had borne the costs of the machinery as well as the fuel and would continue with that commitment.

- Reference was made to paragraph 3 regarding the various aspects of the Grounds Maintenance Contract with specific queries relating to the maintenance of waterways. In response, Members were advised that the contract specification included clearing general litter from the waterways. A notable challenge for Continental Landscapes was the removal of larger items found in waterways, including fly tip bags of waste containing building materials, shopping trolleys and bikes. The review referred to during the introduction of the report would provide a more detailed exploration of the impact on waterways. Following on from the previous question, details were sought about why the inclusion of a haulage vehicle with chain that could be used for removing larger waste items from waterways had not been included within the initial contract specification given access the previous contractor had to similar machinery, and what the costs would be if that were now to be added. The Committee were advised that the costs would not be known until those options were explored. The reason a vehicle for removing larger waste items from waterways had not initially been considered was that such incidences were sporadic, although these were now recognised (through the contract monitoring process) as increasing and as a result options were being explored in relation to a potential enhanced partnership arrangement with Veolia to access equipment they operated.

- As a separate issue, questions were raised about access issues when it came to waterway clearance. Members were informed that access to waterways largely depended on the type of waterway involved, with access more challenging for areas with steeper banks. The Council had liaised with Thames Water, Thames 21, and the Environment Agency to explore the most appropriate access points and were also undertaking a comprehensive review of access issues based on recognised fly tipping hotspots to understand how best to be able to address and access these sites safely.

- Further details were also sought on the collaboration being undertaken with Thames 21 and if they were continuing to use their resources to support Continental Landscapes work on waterways. In response, the Committee heard that the Council was continuing to work with Thames 21 and also remained part of the Brent River Catchment Partnership to gain insight into the interconnections between the waterways flowing through Brent.

- Moving on, details were then sought on the reference to the monitoring of poor quality/inappropriate work undertaken by the Community Payback Service such as cutting down healthy trees. Members posed questions around the scope in the contract for Continental Landscapes to provide horticultural supervision of the work of Community Payback teams to help support the aims of the contract whilst also developing the skills of those on probation being supervised through the service. In response, Paul Norris (Continental Landscapes) advised that whilst working closely with Friends of Parks Groups they had not yet had direct connection with the Community Payback Service. The opportunity to establish such as connections would, however, be welcomed as a means of seeking to offer meaningful work opportunities and deliver improvements to the service area.

- As a further issue in relation to contract delivery, reference was made to section 3.11 of the report and challenges identified around staffing. Clarification was sought on the issues identified and why it had not been possible to identify these during the initial tender process along with the due diligence conducted at the tender stage to ensure these would not remain as issues once the contract had commenced. In response, members were advised that this had involved problems with the reading and uploading of data by staff through the Fix My Street reporting system. In terms of lessons learnt the Committee were informed that, for this contract, there had been a mapping of all parts of the borough included under the contract, which was something that had not been previously undertaken. It was noted that Fix My Street was not in place at the point of tendering. Love Clean Streets as a system was in place at that time. At the point of the tendering specification, an IT system was explored to connect with staff on the ground who were using handheld devices with the integration of Fix My Street having subsequently taken place later and staff therefore requiring additional training on use of the new system. Furthermore, it was noted that whilst there had been some staffing issues, Continental Landscapes had worked quickly to recruit additional staff with the recruitment of appropriately trained and qualified grounds maintenance staff recognised as a problem across London.

- Following on from the previous question, reference as also made to paragraph 3.5 within the report in relation to improvement in staff morale under the new contract and on what evidence this had been based. Additional questions were raised about the factors that had contributed to this assessment. Members were keen to seek details on whether staff morale had improved, and if there was any evidence of improved productivity from the previous contract. In response, the Committee heard that the issue with staff morale did not necessarily indicate poor morale under the previous contract. The transition of staff between the old and new contracts caused a period of anxiety and uncertainty regarding the change. It was important that the incoming contractor reached out to staff providing the right level of engagement and training from the outset as a willing and caring employer. It was added that during the commencement of the contract, one-to-one meetings, comprehensive staff training and engagement had been undertaken. Members were also advised of the annual staff appraisal process and staff surveys which had been undertaken. Paul Norris (Continental Landscapes) advised that employee morale was taken seriously within the workforce with the company committed to a process of continuous invest in their staff. The Committee expressed interest in receiving information about the staff survey results for future reporting as a means of identifying any specific trends, although it was recognised these would be focussed on the staff group as a whole.

- As a separate issue the Committee then moved on to focus on challenges relating to ground maintenance provision within housing estates, which it was noted often related to disputes around land ownership and responsibility between different housing providers and the Council. In response, Members heard that through a process of liaison with housing colleagues and land registry searches investigations had been undertaken to address issues relating to land ownership and areas included within the contract. If it was discovered disputed land fell under the ownership of the Council or had not been included a variation would be arranged to ensure this was added to the contract, following a cost estimation. Members were advised that Continental Landscapes were currently working on variations for housing sites and small pockets of land that had not been included in the original scope of the contract, which would involve an uplift of £38,000 in the contract price, The Chair enquired further as to whether the scale of variation was manageable and accounted for under the financial planning process for the contract with it confirmed that both the number of sites and the associated costs were manageable and had been accounted for within the wider costs of the contract.

- Returning to staffing issues, details were sought around how Continental Landscapes sought to retain staff. In response, Paul Norton advised of the TUPE arrangements established as part of the award of the new contract designed to support the transfer and retention of staff. Additionally, an apprenticeship scheme had been established with the company committed to continue investing in training with the aim of retaining staff and boosting job satisfaction.

- The Committee then turned their attention to the position regarding the clearance of litter on verges, with members advised that this remained the

responsibility of the Council's Street Cleansing contractor. It was recommended that this area of work be reassessed to ensure a more co-ordinated approach was established between the grass cutting and street cleansing programme given the level of complaints being received by local ward councillors, with specific concerns highlighted in relation to Sudbury, Wembley, and Alperton.

- Continuing on the issue of litter and fly-tipping reference was made to the detail provided within section 3.28 of the report given the large number of reports related to fly-tipping and littering continuing to be received. Highlighting concerns relating to the time taken to respond to these reports, further details were sought on the relevant KPIs and standards being adhered to. In response, the Committee were advised that the integration of Fix My Streets to the litter clearance schedule had not been in place when the original KPIs were drafted. This would, however, now form part of the review process identified at the start of the meeting in order to consider response times for litter clearance and whether there were any new KPIs that needed to be integrated as a result. There was currently a statement of reasonable time in place, which amounted to approximately 5 days for the clearance of overflowing litter bins within parks or open spaces. As part of the annual report, a more detailed review of the KPIs for litter clearance would be conducted to ensure their effectiveness and the information was clear to local residents. Following up, Members raised questions about what information the public would receive regarding the KPIs to be agreed. The response was two-fold, relating to how KPIs were practical and meaningful for members of the public, and the schedule and times of year the works were carried out. Housing colleagues were already displaying notifications on housing boards which set out expectations for works to be carried out. These actions helped members of the public to find out when works were due, expected and when they had not been undertaken.

- In terms of litter bin clearance, members highlighted the details provided within paragraph 3.26 of the report which provided figures on overflowing litter bins being dealt with in sufficient time (currently only 66%) and queried whether alternative solutions, such as larger bins, could be explored. Whilst recognising the issues highlighted, members were advised that larger bins often attracted more large waste items being left in them. The use of larger bins was not therefore currently being recommended given the efforts being made to discourage fly tipping and also in recognition of the impact on size of the vehicles that would be required to deal with the increased capacity of the bins.

- Further details were also sought around specific targets relating to biodiversity and climate change commitments. In response, it was confirmed that whilst specific targets did not currently exist the opportunity to develop targets was due to be considered as part of the review process previously highlighted. Members advised they would be keen to ensure this was picked up as a recommendation arising from the review with the Parks and Green Infrastructure team encouraged to liaise with the Climate Action team to produce more specific targets.

- As a final issue raised, reference was made to paragraphs 3.3. and 3.18 within the report relating to the quality of maintenance of sports pitches based on feedback provided by sports clubs. As a specific example, the Chair cited the example and concerns raised about drainage works affecting East Lane sport pitches querying if these types of works and the maintenance of drainage measures were included as part of the regular maintenance programme or needed to be included as variation of the contract.. In terms of the specific site highlighted, Kelly Eaton acknowledged the concerns and outlined the work being undertaken to address the specific problems identified which (given the initial approach identified) had not been included as part of the original contract specification. There were similar minor impacts across some other sports pitches though these were not to the same extent as those experienced at the East Lane and Vale Farm sports pitch sites. An assurance was provided that work was ongoing with Continental Landscapes in order to seek a final remedy, enabling the ditches to be permanently reinstated and reseeded on which it was hoped to be able to provide further feedback over the next week.

Given the time remaining and in seeking to bring consideration of the item to a close, the Chair thanked officers and Members for their contributions towards the review of the first year of the Grounds Maintenance Contract. In view of the issues highlighted during the discussion the actions agreed as an outcome of the scrutiny process were **AGREED** as follows:

Suggestions for improvement

(1) To publish a user-friendly summary of the annual report for residents highlighting expected standards, performance, key achievements, challenges, and priorities of the Grounds Maintenance contract.

(2) To improve coordination and scheduling between Continental Landscapes and Veolia for verge cutting and street cleansing operations across the borough.

(3) To work more closely with probation and community payback teams to create a focused work programme for offenders, exploring opportunities for relevant training and skills development.

(4) To enhance communication and collaboration with volunteer groups (e.g., 'Friends Of' groups, Thames 21, etc.)

(5) To consider introducing larger and more varied bins in problem areas in parks/open spaces to reduce littering and fly-tipping.

Information Requests

(1) To provide a high-level overview of the differences between the current and previous contract specifications, focusing on significant changes, new features, enhancements, and any potential shortcomings.

(2) To provide an annual report of the Grounds Maintenance contract's first year performance, highlighting key performance metrics, successes, challenges, and priorities for year 2.

(3) To provide biodiversity key performance indicators (KPI's).

(4) To provide a strategic plan and roadmap to restore Brent parks to green flag standards.

(5) To provide action plan for the ongoing maintenance and improvement of sports pitches throughout the borough.

9. **Delivery of Affordable Housing by i4B Holdings Ltd and First Wave Housing Ltd**

Peter Gadsdon (attending the meeting as a Council appointed Director on i4B/First Wave Housing Boards) was invited by Councillor Muhammed Butt (as Leader of the Council and attending to represent Councillor Tatler as Cabinet Member for Regeneration, Planning & Growth) to introduce the report providing an update on the financial and strategic performance of i4B Holdings Ltd (i4B) and First Wave Housing Ltd (FWH) as wholly owned local authority companies. In noting the role and remit of both companies the Committee were advised that i4B had been set up in 2016 with the purpose of acquiring, letting and managing a portfolio of affordable, good quality private rented sector (PRS) properties in order to support efforts to alleviate homelessness and supporting a reduction in the use of temporary accommodation. The company acquired properties on the open market, including individual units and occasionally larger blocks of housing. It was noted that a Business Plan and financial model had been established and was closely monitored by the Board with the Committee keen to review impact of the investment decision made by the Council to support the company in seeking to achieve key strategic priorities. It was also noted that i4B was restricted in the types of housing it could purchase, as it needed to fall within the affordable band. At present, i4B held 446 properties, with 61 x1 bedrooms, 191 x2 bedrooms, 141 x3 bedrooms and 53 x4 bedroom units. These included a number of properties located within the Home Counties, which whilst managed through Mears as an external agent, had become increasing difficult to let as households became more reluctant to relocate away from family or support networks leading to the Board, as opportunities became available, seeking to dispose of these units and reinvest in properties closer to Brent. For the properties located in Brent, the company operated a Service Level Agreement (SLA) with Brent's Housing Management service to provide housing management, corporate and financial, property purchasing and refurbishment services.. This enable the company to operate with minimal staff and to benefit from economies of scale in terms of operating costs with a comprehensive monitoring framework in place to ensure operational performance met targets within the SLA.. Investment decisions were highlighted as having provided benefits to the Council with attention drawn to table 4.4 within the report, which illustrated that i4B had housed and discharged the Council's housing duty to 473 families, the majority of whom were previously housed in stage one Temporary Accommodation (TA). The number of families housed was higher than i4B's PRS portfolio due to a number of families moving on to other accommodation, with new families moving in. Table 4.7 within the report, highlighted that this was estimated to have provided a net cost

avoidance of £88k each week achieved by moving 355 households from TA into i4B units.

In terms of First Wave Housing (FWH) members were advised this was a company limited by guarantee established as a registered provider of social housing to manage the property portfolio previously owned by Brent's (now dissolved) Arms Length Management Organisation, Brent Housing Partnership. The company owned 216 street properties and one commercial unit with a breakdown of unit mix provided within section 3.2.2 of the report. Similar to i4B, FWH had also been set up to bring greater diversity and flexibility to the delivery of the Council's housing objectives. As a Registered Provider (RP), FWH had the opportunity to access grant funding through the Greater London Authority (GLA) and remained available for such opportunities. The company also operated under a Business Plan and an SLA with the Council to support their operation including corporate, financial and legal services as well as to support their landlord functions in relation to housing management, repairs and voids.

Both companies operated with the same Board of Directors with the appendices included within the report detailing the key objectives within the i4B and FWH Business Plans as well as updates on the progress of tasks over the previous financial year and the companies' four strategic objectives identified as follows:

- Providing a consistently good housing service
- Delivering safe and sustainable homes
- Running a viable business
- Increasing the supply of affordable housing in the borough

Members were informed that in addition to the regular Shareholder and Guarantor meetings held between the Chair of Board and Council strategic overview on delivery of the objectives within the Business Plan was also provided through the Audit & Standards Advisory Committee with operational housing management performance subject to review by the Community & Wellbeing Scrutiny Committee and the Resources & Public Realm Scrutiny Committee involvement focussed around the effectiveness of any investment decisions and strategic housing element. Whilst the Chair of the Community & Wellbeing Scrutiny Committee had therefore also been due to attend the meeting for this item, Councillor Conneely advised that he had unfortunately needed to submit his apologies.

Having thanked Peter Gadsdon for his introduction the Chair then moved on to invite questions and comments from the Committee in relation to the update provided in relation to the role of both companies in the delivery of affordable housing, with the following comments and issues discussed:

- As an initial query further details were sought around the decision to include the Fulton Road development under FWH rather than i4B ownership. In response, Peter Gadsdon (as Director i4B/FWH) explained that this was due to FWH being classed as a Registered Provider (RP) which enable the development to attract grant funding contributions under the GLA's Affordable Homes programme.

- Views were then sought regarding whether it was felt the investment decisions made in relation to i4B and FWH had been effective and, if so, what specific

factors had made them successful. In addition, questions were raised about the benefits that would not have otherwise been realised if the Council had carried out these operations directly. In response, Members were advised that the investment decisions with regard to i4B and FWH were felt to have been effective in terms of delivery of the expectations set by the Council. i4B and FWH both offered secure, settled housing of a high standard with a responsible landlord and had supported the Council in the discharge of its homelessness duty. Further questions were raised about whether there were any constraints in the companies from being more ambitious, and if there was anything the Council could do to overcome those constraints. The Committee heard that were no constraints other than the pace at which properties could be purchased, as these could only be acquired if they aligned with the financial model to ensure viability.

- As a further issue highlighted, members noted that i4B had been set up to respond to legal constraints on Brent's housing strategy in terms of borrowing requirements with members therefore seeking clarification on whether, now the Council was operating in a different legislative and economic climate, i4B was still needed to deliver new properties or whether this could be achieved in a different way. In response, members were advised that FWH was created to manage the residual stock previously managed by Brent Housing Partnership (BHP) that was not in the Housing Revenue Account (HRA). There were a number of grant attachments within that which needed to be fulfilled otherwise the funds would need to be returned. The reason i4B was set up was to enable the purchase of properties on the open market and providing a good landlord in the private sector, where the Local Housing Allowance (LHA) rent could be charged, and housing could be provided to people in temporary accommodation rather than to avoid constraints in relation to the HRA. Additional details were requested in relation to the net cost avoidance of £88k which had been referred during the introduction, with members advised this had been based on an assessment that had the families not been housed, the Council would have incurred additional costs for temporary accommodation, constituting cost avoidance.

- Further details were also sought in relation to viability assessments. Amanda Healy (Deputy Director Investment and Infrastructure) explained that where companies conducted financial assessments for purchasing new properties, they considered only the cash flow directly relevant to the company. As a result, the £88k cost avoidance would not be taken into account and would not affect acquisition calculations. There was no cashflow benefit to the company because it was not responsible for housing the families; this responsibility fell to the Council, who gained from the company's provision. As a result, the Chair sought details as to whether it was felt the Council could set more ambitious strategic priorities. In response, Alice Lester (Corporate Director Neighbourhoods and Regeneration) advised as the shareholder representative that the Council was not overly risk averse, but needed to undertake actions that would not adversely impact its financial position. From a shareholder perspective it was felt that i4B and FWH were both achieving the outcomes originally identified by providing good quality homes for those in need while ensuring financially viability with the Boards effective at reviewing

and monitoring the activity of both companies to ensure they were delivering as much as possible while remaining financially prudent.

- Following on from the previous comments, members also sought details on the potential for i4B to be able to issue bonds, to which the response was that this would be difficult under the current structure given the company was wholly owned by the Council as a single shareholder. It was not felt there would, therefore, be any additional benefit to be achieved by seeking opportunities to explore alternative sources of investment such as, for example, through the Council's Pension Fund who it was pointed out would also be prevented from investing in Council related activity under existing regulations.

- Further clarification was requested around the relationship between FWH and the HRA cap. Amanda Healy (Deputy Director Investment and Infrastructure) responded that this related to FWH establishment to manage the property portfolio previously owned by Brent's (now dissolved) Arms Length Management Organisation, Brent Housing Partnership. When dissolved all core housing stock had been transferred back to the Council's HRA with the exception of those now managed through FWH as a Registered Provider.. The report provided for the Committee had outlined a selection of properties that required grant funding specifically from registered providers, which continued to be managed by the company. It was noted that i4B's delivery involved General Fund Housing, which was not tied to the HRA cap. The type of provision and tenancies offered could not be supplied under the Council's umbrella, so they needed to be provided by the company instead. Hal Chavasse (Strategy and Delivery Manager) added that in terms of rental rates, properties transferred back to the Council would need to be charged at social rent levels which were lower than the Local Housing Allowance that i4B could charge.

- Members then moved on to raise a number of questions around the housing rent charged by i4B. The Committee were advised that i4B charged the Local Housing Allowance rent set by the government at the 30th percentile of average rents in an area which also sought to incorporate Universal Credit and Housing Benefit income. Clarification was provided that the acquisitions policy whilst not exclusive to Brent was now increasingly focussed within the borough and surrounding area.

- The Committee then turned their attention to the position around the current sources of grants available to support FWH as a Registered Provider and also i4B. In response, members were advised that the main source of grant funding was currently provided through the GLA. It was noted that, when evaluating any housing opportunity, housing companies considered both general fund and HRA delivery options to ensure the best value for the units being acquired or transferred to the companies as part of their viability assessment. Members sought details around whether there were any indications from the new government regarding how housing programmes might be managed, organised, funded, and developed in future. The Committee heard that greater flexibility was consistently sought in lobbying efforts in order to provide access to Local Authority Housing Fund by local authority housing companies.

- Given the substantial savings identified in relation to cost avoidance on the Council's temporary accommodation bill, members queried if it would be prudent to factor these into viability assessments when exploring further opportunities to reduce expenditure. It was noted that within the Council, there was currently an overspend on the budget between £10 - 15m pounds. The Leader highlighted, that whilst not risk averse there were a number of challenges associated with examining viability assessments and emphasised that careful considerations, including staffing capacity and borrowing limits, needed to be taken into account when seeking to expand the activity undertaken through i4B.

- Moving on, members then drew attention to paragraph 6.3.2 of the report around tenant feedback and the need for improvement with members highlighting delays in responses being provided for tenants, and concerns about the potential for feedback to be ignored or overlooked. Questions were raised regarding the accuracy of the collected feedback and the frequency with which it was reviewed. In response, members were advised that as of April 2024, The Regulator of Social Housing had introduced new tenant satisfaction standards, including tenant surveys. Currently, periodic surveys had been conducted, but efforts were underway to enhance the understanding of these surveys and to develop action plans accordingly. Starting in October 2024, a separate reporting hierarchy for housing complaints would be established with these reports reviewed and acted upon by the Board.

- Referring to paragraph 6.4 of the report relating to the Building Safety Act 2022 and i4B's response regarding one of their housing blocks in Wembley Park, Lexington. Members were keen to seek details around the lessons learned from this experience, and how they had been applied to other buildings subject to similar requirements. The Committee were advised that responsibilities for building safety were shared with Quintain, the estate owner. Confirmation was provided that i4B had commissioned fire risk assessments and arranged for fire safety works to be undertaken with maintenance logs also being maintained.

- As a further query, members drew attention to paragraph 6.4.5 within the report concerning the development of an asset management strategy and the significant focus on improving energy performance across housing stock including the potential viability for retrofitting. In response, Hal Chavasse (Strategy and Delivery Manager) highlighted that a programme of surveys had been carried out which covered around 80% of the properties for general capital maintenance, kitchen replacements, bathroom replacements and necessary energy works, all of which had been incorporated into the company Business Plans. Whilst work continued to review the assumptions in relation to the stock that had not been surveyed, the Business Plan was felt to remain viable.

- Following on, members advised they were keen to explore the approach taken by i4B and FWH to the retrofitting and eco standards of the properties they owned when compared to that of the Council. The Committee heard that more than half of i4B and FWH properties currently met the energy C rating.. It was,

however, recognised that additional work still needed to be undertaken for properties in blocks that needed refurbishment.

- Members then moved on to focus on paragraph 6.5.3 within the report regarding the internal audit carried out on the financial controls and billing arrangements for the companies, and the improvements identified with details sought on the controls in place to ensure the companies were operating in accordance with their policies and procedures and that the necessary oversight was being provided. Hal Chavasse (Strategy and Delivery Manager) responded that the issues identified had partly been due to staff turnover resulting in established processes that had previously been effective not being consistently adhered to. Payments were being made for work as required however, as the audit highlighted, effective communication between officers was relied upon, which typically was not an issue but became problematic during periods of staff turnover. Further questions were raised about the sign off of procedures and policies by the company Boards, to which the response was that there was a list of matters reserved for the Board and also delegated to officers. Matters which fell within operational policies were agreed by the relevant Heads of Service and Corporate Directors within the SLA management teams as opposed to the Board.

- Moving on, details were also sought in relation to the staffing structure of i4B and FWH and how the distinction between staff focusing on i4B and FWH was maintained under the SLA. In response, members were advised that staff allocated to support i4B and FWH were based on an approximate split (reflecting the level of stock held) of two thirds to one third between i4B & FWH. The level of service provided was based on the requirements of the stock as opposed to funding dedicated posts with the costs charged for officer time calculated through the SLA and no officers directly employed to support an individual company.

- As a further query, members drew attention to paragraph 4.7 within the report relating to the potential around surplus rents being used to invest in new supply. Details were sought on how this could be delivered and more generally on how profits from not only i4B but FWH were reinvested. In response, members were advised that whilst i4B had now achieved an initial profit the surplus generated by FWH was lower with any surpluses the companies made being used to invest in new supply or the maintenance of existing supply, including asset management.

- Members then moved on to query the potential scope to undertake an investment programme aimed at supporting individuals living in underoccupied properties to relocate closer to their families by acquiring suitable properties for their needs, thereby freeing up much needed larger properties. The Leader responded, advising that the Council had an incentive scheme to work with individuals living in underoccupied properties although the process in seeking to encourage relocation was often challenging.

At this stage in proceedings, the Committee agreed to apply the guillotine procedure under Standing Order 62(c) in order to extend the meeting for a period of 15 minutes to enable conclusion of the item and remaining business on the agenda.

In continuing, members recognised the challenges identified but felt part of the issue remained the ability to offer properties attractive enough to encourage relocation. What was important was acquiring a specific property that met the individuals' needs, especially if it was located near relatives who could provide support with the same issues arising in terms of out of borough placements. In terms of the acquisition and management of properties within the Home Counties confirmation was provided that as opportunities were identified the aim would be to repurpose or seek opportunities to dispose of them.

- With reference to paragraph 6.5.2 of the report, members then moved on to question what could be done to better manage void times with the existing contractor including the use of penalties where performance standards were not met. In response, Hal Chavasse (Strategy and Delivery Manager) explained that as referenced in the report, there were currently no penalty mechanisms in the contract but that i4B were in the process of retendering to tighten up the contract specifications. Peter Gadsdon (Director i4B/First Wave) added that one of the primary challenges with the existing contractor was not their turnaround time but rather the nomination process. The property would be prepared to ensure that it was fit to rent, however delays could then be experienced in getting the right nominees. Additional questions were raised around whether there was a way to streamline this process, given the large waiting list for housing. In response, the Committee was advised of the close working relationship with the Housing Needs Service along with the challenges in seeking to identify appropriate nominations, particularly in relation to out of borough placements with Councillor Muhammed Butt highlighting the number of relevant considerations needing to be considered including family size, where the children attended school, and where the parents worked, all of which determined the suitability of a property to families and could lead to delays.

- The Committee then moved on to reference paragraph 4.3 within the report on the breakdown of i4B purchased properties and the predominance of 2 bed properties in the portfolio. Questions were raised about whether i4B was in greater need of larger sized properties and if there was a financial borrowing issue as to why there was a predominance of 2 bed properties in i4B's portfolio. In response, Peter Gadsdon (Director i4B/First Wave) explained that whilst the turnaround time for offers to those on the Housing Needs register for smaller sized properties was shorter the need to acquire larger sized properties was also recognised given the much longer waiting times for households requiring 3-4 bed sized properties. Whilst i4B were therefore keen to acquire as many larger sized properties as practicable, the opportunities available to do so were more limited due to the price and viability in relation to the company Business Plan and financial model.

- Returning to the issue of compliance with the Building Safety Act concerns were highlighted around issues surrounding the Lexington block, including lift maintenance and operation of fire alarms with details sought about the specific lessons learned that would be implemented in procedures and policies moving forward. In response, Members heard that issues raised at Lexington were part of the management arrangement which compliance and Mechanical and Electrical (M&E) teams delivered on behalf of i4B with an assurance provided that the concerns highlighted had now been resolved.

Moving forward, the development teams managing the building at Fulton Road and other schemes had provided assurance that the Compliance and M&E teams would be involved at an earlier stage in the handover of those blocks so that these issues did not reoccur in future. It was also noted that Quintain bore responsibility for certain areas of the development, including communal areas and gates with i4B's responsibility including the interior of the blocks. There was a relationship between Quintain as the freeholder, i4B and tenants to ensure that where issues reported were not resolved, appropriate escalation routes were available.

- As a final issue, the Committee then moved on to focus on details around the application of section 106 agreements to support the acquisition of properties by the companies. In response, Alice Lester (Corporate Director, Neighbourhoods and Regeneration) advised that it would be possible as part of the affordable housing element within s106 development agreements for developers to explore whether a Registered Provider (such as FWH) may be interested in acquiring the affordable housing units within a development although this was often not identified as a viable option.

Given the time remaining and in seeking to bring consideration of the item to a close, the Chair thanked officers and Members for their contributions towards scrutiny of the Council's delivery of affordable housing by i4B Holdings Ltd and First Wave Housing Ltd and as a result of the outcome of the discussion, the recommendations, requests for additional information and suggestions for improvement identified were **AGREED** as follows:

Suggestions for improvement

(1) To explore further opportunities for i4B/First Wave Housing Ltd to reduce temporary accommodation costs and expand the supply of affordable housing in a sound yet non-risk adverse manner.

(2) To consider revising the viability assessment criteria to account for factors like temporary accommodation cost avoidance in order to support the delivery of more affordable housing via i4B/First Wave Housing Ltd.

(3) To explore carrying out targeted work to source/purchase specific properties for households wishing to downsize and relocate outside of the borough.

(4) For I4B/First Wave Housing directors to strengthen their oversight of policies and procedures to prevent a recurrence of the issues identified in the internal audit.

Information Requests

(3) To provide details of any Section 106 properties acquired through I4B Holdings Ltd.

(4) To provide details of any potential Section 106 acquisitions that were not pursued due to viability issues, including the specific reasons for each case.

(5) To provide asset management strategy upon completion.

(6) To provide a breakdown of the expected costs associated with enhancing energy performance and retrofitting the I4B/First Wave Housing stock.

10. **Scrutiny Progress Update - Recommendations Tracker**

The Committee noted the Scrutiny Recommendations Tracker report and update on key actions and information requests identified.

11. **Any other urgent business**

No items of urgent business were identified.

The meeting closed at 9.14pm

COUNCILLOR RITA CONNEELY
Chair