

 Brent	Community and Wellbeing Scrutiny Committee 19 January 2021
	Report from the Strategic Director of Community Wellbeing
Housing Supply: New Council Homes Development Programme and Affordable Housing	

Wards Affected:	All Wards
Key or Non-Key Decision:	Non-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:	Appendix 1 – New Council Homes Project Programme (can be found at the end of the report)
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	John Magness Head of Housing Supply and Partnerships john.magness@brent.gov.uk

1.0 Purpose of the Report

- 1.1 The report provides the Community and Wellbeing Scrutiny Committee with an overview of the Council's efforts to increase the supply of Affordable Housing in Brent and the demand it aims to meet.

2.0 Recommendation

That the committee:

- 2.1 Notes the content of the report and provide comments and feedback as necessary.

3.0 Housing Supply – Overview

- 3.1 The Council has an ambitious target of delivering 5,000 genuinely affordable homes within a five-year period (2019-24). As part of the overall target, the Council is aiming to deliver its own programme, which will produce at least 1000 new Council homes.
- 3.2 The purpose of the Council's policy of producing more affordable homes is to meet demand, both from applicants and statutorily homeless households. In December 2020 the Council had 1924 Homeless households in temporary accommodation and 972 home seekers defined by the allocations policy as being in acute need. This can be broken down as ;
- 1 bed need – 464
 - 2 bed need – 770
 - 3 bed need – 1167
 - 4 bed need – 424
 - 5 bed need – 64
 - 6 bed need – 7
- 3.3 The Council's own programme will deliver at least 1000 new homes. All relevant departments and teams within the Council's structure, such as Property, Procurement, Planning, Legal, Finance, along with Housing, are working together to achieve the target. The Council also recognises the role of Registered Providers (RPs) and works closely with a range of other key organisations in the Borough to maximise delivery.
- 3.4 The Council's Housing Supply and Partnerships (HSP) team is responsible for facilitating the supply of new affordable housing across the entire Borough with the Regeneration team focussing on affordable housing when delivering new housing in areas such as South Kilburn. HSP consider potential opportunities by working with colleagues in Housing Needs to identify current and future housing demand, and to match the anticipated demand. Left to its own devices the market would concentrate on delivering 1 and 2 bedroomed homes. Every effort is made to increase the number of larger homes delivered by;
- Identifying new development opportunities on existing Council owned land and new sites and ensuring these are designed to meet the above demand whilst remaining financially viable.
 - Working with colleagues in Property to identify and acquire new homes and land.
 - Advising partner Registered Providers of gaps in supply and the most beneficial development and property sizes to meet this demand.
 - Assisting Registered Providers to maximise the amount of affordable housing they are able to provide on each of their developments.
 - Being aware of new private developments and the proposals for Affordable Housing and working with Planning colleagues to maximise the amount.
 - Working with the GLA to identify potential opportunities and funding streams to facilitate the increased delivery of Affordable Housing in the Borough.

- 3.5 There are several mechanisms through which the Council will deliver this target including, but not limited to:
- Building new Council homes directly utilising infill sites, acquisition of s106 designated affordable housing from developers and new mixed developments on land procured specifically for this purpose.
 - Working with Registered Providers (RPs) to encourage development funded by GLA grant and cross-subsidy.
 - Utilising planning policy and process to specify the development of affordable housing through Section 106 obligations.
 - Providing new homes through major developments led by i4B, the Council's Wholly Owned Investment Company and First Wave Housing (FWH), a Council owned Registered Provider, limited by guarantee.
 - Exploring opportunities to redevelop and regenerate existing housing stock and public realm, to provide new housing, with partners where necessary such as in South Kilburn.
 - Acquisition of property and land from the open market and the re-provision of affordable housing through investment in capital improvement works.
- 3.6 The table below (Table 1) sets out the projected number of new homes including all of those included in the NCHP based on known development sites and opportunities identified to date as at November 2020. It breaks delivery down by the different types of accommodation:
- TA: Temporary Accommodation
 - S106: Homes delivered due to a s106 obligation
 - DLP: Developer Led Project
 - SSU: Supported Specialised Units
 - NAIL: New Accommodation for Independent Living
- 3.7 It should be noted that this is a forecast and the forecast becomes more accurate as time progresses. In 2022/23, for example it is highly unlikely that there will be no s106 homes delivered, however, at this time it is not possible to estimate accurately. The table is based upon data provided by the GLA outside as well as the Council's own information.

Table 1

Financial Year	Affordable Rent	Shared Ownership	Temporary Accommodation	s106	*DLP	**SSU	NAI L	Total
2018/19	259	388	0	0	0	25	11	683
2019/20	76	104	0	79	0	0	12	271
2020/21	501	489	0	104	0	157	11	1262
2021/22	694	317	92	119	12	126	70	1430
2022/23	993	701	0	0	0	80	61	1835
2023/24	412	297	0	0	0	50	115	874
Total	2,935	2296	92	302	12	438	280	6355

*Developer Lead Property

** RP Delivered Supported Housing

3.8 The current position in terms of delivery of the NCHP can be summarised as follows:

- 231 new homes have been built and let
- 610 homes are currently on site and being built
- 332 homes have been given planning consent and are now going through procurement to identify a building contractor.
- 566 homes currently being assessed for feasibility.

3.9 The Council's programme is dynamic and new opportunities are constantly being assessed and the sites outlined below have the potential to deliver 177 new Homes. HSP in collaboration with colleagues in Property, Finance and Planning are constantly reviewing new opportunities and undertaking feasibility assessments before formal consultation with members and residents commences. The following is a list of current sites being considered. However, it should be noted that this list changes as new sites are identified or sites are assessed not to be feasible. The Borough map at Appendix 1 shows the distribution of sites.

3.10 As part of the 5000 affordable homes target, the Council has developed an ambitious programme of pipeline developments in order to achieve its strategic target of delivering 1000 new council homes at genuinely affordable rent. Table 2 below, shows some of the sites that are currently being explored. The pipeline consists of four elements.

- Sites with building underway (on-site)

- Sites with planning permission awaiting start on site
- Sites deemed feasible submitted for Planning Permission
- Sites currently being assessed for feasibility and financial viability.

Table 2

Development	New Homes Predicted
Clement Close –	15
Broadview Garages –	3
Greenhill Park –	11
Yates Crt –	3
Westcroft Crt –	16
Newland Court -	7
Moot Court –	8
Fairfield Crt –	3
Essoldo Way –	9
Eskdale Close –	3
Gauntlett Crt –	5
Ecclestone Place –	4
Brentfield Garages –	9
Hargood Close –	2
Minterne Rd –	1
Chalfont House –	10
Sutherland Crt –	1
Townsend Lane –	1
Comber Close –	48
Rokesby Place –	5
Gladstone Pk Ph2 –	13

4 Other Sources of Supply – Council Sites

St Raphael’s Estate

- 4.1 The master planning process at St Raphael’s has been tenant led with reference to the Estate Regeneration National Strategy and the GLA requirements, and has involved a series of resident events and workshops through which the Design Team have co designed the masterplans with the community.
- 4.2 The redevelopment masterplan proposes to deliver 2065 new homes, a net increase of 550 affordable rented homes, whilst the infill masterplan proposes to deliver 370 new homes.
- 4.3 A ballot will be held with eligible residents and the outcome will determine which masterplan will be recommended subject to both options remaining financially viable.

South Kilburn Regeneration

- 4.4 Officers continue to explore opportunities in South Kilburn to deliver an increased number of Council homes while still ensuring a sensible balance between different housing tenures, as required in the Master Plan.

Collaboration Arrangement with Network Homes to deliver new homes

- 4.5 The Council's development programme is one of the largest Local Authority pipelines in London and it was recognised at an early stage that there were insufficient staffing resources internally to deliver this efficiently and at the pace required. Cabinet therefore approved a Collaboration with Network Homes (NH) to provide, amongst other things, development services in respect of a number of sites, which are as follows:

Church End

- 4.6 This site consists of two parcels of land assembled by the Council. The proposals for the redevelopment of the site include the formation of a new mixed-use development site adjacent to a new market square providing a high quality pedestrianised through route from High Rd to Church Rd.
- 4.7 Overall, the development as envisaged will deliver a new market and 99 new homes let at London Affordable Rent.

Watling Gardens, Windmill Court and Kilburn Sq.

- 4.8 An opportunity to develop 370 new Affordable rented homes on existing estates at Watling Gardens, Windmill Court and Kilburn Square, has been identified.
- 4.9 As part of these proposals, two extra care facilities, comprising 104 properties can be built at Watling Gardens and Kilburn Square. The current proposals will deliver close to 388 homes. Start on site for all three sites is currently anticipated as late 2021.
- 4.10 Discussions are also taking place with Property Services to bring forward the upgrade of Windmill Court, to coincide with the start on site of the new build programme.

5 Other Sources of Supply - i4B (Holdings Ltd)

- 5.1 i4B Holdings Ltd (i4B) was established in 2016 to reduce homelessness by providing affordable, good quality homes and invest to deliver regeneration and financial benefits for its sole shareholder, Brent Council. It is a wholly owned subsidiary of the Council.
- 5.2 A separate report is being presented to the Committee about the activities of i4B and it how it contributes to the Council's strategic affordable housing target.

6 Other Sources of Supply - Registered Providers (RPs)

- 6.1 Registered Providers continue to play a significant role in the delivery of new affordable homes in the Borough. Table 3 shows the new homes that are

anticipated to be delivered over the next two financial years from RPs funded by the GLA.

Table 3

Developer	Financial Year 20/21	Financial Year 21/22
Notting Hill Genesis	165	40
Catalyst	66	66
Network Homes	6	501
Origin	0	24
Octavia	28	103
Home Group	178	0
Clarion	135	121
Metropolitan TV	33	0
Hyde	179	0
Innisfree	25	0
PA Housing	0	80
Peabody	198	0
Riverside	7	0
St Mungo's Community	6	0
Total	1026	935

7 Engagement

7.1 We have an established six-stage process for engaging with members and residents (see below). This is only a framework and each consultation will be tailored to the specific needs of the development and the residents. A Member Learning & Development session was held on the 7th October 2020 providing the opportunity for members to gain greater information on the wider programme and advise how improvements might be made. The session was well received and demonstrated that the collaborative approach between Members and Officers on these issues has worked well so far. The intention is to continue to provide information at a high level with a clear overview of the programme across the Borough ensuring that Members have advance warning of developments planned in their Wards.

7.2 The Six Stages of Engagement

Stage 1: Initial Engagement with Members – Cabinet Members will be provided with an overview of sites planned in the NCHP. Ward Members will be introduced to sites in their individual ward and provided with the opportunity to give their feedback.

Stage 2: Inform Residents – Residents whose homes will be impacted by a site will be written to and provided information on what the Council intends to build and how they can get involved.

Stage 3: Design Phase – Residents and Members will be invited to a face-to-face consultation event. This event will showcase designs for the site and provide more information on the homes being built. Residents will be asked for

their feedback on the designs and any concerns they have which can be considered. This includes opportunities for wider community investment.

Stage 4: Statutory Planning Consultation – Officers' aim is to respond to residents' concerns throughout the design phase. Once detailed design and consultation is completed, the site will be submitted for planning consent. Planning will then start their statutory consultation. Residents will be written to and site notices will be displayed. This will include the statutory process for submitting any objections to the development.

Stage 5: Building Phase – Residents and Members will have the opportunity to meet the appointed contractor. Throughout this stage, any complaints or comments can be reported to the dedicated email address newcouncilhomes@brent.gov.uk mailbox or by calling 020 8937 3355. Complaints can be directed to staff when they are on site periodically.

Stage 6: Community Investment and Aftercare – Once the homes have been completed, any opportunities for community investment, that were agreed in the design phase will be completed.

- 7.3 Statutory Planning policy and consultation requirements will continue in respect of each site (in parallel with the Engagement plan) and will provide additional opportunities for members and residents to comment on aspects of design and location.

8 Greater London Authority (GLA)

- 8.1 The Mayor of London published his 'Building Council Homes for Londoners' funding prospectus in May 2018, encouraging London Councils to bid for grant funding to build new council homes for social rent. A special grant rate was introduced and support to help Councils invest their own resources, including Right to Buy (RTB) receipts. The Council submitted an ambitious bid to the GLA that in September 2018, resulted in the allocation of £65,600,000 to subsidise the delivery of 817 new homes during the next 3 years (2019/20 – 2021/2022). The allocation has since been increased through negotiation to £100m.

- 8.2 The new prospectus Homes for Londoners: Affordable Homes Programme 2021-2026 was published on the 24th November 2020 and introduces some changes from the previous Approved Development Programme.

- A move away from the previous fixed rates of grant and a proposal to align grant allocations on a scheme-by-scheme basis. This presents the opportunity to obtain higher rates of grant to deliver more expensive and difficult to deliver sites.
- New rented homes developed to be let at Social (Formula) rents rather than London Affordable Rent which essentially sees a real reduction in rents at today's prices of approximately 9%

- 8.3 The timetable for bids is likely to open towards the end of January 2021.

9 Social Value

- 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. This duty does not strictly apply to the proposed contract, as it is not a services contract. Nevertheless, Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.
- 9.2 The procurement of contractors will follow Brent Council’s Social Value Policy. 10% of the overall evaluation will be used for social value commitments. It is envisaged that the successful contractors will be able to offer local employment, apprenticeships and work experience to residents in Brent as part of their bid. It would be expected that the successful contractors would also offer other community benefits to the residents in Brent
- 9.3 Examples of the Social Value driven by the Council’s development activity;
- Knowles House - 133 people have benefited from employment and training initiatives on this project, with 59 people being from the local area, in other words 456 training and employment weeks created with 272 being created for the local area. There have been 5 apprentices employed on the project so far, and over 20% of the site team are based locally with some months achieving nearly 30% of the workforce as local labour. Additional support has been provided to the Freemans Centre in Longstone Avenue and the Roundwood School.
 - Honeypot Lane – the contractor has appointed 3 apprentices to work on the development

10 Financial Implications

- 10.1 Officers will be reviewing the current programme and pipeline schemes to ensure that development sites originally identified, timescales, number of build units, massing and forecast costs remain realistic and current.
- 10.2 It is therefore envisaged that certain schemes may need to be re-profiled and/or added to in order to better reflect the anticipated capital expenditure required during the remainder of the delivery programme. This can be incorporated to the normal revenue and capital budget setting process in early 2020.

11 Legal Implications

- 11.1 As High Value Contracts under the Council’s Standing Orders, approval of pre-tender considerations, inviting tenders, evaluating tenders and thereafter awarding of development / construction contracts for sites with a value over £5,000,000 require Cabinet approval pursuant to Standing Order 88 and 89. In order to ensure an efficient delivery programme as detailed at paragraph 10.2 previously agreed Cabinet will be provided with full details of each proposed contract on six monthly basis and requested to delegated authority to the Strategic Director of Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform, is sought for to award such contracts.

- 11.2 Development or construction contracts with an estimated value of less than £5,000,000 do not require a Cabinet approval because they are classed as Medium Value contracts under the Standing Orders and procurement and award of such contracts is delegated to the Strategic Director/Operational Director. In these cases, Members will receive information via the six monthly update.
- 11.3 Significant grant funding has been secured from the GLA. The Council has entered into grant agreements with the GLA governing the award of such funding to include the requirement to deliver specified numbers of new homes. Failure to observe grant conditions or achieve specified delivery numbers may lead to a requirement to repay grant funding and therefore efficient and timely delivery approaches are essential to mitigate the risk.

12 Equality Implications

- 12.1 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.

- 12.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 12.3 The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.
- 12.4 Equality Impact Assessments (EIAs) have been / will be completed as part of the planning application process to demonstrate that the Council has considered the quality impacts of its decisions in relation to design and development. EIAs / screening assessments will be available prior to the exercise of any delegated decision to award and will be taken into account in making any decision to award in relation to the key projects brought forward.

13 Human Resources / Property Implications

- 13.1 The Council's Development Team manages the contracts that are established and is supported by technical consultants as required. The Council has also ensured that it has access to additional capacity to deliver the programme by entering into the collaboration agreement with Network Homes.

- 13.2 The Council's Housing Supply and Partnerships Team will continue to facilitate and bring forward development sites in conjunction with a wide range of stakeholders, including acting as 'responsible client' for ensuring the NCHP is delivered in line with cost, quality and time expectations.
- 13.3 Support from a variety of Council teams in delivering the NCHP remains critical, covering specialisms such as planning, legal, communications, finance etc. A Design and Delivery Board provides the co-ordination required internally, whilst remaining accountable to the Housing and Care Investment Board that provides oversight and strategic direction.
- 13.4 To maximise the number of affordable homes being delivered and ensure rents can be set at London Affordable Rent levels, the Council is utilising Council owned land, which is under developed or unused. This means a number of sites are located within the grounds of existing Council developments.
- 13.5 Existing properties which are being used by local community groups and residents will continue to need proactive engagement, prior to and during transition into new facilities on site. Landowners adjacent to the development sites (i.e. NHS at Honeypot Lane) are also proactively engaged.

Related documents:

- Cabinet Paper January 2021 – Affordable Housing Supply

Report sign off:

Phil Porter

Strategic Director of Community Wellbeing

