 Brent	Cabinet 19 th July 2021
	Report from Strategic Director, Community Wellbeing
Six Month Update on Supply of New Affordable Homes	

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:	One Appendix 1: Affordable Homes Programme Map
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 This report provides an update on progress towards delivering against the Council's housing target of 5,000 new affordable homes over the five-year period (2019 – 2024), at least 1,000 of which will be through the Council's own New Council Homes Programme.
- 1.2 In December 2019, it was agreed that Cabinet would receive six monthly reports updating progress since the previous meeting and outlining key decisions required enabling the programme to continue until the next meeting six months hence. This report provides information on the progress since the last Cabinet Report in January 2021.

- 1.3 This report always provides a summary of the numbers of affordable homes that are and will be delivered as well as updating on the progress made over the last 6 months, additional developments being assessed, with an indication of key issues, practical considerations and steps being taken moving forward.
- 1.4 This report also outlines how the approach has been refined to ensure that we are not only building genuinely affordable homes, but that those homes meet the needs of homeless people in Brent. This has always been an ambition underpinning the programme and now the data collated on future demand is shaping the new build programme, as well as informing wider supply work, including how we make best use of existing stock.
- 1.5 And finally, in January 2021 this paper highlighted the upcoming GLA Affordable Homes Programme (AHP) 21-26, and so this report provides an overview of the bid made by the council, which will ensure that we not only exceed the 5000 target for 2024, but also set equally ambitious targets for the next 5 years and continue to take the lead in tackling London's housing crisis and meeting the housing needs of Brent's residents.

2.0 Recommendation(s)

That Cabinet:

- 2.1 Note the contents of this report and progress to date on delivering both the New Council Homes Programme (NCHP) and other programmes and projects to deliver 5,000 new affordable homes in the borough by 2024.
- 2.2 Note the Demand forecasts and that the current programme will continue to reduce the demand for permanent Council Homes.
- 2.3 Delegate authority to the Strategic Director, Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform, to agree pre-tender considerations, invite tenders, evaluate tenders and thereafter to award development / construction contracts with developers / contractors in respect of the site listed in section 6.5 (Church End)
- 2.4. Delegate authority to the Strategic Director, Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform, to agree pre-tender considerations, invite tenders, evaluate tenders and thereafter to award development / construction contracts with developers / contractors in respect of the sites listed in section 6.3, 6.7 and 6.10 should the Council be unable to agree costs with the contractor appointed from the SCAPE Framework.
- 2.5 Delegate authority to the Strategic Director, Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform, to agree pre-tender considerations, invite tenders, evaluate tenders and thereafter to award any High Value supply, services and/or design contracts in respect of the sites listed in section 6.0

3.0 Background

- 3.1 In 2017 the Council made a conscious decision to attempt to influence the delivery of more affordable housing in the Borough by developing closer working ties with Registered Provider (RP) partners in the Borough. Initially this took the form of regular meetings with senior members of staff within the top stock owning Housing Associations in Brent and these meetings continue. The team was developed so that not only numbers but also quality of service is monitored. The Council itself has c9000 rented homes and this will increase as the NCHP produces more homes. The overall number of affordable rented homes in the Borough is c26000, owned by a variety of RP's. The approach has been to create a hospitable environment whereby RPs know who to contact in the Council if they have issues they need to explore. The Housing Supply & Partnerships service provide this function and sign post partners to the relevant departments and also act as advocates if necessary. The most prominent site where this approach worked to good effect was at the former Mahatma Gandhi House site where a mixed tenure site was converted to a 100% affordable scheme from the previous 20% delivered through the Planning process.
- 3.2 In 2016, the London Mayor developed the Building Council Homes for Londoners programme and made capital grant funding available under the Affordable Homes Programme 2016-2021 which was previously only the preserve of Housing Associations. In the first bid round £66.5m was secured to deliver c850 new homes. This grew over the subsequent 3 years through negotiation to £103m and enabled the acquisition of additional sites such as Gloucester and Durham from Telford Homes and Notting Hill Genesis with further grant allocation of £30.55m. As a consequence of an ambitious approach to the programme the Council has become one of the biggest Council House builders in London and as such a key partner of the GLA. Section 4 below describes the approach adopted following the announcement of the successor programme AHP 2021-26.
- 3.3 The Council's Housing Supply and Partnerships (HSP) team is responsible not only for facilitating the supply of new affordable housing, but also ensure that this supply meets the need as defined by approaches to the Housing Needs service and existing overcrowding. This is crucial because at its simplest level the market, left to its own devices would deliver 1 and 2 bedroomed homes, which are needed, but there is also a significant and growing need for larger 3,4 and 5 bed properties.

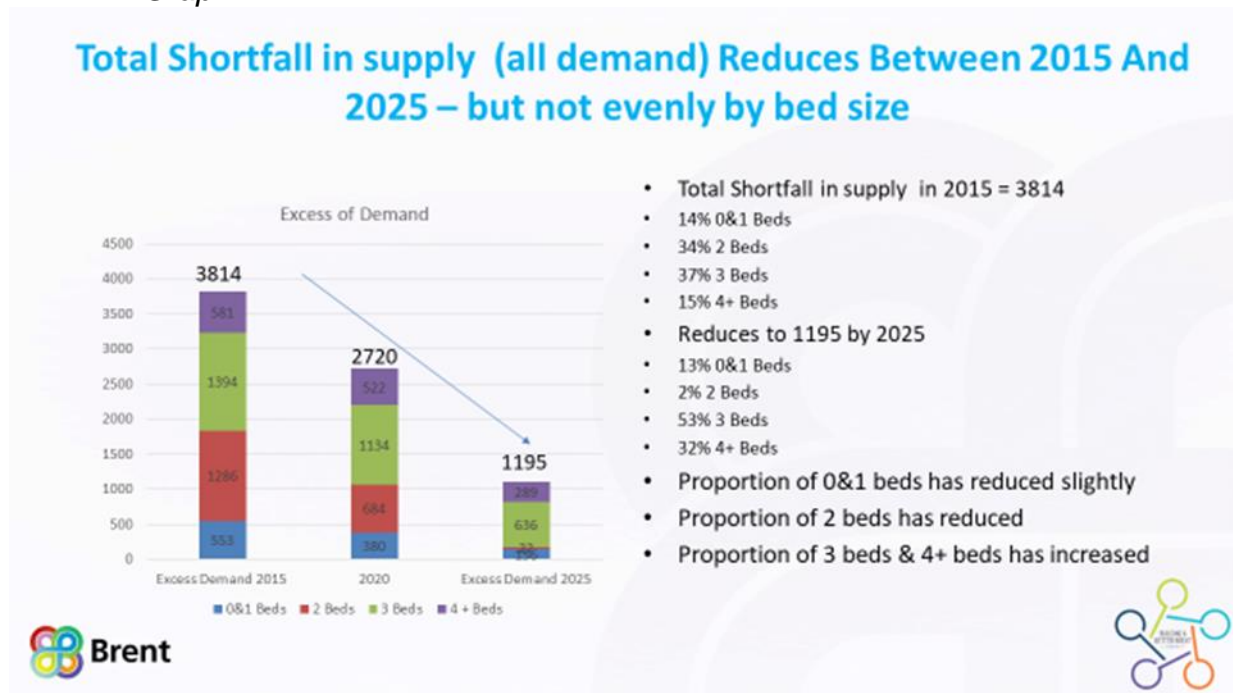
Demand Analysis

- 3.4 In the past the HSP has taken snapshots of demand from the Waiting List including those people currently living in Temporary Accommodation in order to focus the development programme. This was sufficient in the first instance because of the limited genuinely affordable supply. Now that the Council has significantly increased affordable housing supply, there is a need to develop a better understanding (and forecast) of housing needs. The detailed assumptions about increased supply will interact to refine the NCHP focus, but also to identify how other supply routes can contribute. The team use a method called Exponential Smoothing which has based the forecast on data since 2015. However, the model is dynamic and the assumptions will be tested and refined on a 6 monthly basis as needed, so the NCHP can be amended. This is

essential as the model is dependent on information about historic behaviour and this will change as more new Council Homes are handed over.

3.5 The initial results of the modelling demonstrate that there is a significant fall in the excess demand experienced in 2015 compared to that anticipated in 2025, which is driven by the significant progress the Council has made to reduce the number of families in Temporary Accommodation even as new demand in housing need has increased. Graph 1 below shows the estimated change in demand profile over the 10 year period.

Graph 1



3.6 Detailed analysis of the 2 figures 3814 (2015) and 1195 (2025) shows that there is not a uniform fall in demand for the various property sizes. Fall in demand for 2 beds is high whereas the demand for larger homes increases as a proportion relative to the overall demand. This is likely to be because far smaller units are delivered on most developments due to the costs of construction. In an effort to address the demand for larger units the Council has reflected this need in the GLA bidding process and has wherever possible tried to maximise the number of larger units on all sites. It should also be noted that because the level of New Build delivery was smaller in the period 2015-2020 the increase in Council delivery has not yet been reflected in the statistics. This is currently being updated however the likely outcome is that the fall in demand will be even greater and quicker than currently estimated.

3.7 This is not to say that the Council should move away from delivering smaller units as predicted demand from those in greatest need falls. Work is underway to assess the potential level of under occupation in existing properties. This will form the basis of a separate report and recommendations to Cabinet about how we make best use of the stock we have. A supply of good quality smaller homes will still be needed, particularly for assisting residents who wish to downsize. Furthermore smaller homes could be offered to applicants in lower bands on the

Waiting List as we are able to revert to a more traditional Council homes allocations approach.

Supply routes

- 3.8 The HSP team has focused on new homes until now:
- Identifying new development opportunities on existing Council owned land and new sites
 - Working with partner Registered Providers and I4B to maximise the amount of affordable housing they are able to provide and tailoring this to housing need in Brent
 - Being aware of new private developments and the proposals for Affordable Housing and working with Planning colleagues to maximise the amount.
- 3.9 However, the HSP team is now considering how better use might be made of existing stock in particular identifying current tenants whose needs can be better met by moving to more appropriate accommodation. This has led to:
- Working with Private Housing Services to ensure that Adaptations meet housing need and that Empty Properties brought back into use also meet the housing need identified in the model
 - Analysing cases of overcrowding with a view to considering whether extending the property is a practical solution to alleviate the issue.
 - Analysing identified under occupied Council homes and working with residents to identify the type of offer that will help and encourage them to downsize, thereby freeing up larger homes for families who need them
 - Analysing cases where Council tenants are receiving care support and whether their circumstances can be improved by moving to newly built homes, including NAIL homes.
 - An initial pilot of a downsizing project led to 15 properties being made available, therefore, there is comparatively small, but still significant, opportunity to focus on by developing an improved "movers" offer / support plan to encourage downsizing, which responds to practical barriers to downsizing and adapts incentive proposals to alleviate them.

Delivery and impact

- 3.10 The Council continues to deliver one of the most ambitious Council building programmes in London and has made a further ambitious bid to the GLA following the publication of the GLA's prospectus Homes for Londoners: Affordable Homes Programme 2021-2026. Achieving 1000 affordable new homes remains on target (see Table 1 below). The Table demonstrates the continued reliance upon Registered Provider Partners to achieve the delivery target of 5000 homes over the 5 year period.

Table 1:

Financial Year	Affordable Rent	Shared Ownership	Temporary Accommodation	s106	*DLP	**SS	NAIL	Total
2018/19	259	388	0	0	0	25	11	683
2019/20	76	104	0	79	0	0	12	271
2020/21	477	489	0	104	0	157	0	1227
2021/22	668	317	92	119	12	126	70	1404
2022/23	902	701	0	0	0	80	48	1731
2023/24	378	297	0	0	0	50	23	748
Total	2,760	2296	92	302	12	438	164	6064

*Developer Lead Property

** RP Delivered Supported Housing

4.0 Homes for Londoners: Affordable Homes Programme 2021-2026

4.1 The London Mayor published the new prospectus outlining guidance in respect of the new Affordable Homes Programme (AHP) in November 2020. This contained some significant changes from the previous AHP. The 3 key changes as far as the Council are concerned are:

- Abolition of the tariff which previously provided a fixed rate of grant depending upon the tenure of the new home. The key tariff for the Council was the allocation of £100,000 grant per rented unit.
- Removal of ability to apply grant to replacement properties meaning that any properties that are demolished as a consequence of the need to deliver a larger more ambitious project must be replaced using the Council's own resources.
- A reduction in rent levels from London Affordable Rent to Social Rent meaning in effect a minimum rent reduction of c9% or more in areas where property values and incomes are low however in real terms the reduction is likely to be around the 9% level in Brent.

4.2 The tariff mechanism has been replaced by a negotiated rate based upon construction costs. The Council has estimated the construction costs of a range of property types ranging from 1 Bed 2 person apartments to 5 Bed 8 person Houses and then estimated the level of grant required to ensure that the properties can be delivered within the viability parameters set by Finance and letting them at Social Rent.

- 4.3 The process of submitting bids uses the GLA's OPS system. The bidding commenced in February and the system closed on 9th April 2021. Following closure the GLA enter a negotiation and clarification phase, which results in a periodic opening and closing of the system to allow for changes to be made to OPS as changes to the bids are negotiated and agreed with the GLA. This phase has now concluded.
- 4.4 The Council has made bids to deliver c700 homes in 5 key activity areas:
- The St Raphael's Estate
 - A continuation of the Infill programme
 - Airspace development using an offsite Modern Methods of Construction(MMC) solution
 - New Build for Rent in South Kilburn
 - A New Build opportunity in Wembley Central.
- 4.5 Following the negotiation process the Council's final bid was for £110m grant to deliver c700 homes on the basis of an indicative bid meaning that if allocated the amount bid for, the Council would have significant discretion on which priorities it will choose and how best to use the grant in order to maximise delivery. This will be particularly useful when considering the various options in relation to St Raphael's Estate.
- 4.7 We now anticipate an outcome is not likely to be announced until at least August/September 2021.

5.0 New Council Homes Programme (NHCP) Progress to Date

- 5.1 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. 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.
- 5.2 The current position in terms of delivery of the NCHP can be summarised as follows:
- 262 new homes have been built and let (229 in January 2021)
 - 579 homes are currently on site and being built (579 in January 2021)
 - 332 homes have been given planning consent and are now going through procurement to identify a building contractor.(332 in January 2021)
 - 1276 active feasibilities of which;
 - 576 are infill sites
 - 257 are airspace developments
 - 100 as yet to be identified new build opportunities
 - 343 in the initial phases of St Raphael's

Clearly a significant number of the active feasibility schemes will be dependent upon a successful allocation from the GLA under AHP 21-26.

- 5.3 Table 3 below shows the current anticipated delivery of sites for which the Council currently has funding identified. i.e it does not include homes which comprise part of the AHP 21-26 Bid. The Map attached at Appendix 1 shows the spread of development across the Borough.

Table 3

Financial Year	General Needs Rent	Shared Ownership	NAIL	TA	Total
19/20	15	0	19	0	34
20/21	124	0	0	0	124
21/22	249	0	57	92	398
22/23	133	23	61	0	217
23/24	231	0	13	0	244
Total	752	23	150	92	1,017

- 5.4 This represents a fall of 248 homes reported in January 2021 however 354 new homes within developments at Watling Gardens, Windmill Court and Kilburn Sq have moved to completion in Financial Year 2024/25 therefore in real terms the programme has grown further albeit with a reduced number of homes completed in 2023/24. Changes in programme are a natural part of a dynamic development programme. Conversely Phase 2 handovers at the Gloucester and Durham site have been brought forward 5 months from November 2021 and will now commence in July 2021.

6.0 Progress on Large Development Sites

6.1 Gloucester and Durham

In 2019 the council agreed the purchase of 235 properties at the Gloucester and Durham site from Telford Homes and Notting Hill Genesis to support the regeneration of the South Kilburn Estate and increase the increased provision of new homes for people living in Temporary Accommodation. Two years on the Council has taken handover of 83 properties in the 1st Phase, starting November 2020 and is now looking forward to the handover of the second Phase commencing July 2021. Phase 2 comprises of 152 properties, an event space and 92 car parking spaces. A team of council officers across several departments are working closely together to ensure the handover process is as smooth as possible.

6.2 Grand Union (Northfields Site), Alperton

The council entered into a Development Agreement with Berkley Homes in the summer of 2020 to purchase 115 properties – 92 for rent and 23 for Shared Ownership. Once completed the site will comprise at least 2,900 properties, a riverside piazza with cafes, restaurants, bars, a community centre, landscaped gardens, riverside meadows and waterside path. Handover of Block A, which contains 46 rented properties, is anticipated to start in Q4 of 2021 whilst Block B containing the remaining 46 rented properties will handover in Q1 of 2022. The Shared Ownership properties will also come over in two phases the first tranche in Q3 of 2022 and the remaining property in Q2 of 2023. Meetings to discuss the

handovers have been set up with council officers to ensure the handovers are adequately planned and the properties let promptly.

6.3 Dudden Hill Community Centre (BICC)

This site has planning to deliver 29 affordable new homes and a new community centre. In April 2021, the Council appointed Willmott Dixon via the SCAPE Framework to complete the Technical Design stage and on-site demolition works by December 2021. Upon completion of the Technical Design and on-site demolition works, the Council will seek to agree a fixed cost with Willmott Dixon for the main works. Should the Council be unable to agree fixed cost, officers are seeking delegated authority to procure and award a single stage works contract via an alternative contractor procurement route/framework that would be suitable for expediting the delivery of this project.

6.4 Honey Pot Lane

In June 2020 the Council entered into Contract with United Living to build 61 high quality One-Bedroom self-contained residential flats on the site of the former Willows Care Facility. GLA Grant funding of £6.5m has been secured to assist with the financing of this scheme. The development which also contains an external landscaped courtyard, private amenity space, a lounge and dining/café area, kitchen and assisted bathroom, is currently in week 42 of a 101 week construction programme with the anticipated completion date being June 2022. To date there has been a large amount of engagement with an adjoining neighbour, The Kingswood Centre, where we have partnered a Disability Awareness day, commissioned community art and in a few weeks will part fund a Garden Party for the residents.

6.5 Church End (99 homes £5m+)

Further to the previous Cabinet report the Church End site is now being self-delivered by the Council. A new Employer's Agent (EA) has been appointed to oversee the construction of this scheme. With the EA in place, Tenders for a building contractor are programmed to be issued by the end of July 21, with the preferred Contractor being appointed by November 21. The current timetable anticipates a Practical Completion date of March 2024. To facilitate the temporary relocation of the current market at Church End to Neasden Lane, the appointment of a Market Engagement Consultant will be necessary. The role of the Market Engagement Consultant will be to establish the number of traders seeking to relocate, identify their operational requirements, raise awareness about the market relocation to local residents and ensure that the market traders have the necessary support to thrive in their temporary home while the new market is being built. The Engagement Strategy for the temporary relocation of the current market will be led by the Council with support from the Market Engagement Consultant.

6.6 Learie Constantine Centre (26 homes £5m+)

This site has planning to deliver 26 affordable homes and a new community centre. In March 2021, the Council appointed Willmott Dixon via the SCAPE Framework to complete the Technical Design stage and on-site demolition works by November 2021. Upon completion of the Technical Design and on-site demolition works, the Council will seek to agree a fixed cost with Willmott Dixon for the main works. Should the Council be unable to agree fixed cost, officers are seeking delegated authority to procure and award a single stage works contract

via an alternative contractor procurement route/framework that would be suitable for expediting the delivery of this project.

6.7 Preston Community Library Redevelopment (12 homes)

In January 2021, the Council's planning permission to deliver 12 affordable homes and a new community library was upheld through the Judicial Review process. In April 2021, the Council appointed Kier to complete the Technical Design stage and on-site demolition works by September 2021. Upon completion of the Technical Design and on-site demolition works, the Council will seek to agree a fixed cost with Kier for the main works. Should the Council be unable to agree fixed cost, officers are seeking delegated authority to procure and award a single stage works contract via an alternative contractor procurement route/framework that would be suitable for expediting the delivery of this project.

6.8 Watling Gardens and Windmill Court

Cabinet will receive a separate report on this scheme which will deliver up to 125 new homes at Watling Gardens and 60 new homes at Windmill Court.

6.9 Kilburn Square

A separate paper will also be presented to Cabinet outlining proposals to develop up to 179 new homes on infill sites around the Kilburn Square estate.

7.0 Sites Currently Undergoing Feasibility Assessment

7.1 The following sites form the existing feasibility pipeline, none have yet got Planning Permission

Development	New Homes Predicted
Clement Close –	15
Broadview Garages –	3
Greenhill Park –	10
Yates Crt –	3
Westcroft Crt –	27
Newland Court -	7
Moot Court –	8
Fairfield Crt –	3
The Oaks	80
Eskdale Close –	3
Gauntlett Crt –	5
Brentfield Garages –	9
Hargood Close –	2
Minterne Rd –	1
Chalfont House –	6
Sutherland Crt –	1
Townsend Lane –	1
Comber Close –	61
Rokesby Place –	3
Gladstone Pk Ph2 –	19

8.0 St Raphael's Estate

- 8.1 The GLA's change of approach to the funding of replacement units using grant has placed a large number of regeneration schemes in jeopardy across London and has meant a fundamental rethink into the approach to the overall funding of these schemes. Essentially the Council has reworked the cashflow model and split the first 2 phases into 4 creating phases 1A, 1B and 2A, 2B. A bid has been made for grant funding under AHP 2016-21 to deliver Phase 1A and a bid has been made under AHP 21-26 for phases 1B and 2A. The results of the outcome of both bids will determine what proposals can be taken forward to ballot if applicable.
- 8.2 To recap information provided in the last Cabinet update. *In line with the original mandate from Cabinet, two masterplans have been developed; one for infill and one for redevelopment. These designs have been developed through the conversations and feedback from all previous events and a series of co design workshops with the community.*
- 8.3 *The redevelopment masterplan delivers 2065 new homes, the rehousing of 504 tenants with the option to provide new homes for existing leaseholders/freeholders and up to 550 additional affordable rented homes*
- 8.4 *The infill masterplan consists of clusters of new homes in the north and south of the site it delivers 370 new homes, 334 flats and 36 houses, providing the opportunity to rehouse St Raphael's tenants who are over-crowded plus the provision of net additional c300 affordable homes.*
- 8.5 *The intention is that 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.*
- 8.6 It should be noted that as no final decision has yet been made detailed design work has not yet taken place in respect of the two Masterplan options. Therefore all numbers are estimates and may be subject to change once a detailed design exercise has been undertaken, irrespective of the final decision.

9.0 South Kilburn Regeneration

- 9.1 Unity place (Gloucester & Durham) is progressing well towards completion later in the year, with Phase 2 handover taking place over the summer. This will deliver 152 council homes as well as the Community Hub, an event space, car parking and open spaces and improved public realm.
- 9.2 The Neville and Winterley's scheme is currently out to tender for a delivery partner this is expected to conclude towards the end of 2021. The affordable housing delivered on this site, as well as future developments, is anticipated to remain in the ownership of the Council.
- 9.3 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 and place making priorities, as required in the Master Plan.

- 9.4 Officers are currently exploring ways of speeding up the decant of certain blocks. This has arisen due to the desire to avoid long-term maintenance works, which will create expense, both for the Council and Leaseholders. This can be achieved by a variety of means including identifying more decant options for residents and accelerating the acquisition and building programme.
- 9.5 Grant bids to the GLA in respect of sites known as Carlton and Granville and Granville Park total £6.24m with a view to delivering 36 large family homes at Social Rent levels

10.0 Engagement

- 10.1 The approach used at St Raphael's Estate is being used as a template to rolling out engagement across the programme. It has to be recognised that developing new homes adjacent to existing homes will not be universally popular however encouraging residents to contribute will ensure that as many views, particularly on how the external environment can be enhanced following completion of the development process, are captured. The dedicated resource for engagement activities is being increased to better facilitate this.
- 10.2 The Six Stages of Engagement, which is an additional process to the Statutory planning process were outlined in the paper presented to Cabinet in January 2021.
- 10.3 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.

11.0 Other Sources of Supply - I4B (Holdings Ltd)

- 11.1 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.
- 11.2 I4B's initial activity provided PRS homes to support the Council's Temporary Accommodation Reform Plan. As of June 2021, i4B has purchased 328 private sector homes and switched the tenure to an affordable PRS product. All properties have been refurbished to a high standard and let to families nominated by the Council.
- 11.3 I4B continues to expand its portfolio and 153 homes were acquired in January 2021 intended for Key Workers as determined by the Council's Key Worker Policy. I4B continues to investigate new opportunities to deliver Affordable Housing and providing a service offering wider than the Council's primary focus of Affordable Rent products.

12.0 Other Sources of Supply - Registered Providers (RPs)

- 12.1 Registered Providers continue to play a significant role in the delivery of new affordable homes in the Borough. Table 5 shows the new homes that are anticipated to be delivered over the next two financial years from RPs funded by the GLA.

Table 5

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

13.0 Procurement Approach

- 13.1 Developments with estimated values over £5,000,000. The development sites listed in sections 7.5 to 7.7 above have been reviewed to confirm the most appropriate method for procuring an experienced contractor to deliver the works.
- 13.2 For large value procurements, suppliers need to spend a significant amount of time and money in preparing their bids and therefore would only participate if the number of bidders were restricted (normally between 3 – 5 suppliers). Due to the size, scale and value of the larger development sites, the procurement options available for sourcing a contractor are either by (i) carrying out an OJEU procurement where the opportunity would be advertised to the market or (ii) via a mini competition from a framework.
- 13.3 Advertising the opportunity via OJEU means all suppliers in the market have an opportunity to bid for the contract. All suppliers would need to be checked for compliance. This process can take significant amount of time versus procuring from a framework. A framework has a list of pre-approved suppliers where compliance checks have already been undertaken. The frameworks allow for mini-competitions to be undertaken to appoint a contractor and tend to be a much quicker process.
- 13.4 It is proposed to use the following approach for each of the development sites:

Developments with estimated values under £5,000,000

- 13.5 Projects with a contract value less than £5,000,000 can be authorised using delegated powers. The procurement approach is listed here for information purposes.
- 13.6 For the smaller developments (infill) sites, interest from suppliers in the market tend to be from the smaller/SME contractors. Programmes of this nature can be difficult to manage in terms of finding suitably skilled small to medium sized contractors who are experienced in delivering high-quality projects on small sites.
- 13.7 There are some frameworks available with contractors for contract values less than £5,000,000. Where it is deemed suitable with sufficient interest from the suppliers on the framework a mini competition will be undertaken.
- 13.8 For the majority of the small sites developments (infills), the best platform for sourcing and appointing qualified contractors is through the open tender procurement approach.
- 13.9 An open tender is where the opportunity is widely advertised to all contractors in the market allowing them to submit a proposal.
- 13.10 The open tender approach could have the following benefits for the Council:
- It will afford the Council an opportunity to engage with local suppliers and businesses who could benefit from the Council's Development Programme and this could help ease unemployment and bring revenue into the Borough.
 - Provide the Council with a wider selection of small to medium sized contractors who are more suited to the Infill Programme.
 - Small to medium sized contractors are thought to be more competitive and will seek to offer value for money in terms of quality and costs.
 - It gives the Council better scope to seek the best supplier for the works as tenders are carefully evaluated for cost and quality. There will also be a wider selection of suppliers to choose from.
 - Open tendering also offers ease of entry into the market for smaller suppliers, and this can help new experienced firms to get a foothold in the market or industry, which will help lower the traditional barriers faced by many small but very experienced contractors.

14.0 Social Value

- 14.1 The Council is committed 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.
- 14.2 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

14.3 Historically deriving social value from contracts has been uncoordinated and based largely on local priorities identified during the contract period. However efforts are now being made to drive a more strategic view particularly linking potential contracts to the London Borough of Culture Legacy (LBoC). Opportunities to include various art projects and long term art facilities will be considered at design stage. The temporary artist studios at Kilburn Square are an excellent example of the NCHP supporting the work of Metroland and signpost how more permanent facilities could be included at larger new build sites. In addition to LBoC the Council will continue to identify opportunities to support local schools and community groups when working in an area.

14.4 Examples of the Social Value driven by the Council's development activity;

- IT equipment donated to 2 local schools to support primary school children / families access learning during lockdown
- Green panels to be installed to play area school perimeter fencing to both schools.
- Jason Roberts foundation, event held in June 2021 and more ongoing projects planned.
- 14 Brent based, ex-offenders registered and all participated in wanting to learn for construction
- Arranging a community clean up (litter and fly tipping)
- Working with Metrolan on additional landscape and borough of culture for Albert terrace
- Working with local schools year 5 & 6 on time capsule project. Arrange celebration event for July completion.
- Local Brent artist for art on hoarding
- Currently in discussions on combining local community garden/ art project
- Arranged Disability awareness event with local hospital
- Installed new pump in pond for hospital

15.0 Financial Implications

15.1 Financial appraisals are carried out regularly on individual schemes to ensure affordability, with proposals developed and considered in line with Financial Regulations and existing governance arrangements for the programme. The Council policy is to target a payback period of 60 years for new builds.

15.2 The tenders will be evaluated to ensure that cost is financially viable prior to awarding the contract. In the event, where Council is unable to agree cost or tendering price is higher than what is required to make individual scheme financially viable, then it will be presented to Capital Programme Board for review.

15.3 It is anticipated that certain schemes may require additional budget 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 2021.

- 15.4 A substantive level of borrowing is expected in order to achieve a target of building 1000 new homes. The associated financing costs will create revenue budget pressures in the short-term, at least until properties are ready to be let out to tenants and rental income can be generated. Borrowing levels will remain open to risk associated with interest rate fluctuations. Budget pressures will need to be managed through re-profiling of service plans and investment strategies on existing stock.

16.0 Legal Implications

- 16.1 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.
- 16.2 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.
- 16.3 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.

17.0 Equality Implications

- 17.1 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.

- 17.2 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.

17.3 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.

17.4 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.

18.0 Human Resources / Property Implications

18.1 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.

18.2 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.

18.3 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.

18.4 To maximise the number of affordable homes being delivered and ensure rents can be set at London Affordable Rent levels, the Council is generally 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.

18.5 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 Honeypt Lane) are also proactively engaged.

Related Documents:

Cabinet Paper - New Council Homes Programme December 2019

Cabinet Paper – New Council Homes Programme July 2020

Cabinet Paper – Supply of New Affordable Homes January 2021

Cabinet Paper – Watling Gardens and Windmill Court Estates Infill Schemes – July 2021

Cabinet Paper – Kilburn Square Infill Housing Projects – July 2021

Report sign off:

Phil Porter

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