



Cabinet
7 February 2022

**Report from
Strategic Director, Community
Wellbeing**

Six Month Update on Supply of New Affordable Homes

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Two Appendix 1: Church End Market Design Drawing Phase 1 Appendix 2: Church End Market Design Drawing Phase 2
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Hakeem Osinaike Operational Director of Housing Tel: 020 8937 2023 hakeem.osinaike@brent.gov.uk

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 (NCHP).
- 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 July 2021.
- 1.3 This report provides a summary of the numbers of affordable homes that have been delivered and are expected to be delivered, as well as updating on the progress made over the last 6 months, the numbers of additional homes/developments being assessed, with

an indication of key issues, practical considerations and steps being taken moving forward.

- 1.4 In July 2021, the Cabinet paper provided an overview of the bid made by the Council for additional grant funding as part of the London Mayor's Affordable Housing Programme (AHP) 2021-26. This paper provides details of the successful outcome enabling the Council to continue tackling London's housing crisis and meeting the housing needs of Brent 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 Note the need for approval of a capital investment of £135.1m to progress the delivery of the New Council Homes Programme as referred to in Financial Implications at 11.3 and 11.6.
- 2.4 Delegated authority to the Strategic Director, Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform, to award a construction contract in respect of the Watling Garden site for the reasons set out in in paragraph 7.8-7.10 of this report.

3.0 Background

- 3.1 In 2016, the London Mayor produced the Building Council Homes for Londoners prospectus and made capital grant funding available under the Affordable Homes Programme (AHP) 2016-2021. In 2018, Local Authorities were invited to bid to the Greater London Authority (GLA) for an allocation of Capital Grant from the AHP and, at the same time, the borrowing cap on the Housing Revenue Account (HRA) was lifted. This enabled the Council to consider a much larger building programme than previously.
- 3.2 Following 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.
- 3.3 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 to the GLA. It is anticipated that by 31st March 2022, 660 new affordable rented homes will have been completed since 2019 and 398 affordable rented homes handed over in 2021-22 alone.
- 3.4 To provide some perspective, in the period 2020/21 the largest Housing Association developer built 2694 new homes of which 144 were social rent and 606 were Affordable rent (up to 80% of the market). The Council would be placed 37th on that list with the current year's performance placing it in the top 50 builders in the UK, even allowing for

the performance of other London Local Authorities. It is important to note is that all of the Council's new homes are London Affordable rent or lower.

4.0 GLA Affordable Homes Programme

4.1 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.

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

- 593 new homes have been built and let
- 278 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
- 198 homes have been submitted for Planning permission.

4.3 The 2021-26 AHP Allocation of £111m will support the delivery of sites, which are currently in the feasibility stages, and demonstrates the importance of proactively planning ahead and having an active pipeline.

5.0 New GLA Grant Award

5.1 In August 2021, the Council was awarded a further allocation of £111m from the GLA AHP 2021-26 following the bidding process with the objective of delivering a further 701 homes in addition to the existing programme by 2028.

5.2 In order to deliver 701 target, the five key activity areas currently under consideration are:

- The St Raphael's Estate
- A continuation of the Brent wide 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.

5.3 As the £111m allocation is indicative, the Council has the ability to focus the grant allocation on other opportunities, should it not be possible to progress the delivery of the already identified schemes.

5.4 The Council's Housing Supply and Partnerships (HSP) team is responsible not only for facilitating the supply of new affordable housing, but also to ensure that this supply meets the need as defined by current and predicted future housing demand. Work has continued to refine the demand data that is available and this was used to inform the AHP 21-26 bid, with an increased emphasis on larger homes, noting that for a site to be economically viable there generally needs to be more smaller units built than larger ones constructed.

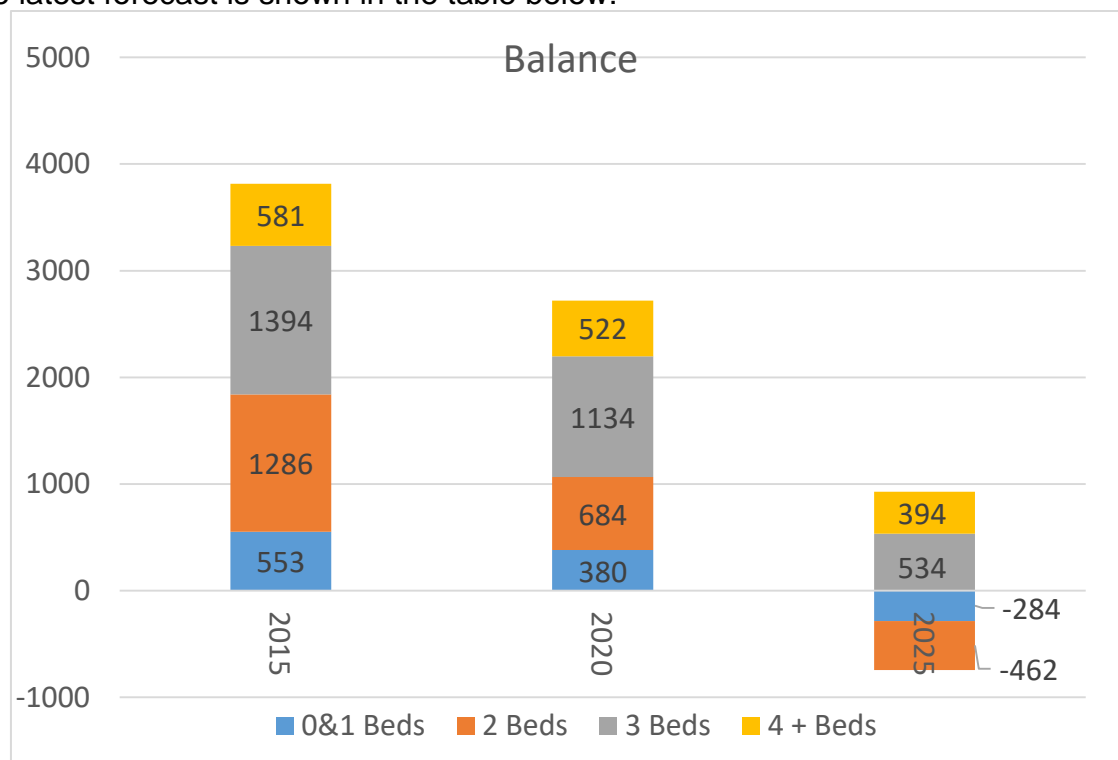
5.5 The Council has continued to focus its efforts on the delivery of affordable rented housing and not to prioritise homes for sale whether via shared ownership or outright sale.

Therefore the Council's entire bid consisted of rented housing despite the London wide programme seeking a balance of Social Rent, London Living Rent and Shared Ownership products.

6.0 Demand Analysis

6.1 As the Council has increased affordable housing supply, we have also developed a better understanding (and forecast) of housing needs. The detailed assumptions about increased supply are not only used to refine the NCHP focus, but also how other supply routes can contribute. The model uses a method called Exponential Smoothing to more accurately forecast future demand. The Cabinet paper in July 2021 outlined how this methodology works using historic data to forecast future requirements. It requires the collation of data on handovers both in the past and expected in the future to run alongside historic data on the number of applicants and presentations likely based on past performance. This is an ongoing process based on the assumption that, as building new homes becomes routine for the Council the outcomes are factored into the model to ensure a more accurate forecast.

6.2 The latest forecast is shown in the table below:



6.3 The above table shows what the actual demand for social housing was, broken down by size of property required, as at 2015 and 2020. This illustrates the overall reduction from 3,814 households, to 2,720, with the greatest reduction in demand for 2 bedroom properties. The table then shows the forecast demand in 2025, illustrating that there will be an excess in supply of 1 and 2 bedroom properties, and outstanding demand from 928 families, who require 3 and 4+ bedroom properties. Please note that this forecast includes all the schemes either in construction, have been designed and submitted for Planning permission or already obtained Planning permission by both the Council and Registered Providers.

6.4 It should be noted that the above forecast is based on the assumption that demand for social housing will remain consistent with historical trends and that an additional 5,000

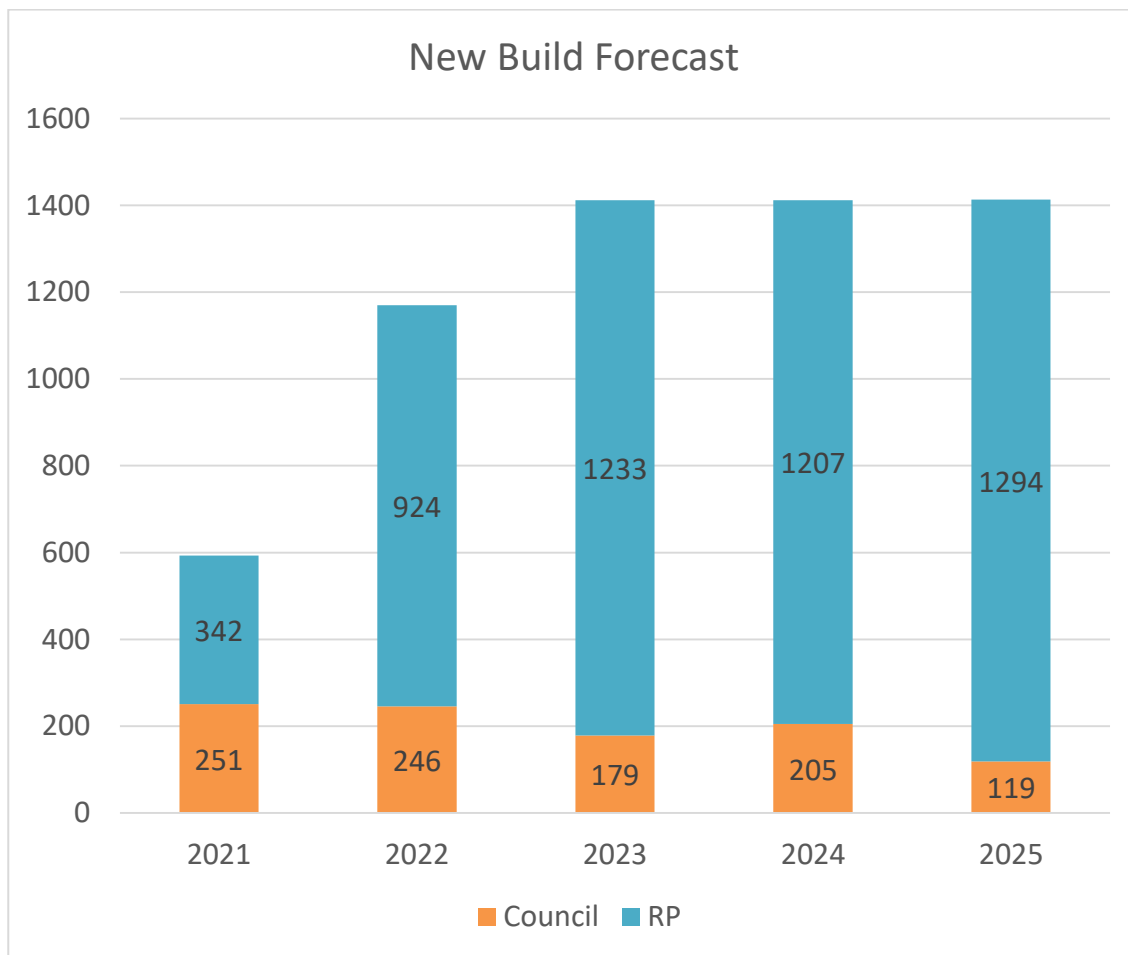
new build properties will be delivered between 2021 to 2025. 1,000 of these properties developed by the Council, and a further 700 developed by RP partners.

- 6.5 The forecast of new build supply has been split into bedroom size, based on historic delivery, where the majority of properties being developed have been 1 and 2 bedroom. If the same ratios of bedroom sizes are developed, the model predicts an oversupply of these smaller properties, and excess demand for larger properties. To mitigate, the 701 homes to be built by 2028 (see section 5 above), are predominantly family size homes.
- 6.6 This current forecast shows that if all of the new properties are developed following the historic ratio of property sizes, so 30% will be 3 or 4 bedroom in size, by 2025 there will be an "over supply" of 1 and 2 bedroom properties, and over 900 families still waiting for larger accommodation. However, the demand data used in the model is taken from the households in the reasonable preference groups on the Housing Register (Bands A to C) and therefore does not include those households in Band D.
- 6.7 The current 701 homes being built have taken account of the requirement for 3 and 4 bedroom homes thereby reducing the number of 1 bedroom apartments being built. Therefore, this will reduce the number of 1-bedroom apartments as shown as surplus.
- 6.8 There are currently over 22,000 households in Band D, who are registered for social housing, but do not meet the criteria of the current Allocations Scheme to be awarded priority banding. This is because although they may have some degree of housing need, the households in Bands A to C have a greater need. As the supply of social housing is not sufficient to meet the total demand, the council prioritises those in greatest need.
- 6.9 The households currently in band D are broken down by the size of property they require in the table below.

Table showing – Households in Band D by size of property required.

One Bed	Two Bed	Three Bed	Four + Bed	Total in Band D
11,997	6,630	2,920	509	22,056

- 6.10 As illustrated above, over 18,000 households in Band D require a one or two bedroom property. These households will include families who are overcrowded, but because they are only lacking one bedroom, do not meet the criteria in the Allocation Scheme to be awarded priority banding.
- 6.11 Therefore, if all demand from households in Bands A to C, who require one or two bedroom social housing were met, any additional supply would be used to partly meet the demand from households in Band D.
- 6.12 The model also has been adjusted to forecast that the new build target of 5,000 new homes will be delivered by 2024. As 593 new build properties were delivered in 2021, and a further 1,170 properties are forecast to be delivered in 2022, it will be necessary for 1,412 new build properties to be developed for each of the subsequent three years to achieve the overall new supply target. The breakdown of supply between Council and RP new build required to achieve the target is illustrated in the table below:



7.0 New Council Homes Programme (NHCP) - Significant Scheme Updates

7.1 **Grand Union (Northfields Site), Alperton.** A total of 92 properties are expected to be handed over at the Grand Union site in 2 phases of 46 units each. After the properties were advertised, a successful viewing cycle for the first 46 homes took place in December 2021 into January 2022. A number of clients have viewed, accepted and have been verified for sign up. Viewings are currently taking place for the remaining 46 properties in phase 2 and sign-ups will take place once the properties have been handed over by the developer.

7.2 **Church End (99 homes £5m+).** The Council is the freehold owner of the entire Church End Car Park site and has two separate planning permissions to deliver the following:

- Planning permission (ref: 13/1098) was granted for 34 affordable homes, ground floor non-residential use space, a new market square and the stopping up of Eric Road.
- Planning permission (ref: 13/2213) was granted to develop this part of the Church End Car Park site for 65 affordable homes, 7 car park spaces and 298sqm of retail use space.

7.3 The Council is currently evaluating contractor tenders to bring forward the on-site delivery of the above planning permissions. As closing the current Church End market is fundamental to achieving a start on site by March 2022, the Council has adopted the following two-phase plan to relocate the market to ensure that traders are not moved away from their core customer base and that local residents do not lose the benefits of this service provision:

- Phase 1 (March 2022 – July 2022): The Church End market will be moved to one half of the current car park site in order commence enabling works on the vacant half of the site before the end of March 2022. The market will continue operate on a twice a week

basis (Wednesday and Saturday) whilst enabling works being undertaken until July 2022. Please refer to Appendix 1 to view Phase 1 of the market relocation plan.

- Phase 2 (August 2022 – August 2025): After the Church Road public realm improvements and bus diversion works are complete, the Church End market will move to Church Road and will remain there until the Church End redevelopment works are complete and the new market square can be used. Please refer to Appendix 2 to view Phase 2 of the market relocation plan.

- 7.4 Officers have provisionally allowed a three-year programme period to complete detailed design and construction of the Church End development. Once contractor appointment is confirmed, then the Council will be in a more informed position on the key dates and these will be communicated to the relevant stakeholders in the near future.
- 7.5 **Windmill Court** - The existing estate comprises of 138 - 1,2 & 3 bedroom flats between the existing tower and the maisonettes as well as a community centre, kids play area and two-storey car-park. Within the maisonettes, there are nine leaseholders and nine tenants, all of whom are being consulted regarding the proposals. Brent are negotiating with the leaseholders to purchase their properties while the tenants will be decanted off-site and have a right to return to the new homes. Four tenants are proving difficult to contact or refusing to engage with us therefore we will need to proceed with the CPO process ASAP whilst still trying to get a negotiated agreement.
- 7.6 Officers are aiming for vacant possession by March 2022 with a view to start on site by September 2022. Planning application has now been submitted, which include proposals for the two-storey car park and 16 of the 18 Maisonettes will be demolished. Following this, two new 7-storey blocks will be built offset on either side of the tower, which in total will equate to 60 new affordable housing homes giving a net uplift of 44 units. The two remaining maisonettes will be reconfigured into new studio flats at the base of the tower. The community centre will be extended and remodelled in its existing location as well as this there will be changes made such as a new children's play area & half basketball court, the introduction of outdoor adult exercise equipment, upgrades to landscaping (new trees planted), pedestrian routes, site security by way of gated entrances and perimeter fencing and ground level parking.
- 7.7 In terms of resident engagement, this has been done by way of online resident panel sessions (8 in total), onsite drop-in sessions, regular newsletters, letters, flyers, surveys and phone calls. There will also be an updated webpage on the Brent website with all the communications to date for residents to view. Now that the planning permission has been submitted more resident engagement will under taken over the next few months.
- 7.8 **Watling Gardens**. The existing estate includes 2 x 12 storey towers that will be retained plus 12 bedsit bungalows and a deck access block of 30 x 1 bedroom flats that will be demolished. Decanting and leasehold buybacks have been underway for the last 12 months and are now finalising the last few tenants, who are currently being moved out. We therefore anticipate vacant possession by February 2022. All tenants who have been decanted have a Right to Return to the new homes and a local lettings policy is in place to enable those living in the retained blocks who are in housing need, to have an opportunity to move to the new homes.
- 7.9 A planning application has been submitted for 125 new affordable rented homes including a 45 flat extra care scheme with a range of communal activity areas and 24 hour staffing plus eighty 1, 2 and 3 bed and general needs homes. In addition to the new homes, the planning application provides for significant upgrading of the estate landscaping and public realm with a new Multi-Use Games Area and playground. The scheme is due to

be considered at Planning Committee on the 23rd February and is currently being prepared for tender to provide for a start on site in June/ July 2022.

- 7.10 The building works are ready to go out to tender pending planning approval with 3 contractors. We have already had initial contractor discussions in December 2021.
- 7.11 **Kilburn Square**, The current site comprises nine buildings, seven that accommodate residential use.
- 7.12 In the autumn of 2020, the Council started engaging with the residents about a proposed infill development of Council homes. As a result of resident feedback the designs are still evolving; with a focus on reducing height, density and loss of open space whilst still providing a significant number of genuinely affordable council homes. As a result, of the consultation, five options were put forward, the Council is currently considering all five options, following which officers will communicate the outcome to residents. The Council intends to meet the timetable set by the GLA grant funding with a start on site by September 2023.
- 7.13 **Alperton Bus Garage site**, Cabinet has approved the acquisition of 155 homes to be let at affordable rents. This former bus garage development will deliver 461 homes altogether, 155 of which the Council will acquire. The Council will enter into a 50 year leasing arrangement, which will see the homes transfer to the Council for a peppercorn at the end of the Lease. The new homes are expected to be handed over during the year 2024/25.
- 7.14 **St Raphael's Estate**, 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. As a result of this change in grant funding coupled with adjustments to the project cash flow model in order to reflect programme and market changes, the redevelopment of St Raphael's resulted in a project viability gap of -£110.2m. This was considered unviable.
- 7.15 The Council's commitment to the residents of St Raphael's was for a community led approach to the master planning of their estate, culminating in a resident ballot through which residents would be able to demonstrate their support for redevelopment, with infill development being the default option. This route to ballot has always been predicated on having a redevelopment masterplan that was financially viable and therefore able to be delivered.
- 7.16 In line with this commitment, and because the delivery of the redevelopment masterplan was no longer considered financially viable, the infill masterplan is now being progressed, with a community led approach being followed as before. The infill masterplan consists of clusters of new homes in the north and south of the estate, facing the river along the western edge of the existing homes, and some in underused pockets of land within the estate. It currently has the potential to deliver 370 new homes; 334 flats and 36 houses. The detail is likely to change as the design is developed. Homes are forecast to be 100% affordable, owned and managed by the Council.
- 7.17 The design of the phase 1 site in the south of St Raphael's started in July 2021, with start on site currently forecast for winter 2022/23 and completion winter 2025/26. The design team will, as before, take a co design approach to the design of the buildings and public realm improvements.

7.18 In addition to the development of new affordable homes, there is the potential to deliver significant place making improvements, which arguably, whilst not as transformational as full redevelopment, have the ability to improve the lived experience for St Raphael's residents. We have called this 'infill plus'. Early priorities for delivery in 2021/22 ahead of the delivery of the Phase 1 site, are focused on the issues identified through recent consultation with residents. They centre on improvements to the care and maintenance of the estate and target green spaces, waste management and parking as well as providing a temporary building for use by the community and project team. We have already improved the public realm and dealt with primary issues of residents' concerns such as; abandoned vehicles, grounds maintenance, basket ball court and the Wates compound. More significant improvements to the public realm, estate connections and community facilities will be delivered alongside the delivery of the new homes over the coming five years, in collaboration with the community. Consideration of wider Council objectives for health, culture, education, climate emergency etc. will also be brought to bear in these discussions.

7.19 **South Kilburn Regeneration**, Unity place has now completed and progressing well towards full occupation. This scheme will have delivered 235 Council homes as well as an event space, car parking and open spaces. The Neville and Winterley's scheme is currently in the final stage of the procurement process for a delivery partner. The affordable housing delivered on this site, as well as future developments, is to remain in the ownership of the Council.

7.20 South Kilburn has a number of sites that have been submitted to Planning for a decision in the coming months, this will then lead onto new tender processes expected to go live this year. 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. The option of having one delivery partner for the remainder of the masterplan is also being reviewed. Officers are currently working towards promoting opportunities to decant a number of the blocks more quickly. This has arisen due to the desire to avoid long-term maintenance works, which will create unnecessary expense, both for the Council and Leaseholders. This can be achieved by a variety of means including identifying more decant opportunities for residents and accelerating the building programme.

8.0 Engagement

8.1 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.

8.2 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.

8.3 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.

9.0 Other Sources of Supply

9.1 Stock Maximisation

9.1.1 Considering the wide gap between housing demand and supply, it is clear that new builds will not plug the gap. As such, better use of existing stock has been identified as a priority to support the benefit derived from delivering new homes.

9.1.2 In August 2021, Cabinet agreed to a number of incentives targeted at existing residents with a view to using the Council's stock more efficiently and reduce under occupation and overcrowding. Having considered the size and number of properties under-occupied, the cost of building replacement homes, the cost of maintaining families in temporary accommodation and where identified families might wish to move and the tenure of the accommodation they could move to, a series of incentives were agreed. The emphasis of this project is the release of 3 and 4+ bedroomed sized properties. Having said that, the freeing up of all Council owned accommodation is considered desirable if it can be facilitated.

9.1.3 The incentives agreed;

Table 1:

No of Beds currently	No of Beds required	Incentive payment per room	Large Property Premium	Wheelchair Use Premium	Welfare Premium
6 Beds	5 Beds	5,000	1,000	500	200
	4 Beds	10,000	2,000	1,000	200
	3 Beds	15,000	3,000	1,500	200
	2 Beds	20,000	4,000	2,000	200
	1 Bed	25,000	5,000	2,500	200
5 Beds	4 Beds	5,000	1,000	500	200
	3 Beds	10,000	2,000	1,000	200
	2 Beds	15,000	3,000	1,500	200
	1 Bed	20,000	4,000	2,000	200
4 Beds	3 Beds	5,000	1,000	500	200
	2 Beds	10,000	2,000	1,000	200
	1 Bed	15,000	3,000	1,500	200
3 Beds	2 Beds	5,000	500	500	200
	1 Bed	10,000	1,000	1,000	200
2 Beds	1 Bed	5,000	n/a	500	200

9.1.4 Tenants who are identified as needing to transfer to Sheltered or Supported Accommodation, will be paid an additional "Welfare Premium" of £200. This is to differentiate moves made for welfare purposes on adult social care grounds, rather than moves that are wholly due to downsizing.

9.1.5 Prior to the proposal and introduction of the incentive scheme, analysis was carried out showing that as many as 1034 Council properties 3 bed and larger could be under occupied. The majority of these (827) are in the 3 Bed category but at least 5 x 6 bedroomed houses fell into this category.

9.1.6 In order to publicise both the incentives and other support available to current tenants, a new Stock Maximisation team has been set up in Housing Supply and Partnerships consisting of 3 X Stock Maximisation Officers, led by the External Partnerships Manager. Cases are split broadly across 3 categories;

- Properties that have been identified as potentially being under occupied.
- Individuals who might benefit by moving into more suitable accommodation such as that specifically designed for disabled or older people
- People who wish to take advantage of financial incentives offered by the Council

9.1.7 It is acknowledged that each case is individual and that whilst they might have issues in common, such as under occupying, personal circumstances are different in every case. The team adopt a flexible approach aimed at ensuring that each person who takes advantage of the scheme receives a service that is tailored to his or her specific needs. In the case of older people, this can involve assistance with removals including support for house packing and clearance. The expectation is that the team are empowered to minimise disruption and remove the barriers to moving house that an individual might perceive as holding them back. This new approach commenced in September 2021 following approval of the incentives.

9.1.8 This new approach commenced in September 2021 following approval of the incentives.

9.2 *i4B (Holdings Ltd)*

9.2.1 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.

9.2.2 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.

9.2.3 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.

9.3 *Registered Providers (RPs)*

9.3.1 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 22/23	Financial Year 23/24
Arneway	0	6
Clarion	226	0
Home Group	0	121
L&Q	176	0
MP Living	0	13
Network	156	158
Octavia	125	0
OPDC	52	0
PA Housing	40	0

Quintain	0	66
Sapphire Housing	0	19
Total	775	383

10.0 Social Value

10.1 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.

10.2 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.

10.3 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.

10.4 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 Metroland 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

11.0 Financial Implications

11.1 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.

- 11.2 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.
- 11.3 This paper requests an investment of £135.1m, including £43.4m of Greater London Authority funding, to enable the delivery of 359 new council homes. Officers have undertaken financial appraisals on the affordability and viability of the 23 schemes that will deliver the 359 homes.
- 11.4 The schemes are arranged into three categories: mixed development (additional budget to allow schemes already approved by Cabinet to progress), Greater London Authority (GLA) 2018-21 (schemes within the GLA programme that allows for £100k grant for properties rented at London Affordable Rent and GLA 21-26 (schemes within the GLA programme that allows for a higher grant level, £155k per unit for these schemes but at Target Rent).
- 11.5 The construction costs, level of GLA grant and unit mix are indicative and the assessments will need to be updated as more information is obtained about existing and future schemes that could support programme wide viability. . In agreeing this, the Council will need to consider the options of mixed development with market sale/rent products that support affordable housing and social benefit and programme viability.
- 11.6 The schemes will all be funded by a mixture of prudential borrowing and GLA grant. The total level of GLA grant expected is £43.4m.
- 11.7 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.

12.0 Legal Implications

- 12.1 Development of sites detailed in this report, particularly in Section 8, requires the Council to enter into a range of construction contracts and development agreements, many of which are classed as High Value Contracts under the Council's Contract Standing Orders and Financial Regulations. 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 £10,000,000 require Cabinet approval pursuant to Standing Order 88 and 89. In order to ensure an efficient delivery programme and as previously agreed, Cabinet is provided with full details of each proposed contract on a 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, to award such contracts.
- 12.2 Development or construction contracts with an estimated value of less than £10,000,000 do not require a Cabinet approval under Standing Orders and procurement and award of such contracts is delegated to the Lead Member for Housing and Welfare Reform in consultation with the Leader for contracts worth between £5,000,000 and £10,000,000

an to the Strategic Director/Operational Director for contracts worth less than £5,000,000. In these cases, Members will receive information via the six monthly update.

12.3 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.

13.0 Equality Implications

13.1 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,

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

13.3 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

13.4 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.

13.5 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.

14.0 Human Resources / Property Implications

14.1 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.

14.2 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.

14.3 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.

14.4 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.

14.5 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 Honey Pot Lane) are also proactively engaged.

Related Documents:

New Council Homes Cabinet Update: Dec 2019, July 2020, January 2021 and July 2021

Key Officer Decision -Authority to Enter into a Grant Agreement February 2022

Report sign off:

Phil Porter

Strategic Director for Community Wellbeing