

	Officer Key Decision
	Report to the Strategic Director Community Wellbeing
AUTHORITY TO ENTER INTO A GRANT AGREEMENT FOR THE GLA AFFORDABLE HOMES PROGRAMME IN RELATION TO THE PURCHASE OF A BLOCK OF APARTMENTS AT THE TELFORD HOMES ALPERTON BUS GARAGE DEVELOPMENT	

Wards Affected:	Alperton
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:	1 - GLA Developer Led Grant Agreement in relation to the Affordable Homes Programme 2016-2021
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Name: Phil Porter Job Title: Strategic Director, Community Wellbeing Email: phil.porter@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report requests approval to enter into a grant agreement with the Greater London Authority (GLA) for the purchase of a Section 106 block of apartments at the Telford Homes Alperton Bus Garage Development. The total grant amount to be received from the GLA for the purchase is £4.3m.

2.0 Recommendations

That the Strategic Director Community Wellbeing:

- 2.1 Approves the Council entering into a grant agreement with the Greater London Authority for the purchase of a Section 106 block of apartments at the Telford Homes Alperton Bus Garage Development in the sum of £4.3m.

2.2 Notes the condition of the grant and agrees that that the expenditure of the GLA grant will be monitored at both Design and Delivery and Housing Care Investment boards.

3.0 Detail

3.1 This report seeks permission to enter into a grant agreement with the GLA for £4.3m towards purchase of the long leasehold interest of 999 years in 155 affordable rented homes (flats) at the Alperton Bus Garage site located in 330 Ealing Road, Alperton ('the scheme'), from an Asset Special Purpose Vehicle (ASPV) who has an option with freeholder and developer Telford Homes. The scheme is currently in development with an estimated practical completion date of Q3 2024 for the affordable rented homes.

3.2 To finance the Council's expenditure towards the purchase of this block, the Council will take a lease of 50 years from the ASPV, with rents set a current day social rents and indexed at CPI plus 1%. Upon completion of the 50-year lease, a reversionary 949-year lease will be granted at a nil rent or peppercorn.

3.3 The developer will grant the Council a 50-year lease with a 949 reversion at a peppercorn rent on completion of the contract for the 155 affordable homes.

3.4 The scheme will attract a GLA grant to the value of £4.3M. The average cost per home is circa £280k per unit (including the GLA grant). The total cost of the lease based on a 50 year term is circa £48M and the properties will sit within the HRA.

3.5 The grant forms part of the Affordable Homes Programme run by the GLA 2021-26. The aim of the programme is to increase the supply of affordable housing in London, which is consistent with Brent's aim to provide homes at a decent standard and genuinely affordable level. It is the Council's intention that these units will be let out at social rent and will help to meet the demand for affordable homes in the area.

3.6 The grant application process is through the GLA's Open Portal System (OPS) and the decision was approved by their board on 25th January 2022.

3.7 The conditions of the grant allow that the units be let at a maximum of London Affordable Rent . The Council intends to rent the units at lower than this permitted level to ensure the units are genuinely affordable for residents. In order to meet the grant requirements, the work on site must commence by March 2022.

3.8 In order to receive grant funding, the Council is required to enter into a grant agreement, a copy of which is attached as Appendix 1. It will be necessary to ensure that the Council is able to comply with the GLA grant conditions

3.9 In addition, the Council's Director of Legal HR Audit and Investigations is required to sign a Legal Opinion that at the date of signing the grant agreement, the Council is satisfied that it has the full authority to enter into the grant agreement and that it is able to satisfy the grant conditions.

4.0 Financial Implications

4.1 As the Council will be an accountable body in respect of grant funding and in accordance with Financial Regulation 9.1.1, the Strategic Director Community Wellbeing must only exercise delegated powers to enter into grant funding arrangements where the Director of Finance approves entry into such arrangement. The Director of Finance has approved entry into the grant agreement.

4.2 Officers have conducted financial viability testing on the scheme and assessed financial risk. The details of this testing can be found in the Cabinet report for the Alperton purchase as referred to in the Background Papers.

5.0 Legal Implications

5.1 The Strategic Director Community Wellbeing has delegated authority pursuant to paragraph 9.5 of Part 3 of the Constitution and Financial Regulation 8.2.2 of Part 2 of the Constitution to enter into a grant funding arrangements. In doing so, the Strategic Director must ensure that the objectives of the grant agreement are consistent with the Council objectives and priorities in accordance with Financial Regulation 9.1.2.

5.2 As the Council will be an accountable body in respect of grant funding and in accordance with Financial Regulation 9.1.1, the Strategic Director Community Wellbeing must only exercise delegated powers to enter into grant funding arrangements where the Director of Finance approves entry into such arrangement. The Director of Finance has confirmed in the Financial Implications approval to entry into the grant agreement.

5.3 The Council is required to enter into a formal grant agreement, a copy of which is at Appendix 1. Legal Services have reviewed the grant agreement and can confirm that it is legally permissible for the Council to enter into the grant agreement.

5.4 The Council's power to apply for grant funding and enter into a Grant Agreement can be found under section 111 of the Local Government Act 1972, or under the power of general competence set out in section 1 of the Localism Act 2011.

5.5 Section 111 of the Local Government Act 1972 allows the local authority to do anything which is "calculated to facilitate, or is conducive or incidental to, the discharge" of any of its functions. This can include entering into a grant

agreement and spending money, however it is subject to the powers exercisable through other legislation, it cannot be used to authorise what is prohibited by other statutory provisions.

5.6 Section 1 of The Localism Act 2011 provides that the Council may do anything “which individuals may generally do”. This is a free-standing power of general competence which is subject to section 2 of the Act. The Council would not be able to rely on the S.1 power where a pre-existing power sets out more specific restrictions, or where a post-commencement power indicates that the power of general competence is excluded.

5.7 Any grant funding received will be subject to certain conditions such as, the grant money is to be spent on capital and the scheme will be delivered to programme to agreed dates. Failure to adhere to such conditions could require the Council to refund some or all of the grant received.

6.0 Equality Implications

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

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

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

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

6.3 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.

6.4 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 There has been consultation with Members regarding this proposal and application for GLA grant funding was detailed in the Cabinet report of 8 November 2021 regarding the Alperton purchase.

8.0 Human Resources/Property Implications

8.1 Entry into the grant agreement does not of itself have any human resources or property implications. The implications of entering into the purchase of the block of apartments at Alperton were addressed in the Cabinet report of 8 November 2021.

Related documents:

Cabinet Paper on the Alperton Purchase dated 8 November 2021

Report sign off:

Phil Porter
Strategic Director Community Wellbeing