



Cabinet
11th April 2022

**Report from the Strategic Director,
Community Well Being**

Acquisition of Affordable Housing at Neville & Winterleys

Wards Affected:	Kilburn
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)	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”
No. of Appendices:	One Appendix 1: (Exempt) Preferred Bidders Offer
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Hakeem Osinaike Operational Director of Housing 020 8937 2023 Hakeem.Osinaike@brent.gov.uk Patricia Gillis Head of Affordable Housing & Partnerships 020 8937 2096 Patricia.Gillis@brent.gov.uk

1. Purpose of the Report

- 1.1. This report seeks permission to purchase 101 affordable housing units forming part of the 1 – 8 Neville House, 1 – 64 Winterleys, 113 - 128 Carlton House and Carlton Hall (“NWCC”) housing site forming part of the South Kilburn Regeneration Programme from the developer partner when appointed.

- 1.2. The preferred bidder to be appointed development partner for the NWCC site has bid the purchase price as set out in Appendix 1 (the “Purchase Price”) for the purchase of the 101 affordable units, as part of the tender process.

2. Recommendation(s)

That Cabinet:

- 2.1. Approve the proposed acquisition of the 101 affordable units for the purchase price detailed in Appendix 1 from the Preferred Bidder, subject to it being selected as the developer partner for the NWCC site, on the basis of receipt of GLA funding as detailed in paragraph 3.6 and with the remaining balance to be funded from the capital programme.
- 2.2. Delegate authority to the Strategic Director of Community Wellbeing in consultation with the Lead Member for Housing to negotiate and agree the terms and thereafter enter into a development and sale and purchase agreement with the Preferred Bidder for the purchase of the 101 affordable units, and thereafter make any variation to the contract if required.

3. Detail

- 3.1. The proposed affordable housing will form part of the South Kilburn regeneration programme, which was last reported to Cabinet on 17 August 2020. It was agreed at this meeting that Brent Housing Management would, in future regeneration developments be given first choice as being the preferred provider of the Social Housing elements. Previously Housing Associations were encouraged to partner with the tender approved developers and manage the affordable housing. NWCC is the first development to come forward in this way.
- 3.2. The option for the Council, through Brent Housing, to be the housing provider was therefore included in the tender documents which were provided to developers and the Preferred Bidder as detailed in Appendix 1 has taken up this option.
- 3.3. The developers were asked to review their mix of units to ensure a greater number of family size units were achieved.
- 3.4. The Preferred Bidder’s mix is as detailed within Appendix 1.
- 3.5. The Operational Director of Housing has confirmed that the tenure mix detailed in Appendix 1 will meet the essential housing needs of households in South Kilburn and the location of the scheme benefits the overall South Kilburn regeneration.
- 3.6. The programme is based on a start on site date of September 2022; this is in line with the conditions for GLA Grant 16-21. The GLA have indicated that £100k per unit could be agreed and this would total £10,100,000.

4. Financial Implications

- 4.1. The Purchase Price bid for the social units is set out in Appendix 1.
- 4.2. There is £10.1m of GLA grant available based on a 100k per unit, to offset the purchase. This provides a payback to the council in 23 years and an NPV of £15.4m after 60 years, after annual income and expenditure streams including rent and maintenance are considered.
- 4.3. The GLA grant is based on grant conditions being fulfilled, including the developer starting onsite before the deadline. If the council does not receive the grant then the NPV reduces to £5.8m and the payback period increases to 49 years.
- 4.4. The appraisal assumes all 101 units will be let at South Kilburn social rents

5. Legal Implications

- 5.1. The purchase of the affordable units will be achieved under the terms of a development, sale and purchase agreement with a developer partner. The recommendation to purchase is subject to the Preferred Bidder being selected as the developer partner. The council has proposed to the Preferred Bidder that subject to its selection, this agreement must be entered into by 30 September 2022. If it is not then the Preferred Bidder (assuming that they are the developer partner) can then sell the affordable units to another registered provider.
- 5.2. The development, sale and purchase agreement will also contain all the appropriate development obligation from the developer partner in relation to the affordable homes. The council will have the right, inter alia, to include its specification for the affordable homes, its nomination agreement, details of the handover protocols and the defects liability and snagging procedures in the development, sales and purchase agreement. The freehold development, sales and purchase agreement will also include the council's specific delivery measures and set payment terms.
- 5.3. In relation to paragraph 3.5 of this report, part 6 of the Housing Act 1996 (as amended) governs the allocation of local authority housing stock in England. It was substantially amended, with effect from 31 January 2003, by the Homelessness Act 2002 and by the Localism Act 2011.
- 5.4. Local authorities are not under a duty to maintain a housing register but must have an allocation scheme for determining priorities between applicants for housing which sets out the procedure to be followed when allocating housing accommodation. The Council must have regard to their homelessness strategies, tenancy strategies and the London housing strategy (where appropriate), when preparing or modifying their housing allocation schemes.
- 5.5. Section 17 (1) (b) of the Housing Act 1985 provides for Acquisition of land for housing purposes and provides powers for the Council to acquire houses, or buildings which may be made suitable as houses, together with any land

occupied with the houses or buildings, Subsection (3) of the Housing Act 1985 provides that Land may be acquired by a local housing authority by agreement.

- 5.6. The occupiers of the units will be secure tenants provided the conditions are met pursuant to sections 79, 80 and 81 of the Housing Act 1985. Accordingly the tenant may exercise its Right to Buy the unit pursuant to part V of the Housing Act 1985

6. Diversity Implications

- 6.1. The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 6.2. Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 6.3. There is no prescribed manner in which the Council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 6.4. The proposals in this report have been subject to screening and Officers believe there are no adverse equality implications.

7. Consultation with Ward Members and Stakeholders

- 7.1. As laid out in the Cabinet report of 17 August 2020.

Related Documents:

17th August 2020 Cabinet report from Strategic Director of Regeneration and Environment – South Kilburn Regeneration Programme

Report sign off:

Phil Porter
Strategic Director of Community
Well Being.