

	Cabinet 07 April 2025
	Report from the Corporate Director, Neighbourhoods and Regeneration (with effect from 1 April 25 transferred to Corporate Director Residents & Housing Services)
	Lead Member - Cabinet for Regeneration, Planning & Property (Councillor Teo Benea)
Community Led Housing in Brent – Extension to Brentfield Road site agreement	

Wards Affected:	Stonebridge
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
List of Appendices:	One Appendix 1: Site Plan
Background Papers:	None
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1.0 Executive Summary

- 1.1. In May 2023, the Cabinet approved the ring-fencing of the Brentfield Road site (Appendix 1) for a period of 12 months for the purpose of Community Led Housing (CLH).
- 1.2. Brent Community Land Trust, (BCLT), was originally established by members of the Harlesden Neighbourhood Forum and aims to develop affordable housing that is owned by the community. They are registered with the

Financial Conduct Authority as a “community benefit society”.

- 1.3. Cabinet agreed to issue a Letter of Intent to the BCLT indicating that the Council would enter into a lease agreement at no cost, provided specific criteria are met.
- 1.4. If BCLT did not meet the specified criteria within the 12-month period, a follow-up report would be brought to the Cabinet to decide whether the site will continue to be ring-fenced for CLH with BCLT.
- 1.5. The purpose of this report is to update the Cabinet on the progress BCLT has made towards the scheme and to outline the next steps.

2.0 **Recommendation(s)**

That Cabinet:

- 2.1 Confirm the position that the Brentfield Road site as detailed at Appendix 1 continues to be ring-fenced for the purpose of Community Led Housing.
- 2.2 Agree that the site is ring fenced for a further period until March 2026.
- 2.3 Delegate authority to the Corporate Director, Neighbourhoods and Regeneration to certify whether Brent Community Land Trust has met the specific criteria detailed at paragraph 3.2.3 and based on this certification, approve the next steps outlined in 2.4 and 2.5 below.
- 2.4 Delegate authority to the Director of Property and Assets (in consultation with the Corporate Director Neighbourhoods and Regeneration) to agree heads of terms and enter into a conditional agreement for lease with the BCLT.
- 2.5 Delegate authority to the Director of Property and Assets to enter into a 250-year lease (and/or any ancillary legal document) with the BCLT once the conditions detailed at paragraph 3.2.3 are fulfilled.
- 2.6 Agree in principle to further consider the use of appropriation for planning purposes under section 19 (1) of the Housing Act 1985 and/or section 122 (1) of the Local Government Act 1972 to support the development of the Brentfield Road site and to ensure the scheme is not frustrated or delayed by legal injunction.
- 2.7 Delegate authority to the Corporate Director, Neighbourhoods and Regeneration to formally cease the site ring-fencing upon non-compliance of the specific criteria detailed at paragraph 3.2.3.
- 2.8 Delegate authority to the Corporate Director, Neighbourhoods and Regeneration to extend the site ring fencing by an additional 6 months should BCLT fail to meet the specific criteria detailed in paragraph 3.2.3 but are able to demonstrate significant progress towards meeting the criteria.

2.9 Note that should BCLT fail to meet the specific criteria detailed in paragraph 3.2.3 or demonstrate significant progress towards meeting the criteria, the site will be returned to Brent Council and the formal arrangement with BCLT will cease.

3.0 Detail

3.1 Cabinet Member Foreword

3.1.1 The Council remains committed to supporting community-led housing projects, as we recognise the vital role they can play in increasing the supply of affordable housing in Brent, which aligns with the commitment set out in our Borough Plan.

3.1.2 By extending the existing arrangement, we can continue to facilitate these initiatives, empowering communities to deliver much-needed homes and deliver benefits to our residents.

3.2 Background

3.2.1 In 2018 a Scrutiny report on affordable housing recommended that the Council explore Community Led Housing (CLH) as a viable option.

3.2.2 BCLT submitted pre-application plans to demolish the existing garages at Brentfield Road and develop a social housing scheme of 22 one-bedroom units, including 2 wheelchair-accessible units. The development also proposes a lounge and communal space to provide shared amenities for residents.

3.2.3 Following Cabinet approval, a Letter of Intent was issued to BCLT on 25 October 2023. This letter assured BCLT that the Council agreed in principle to enter into a lease agreement for the land at no cost, subject to the following criteria being met:

BCLT must:

- obtain planning permission for the proposed development.
- secure funding for the proposed development.
- demonstrate the financial viability of the scheme.
- produce and implement a plan for co- production with residents living on the estate, ensuring their representation throughout the decision-making process, including having a presence on their Board. (“the Conditions”)

3.2.4 The expected rent levels have not yet been defined, so it is uncertain if the scheme is financially viable at this stage. Rent levels are expected to be “genuinely affordable” and will be assessed upon BCLT providing Brent Council the evidence of financial viability as set out in 3.1.3. Viability assessments will assume that the land will be available at no cost and that financing will come from social and ethical lenders. As it is proposed that the land will be available to BCLT at no cost, officers have undertaken an assessment and concluded that this is consistent with subsidy control principles.

- 3.2.5 Each of the criteria set out in 3.1.3 will be checked and approved by the appropriate Manager/ Head of Service. Once all the criteria have been approved, they will be presented to the Corporate Director, Neighbourhoods and Regeneration for authorisation to proceed as per recommendation 2.3.
- 3.2.6 Since October 2023, the Strategic Housing Team has met monthly with BCLT to monitor progress towards meeting the criteria outlined in 3.1.3. To date, BCLT has:
- Developed the scheme to RIBA Stage 2 (Concept Design) and held a pre-application meeting with planners.
 - Selected a Registered Provider, pending final agreement, to act as the developer for the site.
 - Engaged with the surrounding community
- 3.2.7 BCLT attended a meeting on 11th February 2025 with the Corporate Director, Neighbourhoods and Regeneration and Director of Property and Assets to provide assurances regarding the validity of the scheme.
- 3.2.8 BCLT agreed to provide additional evidence from their preferred Registered Provider, Sapphire Independent Housing, detailing what support would be provided to the client group.
- 3.2.9 Sapphire Independent Housing manage several schemes similar in size and demographic to the proposed scheme at Brentfield Road.
- 3.2.10 They are also a provider of supported housing services including two large hostels (*60 and 93 rooms*) in North London.
- 3.2.11 Upon completion of the development, Brent Council will enter into a Nomination Agreement with Sapphire Independent Housing ensuring 100% of first lets are available for nomination by the Council and a minimum of 75% will be available for nomination by the Council on subsequent lettings.
- 3.2.12 It is expected that Nominations by the Council will enable Direct Offers which may include downsizing tenants and successors. This will help to free up larger properties which will be beneficial for families in need of more space. This approach aims to optimize the use of available housing stock and ensure that larger properties are allocated to those who require them most.
- 3.2.13 The GLA has outlined the three stages of funding available for Community Led Housing projects:
- Early-stage revenue funding via the CLH London Hub, which supports community groups in developing proposals and covering pre-development costs.
 - Advanced-stage revenue funding from the GLA to assist with preparing planning applications and covering post-planning costs.
 - Capital grants and development finance for affordable housing, also available through the GLA.

3.2.14 The GLA confirmed that BCLT had received Early-stage revenue funding and is now seeking the next tranche, Advanced-stage revenue funding.

3.2.15 It was initially anticipated that BCLT would design and submit a planning scheme, as well as secure capital funding from the GLA, within the 12-month period specified in the Letter of Intent (ie by 22 October 2024).

3.2.16 To secure Advanced-stage funding, the GLA requires confirmation that both parties are progressing towards securing the site and that Heads of Terms are being developed.

3.2.17 The GLA has indicated that the Letter of Intent does not provide sufficient assurance regarding the security of the agreement, preventing BCLT from obtaining Advanced-stage revenue funding. BCLT have been unable to meet the required criteria within the original 12-month period due to this inability to access Advanced-stage funding.

3.2.18 The GLA has confirmed that to secure any form of Capital funding, specific contractual agreements will need to be in place and by March 2026, significant progress towards development is expected.

3.2.19 If approved, the recommendations of this paper should provide BCLT and the GLA with the appropriate assurances to enable the access to Advanced stage revenue funding.

3.3 Consultation and engagement

3.3.1 Community Led Housing (CLH) is defined by the London Housing Strategy and the London Plan based on the following principles:

- **Meaningful Community Engagement:** Ongoing and genuine engagement with the community throughout the development process.
- **Long-Term Community Involvement:** There is an expectation that the community group or organization will have a formal, long-term role in the ownership, stewardship, or management of the homes.
- **Benefits and Protection:** The benefits of the scheme to the local area and/or the specified community group must be clearly defined and legally protected indefinitely.

3.3.2 BCLT has participated in various local engagement activities, including Queens Park Day and the Harlesden Neighbourhood Planning event. Additionally, they have launched a series of regular Supper Clubs aimed at increasing resident involvement in Community Led Housing.

3.3.3 BCLT has indicated that they cannot initiate a specific engagement plan for the scheme until there is certainty regarding the land.

3.3.4 If the recommendations are approved, BCLT will be required to provide an engagement plan specifically targeting residents living on the existing estate.

The Affordable Housing and Partnerships Service will assist BCLT in making reasonable efforts to ensure that all engagement activities related to this scheme are accessible and inclusive for all residents. Officers will provide oversight and assurance that the engagement plan meets the established criteria.

4.0 Stakeholder and ward member consultation and engagement

4.1 The Leader and Lead Member have been updated on the progress on this project.

5.0 Financial Considerations

5.1 Leasing the land at a nominal fee of £1 constitutes a form of subsidy by the Council. In November 2024, an impact review of the subsidy arrangement, required by the Subsidy Control Act 2022, made the following four conclusions. 1) The subsidy was the only way of delivering a high level of affordable housing on the Brentfield site. 2) The subsidy made the scheme viable with no significant profit for BCLT. 3) The re-development of the land was not expected to have an adverse impact on any potential competing private residential schemes within Brent. 4) There were no negative effects on commercial competition or investment because the site was not considered commercially attractive to investors or developers.

5.2 The proposed award of a long lease to BCLT for the nominal fee of £1 was conditional upon obtaining planning approval and securing appropriate project financing. The scheme went through a pre-application process, where it was accepted (subject to design amendments). Any further funding would be supplied by the Greater London Authority (GLA), subject to a Head of Terms (HOTs) (for advanced stage revenue funding), then a lease for the scheme to receive capital funding. This Cabinet report requests the approval for HOTs to be prepared, which would allow BCLT to apply for further funding from the GLA.

5.3 The viability of the scheme was assessed by BCLT but cannot yet be verified by Brent as at November 2024, because the GLA have not confirmed their funding and the rental regime has not been confirmed. BCLT has not yet confirmed contingency plans to address any potential additional costs that may arise during the development process.

5.4 Sapphire Independent Housing has acknowledged the cost estimates as provided by a Quantity Surveyor and agree that the proposed scheme is feasible.

5.5 They have also confirmed their commitment to fulfilling their responsibility to ensure the on-going viability of the scheme.

6.0 Legal Considerations

6.1 The Council owns 13 garages across Brentfield Road, held under the

Housing Revenue Account. The Council can dispose of housing land under section 32 (1) of the Housing Act 1985 (HA 1985), but only with the consent of the Secretary of State as required by section 32(2) of the HA 1985. There is power to grant a general consent under section 34(2) of the HA 1985 which has been granted under the “General Housing Consent 2013”. This provides that a local authority may dispose of land *vacant land* which is defined at paragraph A.2.2: *as land on which (a) no dwelling houses have been built or (b) where there are such houses have been demolished or are no longer capable for human habitation*. Paragraph A3.2 of the General Housing Consent says: *A local authority may dispose of vacant land*. The Garages are not dwellings and for the purpose of this consent the statutory test for vacant land has been met.

- 6.2 Paragraph A3.1.1 of the General Housing Consent says: *A local authority may dispose of land for a consideration equal to its market value*, but the Council can dispose of land which is vacant at any price determined by it as permitted by paragraph A3.2.
- 6.3 The disposal of Brentfield Road site at undervalue could mean that the Council is providing BCLT with a subsidy and it’s necessary for the Council to undertake the subsidy control principles assessment, even if the transaction would be permitted under 32 of the HA 1985 and the General Housing Consent 2013. The rules on subsidy control are governed by the Subsidy Control Act 2022. The Council will need to assess whether the terms of the disposal will provide a subsidy to BCLT and, if so, how the disposal will comply with the requirements of the Subsidy Control Act 2022 (the “Act”).
- 6.4 The Act defines “subsidy” as financial assistance, given from public resources by a public authority which confers a specific economic advantage on an enterprise, and which could influence competition or investment in the UK or trade or investment between the UK and other countries. Disposing of Council land on favourable terms is likely to qualify as a subsidy.
- 6.5 Where the Council identifies a subsidy, statutory guidance provides a four part assessment framework to help public authorities ensure that the subsidy is consistent with seven subsidy control principles. Officers have undertaken an assessment to ensure the subsidy is consistent with subsidy control principles.
- 6.6 Following the decision on this report, the Council will negotiate the heads of terms with BCLT to allow them to secure early-stage funding. The heads of terms will be subject to contract and will include the terms of the lease; once agreed, the Council will enter into a conditional Agreement for Lease which will be valid until March 2026. The agreed lease will be appended to the Agreement for Lease and will be entered into once the Conditions are satisfied. This will be a binding legal agreement which means that once the Conditions are met, the Council will have to grant the lease. The term of the lease will be for 250 years and will contain the usual lease provisions for long residential leases, including Council’s step-in rights in case BCLT goes insolvent and an alternative CLH cannot be found

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 The Council will ensure BCLT carry out an Equality Impact Assessment to support engagement activity for the design of the scheme. Allocations of the housing will be in keeping with relevant legislation and policy including the Council's Allocations scheme to ensure decisions are compliant.

8.0 Climate Change and Environmental Considerations

8.1 The proposal for the delivery of homes will take into account climate measures that are regulated, as the scheme progresses.

9.0 Human Resources/Property Implications (if appropriate)

9.1 There are no Human Resources implications relating to the Recommendations.

9.2 The site at Brentfield Road (two parcels outlined in red in Appendix 1) includes a small parking area in front of disused garages. Except for one, all the garages are no longer in use and require extensive repairs. The neglected area is also known to encourage anti-social behaviour.

10.0 Communication Considerations

10.1 If the scheme progresses, a communication plan will be produced at the appropriate time.

Related document(s) for reference:

Cabinet Report (22 May 2023) – Community Led Housing in Brent

Report sign off:

Alice Lester

(Corporate Director Neighbourhoods &
Regeneration)

Tom Cattermole

(Corporate Director of Resident & Housing
Services)