

	Cabinet 28 July 2025
	Report from the Corporate Director Neighbourhoods and Regeneration
	Lead Member – Cabinet Member for Regeneration, Planning and Property (Councillor Teo Benea)
Affordable Housing Supply (July 2025) – Update	

Wards Affected:	All
Key or Non-Key Decision:	Key-Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	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
List of Appendices:	One Appendix 1 (exempt): Detailed financial considerations
Background Papers:	
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1.0 Executive Summary

- 1.1 The council has a commitment to deliver 5,000 affordable homes in Brent by 2028, of which 1,700 will need to be delivered directly by the council.

- 1.2 As of the beginning of the 2025/26 financial year, the council has delivered 758 affordable homes with a further 1,074 being built on site that are due to complete by March 2028.
- 1.3 The purpose of this report is to provide Cabinet with an overview of progress made against these affordable housing delivery targets. Furthermore, this report also sets out specific decisions required for schemes being delivered directly by the council.

2.0 Recommendation(s)

That Cabinet:

- 2.1 Note the update on the schemes currently on site and expected delivery dates.
- 2.2 Acknowledge the current viability challenges on the council's plans for self-delivering of new-build social rent schemes and that officers are exploring alternative approaches for addressing Brent's housing needs.
- 2.3 Delegate authority to the Corporate Director, Neighbourhoods and Regeneration in consultation with the Cabinet Member for Regeneration, Planning & Property to enter into a Deed of Variation for the GLA Affordable Housing Programme 21-26 including any delegated authority that may be required for future variations to enable further affordable homes to be provided.
- 2.4 Agree to proceed with the onsite delivery of the Edgware Road scheme to deliver 120 new-build homes for use as temporary accommodation with ground floor commercial space.
- 2.5 Delegate authority to the Corporate Director, Neighbourhoods and Regeneration, in consultation with the Cabinet Member for Regeneration, Planning & Property to agree the necessary pre-tender considerations, use of the commercial space including consideration of tax status and subsequent contract awards.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 The borough plan sets out the Council's ambition to provide safe, affordable housing for residents and under the strategic priority 'Prosperity and Stability' reaffirms the pledge; *to deliver 5,000 affordable homes across the borough of which 1,700 will be delivered by the Council by 2028.*
- 3.1.2 Other strategies relevant to achieving this strategic priority include:
- Local Plan
 - Church End Masterplan
 - Procurement Strategy
 - Social value delivery plan

- The Poverty Commission
- Housing Allocations Policy
- Local Housing Strategy
- Climate and Ecological Emergency Strategy
- Homelessness and Rough Sleeper Strategy
- Equality Strategy
- Health and Well-being Strategy
- Inclusive Growth Strategy

3.1.3 The council's borough wide overall housing target is 2,325 dwellings per annum as set out in the council's Local Plan which was adopted in February 2022 and the housing target remains effective until February 2027.

3.1.4 In June 2025, the Chancellor announced a £39bn package for affordable housing. The council is keen to see the details on this funding package in the coming months to see how Brent can utilise the funding to continue to deliver much needed new affordable homes in Brent.

3.2 Background

3.2.1 Despite the delivery of affordable housing remaining challenging within the current market, there has been 4,052 affordable homes delivered in the past five years. Table 1 below summarises the current position achieved and includes delivery of affordable homes by Registered Providers (RP).

Table 1: Breakdown of affordable homes delivered in the borough as of March 2025

Year	20/21	21/22	22/23	23/24	24/25	Total
Council General Needs	29	332	40	98	26	525
RP General Needs	203	238	293	140	116	990
Council Supported living	0	0	0	61	0	61
Council Temporary Accommodation	0	149	0	0	0	149
Council Shared Ownership	0	0	22	1	0	23
RP Shared Ownership	298	144	352	121	197	1,112
RP Other	491	363	78	165	95	1,192
Total	1,021	1,226	785	586	434	4,052

3.2.2 The council has delivered 758 affordable homes in this period. As of the beginning of 2025/26, there are up to a further 1,074 homes being built on site and scheduled to be delivered by the council by March 2028. The council will therefore be able to exceed both the 5,000 affordable homes target for the borough and the 1,700 council self- delivery target.

Homes being directly delivered by the Council

- 3.2.3 At the beginning of 2025/26, there were 12 schemes on site delivering 1,074 affordable homes which is set out in Table 2. This includes sites in the Wembley Housing Zone and the South Kilburn Regeneration programme. 115 homes at Grand Union Phase 2 were delivered in May 2025 and 294 delivered at Fulton Road and nine at Aneurin Bevan Court in July 2025.

Table 2: Schemes on site and current forecast handover date

Scheme name	No. of Affordable Homes	Current forecast completion date
Grand Union Phase 2	115	Completed in May 2025
Fulton Road	294	Completed in July 2025
Aneurin Bevan Court	9	Completed in July 2025
Clock Cottage (Supported Living)	13	26/08/2025
Pharamond	10	29/09/2025
Church End	99	02/02/2026
Watling Gardens	125	02/02/2026
Alpertown Bus Garage	155	23/02/2026
Cecil Avenue (WHZ)	87	01/09/2026
Ujima House (WHZ)	54	30/08/2026
NWCC	95	Core E: 32 units Nov 2025 Core F: 19 units Dec 2025 Core G: 21 units Jan 2026 Core D: 23 units Sept 2027
Carlton & Granville	18	01/02/2027
Total	1,074	

Wembley Housing Zone

- 3.2.4 The council and Wates are in contract to deliver the Wembley Housing Zone mixed use regeneration of land at Cecil Avenue and Ujima House on Wembley High Road. Both schemes have entered the JCT Design and Build Contracts. Wates are progressing the works to both sites to programme.
- 3.2.5 In June 2025, Cabinet approved the set-up of the estate management company. It is forecast that Ujima House will complete in August 2026 and Cecil Avenue in September 2026.

South Kilburn Regeneration

- 3.2.6 The South Kilburn regeneration programme will deliver over 2,400 new homes. To date, ten buildings have been delivered or are on site including a new medical centre, community halls and affordable workspace. Seven sites remain

to be developed, plus a new primary school building, enhanced public realm and open spaces.

- 3.2.7 There are currently 267 tenanted properties awaiting decants. Allocation of the 95 properties being delivered at NWCC has commenced and the first batch has been fully allocated. Residents are also being offered new build and relet Council properties in other parts of the borough and relets across South Kilburn; two to four residents a month are being rehoused through this process. There are 32 leaseholder properties being actively acquired by the Property team.
- 3.2.8 52 voids at John Ratcliffe, William Dunbar, William Saville, and Zangwill are being used for Temporary Accommodation. These TA tenants have been exempted from the South Kilburn Promise; this will ensure that voids at South Kilburn can contribute to alleviating the significant temporary accommodation pressures faced by Brent without creating an untenable obligation of rehousing them within the South Kilburn regeneration area.

Supply from Registered Providers

- 3.2.9 Table 1 (section 3.2.1 above) shows the supply delivered by Registered Providers (RPs) and other developers providing affordable housing. Due to challenges within the sector the RPs are reducing new builds and are revising their development programmes and prioritising investment into existing homes to meet the requirements of the Building Safety Act (2022) and zero carbon targets.

Edgware Road

- 3.2.10 Edgware Road is a scheme that is proposed to deliver temporary accommodation (TA). The site and proposed scheme was acquired by the council in 2022.
- 3.2.11 Higgins Group Plc (Higgins) were appointed under a two-stage design and build contract. The design required amendment to meet the new Building Regulations. During the first stage of the contract, the pre-construction services agreement (PCSA), Higgins redesigned the scheme to increase the height to accommodate building safety and regulation changes (second staircase, additional fire-fighting lifts) as well as increasing the TA units to 120 from 110.
- 3.2.12 A revised planning application was submitted in November 2024 and approved in April 2025. During this time, the council contracted with Higgins to demolish the site and divert the services to de-risk the site. These works completed in April and provides the council with a new design, approved by planning and a clear, de-risked site ready to construct the new homes.
- 3.2.13 The council has the option to extend the PCSA with Higgins so they complete the design (RIBA 4) and submit and obtain the Building Safety Act (BSA) Gateway 2 approval. This will allow Higgins to provide the council with a fully designed scheme, fixed cost and start on site.

- 3.2.14 Given the significant change on the project since the original contract award to Higgins, officers recommend commencing with a new procurement exercise in order to market test the cost to deliver the scheme. This will delay the delivering of the scheme by 3 – 4 months as the council will need to re-procure. Also, any new contractor awarded the contract may need additional time in the design period to undertake their due diligence on the current RIBA 3 design. Therefore, the completion of the design, Gateway 2 submission and approval and start on site could be up to six months later.
- 3.2.15 Under the council's usual method of assessing financial viability, the Edgware Road scheme currently has a significant negative net present value (NPV) (the assessment of financial viability) based on the Higgins' cost estimates.
- 3.2.16 However, the scheme has substantial cost avoidance benefits from enabling Brent to provide 120 temporary accommodation units rather than paying for private provision. When these are considered, officers anticipate the scheme resulting in a small net surplus.
- 3.2.17 Based on the above, Cabinet is asked to agree to progress with the project by delegating authority to the Corporate Director, Neighbourhoods and Regeneration, in consultation with the Lead Member for Regeneration, Planning & Property to agree the necessary pre-tender considerations and subsequent contract awards.

GLA Funding Agreement

- 3.2.18 The Council was awarded £111m to deliver a further 572 homes under the 2021-26 Homes for Londoners programme. There have been several changes to the current grant regime, these are:
- Rent levels to be set at Social Rent instead of London Affordable Rent
 - Grant allocation has been negotiated with individual organisations rather than a blanket fixed grant amount.
 - The programme requires 25% of homes to have a form of Modern Methods of Construction
 - It is down to the organisation to determine how much grant to allocate individual schemes.
- 3.2.19 With these changes and the current financial climate, the council is not able to deliver a significant programme of additional affordable homes. Appendix 1 (classified as a exempt) sets out the council's proposals of which the delivery of the projects and programmes will be subject separate Cabinet decisions.
- 3.2.20 Based on the revised delivery proposals for the 21-26 Homes for Londoners Programme, Cabinet is requested to delegate authority to the Corporate Director, Neighbourhoods and Regeneration in consultation with the Lead Member for Regeneration, Planning & Property to enter into a Deed of Variation for the GLA Affordable Housing Programme 21-26 as well as any future variations to enable further affordable homes to be provided.

Impact of Mixed Tenure Approach on council schemes

- 3.2.21 The council has entered into development agreements for South Kilburn projects and the Wembley Housing Zone whereby private sales are incorporated to assist in delivering affordable homes units. To date, the council has not directly delivered private sales in its schemes.
- 3.2.22 In order to assess whether private sales could make schemes viable for the council, officers have undertaken a sensitivity analysis incorporating private sales into the tenure mix alongside affordable homes at social rent.
- 3.2.23 The test scheme was Windmill Court, a proposal with planning permission and proposed to deliver 62 units. 35 units were modelled at Social Rent and 27 units as private sales. A grant rate was assumed at £194,000 per Social Rent unit, as no grant is usually available for private sales units. The appraisal included updated interest rate assumptions and a Net Present Value assessment at 40 years. Despite the introduction of private sales, the scheme proved unviable.
- 3.2.24 Therefore, the council may not be able to self-deliver affordable housing either as 100% affordable or with the inclusion of private sales in the short/medium term. It is proposed that officers continue to explore alternative ways of delivering affordable housing, which may include seeking to generate capital receipts by disposing planning approved in fill sites and working with the GLA on alternative funding approaches.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 Ward members are updated on progress of the schemes and milestones such as planning determination, start on site and any significant achievements including topping out and practical completion.
- 4.2 Residents are kept informed of progress in terms of pre-planning consultation and updated through contractor progress letters.
- 4.3 Officers meet with the GLA regularly to update on progress of projects and any forthcoming opportunities for funding and homes delivery.

5.0 Financial Considerations

- 5.1 The primary reasons that the viability position for the Council's New Homes Programme has worsened since the original appraisals are:
- Increasing build costs due to inflation post contract award
 - Project delays leading to overspends.
 - The GLA shifting towards preferring schemes that deliver Social Rent (also known as Formula Rent). The average Social Rent that the Council currently charge is 61% lower than London Affordable Rent.
- 5.2 More detailed financial considerations are contained in Appendix 1 (classified as exempt).

6.0 Legal Considerations

- 6.1 Development of sites detailed in this report, requires the council to enter into a range of construction contracts and development agreements. Once the council is in contract, there are constraints as to options available to it, particularly where schemes become unviable. Where the Council has entered into a two-stage contract involving a PCSA, a full assessment of options should therefore be undertaken before the Council triggers the construction element of the contract.
- 6.2 A significant grant allocation 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 with start on site dates specified. Failure to observe grant conditions or achieve specified delivery numbers may lead to the Council being unable to access the grant funding and therefore efficient and timely delivery approaches are essential to mitigate the risk.
- 6.3 It is proposed to enter into a deed of variation with the GLA to amend the 21-26 AHP grant agreement to reflect the revised delivery proposals as set out in paragraph 3.2.20. Under the constitution, Cabinet has the power to amend agreements and it will be recommended that Cabinet approves the council entering into a deed of variation for the funding agreement with the GLA for the 21-26 programme.
- 6.4 In relation to the Edgware Road project, Cabinet will be asked to approve the delivery of the project and delegate authority to approve the pre-tender considerations and any subsequent contract award to the Corporate Director, Neighbourhoods and Regeneration in consultation with the Leader and Lead Member for Regeneration, Planning & Property.
- 6.5 In relation to the inclusion of private sales or any other affordable housing delivery method into council affordable housing schemes, the council may require conveyancing and sales services should this proposal be supported in future decisions by Cabinet.

7.0 Equity, Diversity and Inclusion Considerations

- 7.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (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,

- 7.2 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.
- 7.3 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.
- 7.4 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.
- 7.5 Any scheme funded through the GLA is required to meet specified equality, diversity, and inclusion requirements. The Council has received confirmation that all requirements have been met, these are as follows:
- All investment partners must offer equality, diversity, and inclusion training for all employees.
 - All investment partners must implement a zero-tolerance approach to all forms of discrimination, harassment and bullying.
 - All investment partners must broaden recruitment channels and encourage applications from diverse and underrepresented backgrounds.
 - All investment partners must collect and monitor workforce data to benchmark the diversity of their workforce against the local area of their organisation.
 - All investment partners must publish their gender and ethnicity pay gaps.

8.0 Climate Change and Environmental Considerations

- 8.1 The Climate Change Strategy commits the New Council Homes Programme to ensuring Employers Requirements set standards that support the Council's Zero Carbon ambitions. These are factored into schemes designs and the council's employer's requirements including, but not limited to use of solar PV, air source heat pumps and heat networks.

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 None

10.0 Communication Considerations

- 10.1 The NCHP is supported by a Communications Plan. This includes engagement with stakeholders throughout the delivery of the schemes.

- 10.2 Housing is a high-profile topic among media outlets both from a homelessness perspective and quality of homes. The development of new homes to meet the growing demand is essential and schemes that can no longer progress due to viability need to be dealt with sensitively.

Report sign off:

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Regeneration