

	CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT
Title	The acquisition of 81 Orange Hill Road, Edgware, London, HA8 0TJ
Report of	Deputy Chief Executive
Wards	None
Status	Public
Enclosures	None
Officer Contact Details	Merve Karabulat, Growth and Development Officer, Barnet Homes, 0208 359 2057, Merve.Karabulat@barnethomes.org
Summary	
This report seeks authority for the direct purchase of 81 Orange Hill Road Edgware London HA8 0TJ use as part of the Housing Revenue Acquisition programme.	

Decisions
1. To authorise the private treaty acquisition at a purchase price of £325,000 for 81 Orange Hill Road Edgware London HA8 0TJ in accordance with associated costs as mentioned in this report, and Heads of Terms to be agreed in respect of this property.

1. WHY THIS REPORT IS NEEDED

- 1.1 Due to continuing high demand for housing and rising housing costs, the number of households in temporary accommodation has increased by 17% since 2012.
- 1.2 The cost of providing temporary accommodation for homeless applicants in London currently stands at approximately £3,400 per annum net for each new household placed in a 2 bedroomed property.

- 1.3 Due to the lack of affordable housing supply in the borough acquiring additional properties will provide the opportunity to further increase affordable housing supply relatively quickly at a lower cost than temporary accommodation alternatives, as well as providing security of tenure to help satisfy Barnet's long term housing needs.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Acquiring additional affordable accommodation will provide the opportunity to increase affordable housing supply relatively quickly at a lower long-term cost than other temporary accommodation alternatives.
- 2.2 The accommodation will be used as affordable accommodation held on flexible tenancies or other non secure tenancies.
- 2.3 Existing temporary accommodation rates mean that for each new household placed in 2-bed emergency temporary accommodation costs the Council approximately £2,400 net per annum. With bad debt provision and management costs factored in, this figure increases to approximately £3,400 net per annum, per household.
- 2.4 Delivery of a programme of acquisitions from the open market has a number of benefits, not least the ability to deliver revenue benefits against alternative temporary accommodation options, eradicating exposure to inflationary increases in the cost of providing temporary accommodation and providing greater opportunity to reduce long-term General Fund costs.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None

4. POST DECISION IMPLEMENTATION

- 4.1 This accommodation will be used as affordable housing, let on flexible tenancies or other non secure tenancies
- 4.2 Barnet Homes will provide a full management service the property purchased and will be used to provide affordable accommodation, let at 65% of market rents.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This approach aligns with the London Borough of Barnet's Housing Strategy 2015-2025 that aims to increase the supply of affordable housing available to homeless households and encourage institutional investment in the private rented sector.

5.1.2 Properties acquired as part of the Housing Revenue Account Acquisitions Programme are delivered at a lower cost long-term than existing methods of providing temporary accommodation, thus reducing pressure on the Council's General Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The cost and additional payments will not exceed **£380,875 (£325,000** purchase cost, **£16,000** stamp duty and **£39,875** other costs). The purchase price reflects valuation provided by an independent valuer. All future costs and income will be allocated to the Housing Revenue Account budgets. The Capital Programme includes a £31m budget for Direct Acquisitions to be funded from HRA borrowing.

5.3 Social Value

5.3.1 Having consideration to the Public Services (Social Value) Act 2012, there are no specific social values considerations arising from properties acquired as part of the Housing Revenue Account Acquisitions Programme.

5.4 Legal and Constitutional References

5.4.1 The Council Constitution, Article 10, Table A states that a Full DPR authorised by the Deputy Chief Executive in consultation with Theme Committee Chairman is the required process for acquisitions of this value. This DPR complies with this requirement

5.4.2 Policy & Resources on 17 June 2019 authorised the increase of the capital programme funded by HRA borrowing.

5.4.3 Section 120 Local Government Act 1972 enables a local authority to acquire land by agreement for the purposes for any of their functions.

5.5 Risk Management

5.5.1 There are a number of key risks:

- There is a risk that the assumptions made in modelling are not accurate and that the financial benefits are not realised. Activity will be closely monitored to track financial benefits and early identification of risks.
- There is a risk that legislation, and housing duties will change significantly and Barnet Homes will have insufficient numbers of suitable applicants to let properties to, increasing void times and impacting on affordability. Lettings capacity will be closely monitored

and where necessary, Barnet Homes will consider other lettings routes for properties acquired

5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not and foster good relations between people who share a relevant protected characteristic and those who do not

5.6.2 A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet's Community.

5.6.3 Analysis of data has shown that women and members of Barnet's black and minority ethnic communities are over represented among those living in temporary accommodation. Over 70% of households in temporary accommodation are from non-white households, compared to around 40% of the Borough's population as a whole. Of those in temporary accommodation the main applicant is female in 65% of households.

5.6.4 It is not expected that these groups will be adversely affected by implementing the policies set out in this report. However the impact will be monitored to ensure that these groups are not adversely affected.

5.6.5 All units of accommodation that are procured will meet minimum standards and in placing households into accommodation out of the borough the Council will consider the needs of protected groups.

5.7 Corporate Parenting

5.7.1 There is a joint protocol between Children's Service and Housing around the criteria for not moving children known to social care services and working closely with the service to support the Council's Children's Improvement Plan. The protocol includes Care Leavers and ensures that all eligible and relevant care leavers are placed in suitable accommodation when leaving care to fulfil our corporate parenting duties and allow a successful transition to independent living; to ensure that young people have a realistic expectation of what their housing options are when they leave care; and to reduce homelessness

through developing young people's skills and having the right support in place to maintain their tenancies. The provision of discretionary funds for care leavers has also been improved to reduce the risk of homelessness and poor outcomes to those leaving care. Furthermore, the council supports homeless 16-17 year olds by ensuring they are safe from harm and have somewhere to stay with an appropriate level of support whilst their needs are being assessed. There is also a Youth Mediation Coordinator in place to support this process. If a statutory assessment of needs is not required then consent will be sought to refer to the Multi Agency Safeguarding Hub (MASH) to enable early help options to be explored.

5.8 Consultation and Engagement

- 5.8.1 As part of the communications plan for the delivery of the acquisitions programme, Barnet Homes engages with Local Authorities, informing them of the Councils intention to purchase properties in their districts.

5.8 Insight

- 5.8.2 A reduction in the supply of affordable housing, coupled with sustained levels of increased demand provides the rationale for this programme:
- There has been a 39% increase in new homelessness applications between 2011/12 and 2017/18.
 - There was an overall 26% decrease in letting within Council stock from 2011/12 to 2017/18 and Barnet has below levels of social housing on average compared to other London boroughs.
 - There has been a significant increase (17%) in the number of households in temporary accommodation (numbers have increased from 2,172 in April 2012 to their current level of 2,534 at the end of January 2019).

6. BACKGROUND PAPERS

- 6.1 [The Housing Strategy 2015-2025](#)

- 6.2 [Housing Revenue Account \(HRA\) Acquisitions-](#) 25 March 2019

- 6.3 [Business Planning 2018-2020](#) - 17 June 2019

Chairman:

Has been consulted

Signed

Cllr Richard Cornelius

Date 20/02/2020

Deputy Chief Executive

Signed

Cath Shaw

Date 28/02/2020