

	<h2>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</h2>
Title	The acquisition of 18 Chaville Court, Beaconsfield Road, London, N11 3AH
Report of	Deputy Chief Executive
Wards	All
Status	Public
Enclosures	Zip Folder; financial assessment, Homebuyers survey and survey review.
Officer Contact Details	Molly Moffett Growth and Development Officer, Barnet Homes, 0208 359 3577, molly.moffett@barnethomes.org

Summary

This report seeks authority for the direct purchase of 18 Chaville Court, Beaconsfield Road, London, N11 3AH for use as part of the Housing Revenue Acquisition programme.

Decisions

1. **To authorise the private treaty acquisition at a purchase price of £310,000 for 18 Chaville Court, Beaconsfield Road, London, N11 3AH 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 10.5% since 2012.
- 1.2 The cost of providing temporary accommodation for homeless applicants in London currently stands at approximately £2,940 net per annum. For larger households, this cost increases to an average of over £3,300 net per annum

- 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 £2,940 net per annum. For larger households, this cost increases to an average of over £3,300 net per annum.
- 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 types of 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 The programme aligns with the Council's Corporate Plan 2021-25 objective to 'Deliver more homes that people can afford, ensuring that communities across the borough get a 'growth benefit' from investment.

- 5.1.2 It also aligns with the Council's Housing Strategy 2019-2024 that aims to:
- Deliver more homes that people can afford
 - Deliver safe and secure homes
 - Tackle homelessness and rough sleeping in Barnet

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

5.2.1 The cost and additional payments will not exceed **£287,360 (£310,000 cost, £14,800 stamp duty land tax and £27,560 other costs, minus a grant of £65,000.)**. 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 £35.2m 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 value considerations arising from properties acquired as part of the Housing Revenue Account Acquisitions Programme.

5.4 Legal and Constitutional References

5.4.1 In accordance with Table A authorisation of Article 10 Decision making, the appropriate documentation for authorisation of acquisitions for £213,477 - £500,000 is via Full DPR Deputy Chief Executive in consultation with Theme Committee Chair.

5.4.2 Housing and Growth Committee on 16th November 2021 authorised the acquisition of up to 120 properties purchased from Q3 2021/22 onwards funded through HRA borrowing and grant funding subject to approval of funding by Policy & Resources Committee, which approved it on 9th December 2021, and delegated authority to the Deputy Chief Executive to approve the purchase of individual properties as part of the acquisition programme.

5.4.3 Section 120 of the 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 several key risks:

- There is a risk that there will be an insufficient volume of units available for purchase at the projected average purchase price that meet the grant requirements. To mitigate against this risk Barnet Homes will actively promote the scheme to Barnet leaseholders. Where there are no properties available for purchase that meet the modelled conditions, no additional units will be acquired.
- There is a risk that there is insufficient resource to deliver the project within planned timescales and to meet the grant and scale requirements. To mitigate against the risk Project plans and resource planning to be developed to identify the capacity required to deliver.
- There is a risk that the assumptions made are not realised and that the programme would fail to deliver the projected revenue savings over the life of the

scheme. This risk will be monitored closely to track financial benefits.

5.6 Equalities and Diversity

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

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

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. 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 In line with the Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. It is not anticipated that this acquisition has any implications for the council's corporate parenting duties.

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 Council's intention to purchase properties in their districts.

5.9 Insight

5.9.1 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 12% increase in new Part VII homelessness applications between 2015/16 and 2020/21.
- At the end of July 2021 there were 131 households in 4-bedroomed temporary accommodation that cost the council approximately £433,000 per annum over and above rents collected
- There has been an increase (10.5%) in the number of households in temporary accommodation (numbers have increased from 2,172 in April 2012 to their current level of 2,399 at the end of March 2021). Barnet remains one of the highest users of temporary accommodation in the UK.

6 Environmental Impact

6.2 N/A

7 BACKGROUND PAPERS

7.2 [The Housing Strategy 2015-2025 https://barnet.moderngov.co.uk/documents/g10847/Public reports pack 16th-Nov-2021 19.00 Housing and Growth Committee.pdf?T=10](https://barnet.moderngov.co.uk/documents/g10847/Public%20reports%20pack%2016th-Nov-2021%2019.00%20Housing%20and%20Growth%20Committee.pdf?T=10)

7.3 [Housing Revenue Account \(HRA\) Acquisitions- 16 November 2021 https://barnet.moderngov.co.uk/documents/g10847/Public reports pack 16th-Nov-2021 19.00 Housing and Growth Committee.pdf?T=10](https://barnet.moderngov.co.uk/documents/g10847/Public%20reports%20pack%2016th-Nov-2021%2019.00%20Housing%20and%20Growth%20Committee.pdf?T=10)

7. DECISION TAKER'S STATEMENT

7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision-making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

Chief Officer: Cath Shaw

Signed: Cath Shaw

Dated: 26/07/2022