

**Report for:** Cabinet 26 June 2018

**Title:** Purchase of flats 13-24 Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB

**Report authorised by :** Helen Fisher, Director of Housing, Regeneration and Planning

**Lead Officer:** Alan Benson, Head of Housing Strategy and Commissioning

**Ward(s) affected:** West Green

**Report for Key/  
Non Key Decision:** Key Decision

## **1. Describe the issue under consideration**

- 1.2 This report proposes the purchase by the Council of twelve properties located in the Tangmere block, Broadwater Farm Estate from Newlon Housing Trust ("Newlon") for housing purposes.
- 1.3 These purchases are pursuant to the November 2014 decision by the Council's Cabinet to acquire properties to meet housing need. The Council has commissioned Homes for Haringey (HfH) to act as agents on behalf of the Council for the purchasing of properties to assist in this aim.

## **2. Cabinet Member Introduction**

- 2.1 *This report proposes purchasing properties on the Tangmere block on the Broadwater Farm Estate from Newlon Housing Trust. In light of the need to rehouse Tangmere residents for health and safety reasons, and the fact that, from October, Tangmere will not have heating or hot water facilities, it is practical for the Council to have ownership of as many units on Tangmere as possible.*

## **3. Recommendations**

It is recommended that Cabinet agrees:

- 3.1 To purchase the 12 leasehold properties (and shown edged red on the plan attached included as part of the original lease – Appendix 1) listed below from Newlon
- Flat 13, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
  - Flat 14, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
  - Flat 15, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
  - Flat 16, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
  - Flat 17, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
  - Flat 18, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB

- Flat 19, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
- Flat 20, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
- Flat 21, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
- Flat 22, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
- Flat 23, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB
- Flat 24, Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB

#### **4. Reasons for decision**

- 4.1 In February 2018, the Council identified that Tangmere was not suitable to have piped gas supplies as it failed a specific test for blocks built using a large panel system. This meant that in the event of a gas leak and gas explosion the block was at risk of progressive collapse. As a result, a number of temporary mitigation measures are currently being implemented until a decision on the long-term future of this block can be made.
- 4.3 Tangmere has failed a further test, which means that the block is at risk of progressive collapse in the event of an explosion linked to a bottled gas (LPG) or oxygen cylinder, or from the impact created by a vehicle strike. In order to meet building regulations, it will now need significant strengthening works.
- 4.4 A report being considered by Cabinet at its meeting on 26 June 2018 recommends that residents in Tangmere be rehoused for the reasons set out above. A final decision about the future option for Tangmere is expected later in 2018. If strengthening works are to be carried out then it is highly likely that Tangmere will have to be decanted on a temporary basis to allow the works to be carried out. If these properties were already in Council ownership, they could be kept void to speed up any decant process, which would be advantageous to the Council.
- 4.5 Should it prove not possible or viable for the Council to carry out the strengthening works on Tangmere, and a decision is made to demolish Tangmere ahead of new homes being built, the Council will need to purchase leasehold properties in the block.
- 4.7 The recommendation to purchase 13-24 Tangmere, Willan Road, Broadwater, Farm Estate N17 6LB is based on valuation advice from GL Hearn that considers the sum negotiated on purchase price to represent good value for money for the Council.
- 4.8 To secure the properties for the agreed price a decision is required from Cabinet.

#### **5. Alternative options considered**

- 5.1 The only alternative option considered was not to proceed with the purchase of the subject properties. This option was rejected. The purchase price agreed has been achieved through an exhaustive process of negotiation with Newlon to achieve best value for the Council.

#### **6. Background information**

- 6.1 On 18 November 2014, the Council's Cabinet approved key recommendations regarding the acquisition of properties to meet housing need this included: -

*Delegates authority to the Director of Regeneration, Planning and Development after consultation with the Lead member for Regeneration and Housing, to agree the details of a council acquisition programme subject to confirmation from the Council's Chief Finance Officer that the scheme represents value for money*

*Notes that, where any proposed grant funding exceeds the Director's approved delegated limit of £500,000, a separate report will be submitted to Cabinet for approval in accordance with the Council's Financial Regulations*

- 6.2 The Council has commissioned HfH to act as agents on behalf of the Council for the purchasing of properties to meet housing needs. HfH is required to negotiate on purchase price with the seller and assist Legal Services in the subsequent acquisition of properties using RTB receipts where appropriate. GL Hearn provided HfH with a report on valuation for the properties which is attached to the exempt part of this report.
- 6.3 Newlon is the registered leaseholder of the 12 flats known as 13-24 Tangmere, Willan Road, Broadwater Farm Estate N17 6LB. The properties were originally converted by Newlon as result of a development agreement and agreement for lease for the deck level of Tangmere on 10 December 1999. Newlon were granted an 80-year lease by the Council.
- 6.4 Tangmere House was constructed in the 1960's and is a 7-storey residential building situated on the Broadwater Farm Estate. The property is located 0.7 miles from Bruce Grove overground station and 1 mile from Seven Sister tube station.
- 6.5 A summary of the 12 properties to be acquired is shown below

<b>Property Address</b>	<b>Internal Layout</b>	<b>Condition</b>	<b>Internal Size (sq m)</b>
Flat 13,Tangmere	two bedroom property with living room, kitchen, utility, storage room, bathroom and terrace	relatively poor condition	91
Flat 14,Tangmere	two bedroom property with living room, kitchen, utility, storage room, bathroom and terrace	reasonable condition throughout	102
Flat 15,Tangmere	two bedroom property with living room, kitchen, bathroom and terrace.	good condition throughout	79
Flat 16,Tangmere	two bedroom property with living room, kitchen, utility room, storage room, bathroom and terrace	good condition throughout	111
Flat 17,Tangmere	two bedroom tenanted property with living room, kitchen, utility, bathroom and terrace	dated specification throughout	86
Flat 18,Tangmere	two bedroom, with open plan living room and kitchen, bathroom, two storage rooms and terrace	good condition throughout	118
Flat 19,Tangmere	two bedroom apartment with an open planned living room and kitchen, bathroom, two storage rooms and a terrace	good condition throughout	119
Flat 20,Tangmere	two bedroom apartment with a living room, kitchen, storage room, bathroom, utility and terrace	requires extensive refurbishment	108
Flat 21,Tangmere	two bedroom apartment with a living room, kitchen, storage room, bathroom and terrace	reasonable condition throughout	80
<b>Address</b>	<b>Internal Layout</b>	<b>Condition</b>	<b>Internal Size</b>

			<b>(sq m)</b>
Flat 22,Tangmere	two bedroom apartment consisting of living room, kitchen, bathroom and terrace	very poor condition throughout	72
Flat 23,Tangmere	two bedroom apartment consisting of living room, kitchen, storage room, utility room, bathroom and terrace	poor condition throughout	103
Flat 24,Tangmere	two bedroom apartment consisting of living room, kitchen, utility room, bathroom, storage room and terrace	slightly dated condition	92

## Terms of Purchase

- 6.6 The sales memorandum providing the Heads of Terms of the purchase for the subject property is set out in an exempt Appendix.
- 6.10 The properties will be purchased with vacant possession in different tranches. Seven properties are currently vacant and will be purchased in an initial tranche. As other properties become vacant, they will be purchased on an individual or group basis. The aim is for all the properties to be purchased by the end of the current financial year at the very latest.

## Financial Implications

- 6.11 The purchase of each property will attract Stamp Duty Land Tax (SDLT), valuation fees, and legal fees. The purchase negotiations were handled directly by HfH so there are no additional fees due.
- 6.12 The Council's legal costs will be recovered in line with the Service Level Agreement (SLA) for regeneration.
- 6.13 The Council will not be able to use any Right to Buy receipts towards the purchase of the properties they are all currently being used for social housing by Newlon.
- 6.14 The Council is recommended to make budget provision for the acquisition, professional fees and subsequent repairs for this portfolio.

## **7. Contribution to strategic outcomes**

- 7.1 This proposal supports the established objectives of the in the Corporate Plan, which is currently being revised. The Corporate Plan currently has as an objective 'Creating homes where people choose to live and are able to thrive' and notes that "We will provide realistic and achievable options for people to find housing or alternative housing."

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance**

- 8.1 Finance comments for this report are exempt.

### **Procurement**

- 8.2 Procurement comments not applicable for property and land transactions as they sit outside of the Procurement Contract Regulations.

### **Legal**

- 8.3 The Council has the power under section 120 of the Local Government Act 1972 to acquire land for any purpose for which it is authorised under any enactment to acquire land or for any of its functions.

## Equality

- 8.4 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
  - Advance equality of opportunity between people who share those protected characteristics and people who do not
  - Foster good relations between people who share those characteristics and people who do not.
- 8.4 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.5 The decision is to purchase 12 leasehold flats located in the Tangmere block, Broadwater Farm Estate, from Newlon Housing Trust. The decision is being taken for reasons of health and safety relating to the integrity and habitability of the building.
- 8.6 Although it is not possible to make statements regarding the characteristics of the residents of the 12 flats, we know that individuals with protected characteristics are overrepresented among tenants of Tangmere block. It is therefore reasonable to infer that it is likely that the residents of the flats have protected characteristics. The Council's Public Sector Equality Duty therefore applies to these individuals. The Council will discharge the duty through measures detailed in an Equality Impact Assessment that accompanies the report to June Cabinet regarding Blocks on the Broadwater Farm Estate. These measures, and this decision, seek to ensure the safety of residents and maintain their access to local services and social networks.

## 9. Use of Appendices

Appendix 1 – Lease - 13-24 Tangmere

## 10. Local Government (Access to Information) Act 1985

Cabinet Report 18<sup>th</sup> November 2014:

<https://www.minutes.haringey.gov.uk/documents/s56094/Preferred%20Partner%20and%20Use%20of%20RTB%20-%20whole%20report.pdf>