

Report for: Cabinet June 2018

Item number: To be added by the Committee Section

Title: Purchase of flats 103-105 Kenley House, Gloucester Road, Broadwater Farm Estate, N17 6GZ

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

- 1.1 This report proposes the purchase by the Council of three properties known as 103, 104 and 105 Kenley House, Gloucester Road, Broadwater Farm Estate from Newlon Housing Trust (“NHT”).
- 1.2 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.
- 1.3 These properties will be let as general needs Council Homes. It is proposed that they are used to rehouse residents from the Tangmere and Northolt blocks on the Broadwater Farm Estate, if Cabinet agrees that residents from one or both of these blocks should be rehoused.

2. Cabinet Member Introduction

- 2.1 This report proposes purchasing properties on the Kenley block on the Broadwater Farm Estate from Newlon Housing Trust. Residents of the Northolt and Tangmere blocks on the estate are due to be rehoused for health and safety reasons. The Council owning the Kenley properties will allow more of the Northolt and Tangmere residents to be rehoused on Broadwater Farm, which will mean the rehousing process will be less disruptive to them.

3. Recommendations

It is recommended that Cabinet agrees:

- 3.1 To purchase for housing purposes the properties known as 103,104 and 105 Kenley House, Gloucester Road, Broadwater Farm Estate, N17 6GZ ; and all of which are shown edged red on the plan attached included as part of the original lease – Appendix 1 and.

that the acquisitions will be as per the Heads of Terms attached in an exempt Appendix.

4. Reasons for decision

- 4.1 The purchase of the property will help the Council meet housing needs in Haringey. The properties will be used to rehouse households from the Tangmere and Northolt blocks.
- 4.2 The recommendation to purchase 103-105 Kenley House, Gloucester Road, Broadwater Farm Estate, N17 6GZ 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.
- 4.2 To secure the property for the agreed price a Cabinet decision is required.

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, as the properties are able to service all running costs and debt servicing costs over 30 years. The purchase price agreed has been achieved through an exhaustive process of negotiation with the owner to achieve best value for the Council. The properties will only require a small financial outlay to bring them back up to a 'Homes for Haringey Letting Standard'.

6. Background information

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

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 and is attached at Appendix 3 of this report. Homes for Haringey's Repairs Service (HRS) carried out a survey that sets out the anticipated associated costs required to bring the property up to a required standard for the purposes of letting.

- 6.3 NHT is the registered leaseholder of the 3 flats known 103 - 105 Kenley House, Gloucester Road, Broadwater Farm Estate, N17 6GZ. The properties were originally developed by NHT as result of a development agreement and agreement for lease for the deck level of Kenley House on 9th December 1999. NHT were granted an 80-year lease by the Council.
- 6.4 Kenley House was constructed in the 1960's and is an 18-storey apartment block of concrete and brick construction with a flat roof. The property is located 0.8 miles from Bruce Grove overground station and 1.1 miles from Seven Sister tube station.
- 6.5 103 Kenley House is a two bedroom flat located on the first floor of Kenley House. The property is accessed via the stairs or lift. The property comprises of 2 bedrooms, a living room, kitchen and bathroom. Overall, the property is presented to a good condition. All the windows have been fitted relatively recently and are uPVC double-glazing. The property benefits from central heating (untested) throughout. The property has a gross floor area of 50 square meters.
- 6.6 104 Kenley House is also a two bedroom flat located on the first floor of Kenley House . The property is accessed via the stairs or lift. The property comprises of 2 bedrooms, a living room, kitchen and bathroom. Overall, the property is presented to a very good condition. All the windows have been fitted relatively recently and are uPVC double-glazing. The property benefits from central heating (untested) throughout. The property has a gross floor area of 59 square meters.
- 6.7 105 Kenley House is a three bedroom flat located on the first floor of Kenley House. The property is accessed via the stairs or lift. The property comprises of 3 bedrooms, a living room, kitchen, bathroom and separate WC. Overall, the property is presented in a reasonable condition but some rooms would benefit from modernising or redecorating. The property has a gross floor area of 82 square meters.

Terms of Purchase

- 6.8 The sales memorandum providing the Heads of Terms of the purchase for the three properties is set out in an exempt Appendix.
- 6.10 The properties will be purchased as they become vacant and therefore, 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.

Financial Implications

- 6.11 The purchase price of 103 and 104 Kenley House 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 in the Corporate Plan. 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. The property is to be acquired for housing purposes.

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.

8.5 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.

8.6 The decision is to purchase three properties at Kenley House, Gloucester Road, Broadwater Farm Estate from Newlon Housing Trust. The objective of the purchase is to secure new housing to be let by the Council, to those who are in need of rehousing. Individuals with protected characteristics are overrepresented among residents of the Tangmere and Northolt blocks, and so it is reasonable to infer that this purchase will enable the Council to meet its Public Sector Equality Duty to eliminate discrimination affecting these individuals and advance equality of opportunity for them. Furthermore, by rehousing these residents in their existing local area the Council will be able to maintain existing community cohesion and thereby foster good relations in the community. An Equalities Impact Assessment accompanies the report to June Cabinet on the decision to re-house residents of the Tangmere and Northolt blocks.

8. Use of Appendices

Appendix 1 – Lease for 103-105 Kenley House

Appendix 2 - Exempt financial information - NOT FOR PUBLICATION by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972. This report is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Appendix 3 – Exempt financial information - NOT FOR PUBLICATION by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972. This report is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

9. Local Government (Access to Information) Act 1985

Cabinet Report 18th November 2014:

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