



Cabinet
8th March 2021

**Report from the Strategic Director
Regeneration and Environment**

**Purchase of 83 Wembley Park Drive, London HA9 8HE for
Rough Sleepers' Accommodation**

Wards Affected:	Preston
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	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)"
No. of Appendices:	Two Appendix : Valuation (exempt) Appendix 2: Red Line Plan
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 The purpose of this report is to request Cabinet to authorise the freehold purchase of 83 Wembley Park Drive, London HA9 8HE from the market through the Housing General Fund to increase the supply of supported housing for people who have been sleeping rough and to help reduce the use and cost of temporary accommodation.
- 1.2 The property is a recently constructed purpose built block of flats comprising eight flats and six parking spaces (red line plan shown in Appendix 2). The property comprises six one-bedroom self-contained flats and two two-bedroom self-contained flats. The gross internal area for the entire block is circa 385 square meters.

2.0 Recommendations

Cabinet is requested to:

- 2.1 Approve the purchase of the freehold of 83 Wembley Park Drive, London HA9 8HE with vacant possession to meet the needs of people who have been sleeping rough and rehoused through the Government's rough sleeping move-on initiatives.
- 2.2 Delegate authority to the Strategic Director of Regeneration and Environment, in consultation with the Strategic Director of Community Well Being, to agree the terms of the purchase and acquire the property subject to financial and legal due diligence, subject to vacant possession and subject to contract.
- 2.3 To note that completion of the property needs to take place by March 2021 in order to secure the funding arrangements and an extension is not guaranteed.

3.0 Detail

- 3.1 Following the first lockdown in 2020, the London Mayor made available a new fund as part of the Rough Sleeping Accommodation Programme ("RSAP") aimed at rough sleepers. This provides capital grant funding for the acquisition of self-contained accommodation with associated revenue funding for a three-year period to support the residents. The Council made a bid for funds, which was successful, and this is set out in Section 4 below. The purchase of 83 Wembley Park Drive will provide eight of the units required.
- 3.2 In response to the Covid-19 pandemic, the Council, in partnership with the Greater London Authority ("GLA") and other charities took swift action to ensure rough sleepers were protected from the virus. The Council temporarily rehoused nearly 250 people in various types of accommodation. Many of these rough sleepers have now left the temporary accommodation ("TA") provided and there is a pressing need for longer-term accommodation. This report represents part of the Council's response to this need and the funding operates in much the same way as the much larger New Council House Programme.

- 3.3 One of the commitments in the Council's homelessness and rough sleeping strategy is to increase the supply of and access to stable and affordable homes across the borough. The Council's intention is to deliver its own new build and purchase and repair programme, providing affordable homes across the borough that effectively meets local need. Additionally, the Council wants to minimise the use of temporary accommodation, but where this is unavoidable, work to improve the quality of accommodation offered and keep the stay as stable and as short as possible. To achieve this, the Council is working to increase the supply of council-developed temporary accommodation so that it can avoid placing households in Bed and Breakfast or other forms of nightly paid accommodation, reducing the likelihood of multiple moves and ensuring the needs of residents are adequately met. The purchase of this property goes towards fulfilling this plan.
- 3.4 The subject property will be managed directly by the Council, in the same way as other Council properties are managed and by the same team. Each resident will be appropriately assessed before they are placed and there will be appropriate support services in place, to meet any needs identified.

4.0 Financial Implications

- 4.1 The GLA has awarded overall funding allocation to Brent of £2.77m to deliver 24 homes by March 2021 under the Rough Sleeping Accommodation Programme. The funding allocation comprises £2.34m capital funding and £0.430m revenue support funding.
- 4.2 The Council has identified and negotiated the acquisition of 83 Wembley Park Drive that will provide eight homes of the homes in the programme. The allocation of these eight units is subject to contract.
- 4.3 The purchase cost (shown in Appendix 1) will be funded by a combination of the GLA grant allocation and borrowing. The drawdown of the grant will be subject to grant conditions that are set out in the grant agreement. The property will provide eight self-contained units of accommodation through purchase and repair and grant conditions will be assessed against the property prior to completion and once all due diligence has been completed.
- 4.4 £1.040m of the £2.34m capital grant allocation will be utilised towards the proposed scheme's viability, which has been evaluated. The discounted aggregate annual rental income and associated costs shows that the scheme is financially viable and the payback period for the debt is in year 42.
- 4.5 The acquisition of the property should help reduce cost of using expensive temporary accommodation such as bed and breakfast hotels to house homeless rough sleepers.
- 4.6 The Council will receive 100% Stamp Duty Land Tax ("SDLT") relief on the acquisition being a relevant housing provider and the acquisition will be partly funded by public subsidy such as the GLA grant.

5.0 Legal Implications

- 5.1 Section 120 of the Local Government Act 1972 provides that for the purposes of (a) any of the Council's functions under this or any other enactment or (b) the benefit, improvement or the development of the Council's area, the Council may acquire any land whether situated inside or outside its area.
- 5.2 Legal Services will be required to undertake the necessary legal due diligence including examining searches and the title for each property. Enquiries before contract will be raised and the purchase of each of these properties will be subject to satisfactory results of the searches, a good a marketable title and a satisfactory survey and valuation result.
- 5.3 The Council has powers to provide interim temporary accommodation under Part 7 of the Housing Act 1996 ("the 1996 Act") to applicants who make homeless applications to the Council. Under section 188(1) of the 1996 Act, if the Council as a local housing authority has reason to believe that an applicant may be homeless, eligible for assistance and have a priority need, the Council must secure that accommodation is available for the applicant's occupation until the homelessness application is processed and a decision is made by the Council regarding the application.
- 5.4 A local authority will accept the full homelessness duty to provide temporary accommodation if it is satisfied that the homeless applicant is homeless, eligible for assistance (this usually means not excluded on immigration grounds), in priority need of accommodation, not intentionally homeless and the applicant has a local connection with the borough (this last condition is subject to a number of exceptions).
- 5.5 The Minister for Local Government and Homelessness provided guidance to local housing authorities in a letter dated 26 March 2020 regarding the pandemic and homelessness. The Minister advised that part of the government's strategy to reduce the impact of the pandemic was to ask local authorities to accommodate all rough sleepers, and people at risk of sleeping rough, including those people with no recourse to public funds. In that letter, the Minister stated that one of the four basic principles in relation to the Government's response to COVID-19 and rough sleeping was to "*utilise alternative powers and funding to assist those with no recourse to public funds who require shelter and other forms of support due to the COVID-19 pandemic*". It should be added that the letter from the Minister is non statutory guidance.

6.0 Equality Implications

- 6.1 The action that is proposed in this report will help to improve the housing conditions and life chances of people with protected characteristics, including homeless people, people with disabilities and families with children. They will therefore have a positive impact on Equality and Diversity.
- 6.2 Tackling homelessness and reducing the use and cost of TA are part of the Council's commitment to improving communities and our town as a place to live. In doing so, the Council will have due regard to its Public Sector Duty and

continue to work to tackle discrimination and inequality and help create a fairer society.

7.0 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)

7.1 None identified.

8.0 Proposed Consultation with Ward Members and Stakeholders

8.1 N/A

Report sign off:

Alan Lunt

Strategic Director of Regeneration and Environment