

**Homes and Neighbourhoods Directorate  
222 Upper Street, N1 1XR**

Report of: Cllr O'Halloran, Executive Member for Homes, and Communities; and  
Corporate Director of Homes and Neighbourhoods

Meeting of: Full Council

Date: 14th December 2023

Ward(s): All electoral wards

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## Subject: Adjustment to the Capital Programme - Purchasing 410 Ex Right to Buy properties.

### 1. Synopsis

- 1.1. This report recommends the budget adjustments required to proceed with the purchase of 410 ex-Right to Buy properties within the borough. This is required by the Councils financial regulations following approval by Executive.

The Department for Levelling Up, Housing and Communities (DLUHC) Allocation of Funding Programme agreed to fund the acquisition of 150 1, 2, and 3-bedroom Ex Right to Buy properties and a further 20 4-bedroom Ex Right to Buy properties for people who are eligible for the:

- Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme)
- the Afghan Relocations and Assistance Policy
- Ukraine Family Scheme
- Homes for Ukraine and Ukraine Extension Scheme.

In addition to this DLUHC have allocated funding for 70 1, 2 and 3-bedroom Ex Right to Buy properties for homeless households with a local connection to Islington, together with 70 1, 2 and 3-bedroom properties for homeless people from Afghanistan.

Finally, the GLA have also allocated additional funding to Islington Council to purchase:

- 20 1-bedroom properties for people sleeping rough in Islington,

- 20 1-bedroom properties for people leaving the looked after care provision of Islington Council to prevent rough sleeping and homelessness, and;
- 60 2, 3 and 4-bedroom properties as part of the council's humanitarian work for people from Afghanistan and Ukraine.

The Council will also borrow £111,663,000 within the Housing Revenue Account to supplement the funding provided by the GLA & DLUHC enabling the maximisation of the purchasing programme.

- 1.2. The purpose of this report is to advise Full Council of the outcome of a capital funding bid made to the DLUH&C to purchase 410 Ex Right to Buy properties for people who are homeless from Afghanistan and Ukraine as part of the council's humanitarian housing response and for homeless households to reduce local housing pressures beyond those of the Afghan and Ukraine resettlement schemes. The intention is to provide better quality temporary accommodation to families owed homelessness duties by Islington Council, reduce emergency, temporary and bridging accommodation costs and to reduce impacts on the existing housing and homelessness systems as well as for those waiting for social housing.
- 1.3. The council is only able to secure funding under the various funding streams made available by Central Government and the purchase of these 410 properties cannot be allocated to wider non-Ukraine, and Afghanistan people or migrants from other countries and the funding must be directed to homeless people with a local connection to Islington. The council will purchase properties for homeless households with a local connection to Islington.

## 2. Recommendations

- 2.1. To approve the addition to the capital programme funded by borrowing of £111,663,000 within the Housing Revenue Account to supplement the funding provided by the DLUHC and the GLA to enable the council to purchase 410 Ex Right to Buy properties.
- 2.2. To approve the addition to the capital programme funded by £102,316,260 allocated to Islington Council by the DLUHC and the GLA for the purchase of 410 Ex Right to Buy properties in Islington to accommodate homeless households with a local connection to Islington.
- 2.3. To note the two Executive reports attached to this report.

### 3. Background

- 3.1. Islington Council is currently accommodating 1,128 homeless households who are living in temporary accommodation. This is the highest level of households living in temporary accommodation for a considerable period due to a combination of the cost-of-living crisis, and the financial fallout of Brexit. This increase represents a 22% increase in the use of temporary accommodation in the last 12 months and this increase is placing significant financial pressure on the council.
- 3.2. During the last 12 months, Islington Council has witnessed an increase in homeless households living in temporary accommodation from 922 homeless households to 1128 an increase of 206 homeless households.
- 3.3. London has a proud history of providing sanctuary to those in need and the Mayor of London has made it clear that he wants to do everything in his power to support people from Ukraine and Afghanistan to establish a long-term future in the city.
- 3.4. Equally, Islington Council has a long and proud history of offering sanctuary to people in need, and therefore stands ready to help people from Ukraine and Afghanistan in every way we can.
- 3.5. Homeless households are now spending longer periods of time living in temporary accommodation due to the reduction of available council and housing association lettings, again because of the effects of the cost-of-living crisis and Brexit with homeless presentations increasing by 22% in the last 12 months. In addition to this, the number of homeless households living in temporary accommodation continues to increase.
- 3.6. Islington Council accepts the provision of 410 additional properties purchased through the Ex-Right to Buy property programme will not the address all urgent needs. However, these properties will ensure homeless people have safe and secure accommodation locally in Islington to help with health improvements, education attainment for children and reduce the time spent in expensive and inappropriate temporary accommodation.
- 3.7. This funding will secure 410 Ex Right to Buy properties for people sleeping rough, homeless households and households from Afghanistan and Ukraine living in Islington and the surrounding areas as part of the council's humanitarian response, with all purchases resulting in the acquisition of Ex Islington Council Right to Buy properties.

- 3.8. The acquisition of these properties will ensure homeless households and people fleeing Ukraine and Afghanistan are provided with good quality accommodation locally in Islington to enhance community well-being.
- 3.9. The current crisis underlines the importance of this funding. But it is not only needed for those in expensive emergency temporary accommodation because of homelessness and the financial effects of the cost-of-living crisis. It is also required to provide longer-term homes for those who need, to live in Islington for employment reasons or to provide or receive support from family and friends.
- 3.10. The aim of the programme is to boost delivery of affordable accommodation for homeless households locally in Islington.

## 4. Implications

### 4.1 Financial Implications

- 4.1.1. This capital cost will be funded by a combination of GLA/DLUHC grant totalling £102,316,260 & HRA Borrowing totalling £111,528,000.
- 4.1.2. The increased charges for interest arising on the borrowing will be met from the net rent charged at the lower of 80% of market rent or relevant local housing allowance. This fully covers the cost to the council for the scheme.
- 4.1.3. Council approval is needed for capital adjustments which vary Departmental Allocations by more than £1m.

### 4.2 Legal Implications

- 4.2.1 The Council may meet housing need by acquiring properties within Islington (section 9 of the Housing Act 1985).
- 4.2.2 S208(1) of the Housing Act 1996 provides that so far as reasonably practicable the Council shall secure accommodation within Islington for people who are homeless or under threat of homelessness.
- 4.2.3 Part 7 of the Housing Act 1996 sets out the local authorities' duties to prevent homelessness and provide assistance to homeless people or those threatened with homelessness.
- 4.2.4 The Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006 prescribe the classes of persons who are eligible or ineligible for homelessness assistance.

- 4.2.5 Regulation 5(m) sets out the eligibility criteria for Afghan refugees who have fled the Taliban and Regulations 5(n) and (o) sets out the eligibility criteria for Ukrainians who have fled the Russian invasion.
- 4.2.6 This property programme will increase the availability of accommodation within Islington that the Council can use to meet this statutory duty.
- 4.2.7 Executive granted the authority to enter into the following Grant Agreements.
- 4.2.8 The borrowing of £111,663,000 within the Housing Revenue Account is a Full Council decision as it varies the Directorate Allocations set within the council's existing budget.
- 4.2.9 Procurement rule 2.5.1 states that contracts exceeding £500,000 or were directed by the Director of Law and Governance, must be signed as a deed by Director of Law and Governance or their authorised representative.
- 4.2.10 Procurement Rule 19.1.7 states the Council's corporate seal is placed on any document that needs to be 'sealed and executed' as a deed, and that where a document does not need to be sealed, it is signed by two authorised officers.

### **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

- 4.3.1 Purchasing 410 existing will contribute positively to the council's environmental commitment, by purchasing existing properties and improving/reducing the carbon outputs through the capital works programme and reducing the use of natural resources.

### **4.4 Equalities Impact Assessment**

- 4.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.4.2 S149(3) provides that having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

4.4.3 This programme will contribute positively to the council equality of opportunity principles, the Human Rights of individuals and the elimination of rough sleeping in Islington.

4.4.4 A Resident Impact Assessment was completed on the 21st of May 2021, and is attached to this report as Appendix one.

4.4.5 As a public authority, the council must take account of the provisions of the Human Rights Act 1998 and not act in a way, which is incompatible with a Convention right. Under Article 8, any interference with the right to respect for a person's private and family life and home must be proportionate and Article 14 requires that there must be no unjustified discrimination within the scope of human rights on any grounds, such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth, or other status.

## 5 Reasons for recommendations

5.1 Any increase to the Corporate Capital Resources of the Council of £1m is a decision for Full Council under the Financial Regulations. Executive have supported the adoption of the scheme and therefore Full Council approval is needed to implement the budget adjustments required to proceed.

5.2 To assist the council's commitment of ending homelessness in Islington whilst concurrently ensuring a robust humanitarian response to support refugees from Afghanistan and Ukraine.

5.3 The council have established a project team to ensure this programme can be delivered. The project team provide regular weekly update to track performance and ensure a corporate approach is adopted.

5.4 The council have considered all options to deliver this programme and we have concluded the most appropriate framework to deliver these acquisitions is the existing framework.

5.5 The council considered partnering with a Registered Social Landlord to deliver this programme, but this would not offer greater benefits compared to the business-as-usual model.

- 5.6 The council will shortly be commencing a communications plan to contact all Leaseholders who own a former Islington Council property to ensure this programme is delivered.
- 5.7 As of the 27<sup>th</sup> of October 2023, the council have secured 33% of this Ex-Right to Buy programme. This is excellent performance considering the DLUH&C only provided confirmation of funding on the 17<sup>th</sup> of August 2023.
- 5.8 It is recognised the delivery of this large programme will be a challenge for the council to achieve and all efforts will be made to deliver the maximum number of Ex Right to Buy properties. Therefore, the council will advise the DLUH&C that all reasonable endeavours will be made to deliver this programme, but additional time during the 2024/2025 financial year will be required to deliver 100% of the purchases.
- 5.9 The report supports the delivery of the Housing Strategy and the Homelessness Prevention and Rough Sleeping Strategy. This report is collectively owned by our public, private and voluntary sectors, to tackle Islington's biggest housing challenges.
- 5.10 Islington is proud of being a welcoming council that celebrates its diverse communities. We want Islington to be a more inclusive and equal and will be designing these principles into everything we do. Many of the challenges facing Islington affect people differently and will require tailored solutions to ensure the needs of all our residents are met. Therefore, the contents of this report will clearly support this key principle.
- 5.11 We will constantly review whether what we do, and how we do it, is the best way to deliver modern, efficient, and high-quality services that support residents to live independently, and to thrive. This report clearly supports this principle.
- 5.12 It is essential to ensure a mature project and programme delivery capability is deployed to deliver this important property purchase programme with regular reports produced for the benefit of elected members to help monitor our work. Consequently, monthly reports will primarily focus on the council's performance, looking at progress on actions and key performance indicators for what the council is responsible for delivering against each outcome relating to this property purchase programme. Frequent performance reporting will help to inform better delivery planning, and where necessary we will make changes if improvement is required or to respond to emerging challenges and opportunities. These reports will be considered monthly at the Housing Directorate Delivery Board and the monthly Homes and Neighbourhoods Political Leadership Meetings.

5.13 The council is committed to working collaboratively with all residents and partners to deliver this important programme.

**Appendices:**

- Appendix 1 – Executive Report, July 2023
- Appendix 2 – Executive Report, October 2023
- Appendix 3 - Resident Impact Assessment

**Final report clearance:**

Authorised by:

**Cllr O'Halloran, Executive Member for Homes and Communities; and  
Corporate Director of Homes and Neighbourhoods**

Date: 5 December 2023

Report Author: Ian Swift  
Tel: 07802804261  
Email: [ian.swift@islington.gov.uk](mailto:ian.swift@islington.gov.uk)

Financial Implications Author: Lydia Hajimichael  
Tel:  
Email: [Lydia.Hajimichael@islington.gov.uk](mailto:Lydia.Hajimichael@islington.gov.uk)

Legal Implications Author: Marina Lipscomb  
Tel:  
Email: [Marina.Lipscomb@islington.gov.uk](mailto:Marina.Lipscomb@islington.gov.uk)