

Homes and Neighbourhoods
222 Upper Street, London, N1 1XR

Report of: Corporate Director of Homes and Neighbourhoods

Date: 3rd August 2022

Ward(s): all wards

Subject: Funding New Build Homes

1. Synopsis

- 1.1. The Corporate Director of Homes and Neighbourhoods intends to approve the disposal of an empty Housing Revenue Account (HRA) owned residential property because of the excessive cost of bringing it up to an acceptable level of fitness. The receipt from the sale will be ringfenced for the re-provision of social housing through acquisition or new build.

2. Recommendations

- 2.1. To approve the disposal of the freehold interest held by the council in 41 Lloyd Baker Street, London WC1X 9AB to support the funding of the new council homes.

3. Date the decision is to be taken

- 3.1. 3rd August 2022

4. Background

- 4.1. The property outlined in this report is being recommended for disposal on the basis that it requires significant investment. Islington does not have sufficient funds to invest in properties with this level of disrepair. This type of street property has some of the highest rents for properties of this size and running costs will be higher than average due to the period construction of the property, which has single glazed windows and uninsulated solid brick walls. There are also

concerns over the performance of the building and general FRA compliance. The configuration of this property, its lack of accessibility and its energy performance does not make for a good quality, sustainable family home suitable for use as social housing.

- 4.2. The property is a five bedroomed four storey Georgian property which is grade II listed. A recent survey, appended to this report, has identified that the property has significant levels of damp, narrow corridors, structural defects to stairs, uneven structure supporting floors and in need of new kitchen and bathroom. The house is uninhabitable in its current condition and requires high levels of investment – in excess of £110k is needed to address the problems identified in the survey. Further needs are likely to be identified when, for example, floor coverings are fully stripped away. The building is also in a conservation area and is listed so remedial works would be highly specialised.
- 4.3. The receipt generated would be retained within the HRA and used in conjunction with the council's 141 receipts or grant to support the increase of supply of good quality and genuinely affordable housing through the Council's new build programme. **The sale of this property will generate a receipt in the region of £1.8m in its current condition and will contribute to the current shortfall in funding for the programme or acquisition of property for social housing.**

5. Implications

5.1. Financial Implications

- 5.1.1. Section 4 of this report outlines the operational case for disposal. In addition, the property would require investment likely to be in excess of £110k in order to address the remedial repairs and reinstatement works required to make it suitable for re-letting, and even then it would not be a suitable family council home. This is a significant sum for one property in the context of an HRA business plan already under financial pressure. Hence the report proposes the sale of this property on the open market. It is anticipated the sale will generate a capital receipt for the HRA of in the region of £1.8m. This receipt will be reinvested in the Council's new build programme and will contribute to the provision of around 5 new homes.

5.2. Legal Implications

- 5.2.1. This property is held by the Council for the purposes of part 2 of the Housing Act 1985. The property may only be disposed of with the consent of the Secretary of

State (section 32 of the 1985 Act). The Secretary of State has issued the General Housing Consents 2013.

5.2.2. There are no restrictions on the title of this property which would affect the proposed disposal.

5.2.3. The disposal of void council owned homes is delegated under the Constitution to the Corporate Director of Homes and Neighbourhoods where the expected consideration does not exceed £3m.

5.3. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

5.3.1. The sale of this property enables 5 net zero carbon homes to be built. The property itself is likely to require significant investment from a private purchaser to achieve regulatory standards to bring it back into use. The investment will improve the local street scene.

5.4. **Equalities Impact Assessment**

5.4.1. 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.

5.4.2. The disposal of this property will result in an increased supply in social housing that meets build to current environmental standards and will be homes for life.

5.4.3. An Equalities Impact Assessment is not required in relation to this report, because this accommodation is currently unoccupied.

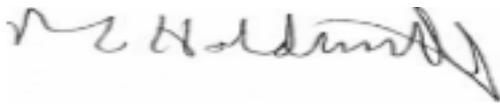
6. **Conclusion and reasons for the decision**

6.1. This Grade II listed property requires significant capital investment. The size and nature of the accommodation will mean that it will be expensive to run and maintain going forward and the configuration and running costs mean it would not provide a good quality, sustainable social home. The disposal of this property will

provide a receipt in the region of £1.8m to develop or acquire much more appropriate accommodation that meets meet current housing needs.

7. Record of the decision

7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.



Signed by:

Corporate Director of Homes and Neighbourhoods

Date: 3rd August 2022

Appendices:

- None

Background papers:

- None

Report Author: Lee McDermott, Housing Business Plan Manager
Tel: 020 7527 6818
Email: lee.mcdermott@islington.gov.uk

Financial Implications Author: Lydia Hajimichael, Head of Finance HRA
Tel: 020 7527 3082
Email: Lydia.Hajimichael@islington.gov.uk

Legal Implications Author: Helen Coyle, Chief Property and Planning Lawyer
Tel: 020 7527 3082
Email: Helen.Coyle@islington.gov.uk