

# Decant Modelling

## Hackney Reprovision Project

In Q3 of 2021/22 Hackney Council acquired 24 properties from Local Space under their right to buy, buy back programme. Local Space have ringfenced the proceeds from these disposals to be used to reprovided more than 24 homes in other East London boroughs to which Hackney Council will have 100% nomination rights under Section 193, Part VII of the Housing Act 1996 (which relates to homeless duty).

On 7<sup>th</sup> March 2022 Hackney Council confirmed that they did not wish to exercise their option to acquire a further 34 properties from Local Space. Instead, Local Space are to dispose of these properties on the open market and, as above, use the proceeds to reprovided more homes in other East London boroughs thereby increasing the pool of properties to which Hackney Council may nominate nominees to whom they owe a homeless duty and discharge that duty accordingly.

To enable the disposal of the 34 phase 2 properties, the current occupants are to be decanted. Local Space will use properties acquired with the proceeds from the 24 phase 1 disposals to buy and refurbish homes that can be used to support the decant project. Hackney Council are considering offering nomination rights to Local Space on 10 properties they will/have acquired in 2022 as part of their ongoing right to buy, buy back programme.

The below modelling forecasts the impact to two different forms of decant programme and the impact of nomination rights to 10 additional properties. In summary:

1. **Decant Prioritised Programme:** This programme prioritises homes for those who need to vacate their phase 2 disposal property so that we may dispose of it. The impact of this approach means that Hackney Council wait an extra year to receive their first available property for Homeless Nominations, but that overall, the reprovision project is concluded quickest (by 2026/27 rather than 2027/28).
2. **Phased Programme:** This programme balances the use of newly available properties as equally as possible between properties made available to new Hackney nominees and those used for decanting occupants of phase 2 disposal properties. This results in Hackney receiving their first available properties in 2022/23, and more properties in earlier years. The negative impact is that it takes longer to conclude their entire programme meaning Hackney will wait until 2027/28 (an extra year) to receive the final properties available for nominees.
3. **Inclusion of nomination rights to 10 Hackney properties:** Were Hackney to offer Local Space nomination rights to 10 properties through 2022/23, this would accelerate the programme (regardless of whether Decant Priority or the Phased approach was chosen). In the case of the decant priority approach it brings forward the first available properties for hackney nominations by 1 year and delivers a boost to Hackney nomination availability in year 2. In the case of a phased decant programme it delivers a boost to both decant and nominations in the first year of the programme.

## Decant Modelling

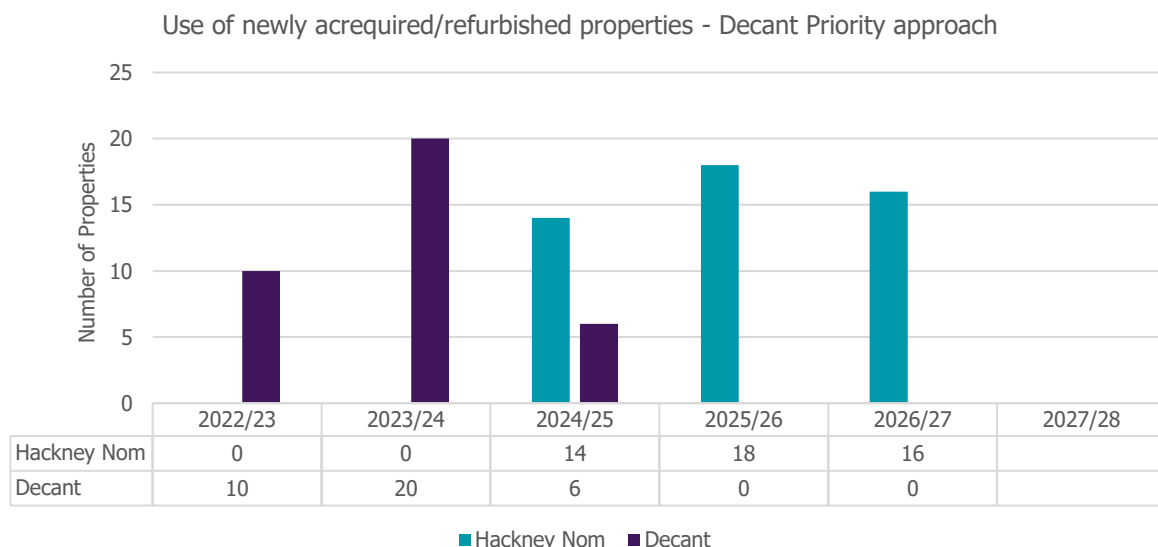
The following modelling is based on a number of initial assumptions. Further analysis and work will be required to refine the model as we progress through the project and resources (such as available properties for decants) become clearer. For example, for purposes of this exercise we have made no distinction between property sizes (number of bedrooms). We have not conducted a housing needs analysis to clarify exactly what size properties are required by the current occupants of the phase 2 disposals. We plan to review the list of proposed phase-2 disposals and update the list, changing properties as required based on market conditions, housing needs assessments and grant implications. The aim of the review will be to achieve the highest rate of reprovision.

Our refurbishment period is modelled at 20 weeks, and we have therefore assumed that properties will be available for letting during the same financial year they are acquired. For the ease of modelling, we have assumed that the reprovision from a particular disposal will be realised in the subsequent financial year. For example, if we were to dispose of two phase 2 properties in 2022/23, we have modelled the resultant reprovision of three acquisitions in 2023/24.

The source data driving the below models can be found in [Appendix 1 – Decant Modelling.xlsx](#)

## Decant Prioritised Programme

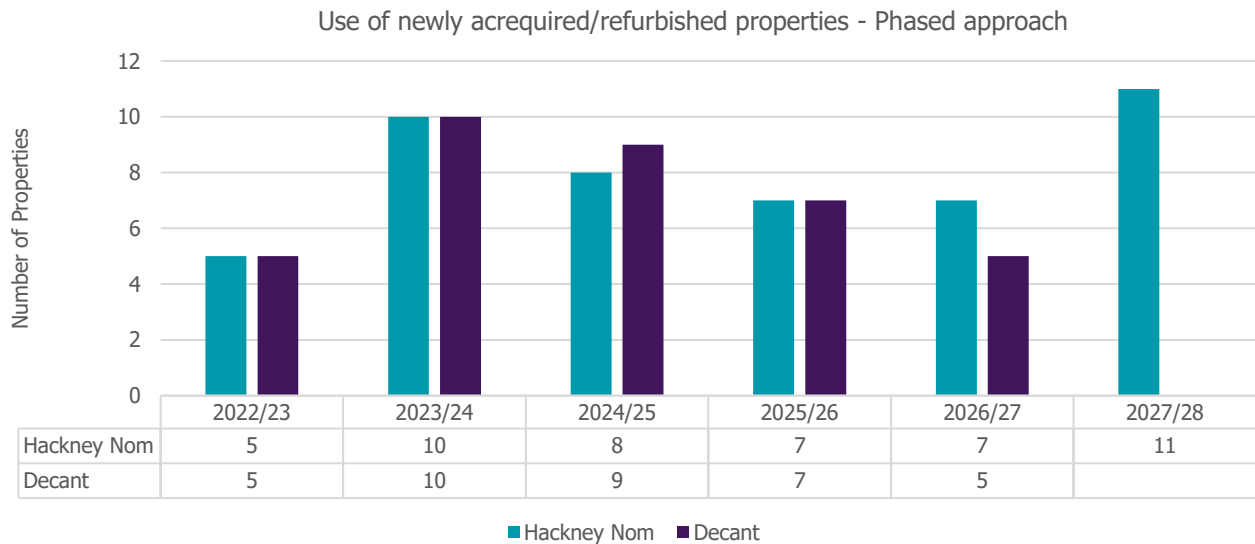
The following modelling does not assume we will be granted nominations rights to 10 Hackney properties to assist with the decant programme.



By prioritising decants we can move through the programme at the quickest pace possible and deliver all reprovision over 5 years, by April 2027. To achieve this Hackney would not be offered newly acquired and refurbished properties until the decant programme had been satisfied. We estimate that to occur from April 2024. For 3 years from April 2024 the net increase in reprovision would deliver an average of 16 properties per annum for Hackney nominees.

## Phased Programme

As above, the following model does not assume we will be granted nominations rights to 10 Hackney properties to assist with the decant programme. This approach aims to achieve a balance between newly acquired and refurbished properties being used to support the decant programme and being made available to Hackney for nominees. In some years, such as 2024/25, equality between the two different uses cannot be achieved without stalling the decant programme.<sup>1</sup>



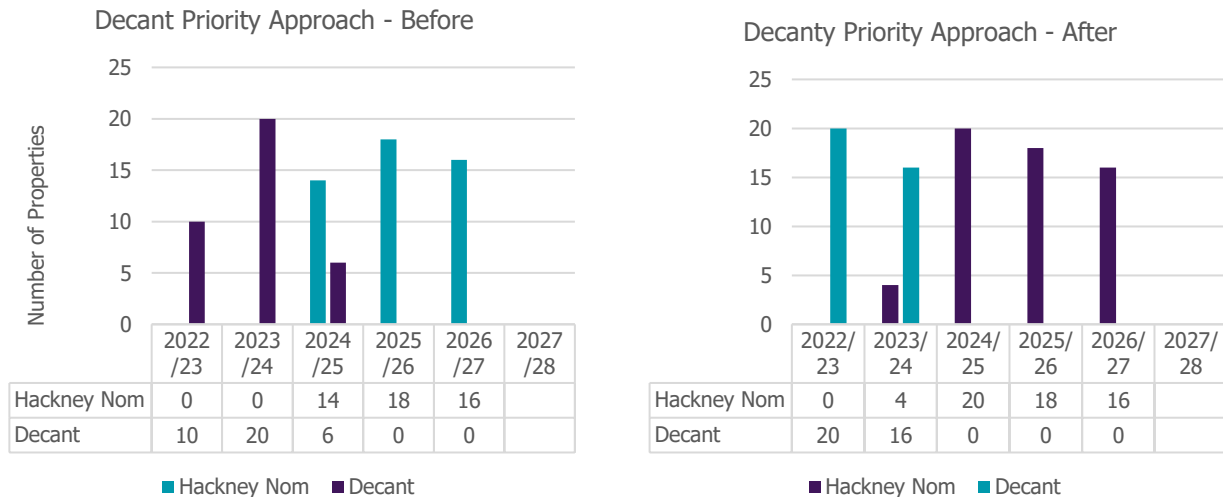
By using properties equally between decants and Hackney nominees we can offer properties Hackney 2 years earlier. Phasing the programme in this manner extends it from 5 to 6 years. In short, this means Hackney receive (on average) fewer properties per annum over a longer period and do not have to wait as long to begin receiving properties. It also extends Local Space decant programme by a further 2 years.

<sup>1</sup> The Decant Programme stalls when all available new acquisitions have been occupied and none are available for remaining decantees. Therefore, each year, we have been careful to model supply and demand to ensure we never offer a property to Hackney for a nomination when it is the only available property to support the continuation of decant programme.

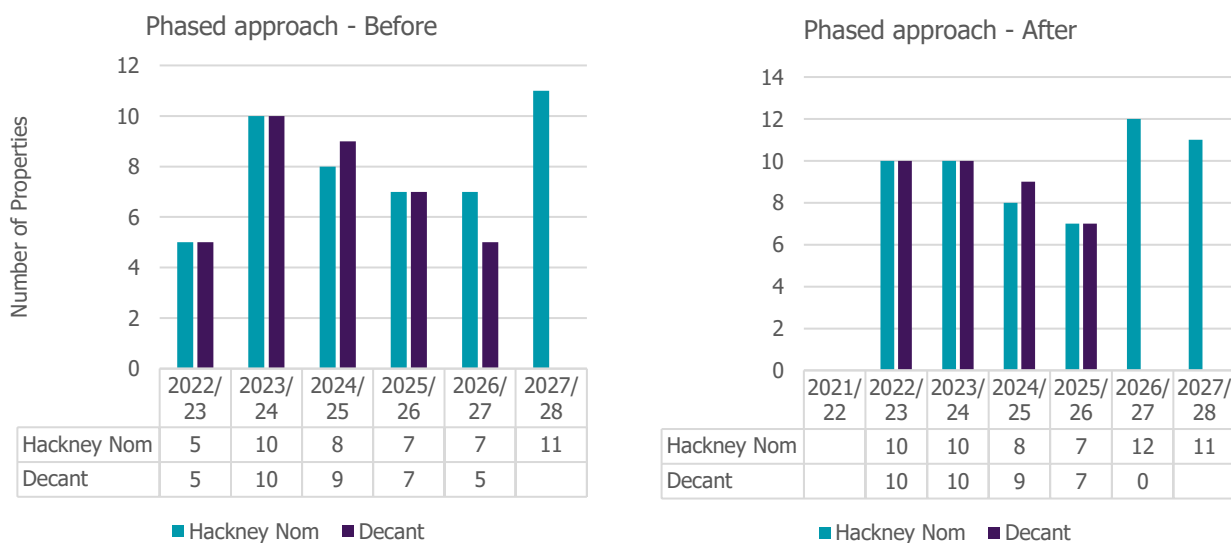
## Impact of nomination rights on 10 Hackney properties

The modelling above assumes that Local Space does not have nomination rights to 10 properties owned by Hackney. The below model shows the positive impact of Local Space being granted nominations rights to 10 Hackney properties (assumed to be available throughout 2022/23).

Graphs showing the positive impact of Local Space being granted nomination rights to 10 Hackney properties:



The graphs below illustrate the impact on a phased approach programme of decanting:



Being able to nominate 10 of our decantees to Hackney in the first year of the decant programme accelerates the overall reprovion project. Whether a Decant Priority or Phased approach is taken, the additional capacity created by these 10 nominations means that we can decant households sooner and provide Hackney with properties to which they can nominate sooner.