

ITEM 15 – APPENDIX J

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 5TH NOVEMBER 2013

Title:

**DEVELOPMENT OF NINE AFFORDABLE HOMES IN BINSCOMBE AND
FARNCOMBE**

[Portfolio Holder: Cllr Mike Band]

[Wards Affected: Binscombe and Farncombe]

Summary and purpose:

The Council has secured planning permission for nine affordable homes on three small sites at Badgers Close, Silo Drive and land on the corner of Warren and Perrior Road. This paper seeks approval for funding from the New Affordable Homes Reserve in 2013/14 and 2014/15 for this development.

How this report relates to the Council's Corporate Priorities:

This report relates to the Council's corporate priority of providing more affordable housing in the borough for local people in housing need.

Financial Implications:

Funding for these schemes has been earmarked in the Council's New Affordable Home Reserve.

Legal Implications:

Tendering of the build contract is being progressed in line with the Council's Contract Procedure Rules.

Background

1. In February 2013, the Council consulted with local residents about the potential development of three small sites in Binscombe and Farncombe to provide nine affordable homes to meet local housing need. The mix and type of affordable homes on these sites include:

Site	Type and tenure
Badgers Close	4 x 2bed 4person chalet bungalows for social rent
Silo Drive	2 x 3bed 5person houses for social rent
Warren and Perrior Road	3 x 2bed 4person houses for social rent

2. Following further community consultation and Full Council approval to apply for planning permission, Gerry Lytle Associates Ltd submitted applications for the three sites at the end of March 2013. Planning permission was granted on 22nd May 2013. The site layouts are shown in Annexe 1.
3. Pre-development services have been provided by Michael Edwards and Associates (MEA) in the role of Employers Agent and Coopers and Withycombe and Pope Consulting to provide structural and services engineering services respectively. At the early stage of the project, the pre-development costs have been funded by the approved budget of £83,500 from the New Affordable Homes Reserve.
4. Prior to tendering the build contract, adverts have been placed on the South East Business Portal to seek expressions of interest from contractors through a pre-qualification questionnaire. Eight contractors responded and financial checks have been completed on each of these. Tender documents will be issued to four short-listed contractors in November.
5. The project will be procured in line with the Council's Contract Procedure Rules.
6. A start on site is anticipated in February 2014 and the build programme is estimated to take 12 months. The implementation of the project plan will be monitored by the Housing Delivery Board.

Budget

7. MEA has produced the following cost estimates, including build costs, professional fees and pre-development survey costs and a contingency for each site:

	Badgers Close	Silo Drive	Warren/Perrior
Build costs	510,000	297,000	312,000
Professional fees (including pre-development costs)	30,000	30,000	30,000
Contingency (5%)	27,000	16,350	17,100
Total	567,000	343,350	359,100

8. The suggested budget split for the next two years is:

Site	2013/14	2014/15	Total
Badgers Close	60,000	507,000	567,000
Silo Drive	30,000	313,350	343,350
Warren/Perrior	50,000	309,100	359,100
Total	140,000	1,129,450	1,269,450

9. The forecast return, based on the net rental stream over 30 years is £1,033,000.

Recommendation

That the Executive recommends to Council:

1. Approval for the allocation of £1.27million from the New Affordable Homes Reserve (phased £140,000 in 2013/14 and £1,130,000 in 2014/15) for the developments at Badgers Close, Silo Drive and land at the corner of Warren and Perrior Road; and
 2. the appointment of a development consultant and a build contractor in accordance with the Council's Contract Procedure Rules to deliver nine new affordable homes within the agreed budget.
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Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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ANNEXE 1

Badgers Close



Silo Drive



Warren & Perrior Road

