

ITEM 16 – APPENDIX K

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3RD DECEMBER 2013

Title:

APPOINTING A LAND AGENT

[Portfolio Holder: Cllr Mike Band]

[Wards Affected: All]

Summary and purpose:

This report seeks approval to appoint a land agent to act on behalf of the Council to identify and progress the purchase of land opportunities across the borough with potential to deliver more affordable housing to meet local housing need.

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

Affordable Housing: Waverley is a strategic housing authority and one of its corporate objectives is to provide more **affordable housing** to meet local housing need.

Financial Implications:

The costs of the land agent would be a percentage of the purchase costs and would normally only be incurred if the purchase is made. The capital programme includes a budget for professional services associated with developing the new build programme on the housing revenue account. Each potential land acquisition would be subject to Member approval unless it falls within the delegation provided by the Council earlier in 2013. If abortive fees are incurred due to a purchase not proceeding for any reason, these will be charged to the existing professional services budget. Otherwise, the agent's fees will form part of the specific scheme costs and be funded from the new homes reserve.

Legal Implications:

The procurement of a land agent would be conducted in accordance with the Council's Contract Procedure Rules and, if appropriate, EU procurement regulations.

Background

1. The Council's HRA Business Plan sets out a budget for the development of new affordable homes over the next 30 years. The budget is also available for the purchase of land for future development.
2. In order to establish the current availability of land for sale in Waverley, the Housing Development Team contacted local agents and carried out online searches. Local residential and land agents advised that national house builders

are very active in seeking to buy both short-term and long-term land opportunities in the area, including sites that, in the past, would have attracted less market interest. Many sales are agreed before the sites are marketed.

3. In order to be in a stronger position to pursue land opportunities, through outright sale, conditional sale or purchase of an option agreement, the Council is seeking to appoint a land agent to act on its behalf, through a tender process.
4. The Council would expect a land agent to search out opportunities that meet the Council's requirements and undertake negotiations on the Council's behalf. The land agent will be expected to have excellent knowledge of local land markets in Waverley.
5. It is proposed to initially offer a six month contract, extended for up to three years, if it proved successful.
6. The Housing Delivery Board recommended that separate agents be appointed for each of the four main settlement areas of Godalming, Haslemere, Farnham and Cranleigh, because the land markets may operate differently across the borough. The tendering exercise could result in up to four separate contracts, depending on the local land knowledge of agents.

Evaluation of tender submissions

SCORING CRITERIA		WEIGHTING
Professional Expertise	Details of the person managing the contract including; <ul style="list-style-type: none"> • past experience • qualifications • evidence of success in securing land deals for residential development 	10%
	Professional membership of RICS	Pass / Fail
Experience	Experience of securing land within Waverley Borough (or appropriate settlement area) in the past year, preferably for residential development, demonstrated by examples	15%
	Experience of working with and securing land for local authorities or housing associations	
Knowledge	Have excellent knowledge of the land market in Waverley (or appropriate settlement area)	20%
Capacity	Details of your proposed delivery and reporting structure this contract including details of communication procedures with the Council and a named contract manager.	5%

Cost	Commission (% of agreed land price)	50%
	Site finding fee (if included)	
	Hourly rate for additional service	

Conclusion

7. By appointing a land agent to act on its behalf, the Council will be in a stronger position to pursue land opportunities for the development of affordable housing. The evaluation criteria detailed in the table above will ensure that the agent(s) appointed will have a good level of knowledge and experience in the Waverley land markets to act in the Council's best interest.

Recommendation

That the Executive:-

1. Approves the appointment of a land agent; and
2. Authorises officers to seek tenders and appoint the agent(s) following an evaluation of tender submissions based on the criteria detailed in this report.

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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