

AGENDA ITEM 19: APPENDIX O

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 30 SEPTEMBER 2014

Title:

PURCHASE OF LAND FOR AFFORDABLE HOUSING IN FARNHAM

[Portfolio Holder: Cllr Keith Webster]

[Wards Affected: Farnham Shortheath and Boundstone]

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

The purpose of this report is to seek approval to transfer the ownership of a site in Farnham from the General Fund to the Housing Revenue Account for market consideration to be used for the future development of affordable housing to meet local need and seek approval to submit a planning application for three homes on the site.

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

This report relates to the Council's corporate priorities of delivering value for money and providing more affordable housing in the borough for local people in housing need.

Financial Implications:

Funding for the purchase of the site from the General Fund is available in the 2014/15 New Affordable Homes capital programme, subject to approval.

Legal Implications:

We must comply with our obligations on disposals and appropriation of land to limit the risk of a public law claim being brought against us.

Introduction

1. On 2 July 2013, the Executive agreed a framework and criteria for the purchase of land or property by the Council, to enable the delivery of affordable housing to meet local housing need.
2. In the current market, the availability of development sites that the Council could consider purchasing is limited. However, there is an opportunity for the Council's Housing Revenue Account to purchase land owned by the Council's General Fund for housing use.

Proposal

3. The Council's General Fund owns a small site at Greenfield Road, Farnham with potential for the development of three family-sized homes, subject to planning permission. A location plan is attached at Annexe 1. A draft scheme has been prepared comprising 2 x 2bed houses and 1 x 3bed house with associated parking.
4. The site has been valued by the Valuation and Estates Team on the basis of providing 100% affordable housing, a mix of affordable and market housing and for 100% market housing. The valuations are contained at (Exempt) Annexe 2 to this report.
5. If the site was purchased at the value estimated for 100% affordable housing, the total scheme costs for developing three affordable homes on this site would be recovered over a 30 year period from the rental income, based on current build costs. If the site was purchased at the value estimated for 100% market housing, a grant subsidy from the HRA would be required to enable the homes to be provided as affordable housing.
6. The Council has a responsibility to ensure that it achieves the best value for its assets and is required to balance its corporate priorities. As a result, it is unable to dispose of the site in Farnham for significantly below its market value and it would need to transfer the site at a value equivalent to market value as set out in (Exempt) Annexe 2 to this report.

Housing Need

7. As at 8 September 2014, there are 1,728 applicants on the Housing Register. 510 applicants have a 2 bedroom need and 189 applicants have a 3 bedroom need, of which 146 households currently living in Farnham.

Bedroom requirement	1 bed	2 bed	3+ bed	Total
No of Housing Register applicants	1029	510	189	1728
No of applicants currently living in Farnham	206	102	44	352

Budget

8. The budget allocation required from the Council's HRA to fund this purchase is contained in (Exempt) Annexe 2 to this report.

Conclusion

9. This site provides an opportunity to deliver three new affordable homes in an area of high housing need and meets the criteria for purchasing land set out in the report to the Executive on 2 July 2013. The New Affordable Homes Programme has sufficient budget in 2014/15 for an allocation to be made to purchase this site in Farnham.

Recommendation

It is recommended that the Executive recommend to Council that:

1. the site in Greenfield Road, Farnham is purchased subject to final agreement by the Director of Finance and Resources and Portfolio Holder for Finance;
2. a budget equivalent to the market housing amount set out in (Exempt) Annexe 2 be agreed, to be financed from the New Homes Reserve; and
3. approval be given to the submission of a planning application on this site.

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

