

WAVERLEY BOROUGH COUNCIL

COUNCIL

11 DECEMBER 2018

Title:

**REDEVELOPMENT OF LAND ADJACENT TO 85 AARONS HILL, GODALMING
AND 13 RYLE ROAD, FARNHAM**

[Portfolio Holder: Cllr Carole King]

[Wards Affected: Godalming Central and Ockford and Farnham Firgrove]

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

Annexe 1 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 for a budget to be allocated for the appointment of a professional team and build contractor in compliance with the Council's Contract Procedure Rules, to enable the redevelopment of land adjacent to 85 Aarons Hill, Godalming and adjacent to 13 Ryle Road in Farnham, to provide 6 new affordable homes.

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

Waverley Borough Council Corporate Strategy 2018-2023, Priority Theme 1: People, maximise the supply of affordable homes.

Equality and Diversity Implications:

The impact of the proposal has been assessed, to ensure it does not unlawfully discriminate against any person.

Financial Implications:

Funding for the delivery of 6 new affordable homes can be met from the New Affordable Housing Reserve.

Legal Implications:

The procurement and appointment of any required services or build contractor will be made in compliance with the council's Contract Procedure Rules and OJEU (Official Journal of the European Union) requirements, should the value of the contract be above a certain threshold.

Background

1. The council previously obtained Government funding of £113,912 to deliver Starter Homes on land adjacent to 85 Aarons Hill and 13 Ryle Road, permitting first time buyers under the age of 40 to purchase a property at a minimum discount of 20% below the market value. The council was to prepare each site for development, obtain planning permission and appoint a contractor to construct the homes.
2. The Government noted in March 2018 that a significant number of respondents to a consultation on the housing white paper, including local authorities and the development industry - raised concerns about Starter Homes as a general concept. Starter Homes regulations, which are required to guide developers on implementation, have also not been published.
3. The council has high demand for housing and in the circumstances, Homes England transferred the funding to be used for delivery of much needed affordable rented housing on an alternative site at Nursery Close in Shamley Green that completed in April 2018.
4. Brodie Plant Goddard Architects has developed the design and worked with the Housing Development Team, to seek pre-planning application advice from development and building control officers. This was incorporated into the design. Public consultation has also taken place with adjoining residents and their feedback taken into account.
5. A planning application was submitted for each site in September 2018 and a decision on whether to grant planning permission is pending. 4x 1-bedroom flats are proposed for Aarons Hill and 2x 1-bedroom flats – one designed for a wheelchair user – are proposed for Ryle Road. All homes have been designed in accordance with the emerging design standards for new council homes, contained within a report by the Housing Overview and Scrutiny Committee, where the Executive agreed to accept their recommendations in July 2018.

Housing need

6. Waverley is one of the most expensive places in Surrey to buy a home. In February 2018, house prices in Waverley were well above the average for England and the South East. An average home in Waverley now costs £454,075. Entry level house prices in Waverley are now 12.2 times the typical earnings of younger households, compared to a ratio of 7.8 times nationally.
7. Over the 2001-11 decade, housing costs increased relative to earnings; whilst household formation and home ownership both fell. High demand for housing is also pushing up private rents. This pressure on smaller homes for rent and sale on the open market has driven up property prices beyond the reach of many local households and workers.
8. As at 9 May 2018, there were 1,290 households registered on the council's waiting list, who are unable to access housing to meet their needs in the open market as shown in the table below; alongside the West Surrey Strategic Housing Market Assessment 2015 (SHMA) recommended mix for new affordable housing:

	1 bed	2 bed	3 bed	Total
Number of households on the council's housing register, listed by need for each property type (November 2018)	695	289	132	1116
SHMA recommended affordable mix for new homes in the borough	40%	30%	25%	-
Proposed number of homes by bed size	6	0	0	6

9. Delivery of new affordable housing and turnover of existing homes continues to fall far short of what is required to meet need. Furthermore, 40% 1 bedroom is not achieved across the affordable housing element of all new developments, so an entire development of 1 bed units will make a significant contribution towards meeting the need for smaller affordable homes. Properties will be allocated in accordance with the councils housing allocation scheme.

Finance

10. The pre-development budget has been used for covering the cost of pre-development surveys, architect appointment and planning application fees to date. These costs would be capitalised and paid for from the project budget, which is allocated from the New Affordable Housing Reserve. A financial appraisal of costs has been prepared and is set out in (Exempt) Annexe 1.

Risk Management

11. Pre-development survey reports were submitted as part of the planning application. There are no significant findings that would prevent development taking place, or expose the council to any unforeseen costs. The reports will be made available to contractors tendering for the work and form part of the risk register and associated action plan.

Procurement

12. Subject to planning permission being granted, a professional team will be appointed, in order to prepare a tender for the appointment of a build contractor, manage the resulting build contract and oversee works on site. Procurement of these services and the contractor would be carried out in compliance with the council's Contract Procedure Rules.

Recommendation

The Executive recommends to Council that the allocation of funding from the New Affordable Housing Reserve, as set out in (Exempt) Annexe 1 for the development of land adjacent to 85 Aarons Hill, Godalming and 13 Ryle Road, Farnham be approved.

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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