

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

12 MARCH 2019

Title:

DELIVERY OF NEW AFFORDABLE COUNCIL HOMES THROUGH S106 SITES

**[Portfolio Holder: Councillor Carole King]
[Wards Affected: All]**

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

Exempt Annexe 2 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:

To update members on the progress made in delivery of new affordable Council homes through the acquisition of property under Section 106 (S106) Agreements and development of shared ownership properties to help to ensure that the tenure mix of housing meets the identified need.

To request that a budget allocation for acquisition, works and fees associated with delivery of 5 new affordable homes on the CALA Amlets Way development in Cranleigh as set out in Exempt Annexe 2

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

This report relates to the Council's People priority to maximise the supply of affordable homes for residents of Waverley Borough in housing need.

Equality and Diversity Implications:

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

Financial Implications:

The budget £3.5m for the delivery new affordable homes through acquisition of property under S106 Agreements is covered by the New Affordable Housing Reserve and is forecast to be used in 2019/20.

Legal Implications:

The Council has power under section 17 of the Housing Act 1985 to acquire additional housing. External legal support will be sought to enable the acquisition of the new properties.

Background

1. Affordable housing is central to community wellbeing. It is consistent with the council's corporate strategy people goals for 2018-23 for investing in our homes to ensure that they are pleasant and safe, maximise the supply of affordable housing by developing new council schemes and implementing Housing Strategy 2018-2023.
2. The West Surrey SMHA (2015) demonstrates the need for an additional 314 affordable homes per annum across Waverley. Acquisition of property under Section 106 (S106) Agreements will help to implement Waverley Housing Strategy 2018-23 action plan to deliver new council homes and meet goals to:

H: Increase delivery of well designed, well built affordable HOUSING
O: OPTIMISE social and economic wellbeing
M: MAKE best use of existing homes
E: ENGAGE with partners to achieve our joint aims.
3. Acquisition of property under S106 Agreements will include some shared ownership homes. Shared Ownership (or 'part-rent part buy') is the most common form of affordable home ownership. Usually, the applicant purchases a share in the equity of a property. The equity share is purchased through mortgage and savings and rent is paid on the remaining share. After the initial purchase, the owner can buy extra shares in the property ('staircasing') until the property is 100% owned.
4. It is expected that some future sites delivered by the Council will also have a number of homes available for those wishing to invest in an equity share of a property. This will enable the Council to offer another tenure and further support delivery of new homes which meet the needs of its residents.

Amlets Place, Amlets Way, Cranleigh

5. Amlets Place is the winner of the 'Surrey Property Awards Best Large New Homes Development 2018.' The site is fully owned by CALA Management Limited (CALA) and has full planning permission.
6. CALA approached Waverley Borough Council in summer 2018 to establish if we were interested in making an offer for acquiring five new homes on their site off Amlets Lane, Cranleigh. The homes consist of two 2 bed houses for affordable rent and three 3 bed houses for shared ownership. A site plan can be found at [Annexe 1](#).
7. Current programme

Exchange of contracts	March 2019
Start on site	April 2019
Target completion for the affordable units	December 2019
Defects period (12 months)	December 2020

Specification

8. Waverley Borough Council has its own specification but the items included in the CALA specification or similar are acceptable. Additional items have been added to the standard specification to reflect the finish of homes developed directly by Waverley Borough Council and additional items which are standard provision in a shared ownership property, for example fridge freezer and washing machine.

Proposal

9. Waverley Borough Council submitted an offer for the new homes and details of the offer and budget allocation is set out in Exempt Annexe 2.

Conclusion

10. Acquisition of property under Section 106 (S106) Agreements will help to implement Waverley Housing Strategy 2018-23 action plan to deliver new council homes to meet local housing need.

Recommendation

It is recommended that the Executive:

- Notes the progress made in delivery of new affordable Council homes through the acquisition of property under Section 106 (S106) Agreements and delivery of shared ownership homes to offer another tenure to further support delivery of new homes which meet the needs of its residents.
- Agrees a budget allocation for acquisition, works and fees associated with delivery of 5 new affordable homes on the CALA Amlets Way development in Cranleigh as set out in Exempt Annexe 2.
- Delegates authority to the Strategic Director (Chief Finance Officer), in consultation with Portfolio Holder for Finance and Portfolio Holder for Housing Services, to enter into a contract with CALA Homes.
- Agrees to delegate authority to the Head of Strategic Housing and Delivery, in consultation with Strategic Director (Chief Finance Officer) and Portfolio Holders for Finance and Housing Services, to allocate the remaining S106 budget when other opportunities to acquire new homes on developer sites.

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



Site Layout - Affordable Housing Boundary Plan (Additional Units CALA No. SEQUENCE)
Land off Amlets Lane, Cranleigh

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