

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

17 JANUARY 2023

Title:

HRA Affordable Housing – Ockford Ridge
Sale of 3 Shared Ownership Homes

Portfolio Holders: Cllr Nick Palmer, Portfolio Holder for Housing (Delivery)
Cllr Paul Rivers, Portfolio Holder for Housing (Operations)

Head of Service: Andrew Smith, Executive Head of Housing

Key decision: Yes

Access: Part Exempt

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

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).

1. Purpose and summary

1.1 This report

- provides members with an overview of the delivery of homes at Laurel Close, Ockford Ridge, Godalming and details of three homes which are in a position to be sold as affordable shared ownership.
- Seeks Executive approval to the recommendation to sell the affordable shared ownership homes delivered to support meeting the need for affordable housing for those of all income levels.

2. Recommendation

It is recommended that

- Executive consider this report and information provided in Exempt Annexe 1 and approve the sale of the three shared ownership homes at Laurel Close, Ockford Ridge, Godalming, giving the Executive Head of Legal & Democratic Services authority to approve the final form of the agreements.
- Executive approve delegated authority for Head of Housing Services in consultation with Portfolio Holders for Housing (Delivery and Operations) to approve the future sale of percentages shares.

3. Reason for the recommendation

The Waverley [Corporate Strategy 2020 – 2025](#) sets out the Vision and Strategic Priorities for the Council. One of the strategic priorities is to ‘provide good quality housing for all income levels.’

[Build More, Build Better, Build for Life Affordable Homes Delivery Strategy 2022 – 2025](#) sets out the Council’s commitment to build homes to buy or rent for households from all income levels. The strategy has been supported by evidence studies including the [Waverley Housing Affordability Study 2021](#).

The delivery and sale of the shared ownership homes at Laurel Close meets these priorities and commitments.

4. Background

- 4.1 The Affordable Homes Delivery Strategy 2022 – 2025, Build Better Action Plan states that the Council will work closely with developers and Affordable Housing providers to ensure that the location, type, tenure, and design of new affordable homes meets need and the recommended tenure split as set out in latest evidence. This evidence is provided in the Housing Affordability Study 2021. The study confirms that the council currently seeks a split of 70:30 between rented homes and affordable home ownership which includes First Homes, shared equity and shared ownership. Of the affordable home ownership options, shared ownership remains the most affordable option for those who wish to purchase a property but cannot afford full home ownership as it allows an initial percentage share of the property to be purchased while the council retains the other share. Further shares can be purchased in the future, which is known as ‘staircasing’, reducing the percentage share owned by the council.
- 4.2 Laurel Close, Ockford Ridge (Site B) was one of four sites which formed part of the masterplan, with hybrid planning consent granted in 2014. Two sites have already been delivered and Laurel Close is the latest phase of homes to be completed. The new development at Laurel Close delivered 17 new affordable homes, 14 for rent and 3 shared ownership (2 x 3 bed and 1 x 2 bed).
- 4.3 An independent valuation report was prepared by Brett Gardener to facilitate marketing the homes and setting of rents based on 2.75% of unsold equity of the shared ownership homes.
- 4.4 All the rented homes are now tenanted and the three shared ownership homes have been marketed to those who have expressed an interest in the Council’s Shared Ownership properties and joined our register.
- 4.5 Those who expressed an interest in purchasing a two or three bedroom shared ownership home in the Godalming area were contacted in order of the date of their registration and notified of the availability of these homes.
- 4.6 Affordability checks have been completed and purchasers have been identified for all three shared ownership homes. The properties have been viewed and the initial non-refundable holding deposits taken.

- 4.7 Solicitors have been appointed to act on behalf of the Council to prepare the sale and lease documents and are in a position to progress subject to approval.
- 4.8 Purchasers will instruct their own solicitors to liaise with the solicitors acting on behalf of the Council regarding the sale / purchase of the property.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 Affordable housing is central to community wellbeing. It is consistent with the Council's Corporate Strategy 2020 – 2025, strategic priority to deliver 'good quality housing for all income levels and age groups' and 'Effective strategic planning and development management to meet the needs of our communities.'

As set out in the Build More, Build Better, Build for Life, Affordable Homes Delivery Strategy 2022-2025, the Council is committed to build homes to buy or rent for households from all income levels. The strategy sets out priorities and objectives for the development of new affordable homes by the Council and our partners for the next 3 years.

6. Implications of decision

6.1 Resource

Drafted by: Candice Keet, Senior Accountant

The capital receipt received from the sale of the shared ownership properties will be used to finance the Ockford Ridge development.

6.2 Risk management

Preparation of the appropriate contract documents will mitigate risk.

6.3 Legal

Drafted by: Ian Hunt; Interim Deputy Borough Solicitor

The Council has the relevant legal powers under the Housing Acts to sell shared ownership properties. The legislation secures the framework that the Council and the part owner have with each other to ensure that the respective rights and responsibilities are secured.

The Council in determining sale values must have regard to its best value duties, and can manage this through the obtaining of appropriate valuation and related guidance.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

The New Build contribution to the Council's environmental and sustainability objectives include working with consultants to develop climate positive design and developing carbon off-set opportunities in materials used in construction.

The homes delivered at Laurel Close were net zero in operation, achieving an Environmental Rating of 99 out of 100.

The Housing Development Team work with other teams to identify ways the delivery of the Council's new build and regeneration programme can support delivery of other elements of the Council's Climate Change and Sustainability Strategy and Strategic Carbon Neutrality Action Plan.

7. Other options considered

- 7.1 Cease delivery and sale of shared ownership homes, however this does not meet the priorities set out in the Waverley Corporate Strategy or commitments of the Affordable Homes Delivery Strategy.

8. Governance journey

- 8.1 Executive on 17 January 2023.

Annexes:

Exempt Annexe 1 – Shared Ownership Homes – Laurel Close

Background Papers

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

CONTACT OFFICER:

Name: Louisa Blundell
Position: Housing Development Manager
Telephone: 01483 523205
Email: louisa.blundell@waverley.gov.uk

Agreed and signed off by:
Legal Services: Ian Hunt
Finance: Candice Keet
Strategic Director: Annie Righton
Portfolio Holder: Councillor Palmer