

Waverley Borough Council

Report to: Landlord Services EWG; Co-Portfolio Holder for Housing
(Operations & Services)

Date: 20 July 2023

Ward affected: Bramley & Womersley

Report of Director: Community Wellbeing

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Report Status: Part Exempt

Housing Revenue Account Buy Back of Ex-local Authority Property, Shamley Green

1. Executive Summary

- 1.1 This report seeks approval to buy back an ex-council home in Shamley Green to provide quality housing in an area with high housing need. The property will be utilised through the Easy Move scheme to rehouse a tenant who is under occupying their home and who wishes to downsize, thereby releasing a three or four bed home.
- 1.2 The purchase of the home will be funded from the Housing Revenue Account Buy Back reserve. After two years from purchase the

property will start to make a net income contribution to the Housing Revenue Account.

2. Recommendation to the Co-Portfolio Holder for Housing (Operations & Services)

That the Co-Portfolio Holder for Housing (Operations & Services):

- 2.1. Approves the principle of the buy back on the terms set out in the report, and the use of the Buy Back reserve for this, together with any related professional costs and Stamp Duty Land Tax, and further approves the property being appropriated for Housing Purposes as part of the Housing Revenue Account.
- 2.2. Delegates authority to the Executive Head of Housing to approve the final terms of the purchase.
- 2.3. Delegates authority to the Executive Head of Legal and Democratic Services to approve the final form of wording of any legal agreements related to the purchase.

3. Reason(s) for Recommendation:

- 3.1. To support the Council's ability to meet housing needs in the borough.

4. Exemption from publication

- 4.1. Appendix 1 of this report is to be treated as Exempt from the Access to Information publication rules by virtue of the following paragraphs of Part 1 of Schedule 12A to the Local Government Act 1972:

Paragraph 1: Information relating to an individual

Paragraph 2: Information which is likely to reveal the identity of an individual

Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)

5. Purpose of Report

- 5.1. To delegate authority to the Executive Head of Housing to purchase the property for a mutually agree sum.

6. Strategic Priorities

- 6.1. The report supports the Councils Corporate commitment to promote *“Good quality housing for all income levels and age groups”* and aim to *“be the best council landlord in the South East and to be acknowledged so by our tenants”*

7. Background

- 7.1. The home located in Shamley Green is a 1 bed detached bungalow property built within the 1960s. The property was purchased from the Council in May 2013, under the Right to Buy legislation.
- 7.2. The current owner has approached the Council with an opportunity to buy back the property.
- 7.3. Bungalows rarely become available to let, and are in high demand, especially with tenants who wish to downsize. Over the last 12 months only 4 bungalows in Shamley Green have become available to re-let and received over 220 bids through the choice-based allocation process.
- 7.4. In May 2023, the Council instructed an independent valuation of the property with Clarke Gammon. There is a reserve available specifically for buy back within the Housing Revenue Account.
- 7.5. A further estimated cost will be required to bring the property up to a lettable standard. The required budget for this has already been

secured with the Housing Operations planned works budget allocation for 2023/24

8. Consultations

8.1. The Portfolio Holder for Housing has been consulted.

9. Key Risks

9.1. The purchase of the home does not proceed because the seller withdraws. To mitigate the risk officers have been in regular contact with the seller.

10. Financial Implications

10.1. There is a buy back reserve and the total available is £908,000. The purchase of this property will be funded from this reserve. Any revenue costs will be funded from existing revenue budget within the Housing Revenue Account (HRA). Once let, the rental income from this property will cover the costs of maintenance and any other running costs. From year 2 this property will start to make a net income which will contribute to the bottom line of the HRA business plan and support the long-term sustainability of the business plan.

11. Legal Implications

11.1. The Council is empowered to acquire property in relation to providing social housing, this includes the repurchase of property previously sold under the Right to Buy. In undertaking such purchases the Council has to have regard to its duties of best value and ensure that any purchase represents fair value for money.

12. Human Resource Implications

12.1. No HR implications

13. Equality and Diversity Implications

13.1. This report supports both older people and families to be housed in homes that meet their housing needs.

14. Climate Change/Sustainability Implications

14.1. Works undertaken to the home will ensure the home meets at least an EPC C standard when let.

15. Conclusion

15.1 The purchase of the property will help the Council meet the housing need of its residents and provide a net income to the Housing Revenue Account after 2 years.

16. Appendices

Exempt Appendix 1 – details of the property to be purchased and valuation

Please ensure the following service areas have signed off your report. Please complete this box, and do not delete.

Service	Sign off date
Finance / S.151 Officer	15.06.23
Legal / Governance	21.06.23
HR	N/A
Equalities	N/A
Lead Councillor	
CMB	27/06/2023
Executive Briefing/Liaison	11/07/2023
Committee Services	12/07/2023