

Waverley Borough Council

Report to: Executive

Date: 1 August 2023

Ward(s) affected: Ewhurst & Ellens Green

Report of Director: Place

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Report Status: Open

Housing Delivery - Ewhurst

1. Executive Summary

- 1.1 The purpose of this report is to seek Executive approval to buy back and ex-council home in Ewhurst and to demolish six existing properties ahead of approval of a full business case to deliver a development with a net gain of sustainable homes to meet local housing need.

2. Recommendation to Executive

It is recommended that the Executive approves:

- i. The buyback of one leasehold maisonette on best terms, legally required and reasonably obtainable and the use of the buyback reserve for this, together with any related professional costs and Stamp Duty Land Tax.
- ii. The demolition of existing properties in advance of submission of a full planning application, to mitigate the risk associated with properties with significant movement due to subsidence.
- iii. Giving delegated authority to the Executive Head of Housing in consultation with Executive Head of Finance (S151 Officer) to approve the final terms of the purchase.
- iv. Giving delegated authority to the Executive Head of Legal and Democratic Services to approve the final form of any legal agreements relating to purchase.
- v. The allocation of an £100k budget from reserves to commission consultant services and demolition contractor to demolish the existing properties and associated works. This budget allocation will be included within financial viability appraisal that will accompany the business case for the new build scheme when it is bought forward later in the year.
- vi. Giving delegated authority to the Strategic Director (Place) to enter into any related contractual documentation relating to this demolition stage of this project.
- vii. Giving delegated authority to the Strategic Director (Place) to enter into any ancillary agreements related to the project provided that these are within the allocated budget.

3. Reason for Recommendations:

- 3.1 The homes on this site are not habitable and need to be demolished as they have been deemed dangerous structures under the Building Act 1984. Subject to the buyback of one leasehold maisonette, all the existing properties can be demolished, mitigating the risk of further movement and potential collapse.
- 3.2 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.'

- 3.3 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.
- 3.4 Demolition of the existing homes will leave a clear site to facilitate the delivery of new affordable and sustainable homes at Downhurst Road, Ewhurst.

4. Exemption from publication

- 4.1 Open Report

5. Purpose of Report

- 5.1 To brief Executive on progress made with developing proposals to bring forward the regeneration of 47 – 57 Downhurst Road.
- 5.2 To report on the condition of the existing buildings and the need to acquire one former Council flat and demolish all homes before bringing forward a business case and accompanying viability appraisal for member approval and submission of a full planning application for the delivery of new homes.
- 5.3 To provide background on the and reason behind the request for approval of the allocation of a specific pre-development budget for this project to facilitate procurement of a demolition contractor and the demolition of six existing homes.

6. Strategic Priorities

- 6.1 Affordable housing is central to community well-being. 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.’

6.2 Whilst this report is seeking approvals which will enable commencement of pre-development works the overall project aims to increase the number of affordable homes available for those that are in housing need and registered on the Council's housing register.

7. Background

7.1 Properties at 47 – 49 and 51 – 57 Downhurst Road, including a leaseholder property 55 Downhurst Road have been affected by subsidence and considering the condition of the homes, regeneration of the site where a net gain of homes can be achieved whilst continuing to provide a local area of play, makes the best use of the Council land asset.

7.2 All properties are now void and utility disconnection work has commenced.

7.3 The condition of the properties has been monitored by consultant structural engineers and the movement of the buildings, particularly 47 – 49 Downhurst Road has increased significantly over the last 3 months. Further advice has been recently sought from building control and following their survey a written report confirms this movement caused by clay sub soils which are of hi volume change potential clay and the location of fully mature oak trees which are over 22 meters in high within a few meters of the properties. The report concludes that the properties are now considered dangerous buildings and in need of demolition.

7.4 Using the general pre-development budget, officers have procured and appointed an architect and several other consultants to form the design team who will prepare reports and complete surveys to inform a planning application. Pre-application advice has been sought on the design for the site which is at feasibility stage. Having considered the information provided the planning officer concluded informally that the scheme could be supported subject to further design development and consideration of the impact on the neighbouring amenity.

- 7.5 Officers will continue to work with the design team to develop the scheme to the point where a business case and supporting viability appraisal will be submitted for consideration by members of Executive and Full Council ahead of submission of a full planning application. Information to inform the viability appraisal has been commissioned including provision of build cost estimates and independent valuation of the proposed scheme at feasibility stage.
- 7.6 The Council has instructed an independent valuation of the leasehold property with Brett Gardner. There is a reserve available specifically for buy back within the Housing Revenue Account.
- 7.7 Officers continue to engage with the leaseholder regarding purchase of their property. The leaseholder is also pursuing a claim against their leaseholder insurance policy.

8. Future housing scheme

- 8.1 It is proposed that following demolition of existing properties, the site will be bought forward as a 100% affordable housing scheme of 12 homes.

9. Procurement

- 9.1 Subject to the approval of recommendations made in Section 1 of the report, officers will procure an employer's agent, and a demolition contractor to demolish the homes to leave a clear site ready for delivery of new affordable homes.

10. Key Risks

- 10.1 Delay in demolition of the existing homes, particularly the two homes 47 – 49 Downhurst Road increases the risk their potential collapse.

11. Financial Implications

- 11.1 There is a buy back reserve which the purchase of the leasehold property can be funded from and the total available is £468,895. Any

revenue costs will be funded from existing budget within the Housing Revenue Account. Whilst the purchase of this property will not directly contribute to the bottom line of the HRA (Housing Revenue Account) business plan it will facilitate the delivery of a new build scheme which will support its long – term sustainability.

- 11.2 Demolition of the existing homes removes the Council tax liability. There is also a loss of rental income whilst the regeneration of the site is undertaken, and new homes are delivered.

12. Legal Implications

- 12.1 The Council is empowered to acquire property in relation to providing social housing, this includes the repurchase of property previously sold under 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.
- 12.2 The delegations included in the report enable the buy back of a former Council property, procurement, and appointment of an employer's agent and demolition contractor, to be managed in an effective and co-ordinated way having regard to the budget allocation for the buy back and up to £100k to safely demolish the existing homes.

13. Human Resource Implications

- 13.1 There are no human resource implications.

14. Equality and Diversity Implications

- 14.1 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 Service Equality Duty under the Equality Act 2010.

15. Climate Change/Sustainability Implications

15.1 Through the procurement of the necessary consultants and demolition contractor an assessment of responses will be completed in relation to minimising the carbon impact for this stage of the project.

16. Summary of Options

16.1 Option 1 - Do nothing at this stage and submit the business case for the demolition and delivery of a new affordable housing scheme and subject to that approval.

16.2 Option 2 (preferred option) - Buy back of the former Council home, demolition of all property on the site to mitigate against risk of the collapse of the properties.

17. Conclusion

17.1 The purchase of the leasehold property using demolition of all existing property on the site rebuild to deliver 12 new homes in Ewhurst, Cranleigh.

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	29/06/23
Legal / Governance	29/06/23
HR	N/A
Equalities	N/A
Lead Councillor	26.06.23 & 17.07.23
CMB (Corporate Management Board)	17.07.23
Executive Briefing/Liaison	n/a
Committee Services	24/07/23