

Waverley Borough Council

Report to: Executive – Co Portfolio Holder Decision Meeting
Date: 28 September 2023
Ward(s) affected: Farnham
Report of Director: Community Wellbeing
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Report Status: Part Exempt

Housing Revenue Account Buy Back Ex-Local Authority Property, Weybourne, Farnham

1. Executive Summary

The purpose of this report is to request the approval to buy back an ex-council home in Weybourne, Farnham to provide quality housing in an area with high housing need.

The purchase of the home will be funded from the Housing Revenue Account buy back reserve. After one year from purchase the property

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

2. Recommendation

The Executive - Co Portfolio Holder is asked to:

- 2.1. Approve the principle of the buy back on the terms set out in the report, and the use of the buyback reserve for this, together with any related professional costs and Stamp Duty Land Tax. Further approves the property being appropriated for Housing Purposes as part of the Housing Revenue Account.
- 2.2. Delegate to the Executive Head of Housing to approve the final terms of the purchase.
- 2.3. Grant delegated 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. Partial Exemption. Annexes exempt.

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 Council's 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 Weybourne, Farnham is a 3 bed semi-detached freehold property constructed circa 1960's. The property was purchased from the Council, by a Housing Association in 2012 at a reduced price of £90,000 due to a restrictive covenant in place restricting its use to "sheltered housing or support housing only", as such the property cannot be sold for general housing use, without the covenant being removed.
- 7.2. The current owner has approached the Council with an opportunity to buy back the property.
- 7.3. In Dec 22, the Council instructed an independent valuation of the property with Consultants Perry Hill (annexe 1).
- 7.4. In June 23, following a period of negotiation Perry Hill have recommended the purchase of the property with vacant possession at an agreed purchase price of £215,000 as equitable. (Annexe 2)
- 7.5. There is a reserve available specifically for buy back within the Housing Revenue Account.
- 7.6. The works to bring the property up to a lettable standard will be procured through a competitive tender. The required budget for the works has already allocated from the Housing Operations' planned works budget allocation for 2023/24.

8. Consultations

- 8.1. The Portfolio Holder for Housing has been consulted and has approved the recommendations in the report.

9. Key Risks

- 9.1. The purchase of the home does not proceed because the seller withdraws.

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 1 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. 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 families with children 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 Energy Performance Certificate (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 1years.

16. Background Papers

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

17. Annexes:

Annexe One – Valuation Report – Exempt

Annexe Two – Recommendation letter – Exempt

Annexe Three – DCLG 2012 approval - Exempt

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	CK 30.06
Legal / Governance	IH 30.06
HR	N/A

Equalities	30.06
Lead Councillor	4.07
CMB	11.07
Executive Briefing/Liaison	22 August 2023
Committee Services	