

Waverley Borough Council

Report to: Council

Date: 12 December 2023

Ward(s) affected: Wheeler Street, Witley

Report of Director: Place

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Report Status: Part Exempt

Key Decision: Yes

New Build Housing Delivery - Witley

1. Executive Summary

- 1.1 The purpose of this report is to provide members with details of and seek member approval to the acquisition of three new affordable homes through the S106 on a developer site at Wheeler Street, Witley.

2. Recommendation to Council

- 2.1 The Executive **RESOLVED** to:

- i. Give delegated authority to the Executive Head of Legal and Democratic Services to approve the final form of any legal

- agreements and to Strategic Director (Place) to enter the land and build agreements with the developer.
- ii. Give delegated authority to the Strategic Director (Place) to enter into any related contractual documentation (including collateral warranties or other agreements) relating to the project.
 - iii. Give delegated authority to the Strategic Director (Place) to enter into any ancillary agreements related to the project provided that these are within the project budget.

The Executive **RECOMMENDS** to Council:

2.2 the approval of the allocation of a project budget of £818,253 to be met through a combination of capital receipts and borrowing.

3. Reason for Recommendations:

- 3.1 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.'
- 3.2 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 Delivery of 3 homes on the developer site at Wheeler Street, Witley will help meet local housing need and allocation of a budget by Full Council is required to achieve this.

4. Exemption from publication

- 4.1 Yes Part Exempt – Open Report / Exempt Annex
The content of the Annexes of this report is to be treated as exempt from Access to Information publication rules because information relating to financial or business affairs of any particular person (including authority holding that information) and is therefore

exempt by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

5.0 Purpose of Report

5.1 The purpose of this report is to provide members with details of and seek formal approval to the acquisition of three new homes through, S106 agreement on a developer site at Wheeler Street, Witley and as set out in the recommendations delegation of relevant associated authorities required to do this.

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 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.

6.3 This 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 The Council have acquired land and three new homes on a previous phase of the development of homes at Wheeler Street, Witley. The

homes delivered were well designed and finish at handover by Langham Homes.

7.2 Planning permission is in place for the second phase and an expression of interest made to the developer for the acquisition of land and delivery of three further homes in the second phase of this development was accepted by the developer.

7.3 The expression of interest was made by Waverley Borough Council subject to a number of conditions which are set out in the Business Case which is attached as Exempt Annexe 1 to this report.

7.4 The affordable homes on the site will be for rent at Waverley rent, 70% open market rent.

8.0 Consultations

8.1 Portfolio Holders Housing (Delivery and Operations) and other members of the Executive have been briefed.

8.2 On 14 November 2023, the Overview and Scrutiny Committee (Resources) considered and approved the recommendations set out in this report.

11.0 Financial Implications

11.1 Decisions made regarding budget to acquire the land and new homes will impact on the Council's financial resources. Details of the proposed financing of this scheme and the impact on the HRA Business Plan, NPV and payback period are detailed in the business case attached as Exempt Annexe 1 of the report. All been considered in the financial viability assessment of the scheme and details of this are contained in Exempt Annexe 2 and also included in the Exempt Annexe 3 Development Appraisal, Value for Money Benchmarking Review.

- 11.2 Procurement of consultancy services will be undertaken in accordance with the Council's Contract Procedure Rules and potential use of delegations.
- 11.3 The gross development value for the three homes is £1,080,000.

12. Legal Implications

- 12.1 The Council's internal legal and procurement officers are providing support to the project in relation to procurement of consultancy services to ensure compliance with the Council's legal duties, applicable procurement law and the Council's Procurement Procedure Rules and review of the Heads of Terms and Land and Build agreements which were used for the previous acquisition of the three homes in Phase 1 of the Wheeler Street Development.
- 12.2 The delegations included in the report enable the project to be managed in an effective and coordinated way, having regard to the budget and strategic business case.

13. Human Resource Implications

- 13.1 There are no significant human resource implications. Officers in the Housing Development Team have and will continue to liaise with the internal stakeholders including Home Choice and Property Services Teams prior to handover of the new flats.

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 The developer has provided a copy of the Sustainability Plan for the development which covers sourcing of local materials and reduction of waste from material delivery; design including use of U-value

targets to reach human comfort and MVHR; construction including site waste segregation and target setting and tracking of water, electricity usage; primary heat source remains A rated boilers with heating and cooling MVHR, enhanced airtightness and insulation which will deliver a EPC A rated building.

16. Summary of Options

16.1 The Council could have considered and declined the opportunity to acquire the three homes. Another registered provider could acquire, own and manage the homes, but as the Council already owns the other three affordable rented homes on the first phase of this development, does not currently have any developments in its programme and there is a local need for affordable housing in this area it was considered an opportunity worth expressing an interest in, subject to planning and the developer securing the land for delivery of the development.

17. Conclusion

17.1 The Council is requested to approve the recommendation of the Executive to facilitate the acquisition and delivery of 3 new homes.

18. Background Papers

18.1 None

19. Annexes

19.1 Exempt Annexe 1 – Business case Wheeler Street, Witley and Appendix 1 Valuation Report

19.2 Exempt Annexe 2 – Financial viability assessment (Haverly Consulting)

19.3 Exempt Annexe 3 – Development Appraisal, Value For Money Benchmarking Review (Haverly Consulting)

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	18.09.23
Legal / Governance	03.11.23
HR	-
Equalities	-
Lead Councillor	26.10.23
CMB	19.09.23
Executive Briefing/Liaison	31.10.23
Committee Services	17/11/23