

Waverley Borough Council

Report to: Leader of the Council

Date: 15 February 2024

Ward(s) affected: Farnham and Rowledge

Report of Director: Community Wellbeing

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Executive Portfolio Holder/ Lead Councillor responsible: Nick Palmer Co-Portfolio Holder of Housing (Delivery)/ Paul Rivers co-Portfolio Holder of Housing (Operations)

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Report Status: Part Exempt

Key Decision: Yes

Special Urgency - Purchase of a residential property in Farnham

1. Executive Summary

At the Executive meeting dated 1 August 2023 it was resolved that the council using the Local Housing Funding Scheme will forward financing the acquisition or allocation of property under this scheme.

The principle of purchasing 7 properties on the open market and re-allocating 4 properties from shared ownership to affordable rent at the Ockford Ridge Site C development was agreed.

Approval was given to delegate authority to the Executive Head of Housing

in consultation with the Co-Portfolio Holders of Housing (Delivery and Operations) to approve the purchase of properties to deliver this project and to delegate Executive Head of Housing the authority to tender and enter into any contract to repair or bring up to standard any property purchased under this project.

Delegated authority was granted to the Executive Head of Legal and Democratic Services to approve the purchase of a property in Farnham within the LAHF budget scheme.

It is necessary to enter into a sale agreement with the Seller of the property, a transfer deed and a deed of covenant with the management company to receive and provide the obligations necessary for its services and maintenance of the property.

2. Recommendation to the Leader of the Council

- 2.1 To authorise the urgent purchase of a residential property in Farnham with the deed of covenant with the management company to receive and provide the obligations necessary for its services and maintenance of the property.**

Details of the property to be purchased can be found in Exempt Annex 1 – Property purchase form.

3. Reason(s) for Recommendation:

The Council has been allocated a total of £2,039,531 LAHF funding to provide a maximum of 40% of the cost of each property on the 'Main Element' and up to a maximum of 50% of the costs of the 'Bridging Element' (four bed property.) The use of funding supports the delivery of additional homes for those in housing need whilst reducing the financial impact on the Housing Revenue Account and level of borrowing required.

The principle of buying 7 properties on the open market under the LAHF scheme has been approved by full council on 17 October 2023 (CNL 55/23

A) A budget for each property type was identified as part of the approval of the scheme. This property comes in below the budget for a 2 bed property and meets council criteria for the property purchase under this scheme.

The purchase of each property on this scheme would secure the grant which is required to be 60% committed to spend by the end of March. At this point in time four properties have been found on the open market, rather than the seven properties and margins are tight to meet this 60% grant money to be committed by the end of March element.

Further delays to the purchase of this property may cause this vendor to withdraw from the process.

4. Exemption from publication

Exempt Annex 1 contains exempt information 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).

5. Purpose of Report

5.1 To seek approval for the purchase of this property to support meeting the LAHF funding requirements and mitigate risk of loss of opportunity to purchase the property and associated use of LAHF funding.

6. Strategic Priorities

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.'

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

The Department for Levelling Up, Housing and Communities (DLUHC) introduced a £500 million capital fund – the Local Authority Housing Fund (LAHF) – for local authorities in England to provide accommodation to families with housing needs who have arrived in the UK (United Kingdom) via Ukrainian and Afghan resettlement and relocation schemes. Local authorities (LAs) who have welcomed arrivals are facing challenges in securing settled accommodation for these households, which unless alleviated will further impact existing housing pressures. LAHF will help them to address these immediate pressures as well as build a sustainable stock of affordable housing for the future.

This is a capital grant and there will be no revenue allocation. The timeframe for delivery is very short. The target deadline for delivery is 30 November 2023; however, DLUHC have said that delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and number of families housed. The delivery deadline has been moved to end of March 2024.

Waverley Borough Council is required to enter into a deed of covenant obligating Waverley to take a share of the management company and potentially to be appointed as a director or secretary as noted in the transfer deed of 2004 clause 7 Box 13, and to obtain a covenant from any subsequent transferee in identical terms clause 7.2 and clause 5 of Box 13 to observe and perform the covenants on the part of the transferee of the 2004 deed.

8. Consultations

- 8.1 In accordance with Access to Information Procedure Rule 14.2, the Chairman of the Resources Overview and Scrutiny Committee has been consulted in order to seek agreement that the making of the decision is urgent and cannot reasonably be deferred.
- 8.2 In accordance with Overview and Scrutiny Procedure Rule 11.4 The Mayor, in conjunction with the Monitoring Officer, must agree both

that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.

8.3 Executive Meeting 1 August 2023 EXE 35/23

[Minutes of Executive Meeting 1 August 2023](#)

Council Meeting Dated 17 October - CNL 55/23 - received and noted
Approved Minutes of the Executive Meeting held on 1 August 2023

[Minutes of Council meeting 17 October 2023](#)

9. Key Risks

Property risk - there were no issues from the Homebuyers survey or valuation report carried out by independent commercial surveyors.

Risk of losing the opportunity to purchase this property and secure the LAHF funding.

10. Financial Implications

The Local Authority Housing Scheme will provide up to 40% of the cost of delivering the 'main element' 10 additional homes and 50% of the cost of delivering the 'bridging element' one four bed home. For the Ockford Ridge Scheme, where the proposal is to switch four of the previously Shared Ownership properties to the LAHF scheme, this 40% funding will just replace the 40% of funding which was allocated from 1-4-1 receipts. There is therefore no budget impact on this part of the scheme. The viability has also been reviewed for the Ockford Ridge scheme with updated valuations, rent assumptions and assumptions on borrowing. This results in an improved viability compared to the scheme approved at Council in December 2022. For the proposal to purchase 7 homes on the open market and reallocation of four shared ownership homes to homes let at affordable rent (70% open market rent) a budget of £4,914,060 will be required.

The split of funding for delivery of these homes is set out below.

Funding	
Local Authority Housing Fund	£2,039,531
Borrowing (PWLB (Public Works Loan Board))	£2,897,529

Financial modelling completed in August 2023 demonstrated a positive net revenue impact over the life of the asset (60 years) for both the homes acquired on the open market and new build.

11. Legal Implications

The Council is empowered to purchase property for the purposes of providing housing, as well as securing borrowing to fund this. Whilst the allocation of housing according to this scheme would be outside of the usual housing allocation policy the Leader is able to make the decision to deviate from policy where it is reasonable and proportionate to do so. Particularly if there are good grounds to do this. The Leader can consider the funding provided from central government as a basis for such deviation from policy.

The Constitution of the Council provides for a Special urgency decision.

If by virtue of the date by which a decision must be taken, Rule 14.1 (General exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the chair of the body making the decision obtains the agreement of: (a) the Chair of the relevant Overview and Scrutiny Committee; or (b) if there is no such person, or the appropriate Chair of the Overview and Scrutiny Committee is unable to act, the Mayor; or (c) where there is no Chair of the Overview and Scrutiny Committee or Mayor, the Deputy Mayor, that the making of the decision is urgent and cannot reasonably be deferred.

As soon as reasonably practicable after the decision maker has obtained agreement under Rule 14.2 that the decision is urgent and cannot be reasonably deferred, the decision maker must make available a notice setting out the reasons that the meeting is urgent and cannot be reasonably deferred at the office of the Council and on the Council's website.

Overview and Scrutiny Procedure rule 11.4 provides that the call-in procedure shall not apply where the decision being taken by the Leader is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.

12. Human Resource Implications

Officers in the Housing Development Team have and will continue to project manage / co-ordinate the delivery of the additional homes. At present the work to the properties identified for purchase can be undertaken using existing contracts and managed by the Property Services Team.

13. Equality and Diversity Implications

There are equality, diversity, and inclusion implications in this report, as properties under the LAHF scheme can only be let to households of a specific nationality. The scheme has been introduced by Central Government to enable local authorities in England to provide accommodation to families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. Therefore, homes under the scheme will be let for a fixed term to Afghan and Ukrainian households.

At the end of the fixed period the homes can be brought into general needs stock and let to qualifying households on the Council's housing register.

14. Climate Change/Sustainability Implications

The Council is committed to ensuring our operations are environmentally sustainable and resilient to future change and is aware that procurement of goods, works and services will have environmental implications and is working to reduce and minimise these negative effects where possible. Specification and other tender documentation relating to the procurement of goods, works and services for the delivery of the additional eleven homes will include environmental and societal consideration.

Energy efficient improvements will be considered a priority when assessing the properties acquired and any improvements to improve the EPC (Energy Performance Certificate) rating when the works have been completed.

16. Suggested issues for overview and scrutiny

It is requested a key decision be made by the Leader in place of the approved delegated authority of Susan Sale. The urgent purchase of this property will assist with the tight programme of the LAHF funding scheme. Special Urgency decisions are not subject to call-in.

17. Summary of Options

Do nothing – notify the vendor of the property that the Council no longer wishes to pursue the purchase.

Obtain the necessary approval as requested above to facilitate prompt acquisition of this property and use of LAHF funding to support the acquisition.

18. Conclusion

It is requested that the committee consider the report and information within Exempt Annexe 1 and approve the recommendations as set out in Section 2 of this report.

19. Background Papers

Executive Report for Executive meeting 1 August 2023

[Committee Documents - 2023-08-01 - Democratic View \(sharepoint.com\)](#)

Executive Decisions 01/08/2023 -Exe 35/23 - [Decisions 01st-Aug-2023 18.00 Executive.pdf \(waverley.gov.uk\)](#)

Council Meeting Dated 17 October - CNL 55/23 - received and noted
Approved Minutes of the Executive Meeting held on 1 August 2023 Printed
minutes: [Agenda Template \(waverley.gov.uk\)](#)

20. Appendices

Annex 1 – Exempt – Property Purchase form.

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	
Legal / Governance	
HR	
Equalities	
Lead Councillor	
CMB	
Executive Briefing/Liaison	
Committee Services	