

Brighton & Hove City Council

Cabinet

Agenda Item 32

Subject: Housing Supply Report – update on potential acquisition

Date of meeting: 18 July 2024

Report of: Cabinet Member for Housing & New Homes

Contact Officer: Name: Martin Reid, Acting Corporate Director – Housing, Care and Wellbeing (Housing Lead).

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Ward(s) affected: Rottingdean & West Saltdean

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000.

For general release

1. Purpose of the report and policy context

- 1.1 The Council is committed to increasing affordable housing supply in the city, in particular the provision of additional council homes. As well as new build schemes the Council has an active acquisitions programme which includes buying back homes sold through the right to buy and seeking opportunities to increase social housing stock by buying off plan from developers.
- 1.2 The proposal in this report aligns with the Council Plan 2023-2027. In particular Priority 2 *A fair and inclusive city* and Outcome 3 *'Homes for everyone'*, which sets out a commitment to *'increase the number of new affordable homes delivered by the council and other registered providers.'*
- 1.3 This report presents to Cabinet an off plan purchase opportunity for the Council to acquire 21 homes in Nicolson Place and Vaughan Williams Way, Rottingdean. These form part of the former St Aubyns School, High Street, Rottingdean site and comprise the rented element of the affordable homes provided at this scheme. The opportunity enables the Council to meet a range of housing need by purchasing homes within a new build development that provide a mix of general needs accommodation including wheelchair accessible housing.

2. Recommendations

- 2.1 Cabinet agrees to the Council making a formal offer to purchase 21 homes at Vaughan Williams Way and Nicholson Place, Rottingdean for a sum to be negotiated up to the maximum set out in the Part 2 paper and agrees the budget required as outlined in the Part 2 paper to support this purchase.

- 2.2 Cabinet delegates authority to the Acting Corporate Director – Housing, Care and Wellbeing (Housing Lead) in consultation with the Cabinet Member for Housing & New Homes to take the steps necessary to agree and complete: (a) the purchase of 6 houses 15 flats on the terms set out in the Part 2 paper and (b) any other relevant ancillary legal and financial documents necessary to deliver the project and to give effect to recommendations 2.1 and 2.2.

3. Context and background information

- 3.1 The Council's Home Purchase Policy includes options to undertake off plan purchases where viable. Off plan means properties already built or in the process of being built by a developer rather than those built by the Council itself through its direct delivery programmes.
- 3.2 This development at the former St Aubyns School site, High Street, Rottingdean was granted planning permission in 2018 including an affordable housing element of 37 homes (40%). This included 21 homes for rent and 16 homes for low cost ownership. Arrangements were made with a Registered Provider to take on all of the homes but this did not progress. An alternative provider expressed an interest in purchasing the low cost ownership homes but not these rented homes. The developer therefore reviewed options for the scheme and entered into discussions with the Council to complete the purchase of the rented homes. These homes are located in Nicholson Place and Vaughan Williams Way.
- 3.3 The properties available for purchase are:

Type	Size	Number
1 bed flat/2 Persons	59 – 61sqm	9
2 bed flat/4 Persons wheelchair accessible	74-77sqm	4
2 bed flat/4 persons	74sqm	2
2 bed house/4 persons	85sqm	1
3 bed house/5 persons	102sqm	3
3 bed house/6 persons	104sqm	2
Total		21

- 3.4 The proposed properties include four wheelchair accessible homes. The scheme meets Part M of the building regulations and Lifetime Homes requirements and can be adapted to suit current and future demand. There are 21 parking spaces provided for the rented homes. In addition, 18 of the 21 homes have solar photovoltaic panels installed (either on the individual dwelling or on the block).

- 3.5 The Council commissioned an independent 'Redbook' valuation (a valuation report that adheres to the Royal Institution of Chartered Surveyor's Valuation Professional Standards). The details of the valuation are set out in the Part 2 paper. The Council's Estates Team also reviewed and validated the valuation on 7 June 2024.
- 3.6 An independent technical condition and specialist reports have been commissioned to support a decision. They focused on the critical areas of fire safety and compliance, mechanical and electrical systems, and drainage. The properties are being sold with a twelve-year structural warranty. Investigations will be ongoing however no significant concerns have been raised at this stage, in particular around any extensive works the Council may have to undertake post any completion of purchase to align homes to council standards and specifications. We are confident that the developer would work to resolve any unforeseen issues should they arise prior to purchase. Any purchase will be subject to contract and any outstanding works to be completed would be formalised during the conveyancing process.
- 3.7 The Council would also propose to undertake some additional works to the properties to bring them in line with other council dwellings. This includes installation of a door entry system on the block of flats, installation of automated door openers, solar photovoltaic monitoring system and an allowance for CCTV if required. We have included these works in our financial viability modelling.
- 3.8 It is proposed to use the homes for general needs housing providing new permanent social rented housing in the city. A lettings plan will be considered to ensure these homes can be used for instance as an option for tenants on our Housing Register under occupying their existing property and wishing to transfer and downsize.

4. Analysis and consideration of alternative options

- 4.1 There has been no interest from Registered Providers to purchase the rented homes. If the Council decided not to proceed with a purchase, we understand that the developer would need to seek a variation to on-site provision and move to payment of a commuted sum instead which would need to be agreed by Planning Committee. This is in line with the Council's Affordable Housing Brief. The commuted sum would then be used to support the Council's direct delivery and/or purchase programme.
- 4.2 Moving to a commuted sum enables the Council to support its own supply programmes and we have utilised other commuted sums to positive effect. However, this will mean that our priority for on site provision of affordable rented homes is not achieved. On site delivery remains the Council's preference wherever feasible.

5. Community engagement and consultation

- 5.1 Statutory consultation was undertaken as part of the planning process. The Parish Council and local Ward Councillors have been notified of this opportunity.

6. Financial implications

- 6.1 Detailed financial implications can be found in the part 2 report.

Name of finance officer consulted: Craig Garoghan Date consulted: 20/06/2024

7. Legal implications

- 7.1 Section 17 of the Housing Act 1985 allows local housing authorities to acquire houses for housing purposes. The council is a local housing authority for the purposes of the legislation.

Name of lawyer consulted: Liz Woodley Date consulted 27/06/24

8. Equalities implications

- 8.1 The purchase of these homes enables the Council to increase its supply of council housing. Through allocating these homes to applicants on the Housing Register it will ensure housing need is met which in turn will help redress inequalities and reduce poverty for those households.

9. Sustainability implications

- 9.1 The properties have an Energy Performance Certificate rating of B and C. 'C' is the minimum standard set for energy efficiency by the emerging Asset Management Strategy and Energy Strategy for the existing council owned stock. The properties have electrical heating with heat pumps and will benefit from other insulation measures. The potential cost of heating these homes is in line with other new build developments such as Denman Place, Coldean. These costs are variable depending on the size of the property, usage, tariffs and whether solar photovoltaic panels are installed. 18 of the 21 properties have solar photovoltaic panels with 12 of these homes having these directly on their own properties. This will help reduce energy bills for households.
- 9.2 Active travel will be promoted to new residents through the travel plan including access to car club membership, bike purchases and bus passes. The site has electrical charging points throughout the site and cycle stores.

10. Health and Wellbeing Implications:

- 10.1 There are strong links between improving housing, providing new affordable homes and reducing health inequalities.

Other Implications

11. Procurement Implications:

11.1 There are none arising from this report.

12. Crime and Disorder Implications:

12.1 There are none arising from this report.

13. Conclusion

13.1 The proposed purchase of these homes enables the Council to pursue its aims to increase affordable housing in the city in line with the Council Plan 2023-27 and purchase affordable homes secured through the planning process. It provides an opportunity to acquire 21 high quality homes in a mixed development in one transaction. They are ready to occupy with minimal additional investment and without the additional uncertainty and delay of construction. Financial viability assumptions have demonstrated that this purchase will provide value for money as outlined in Part 2 of this report.

Supporting Documentation

There are none.

