

## Decision under Delegated Powers

### Transferring of 27 Affordable Dwellings, Barkby Road, Queniborough

#### Officer Requesting Decision

Beverly Wagstaffe, Housing Strategy and Support Manager

#### Officer Making the Decision

Alison Simmons, Head of Strategic and Private Sector Housing

#### Recommendation

1. That the Council acquires 27 dwellings from Davidsons Homes at Barkby Road, Queniborough in return for a total payment of £27,073 to be paid in 3 stages to be owned for rent within the Housing Revenue Account and for the Council to formerly Exchange Contracts.
2. That the Council Completes transfer of the properties in 2 Phases, as set out in the background section.

#### Reason

1. To increase the Council's housing stock within the Borough and to meet identified housing need.
2. Davidsons are building the homes on the Site in 2 Phases, as set out in the background section.

#### Authority for Decision

Under section 8.3 of the Constitution the Head of Strategic and Private Sector Housing has delegated authority to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a condition survey, an independent valuation, standard legal checks, and meets identified housing needs.

The Development Agreement is to be executed as a Deed by affixing the Council's Common Seal and signed by the Head of Strategic Support.

#### Decision and Date



Alison Simmons  
Head of Strategic and  
Private Sector Housing

5th April 2019 .

## Background

Davidsons Homes approached the Council in November 2016 with an alternative model to deliver the affordable housing, as they were not able to secure a Registered Provider to purchase the affordable housing at their Barkby Road development in Queniborough.

The S106 Agreement was varied by a Deed of Variation, signed 30<sup>th</sup> May 2017 to provide for 27 units to be gifted to the Council for Social Rent/Affordable Rent for the consideration of £1 per property.

Legal Services appointed Browne Jacobson legal experts, who have prepared a Development Agreement for the transfer of the units.

The Development Agreement includes for additional works requested by Landlord Services to bring the properties up to the Charnwood Standard. These works include turf to the rear gardens, curtain batons, vinyl flooring to kitchen and bathroom areas, doorbells and small patio areas as appropriate. The total cost of these additional Works amounts to the sum of £27,046 and incorporated into the Development Agreement.

A summary of the costs for each property type is set out below:

Phase	Property Type	Property Reference	Number of Units	Cost Per Property Type including £1 Consideration	Total Cost
Phase 1	1 Bed Flats	SH14	8	£958	£7,664
Phase 2	1 Bed Quarter House	SH10	4	£908	£3,632
	2 Bed Bungalow	SB21	2	£885	£1,770
	2 Bed House	SH24	8	£995	£7,960
	3 Bed House	SH34	4	£1,191	£4,764
	3 Bed House	SH35	1	£1,283	£1,283
			<b>27</b>	<b>Total</b>	<b>£27,073</b>

Properties will be transferred to the Council in 2 phases.

- Phase 1 (8 units)
  - 8 x 1 bed flats
- Phase 2 (19 units)
  - 4 x 1 bed quarter houses
  - 2 x 2 bed bungalows
  - 8 x 2 bed houses
  - 5 x 3 bed houses

Based on Davidson's current build programme, Phase 1 will be ready for handover in early Spring 2019 and Phase 2 in early Spring 2020.

Standard legal checks have been satisfactorily completed.

The 27 units are new build and are not yet complete. Property valuations are to be carried out at the point of handover to determine the value of the properties for the purposes including on the Council's Insurance Policy and for calculating the rents.

Landlord Service's, Project Building Surveyor Team Leader is acting as Clerk of Works on site for the 27 units to be gifted to the Council and will inspect the condition of the properties prior to handover at Practical Completion. The properties will be subject to a 12 month Defects Liability Period and covered by a NHBC warranty.

The 27 units will contribute towards meeting an identified need for affordable homes for rent in Queniborough and the surrounding area.

### **Financial Implications**

The Development Agreement provides for Davidson's to be paid in 3 stages as set out below:

Exchange of Contracts	£2.70
Phase 1 Completion	£7,663.20
Phase 2 Completion	£19,407.10
<b>Total</b>	<b>£27,073.00</b>

The total cost of acquiring these properties is £27,073 (£27 + £27,046).

The properties are to be transferred to the Housing Revenue Account for Social Rent and funded from a virement of £27,100 from Z762 Z0102 Major Void Works Fortem.

### **Risk Management**

No risks have been identified with this decision.

**Key Decision:** No

**Background Papers:** DD021 17/18 Deed of Variation