

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 09 October 2023

<b>Portfolio:</b>	Housing
<b>Subject:</b>	<b>Town centre property acquisition for affordable housing provision</b>
<b>Report of:</b>	Director of Housing
<b>Corporate Priorities:</b>	Providing Housing Choices

#### **Purpose:**

To enable a bid to be concluded for the acquisition of a town centre property, which will assist the Council in meeting its affordable housing need.

#### **Executive summary:**

An opportunity has arisen for the Council (in its role as housing provider) to seek to acquire the freehold of a property in Fareham town centre. The site is well located and suited to provide a redevelopment opportunity, providing much needed affordable homes (most likely for the purposes of temporary and emergency accommodation).

The redevelopment of the site will also provide regeneration benefits to the town centre.

The opportunity to provide temporary and emergency accommodation will provide a better housing solution for customers in a more cost-effective manner.

#### **Recommendation**

It is recommended that the Executive:

- (a) agrees, in principle, that the Council seeks to acquire the property, as set out in the Confidential Appendix to this report; and
- (b) delegates authority to the Director of Housing, following consultation with the Executive Member for Housing, to agree the final acquisition cost and terms of purchase, subject to the purchase being within affordable levels.

**Reason:**

To enable the Council to proceed with a formal offer to acquire a town centre property, to help fulfil its housing duties.

**Cost of proposals:**

The acquisition costs, together with indicative sources of funding, are explained in Confidential Appendix A to this report.

**Appendices:**            **A:** Confidential Appendix\*

\* Commercially exempt from publication

It is not in the public interest to publish this information as revealing the budget values would harm the Council's ability to achieve best value in negotiating a favourable price for the purchase of the property. Disclosure of any details prior to any exchange of contracts may result in a weak negotiating position for the Council and potentially jeopardise the successful completion of the transaction.

**Background papers:**   None

**Reference papers:**     Homelessness and Rough Sleeping Strategy

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### Executive Briefing Paper

<b>Date:</b>	09 October 2023
<b>Subject:</b>	Town centre property acquisition for affordable housing provision
<b>Briefing by:</b>	Director of Housing
<b>Portfolio:</b>	Housing

#### INTRODUCTION

1. The Council has faced a consistently high level of demand for temporary and emergency accommodation in recent years. This has resulted in unprecedented levels of expenditure on B&B and emergency accommodation, often in placements outside of the Borough, with costs in the current financial year in the region of £150,000 per month to date.
2. A key action in the Council's Homelessness and Rough Sleeping Strategy is to increase the number of self-contained units available to households requiring emergency and temporary accommodation. More accommodation in the Borough for this purpose will be better for customers and also avoid some of the cost currently incurred by the Council for B&B use.

#### TOWN CENTRE PROPERTY OPPORTUNITY

3. The town centre property subject of this proposed acquisition is centrally located within Fareham. It is within easy walking distance of shops, amenities, local service providers, and public transport. Currently in private ownership, the owner is looking to dispose of the freehold of the property.
4. At this stage Officers do not consider that a conversion of the existing buildings would be appropriate. Instead, a comprehensive redevelopment to include retail frontage at the ground floor and circa 20-25 residential units to the rear/above is considered the most appropriate and viable approach. Subject to planning consent, a redevelopment could provide a positive impact to the public realm and design quality in this location and contribute to the regeneration of the town centre.
5. A redevelopment at this site is well suited for affordable homes, most likely for emergency/temporary accommodation. The property is a short walk from 92 Gordon Road which is currently in use for emergency housing. This proximity could allow cost effective management between the sites.

## **FINANCIAL & OTHER CONSIDERATIONS**

6. Solutions need to be found to the ongoing need and cost for emergency and temporary accommodation. As well as being costly B&B use often doesn't best serve the customer. Many placements are out of the Borough and/or do not include proper cooking or laundry facilities. The acquisition and redevelopment of this site will support providing housing choices in line with the Corporate Strategy and allow for a purpose-built design that best serves need.
7. The costs associated with the potential acquisition of the site are outlined in Confidential Appendix A. It is considered that the acquisition can be achieved at an affordable level, whilst taking account of demolition and redevelopment costs.
8. This report focuses on the acquisition of the property. Should the property be subsequently purchased by the Council then redevelopment plans for the site will be developed and submitted to the Council in its role as Local Planning Authority. A report will also separately be brought to the Executive concerning the funding mechanisms to support the redevelopment of the site for housing purposes.
9. Normally Homes England Grant would not be available for acquisitions/developments that provide for emergency/temporary housing. However, Officers will have further discussion with Homes England on this matter and maximise any grant opportunity should it be available.

## **NEXT STEPS**

10. Officers will liaise with the owner of the site with a view of reaching an acceptable resolution and terms of sale, and thereafter completion.
11. Officers from Housing, the Council's Asset Management Team, and the Finance Business Partner for Housing, will continue to be involved to ensure the intentions for the site can be achieved within affordable levels.

## **CONCLUSION**

12. The Council has and continues to experience a high demand for emergency and temporary accommodation. The redevelopment of this site by Fareham Housing is an opportunity to provide a more suitable alternative to B&B use. This will benefit customers in need of a housing solution, and reduce the on-going costs incurred by the Council.
13. The Executive is asked to agree the principle of seeking the acquisition of this site, and delegate authority to Officers to conclude the purchase, subject to the Council's offer being acceptable to the vendor.

### **Enquiries:**

For further information on this report please contact Robyn Lyons (Director of Housing) on 01329 824305