

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 07 December 2021

<b>Portfolio:</b>	Housing
<b>Subject:</b>	<b>Fareham Housing Disposal at 12 Hartlands Road and development of land adjacent to 51 Bellfield</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	Providing Housing Choices

**Purpose:**

To obtain approval from the Executive for the disposal of 12 Hartlands Road.

To seek approval for the funding arrangements to deliver 1No. 3 or 4 bed Affordable Rent home on land adjacent to 51 Bellfield.

To also seek approval of the process toward the appointment of contractors for the scheme.

**Executive summary:**

This report asks the Executive to approve the disposal of 12 Hartlands Road through the open market and to use the net proceeds of the disposal toward the provision of new, greener, affordable housing in the Borough.

At its meeting of 06 April 2009, the Executive approved the budget to undertake improvement works to 12 Hartlands Road and change its use into temporary accommodation. The intention was to then sell the property once the housing market had recovered. With the current condition of the property and recent improvements to the housing market, the opportunity has arisen to fulfil the 2009 Executive decision.

This report also seeks approval for the funding arrangements to deliver affordable housing on land adjacent to 51 Bellfield.

**Recommendation:**

It is recommended that the Executive:

- (a) approves the disposal of 12 Hartlands Road;
- (b) delegates authority to the Deputy Chief Executive Officer for the approach to establish the best route to sale be it via auction or the open market;
- (c) delegates authority to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to accept the best offer (if open market sale);
- (d) approves the use of the net proceeds to improve existing, or fund further delivery of, greener affordable housing in the borough.
- (e) approves the funding mechanisms, as outlined in the confidential Appendix A attached to this report, for the delivery of the Bellfield scheme.
- (f) agrees that the award of contract and the appointment of building contractor for the Bellfield site be delegated to the Deputy Chief Executive Officer, following consultation with the Executive Member for Housing.

**Reason:**

To ensure the disposal of 12 Hartlands Road and the funding arrangements to deliver the Bellfield site, are acceptable. This will enable a time efficient process to deliver the scheme when formal planning consent is available.

**Cost of proposals:**

The sale of 12 Hartlands Road will secure a Capital Receipt for the Council. Initial marketing costs may be required when the properties are placed on the open market.

The total estimated cost to deliver the Bellfield scheme is outlined in the accompanying Confidential Appendix. Sufficient funds are available from the sources outlined to meet the cost.

**Appendices:**                      **A:** Funding arrangements (confidential)

**Background papers:** None.

**Reference papers:**              Affordable Housing Strategy (2019)  
Confidential Executive Report 6 April 2009

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## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	07 December 2021
<b>Subject:</b>	Fareham Housing Disposal at 12 Hartlands Road and development of land adjacent to 51 Bellfield
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	Housing

#### INTRODUCTION

1. The adopted Affordable Housing Strategy recognises the ongoing affordable housing need in the borough. As part of a rolling programme of new affordable housing, an opportunity has been identified to develop a new property in Bellfield, Titchfield. This area is in high need of larger, family sized accommodation.
2. In order to facilitate new affordable housing, approval for the disposal of 12 Hartlands Road is requested. The condition of the property and the replacement of the heating system are such that the benefits of renovation are outweighed by the costs.

#### DISPOSAL OF 12 HARTLANDS ROAD, FAREHAM

3. 12 Hartlands Road is a 3-bedroom end of terrace property situated within the town centre. It is of a standard construction and built in the late 1800s. The age of the property has meant that many improvements have been necessary over the years.
4. At its meeting of 06 April 2009, the Executive approved the budget to undertake improvement works to 12 Hartlands Road and change its use into temporary accommodation. The intention was to then sell the property once the housing market had recovered. The capital costs were met from the General Fund Housing Capital Programme and were offset by an increase in rent.
5. The improvement works were to remedy problems that are common with an older property. They consisted of remedying damp issues, replacing joints and sections of flooring, fixing the roof and redecoration throughout. In addition, it was decided to pilot an air source heat pump (ASHP), solar panels and solar water heating.
6. When initially installed, the standards for the ASHP were different to what they are now. The ASHP is now considered undersized for the property and in recent months has been showing extensive wear and tear. Even with the solar panel, water heating and ASHP the property only has an EPC rating of D. For context, recent Government funding for energy improvements expects a rating of at least C after all measures have been implemented.

7. The energy costs for this property are now too high for tenants because of the issues with the heating system. The property is now vacant and will remain so until the heating system is replaced. Should the opportunity arise again, more in-depth surveys, such as those currently being undertaken on some of our housing stock, would be undertaken before fitting a property of this type with alternative heating. Now the housing market has recovered, the opportunity to implement the 2009 Executive decision has presented itself.
8. It is proposed that 12 Hartlands Road is disposed of on the open market or through auction. Rather than incur high costs to repair the property, the Capital Receipt could be used to deliver affordable housing in other areas.
9. When disposing of property, the Council must ensure it follows the procedures set out in its Disposal Strategy and its Financial Regulations. In accordance with these documents, confirmation that this disposal aligns with the overall Property Strategy has been given by the Director of Planning and Regeneration.
10. Being an individual domestic property, the process for the sale of 12 Hartlands Road will be similar to that of a private vendor. The house will be placed either on the open market or through an auction. The best approach will be determined based on agent's advice/fees and by setting a reserve price, if auction was determined as favourable.
11. The property will need to be valued and quotes for managing the sale obtained from estate agents. It has been recognised that there may be economic implications in the wake of the Covid-19 pandemic. A sensible decision around the sale of the property will be made in partnership with the Finance Business Partner and the Asset Management team.

## **REDEVELOPMENT OF LAND ADJACENT TO 51 BELLFIELD**

12. The properties at Bellfield were built under the Addison Act (the Act making building new housing a national responsibility through local authorities) in the 1920s. All of the houses in Bellfield have larger than average sized gardens. Although number 51 does not have the length of some of its neighbours, it is of a size that could accommodate another dwelling to the side of the plot.
13. It is proposed to build one 3 or 4 bedroom (dependant on what is achievable) affordable rent home. This property will be used to house a family on the Council's Housing Register. There is a high need for larger accommodation in Titchfield and the Bellfield area is a very popular location.
14. It is proposed that this site also incorporates eco solutions, such as solar panels. However, a feasibility study will be undertaken to fully explore the greener possibilities at this site during the design stage.
15. Further information relating to the funding of this development is provided in the Confidential Appendix attached to this report. The development at Bellfield is expected to be funded by Section 106 monies and/or the capital receipt for 12 Hartlands, held for the purposes of affordable housing delivery.

## **FUNDING AND CONTRACTOR APPOINTMENT**

16. To ensure that the scheme is delivered efficiently it is important that progress can quickly be made toward construction. Executive approval is sought for the Deputy Chief Executive Officer to have delegated authority to appoint contractors for the site, at a

level not in excess of that outlined in the Confidential Appendix attached to this report, following consultation with the Executive Member for Housing.

17. The tender process to appoint a contractor will be undertaken in accordance with the Council's Procurement and Contract Procedure Rules (October 2018). It is likely that a closed tender approach will be used, by inviting a minimum of three appropriate contractors to tender. Contractors will be subject to pre-qualification questions to ascertain they are eligible to tender, and the list of selected contractors to quote will be informed by the market knowledge, understanding and experience of Officers in the Council's Asset Management team.
18. The main consideration in the appointment will be value for money but it will not be the sole consideration. It will also be important that a good working relationship with the Council is maintained and a quality build is achieved in a timely manner. This will all be managed appropriately through the tender process.

## **TIMINGS OF DELIVERY**

19. The timings of the delivery remain approximate and dependant on several factors. The sites will be progressed in the short term with the planning application for Bellfield expected to be submitted in the early part of 2022. If planning consent is achieved, detailed technical designs will be produced by the Architect, an Employers Agent will be appointed, pre-qualification procurement requirements undertaken, detailed requirements for the build identified and, when appropriate, the full contractor tender process undertaken.

## **Enquiries:**

For further information on this report please contact Fleur Allaway (Ext 4304)