

Redditch Council Property Acquisition

Relevant Portfolio Holder	Councillor Bill Hartnett
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Judith Willis
Report Author	Job Title: Amanda Delahunty Contact email: Contact Tel:
Wards Affected	All
Ward Councillor(s) consulted	All
Relevant Council Priority	Community & Housing
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee RESOLVE that: -

- 1.1 The option to acquire a package of twelve affordable housing units from a developer to increase council housing stock to support the Council Housing Growth Programme be approved.**
- 1.2 Authority be delegated to the Deputy Chief Executive and S151 Officer and the Assistant Director of Communities and Housing, following consultation with the Portfolio Holder for Housing and the Portfolio Holder for Finance, to agree expenditure within the approved budget in the Housing Capital Growth Programme.**
- 1.3 The properties are acquired to be let at a social rent commensurate with the Council's Housing Capital Growth Programme.**

2. BACKGROUND

- 2.1 The Council has the opportunity to acquire 12 properties which are part of the section 106 obligation from the developer. Officers have instructed a RICS valuation to be undertaken which has been used to inform a proposed purchase offer to the developer.
- 2.2 The developer has provided background information relating to the number of units and a schedule of accommodation including the size of the units.

- 2.3 We have carried out general external viewing of the location but the units have not been built so we have assumed for the purpose of this viability assessment that the units will be fully occupied by tenants on a social rented basis.

The accommodation will provide:

House Type	Number
2 Bed 3 Person	8
3 Bed 4 Person	4

- 2.4 The site which is part of a wider development area which is well served by local amenities and has good access to Redditch Town centre. The units were originally identified for shared ownership, however the social rented housing on the site has already been negotiated for purchase from another registered provider and the developer has been unable to agree a purchase on the shared ownership element.
- 2.5 The Council has ensured that all Registered Providers that operate locally have been given an opportunity to purchase these properties. There has been no expressed interest.
- 2.6 The Redditch Homes Housing Register shows a need for these properties. As at May 2025 there were 926 families on the register with a 2-bed need and 799 families with a 3-bed need. Our Allocations Manager is fully supportive of this proposal.

RBC Live Applications:	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total:
Band 1	5	28	39	38	15	125
Band 2	15	40	74	79	28	236
Band 3	24	288	347	164	6	829
Band 4	36	53	59	21	0	169
Band 5	449	477	235	31	6	1198
Band 6	46	40	45	4	0	135
Total	575	926	799	337	55	2692

3. OPERATIONAL ISSUES

- 3.1 The Council has employed two Housing Development Officers to undertake viability assessments and deal with developer negotiations and will manage the onward construction and purchase of these properties.

4. FINANCIAL IMPLICATIONS

- 4.1 The HRA business plan has provision of £15 million up to 2030 for additional stock. The cost of this acquisition will be funded by one for one capital receipts. The council will be seeking to charge social rent wherever possible.
- 4.2 A Social Rent will give an annual rental income of £81,681. The Local housing allowance rent would give an annual rental income of £98,130.34. An Affordable rent at 80% market rent would give us an annual rental income of £144,000.
- 4.3 Details in respect of the anticipated acquisition price are exempt and detailed in Appendix 2 to the report.

5. LEGAL IMPLICATIONS

- 5.1 Housing Act 1985 part 2 permits local authorities to build/acquire new housing. The properties fall under a section 106 agreement for the provision of affordable housing and currently comprise the shared ownership element. The developer has exhausted the list of social housing providers who operate in the area. Whilst one registered provider has agreed to purchase the social rented element, none of the providers were interested in purchasing the shared ownership properties.
- 5.2 The developer will need to apply for a deed of variation to the Section 106 to be completed for the council to purchase these for social rented accommodation. The variation application will need to be reported to the Planning Committee, for decision by Members

6. OTHER – IMPLICATIONS

Local Government Reorganisation

- 6.1 This development programme should not be impacted by local government re-organisation. The government have announced they will continue to deliver high quality and sustainable services for residents.

Relevant Council Priority

- 6.2 The provision of additional council housing positively impacts on all strategic purposes:
- Economy, regeneration & prosperity
 - Green, clean & safe
 - Community and Housing

Climate Change Implications

- 6.3 The properties have been built to EPC B rating. The properties are currently under construction and likely to be completed October/November 2025. There may be opportunities to improve this rating that will be fully explored by the Housing Development Team.

Equalities and Diversity Implications

- 6.4 Increasing the Council's housing stock will assist in the provision of affordable housing in the Borough to meet housing need.

7. RISK MANAGEMENT

- 7.1 In addition to the twelve month defects period, properties will benefit from a 10 year NHBC warranty.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Exempt Information

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Bill Hartnett Portfolio Holder for Housing	17/6/25
Lead Director / Assistant Director	Judith Willis Assistant Director Community and Housing Services	17/6/25
Financial Services	Bob Watson Deputy Chief Executive and Section 151 Officer	17/6/25
Legal Services	Claire Felton	17/6/25

	Legal, Democratic and Procurement Services	
Policy Team (if equalities implications apply)	N/A	
Climate Change Team (if climate change implications apply)	Matt Eccles, Climate Change Manager	17/6/25