

EXEMPT MINUTE – NOT FOR PUBLICATION

Minutes of a meeting of the **SOUTH HOLLAND DISTRICT COUNCIL** held in the Council Chamber, Council Offices, Priory Road, Spalding, on Wednesday, 27 September 2023 at 6.30 pm.

PRESENT

A R Woolf (Chairman)
J Whitbourn (Vice-Chairman)

B Alcock	L J Eldridge	S-A Slade
D Ashby	R A Gibson	E J Sneath
P Barnes	A Harrison	T Sneath
A C Beal	M Hasan	A Spencer
H J W Bingham	S Hutchinson	G J Taylor
M D Booth	J Le Sage	A C Tennant
C J T H Brewis	M Le Sage	J Tyrrell
T A Carter	P A Redgate	D J Wilkinson
A Casson	J L Reynolds	C N Worth
S Chauhan	I Sheard	

Apologies for absence were received from or on behalf of Councillors J R Astill, J Avery, N Chapman, M Geaney and J L King.

In Attendance: The Joint Chief Executive, the Deputy Chief Executive – Programme Delivery, the Assistant Director – Governance (Monitoring Officer), the Assistant Director – Strategic Growth and Development, the Head of Delivery, the Democratic Services Officer and the Democratic Services Officer.

50. **REPORT FROM CABINET MEETING ON 12 SEPTEMBER 2023 AND SPECIAL CABINET MEETING ON 26 SEPTEMBER 2023**

The recommendations from the Report from Cabinet Meeting on 12 September 2023 and Special Cabinet meeting on 26 September 2023 had been approved at agenda item 10. Members were given the opportunity to ask questions regarding the Review of HRA Capital Programme and purchase of S106 homes in Weston item in closed session.

- Members referred to the legal costs of £30,500 stated at Appendix A and asked whether a better deal could be negotiated.
 - The Head of Delivery responded on behalf of the Portfolio Holder for Strategic Housing and stated that whilst a package deal could be sought with a single legal firm, this presented risks regarding capacity when most needed. The nature of house purchases by the council brought complexities, such as the inclusion of contractual obligations, which required the services of specialist conveyancing firms. The council therefore only commissioned specialist conveyancing firms who

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would often be required to execute multiple exchanges of contracts on the same day. Using a range of specialist legal providers ensured sufficient legal capacity to enable contractual exchanges to take place without delay. Several quotes were obtained from solicitors to ensure good value was achieved.

- Members queried the value of properties which had been purchased at £2,190,250 but the Red Book Value was £3,223,000. Why was there such a differential in the two values?
 - The Head of Delivery responded on behalf of the Portfolio Holder for Strategic Housing and stated that the Red Book Value was an open market valuation should the properties be free from any restrictions. The Council had secured a discount for Affordable Homes but restrictions set out in the section 106 agreement limited the value due to the nature of the restrictions on the properties.
 - The Red Book valuation was checked to secure the best price when negotiating for Affordable Homes.
- Members commented that the stated Red Book valuation of purchased properties was misleading as it should reflect the realistic situation by taking into account the restrictions.
- Members noted that the Council was buying units to replenish stock and asked whether the properties would be excluded from Right to Buy? In addition, due to the uncertain nature of the housing market, was it not possible for all new council houses to be accessible for everyone at the point of build, so that expensive retrospective modifications would not be necessary?
 - The Head of Delivery responded on behalf of the Portfolio Holder for Strategic Housing and acknowledged that the housing market was volatile and that the council strived to achieve best value on every deal. Appropriate negotiated offers were made to ensure best value.
 - The specification of units was negotiated with developers however there could be limited control over modifications especially when plans had already been approved through the planning process. In these cases, should significant requests be made, the developers would expect the council to pay for the modifications in addition to the purchase price. Essentially this was a planning matter at the time that the homes were planned and approved.
 - The occupiers of the rented properties were entitled to 'Right To Buy' but the cost-floor rule ensued to protect the Council's investment for a period of time. Should homes be delivered through South Holland Homes, legal advice would be required regarding the Right to Buy position.

DECISION:

That the exempt information be noted.

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(The meeting ended at 8.08pm).

(End of minutes)

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