

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET MEMBER FOR HOUSING AND HEALTH

Decision Made: 30 June 2023

Property Acquisition 1000 affordable Homes Programme

Issue for Decision

The Council has an ambitious housebuilding programme that is funded via the Council's adopted Capital Programme, which encompasses homes for Affordable Housing (AH), Private Rented Sector Housing (PRS) and on occasion a limited amount of exposure to Market Sale (MS) Housing too. The development strategy for the programme was approved by the Policy & Resources Committee on 19th January 2022, and the proposals as outlined in the report are consistent with delivering that strategy.

Decision Made

RESOLVED: That

1. The financial returns for the proposed acquisition as shown in Exempt Appendix 3 to the report, which supports the Housing Development and Regeneration Investment Plan and overall Development Strategy, be approved;
2. Delegated authority be given to the Director of Finance, Resources and Business Improvement to:
 - a. Negotiate terms for the purchase of the proposed acquisition for the sum as shown in the Exempt Appendix 3 to the report;
 - b. Procure and enter into all such deeds, agreements, contracts and documents which may be required to facilitate the purchase of the site, and the subsequent redevelopment works required to deliver the scheme referred to in this report. Including (but not limited to) any related appointments such as suitably qualified consultants and a Contractor;
 - c. Subject to satisfactory conclusion of all due diligence to negotiate and finalise and complete all legal formalities, deeds and agreements which may be required to facilitate the purchase;
3. The Head of Mid Kent Legal Services be authorised to appoint the Solicitors required to negotiate and complete the necessary contract documentation, deeds and agreements associated with the purchase and construction works on the terms as agreed by the Director of Finance, Resources & Business Improvement;

4. Post completion of the procurement process, a contractor be appointed for the build cost detailed in the financial summary at Exempt Appendix 3 to the report. If in the event tenders for the works cost are in excess of the agreed sum then officers will return to the Committee/Cabinet to seek further approval prior to the development itself commencing.

Reasons for Decision

When appraising new housing development opportunities, the New Business and housing Development Team consider proposals against the following standard risk headings: -

- Site location and ownership.
- Town Planning Status.
- Schedule of accommodation, tenure mix and parking ratio.
- Quality – Maidstone Building for Life 12.
- Housing Management.
- Deal structure.
- Contractor procurement.
- Financial viability.
- Delivery programme.
- Professional team.

The proposal has been fully appraised against these standard risk headings in exempt appendix 1 to the report.

Alternatives considered and why rejected

Option 1: To not approve the purchase of the proposed acquisition. The Council would however lose an excellent opportunity to purchase a site with full planning permission with access to good transport links and amenities to add to its affordable housing stock. It will assist towards much needed affordable accommodation in the Borough and contribute towards the Council 1,000 Affordable Homes delivery target.

Option 2: To approve the purchase of the proposed acquisition on the agreed terms and procures the professional consultants. That post completion of the procurement process to appoint a contractor for the works cost detailed in the financial summary Exempt Appendix 3 to the report. If in the event tenders for the works cost are in excess of the agreed sum then officers will seek further approval prior to the development itself commencing. This site when built would assist with affordable housing provision, contributing towards delivering the 1,000 affordable homes target.

A significant amount of work and negotiation has been completed by officers to reach the accepted offer stage with the vendor. The scheme has full planning consent on purchase and represents a good investment opportunity which supports the 1,000 Affordable Homes Development Strategy. The acquisition will also deliver a number of new apartments within a residential location, making a valuable contribution to the borough's identified affordable housing need.

The matter was considered by the Housing, Health and Environment Policy Advisory Committee on 13 June 2023, with a recommendation made to the Cabinet to approve the purchase.

As the Cabinet Meeting scheduled for 28 June 2023 was unable to take place due to quorum not being met, the Cabinet Member for Housing and Health has taken the decision to prevent delay to the acquisition.

Background Papers

Policy and Resources Committee Report "Affordable Housing Delivery by the Council" and Minute (No. 157) of 19 January 2022.

I have read and approved the above decision for the reasons (including possible alternative options rejected) as set out above.

Signed: _____
Councillor Lottie Parfitt-Reid, Cabinet Member for Housing and Health

Full details of both the report for the decision taken above and any consideration by the relevant Policy Advisory Committee can be found at the following area of the [website](#)

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm on Friday 7 July 2023.**