

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET MEMBER FOR HOUSING AND HEALTH**

Decision Made: 30 June 2023

#### **Property acquisition**

##### **Issue for Decision**

The Council has an ambitious housebuilding programme that is funded via the Council's adopted Capital Programme. This housebuilding programme 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 in January 2022, and the proposal is 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 be approved, which supports the Housing Development and Regeneration Investment Plan and overall Development Strategy;
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 of this 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;
  - d. Negotiate and agree any lease between The Council and Maidstone Property Holdings; and
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.

### **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 acquisition opportunity proposed has been fully appraised against these standard risk headings in the exempt Appendix 1 to the report.

### **Alternatives considered and why rejected**

Option 1: The proposed purchase is not approved. The Council would however lose an excellent opportunity to purchase a completed block of 25 units. Although some of the individual units fall under the national space guidance the site is shown to be a profitable asset for the council and Maidstone Property Holdings in the appraisal of the financial viability that has been undertaken. Having a central location, the site is close to amenities and develops a previously derelict area which will help improve 174 the aesthetics of the Town Centre South Conservation Area and aid in the prevention of crime by the addition of population.

Option 2: The proposed purchase is approved on the agreed terms, and subsequently leased to Maidstone Property Holdings. This site will be a profitable asset to MBC and assist with much needed housing provision and contribute towards delivering MPH target. Having a central location, the site is close to amenities and develops a previously derelict area which will help improve the aesthetics of the Town Centre South Conservation Area and aid in the prevention of crime by the addition of population.

A significant amount of work and negotiation has been completed by officers to reach this accepted offer stage with the vendor. The scheme is completed block of 25 flats and represents a good investment opportunity which supports Maidstone Property Holdings in their delivery target.

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.**