

**CALL-IN POLICY AND RESOURCES DECISIONS ON PROPERTY ACQUISITION 1 and PROPERTY ACQUISITION 2**

<b>Final Decision-Maker</b>	Council
<b>Lead Head of Service</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Lead Officer and Report Author</b>	Ryan O'Connell, Democratic and Electoral Services Manager
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

A Call-In has been received on two Part II Policy and Resources decisions taken on 16 September 2020. Property Acquisition 1 and Property Acquisition 2.

**Purpose of Report**

Decision

**This report makes the following recommendation to Council:**

That the Council consider the matter and agree one of the following:

1. To endorse the original Policy and Resources Committee decisions; or
2. Substitute different decisions in place of either of the decisions of the Committee.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Council Meeting	30 September 2020

# CALL-IN POLICY AND RESOURCES DECISIONS ON PROPERTY ACQUISITION 1 and PROPERTY ACQUISITION 2

## 1. INTRODUCTION AND BACKGROUND

1.1 A Call-In signed by twelve Members has been received on two Part II Policy and Resources decisions taken on 16 September 2020. Property Acquisition 1 and Property Acquisition 2. Part I Minutes summarising the Part II discussion and providing the decisions have been produced.

1.2 The reasons given for the call-in are as follows:

- a) That the Council's investment in properties to be let at market rents in no way supports housing delivery in the Borough. This is evident in the fact that the properties in question will be delivered, regardless of the Council's intervention. The assertion that our acquiring the properties will support housing delivery was made by both Officers and Members during the Policy and Resources Committee meeting. We believe that this incorrect assertion will have contributed to the eventual decision of the Committee in favour of the acquisitions and therefore the decisions themselves are inherently flawed.
- b) We firmly believe that property acquisitions made by the Council should directly 'add value' for the residents of this Borough. An example of this would be in purchasing properties to be let at social, or affordable rents, particularly if the properties being acquired would be unlikely to be made available in this manner otherwise. It is our view that neither of these acquisitions meet this criterion.
- c) Further to this point, it is entirely possible that the acquisitions may, in fact, be to the detriment of our constituents. Anecdotally, we know that the properties in question in Property Acquisition 2 are currently being withheld from general availability, pending this arrangement with the Council.
- d) It is also the case that bulk purchases by Local Authorities add to the excess demand in the housing market and, in turn, to the inflationary pressure that keeps many residents of our Borough priced out of home ownership.
- e) Finally, we believe that there is a substantial risk of reputational damage to the Council in pursuing these acquisitions. Particularly in the current economic circumstances created by the global coronavirus pandemic, it will almost certainly be poorly received by residents that the Council is using its borrowing capacity to fund investments for investments' sake. Questions will undoubtedly be raised about the nature of the relationship between the Council and developers and the perception of a preferential arrangement that appears to give the Council a kind of 'first refusal' on property acquisitions, over and above the legitimate interest of our constituents, who may also wish to

purchase homes in these areas of the Borough. Furthermore, it does seem to be imprudent to be pursuing such arrangements at a time when HM Treasury has expressed concern and is reviewing these types of activities with a view to prohibiting Local Authorities from using Public Works Loans in this manner.

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## **2. AVAILABLE OPTIONS**

- 2.1 To endorse the original Policy and Resources Committee decisions.
  - 2.2 Substitute different decisions in place of either of the decisions of the Committee.
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## **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATION**

- 3.1 It is for the Council to consider the call-in.
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## **4. RISK**

- 4.1 Considered in the reports to Policy and Resources (Appendix 2).
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## **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 The decisions were taken at Policy and Resources on 16 September 2020.
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## **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The decision of Council is final.
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## **7. REPORT APPENDICES**

Appendix 1 – Part I Minutes of the Part II decisions on Property Acquisition 1 and Property Acquisition 2

Exempt Appendix 2 – Part II Reports from Policy and Resources on 16 September 2020 - Property Acquisition 1 and Property Acquisition 2

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## **8. BACKGROUND PAPERS**

None