

Ref:

Called in

Yes/No

THE THANET DISTRICT COUNCIL

RECORD OF DECISION OF CABINET

Cabinet Member

Councillor Helen Whitehead

Relevant Portfolio:

Deputy Leader and Cabinet Member for Housing

Date of Decision:

25 April 2024

Subject:

Purchase of Section 106 Affordable Housing Units

Key Decision

Yes

In Forward Plan

Yes

Brief summary of matter:

Following approval at Council of the accelerated affordable housing development programme, this report seeks the approval to purchase 31 Section 106 units.

Decision made:

Cabinet agreed to:

1. The purchase of 31 new affordable homes, using the additional capital budget, approved by council at its meeting on 12 October 2023;
2. The letting of these homes in accordance with the council's Allocations Policy, at an affordable rent as set out in the council's Tenancy Strategy.

Reasons for decision:

Officers were contacted by Bellway, owner of the development known as Nash Road Margate, who are required to deliver 18% affordable housing on site following negotiations. As per policy 70% of this is required to be affordable rent this being 31.5 units. The remaining units will be delivered as shared ownership. We have offered on 31 new affordable rent homes. They have been unable to secure an affordable housing provider to deliver these homes.

As the homes have been designated as affordable homes in the planning consent and section 106 agreement, they have been designed specifically for that purpose and accordingly are considered appropriate for the HRA, in line with the needs of households on the council register or those living in temporary accommodation. There is a significant level of need for 1 bedroom homes, as well as for larger family homes.

A provisional offer of £4.275m has been made and £225,000 is also required for associated costs made to the developer and subject to contract, legal due diligence, formal valuation and full approval this offer has been accepted.

Alternatives considered and why rejected:

Do not purchase the Section 106 units, which would mean that the developer would

negotiate a commuted sum, losing the affordable housing units.

Details of any conflict of interest declared by any executive Member who has been consulted and of any dispensation granted by the Standards Committee:

None

Author of Officer report:

Ashley Jackson, Head of Housing and Planning

Background papers

Cabinet report 25_4_24 - Purchase of 31 Affordable Homes at Nash Road, Margate - Google Docs

Statement if decision is an urgent one and therefore not subject to call-in:

None

Last date for call in: 3 May 2024