

CABINET

Minutes of the meeting held on 27 July 2023 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Rick Everitt (Chair); Councillors Whitehead, Albon, Duckworth, Keen and Yates

In Attendance: Councillors J Bayford, Davis, Garner and Rogers

18. APOLOGIES FOR ABSENCE

There were no apologies made at the meeting.

19. DECLARATIONS OF INTEREST

There were no declarations of interest.

20. MINUTES OF PREVIOUS MEETING

Councillor Everitt proposed, Councillor Yates seconded and Members agreed the minutes as a correct record of the meeting held on 15 June 2023.

21. PURCHASE OF 42 HOMES AT SPITFIRE GREEN FOR AFFORDABLE RENT

Cabinet considered proposals for the purchase of 42 homes at Spitfire Green as part of the Affordable Rent Scheme. These proposals were considered in the context of the accelerated affordable housing development programme of at least 400 new homes, constructed or acquired, by 2027 approved by Full Council on 13 July 2023. To achieve this the council would be using provisions under Section 106 of the Town and Country Planning Act 1990, which provided an opportunity for local planning authorities to negotiate with housing developers for the provision of affordable housing, on qualifying sites. The Council's local plan policies set out a preference for these requirements to be discharged through the provision of affordable homes within the application site. Delivering genuinely affordable housing as part of any proposed or delivered development in Thanet was essential.

Section 106 agreements require developers to transfer completed homes to an affordable housing provider at a value that makes an affordable rent viable. This meant that the developer effectively provided the necessary subsidy in the form of a discounted purchase price below market value. As markets change, so do delivery models; and increasingly Housing Associations were choosing not to take on smaller numbers of units, which ran the risk of these homes being lost. Failure to secure an affordable housing delivery partner could lead to developers requesting that the S106 agreement be amended to provide a commuted sum in lieu of on-site homes. There was a significant need for more housing in Thanet and for developers to deliver the affordable housing required by residents. A number of developers who had been unable to secure an affordable housing provider partner to purchase section 106 units and deliver affordable homes had approached the Council. Provisions to support the retention of these homes had been incorporated into the Council's overall strategy.

In respect of the current proposal, Officers were contacted by BDW (Barretts) Homes, who are required to deliver 42 new affordable homes, as part of their development at Spitfire Green, Westwood. This purchase had been assessed against the Council's detailed viability assessment tool to ensure both financial and strategic viability. It was essential for the viability of the overall HRA programme that only schemes that had a positive impact on the HRA Business Plan were delivered. To be considered viable, schemes needed to show an overall surplus over a 30 or 50 year timescale, depending on the duration of any borrowing.

A provisional offer of £5m had been made to the developer and subject to contract, legal due diligence, formal valuation and full approval, this offer had been accepted. It is proposed that the new homes are let in accordance with the Council's adopted allocations policy. It is also proposed that they are let at a genuinely affordable rent, in line with the council's approved Tenancy Strategy. The Tenancy Strategy defines an affordable rent as a rent that is no more than 80% of the local market rent and does not exceed the relevant Local Housing Allowance rate. As a Registered Social Landlord the council was required to consult with Homes England and the Regulator for Social Housing about its rent policy; the aim was always to ensure that rents were as affordable as possible.

This was a genuinely progressive housing model, that allowed Housing to work to produce more housing for Thanet, as part of a strategy that protected affordable housing and ensured full delivery of all affordable homes produced. Both Housing and Finance departments had worked tirelessly to deliver this strategy, and Cabinet was hugely proud of their efforts.

Councillor Garner and Councillor Bayford spoke under Council Procedure 20.1.

Councillor Whitehead proposed, Councillor Yates seconded and Cabinet agreed:

1. The purchase of 42 new affordable homes, using the additional capital budget, approved by council at its meeting on 13 July 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.

22. LOCAL AUTHORITY HOUSING FUND: PURCHASE OF 9 HOMES

Members were advised that the Council was allocated a government grant sum of £1.19 million to facilitate the purchase of nine homes in the districts. At least two of the homes were required to have 4 bedrooms. The remainder (up to 7 homes) were required to be 2 or 3 bedroom homes. The Council signed the Memorandum of Understanding which registered an interest in the scheme. This allowed the Council time to see if there were units available which would be suitable. It would not have been possible to undertake refurbishments on dilapidated properties, purchase empty properties or purchase non-residential properties, due to such a short timescale for the grant funding.

Full council considered a report at its meeting on 13 July 2023, setting out its ambitions for the construction and acquisition of new homes. This scheme was considered as part of the report and council agreed to include both the £1.19m grant and £1.245m match funding within the HRA capital programme. Discussions had taken place with a local developer who was currently developing the Westwood Cross site to purchase 6 x 3 bed units and 3 x 4 bed units. The units would be an 'off the shelf' purchase with no refurbishments or adaptations needed, were nearing completion and would be ready by the end of June 2023.

The mix of units meets the requirements of the grant, as at least two were four bedroom homes. The developer had accepted a provisional offer, subject to approval of £2.4m. This was 80% of market value. These proposals were assessed using the Council's business plan modelling and it was concluded that the scheme would generate a surplus for the HRA business plan from the first year due to the grant subsidy.

Councillor Bayford spoke under Council Procedure 20.1.

Councillor Whitehead proposed, Councillor Yates seconded and Cabinet agreed to purchase 9 units using the £1.19m of Local Authority Housing Fund grant and £1.245m HRA match funding included in the HRA capital programme.

23. REPRESENTATION ON OUTSIDE BODIES FOR 2023/24

Cabinet considered the Leader's nominees for appointment to Executive Outside Bodies. Council agreed the list of Executive Outside Bodies and the number of councillors to be appointed to them, at its Annual meeting on 18 May 2023. Although the Council agreed on a longer list, Cabinet agreed not to appoint to all of the bodies as the Council was now aware that some of the bodies had changed their membership requirements or no longer wish to be considered as outside bodies. A report reviewing the list of outside bodies would be considered at the next Full Council meeting.

Councillor Davis spoke under Council Procedure 20.1.

Councillor Everitt proposed, Councillor Keen seconded and Cabinet agreed the list of nominations to the Executive-related outside bodies as shown at Annex 1 to the cabinet report and as detailed below.

Proposed List of Executive Appointed Outside Bodies – for the municipal year 2023/24

Name of Outside Body	No. of Reps	Member
British Ports Association	1	Cllr Everitt
Community Safety Partnership (Thanet)	1	Cllr Keen
East Kent Opportunities Ltd	1	Cllr Yates
East Kent Spatial Development Company	1	Cllr Everitt
Kent Police and Crime Panel	1	Cllr Makinson
Local Government Association Coastal Special Interest Group	1	Cllr Albon
Local Government Association District Councils' Network	1	Cllr Everitt
Local Government Association General Assembly	1	Cllr Everitt
Local Government Association Strategic Aviation Specialist Interest Group	1	Cllr Everitt
Manston Skills and Employment (MSE) Board	1	Cllr Yates
South East England Councils	1	Cllr Everitt
Thanet (Ramsgate) Harbour Users' Groups	1 (+1 reserve)	Cllr Everitt (reserve: Cllr Albon)
Tourism South East	1	Cllr Duckworth
Your Leisure Thanet Sub Group	2	Cllr Everitt/ Cllr Whitehead

Meeting concluded: 7.30 pm