

The Arc
High Street
Clowne
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To: Chair & Members of the Executive

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Tuesday 31st May 2022

Dear Councillor

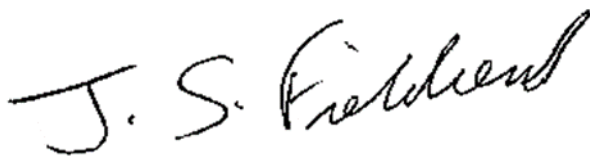
EXECUTIVE

You are hereby summoned to attend a meeting of the Executive of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Monday, 13th June, 2022 at 10:00 hours.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on pages 2 and 3.

Yours faithfully



Solicitor to the Council & Monitoring Officer



Bolsover
District Council

We speak your language
Polish **Mówimy Twoim językiem**
Slovak **Rozprávame Vaším jazykom**
Chinese **我们会说你的语言**

**If you require this agenda in large print
or another format please call us on 01246 217753**

If you require an adjustment to enable you to participate in or access the meeting please contact the Governance Team at least 72 hours before the meeting starts.

EXECUTIVE

AGENDA

**Monday, 13th June, 2022 at 10:00 hours taking place in the Council Chamber,
The Arc, Clowne**

Item No.		Page No.(s)
	<u>PART 1 - OPEN ITEMS</u>	
1.	Apologies For Absence	
2.	Urgent Items of Business To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.	
3.	Declarations of Interest Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.	
4.	Minutes To consider the Minutes of an Executive meeting held on 16 th May 2022.	4 - 9
	<u>BUDGET & POLICY FRAMEWORK ITEMS</u>	
	<u>KEY DECISIONS</u>	
5.	Purchase of Section 106 Properties from Keepmoat Homes Ltd, off Mooracre Lane, Bolsover.	10 - 22
6.	Purchase of Section 106 Properties from Gleeson Homes Ltd, off Alfreton Road, Pinxton.	23 - 35
7.	Exclusion of the Public.	

To move:-

“That under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the stated Part 1 of Schedule 12A of the Act and it is not in the public interest for that to be revealed.” [The category of exempt information is stated after each item].

PART 2 - EXEMPT ITEMS

NON KEY DECISION

- | | | |
|----|--|---------|
| 8. | Mandatory Disabled Facilities Grant.
Exempt Paragraph 1 | 36 - 41 |
|----|--|---------|

EXECUTIVE

Minutes of a meeting of the Executive of the Bolsover District Council held in the Council Chamber, The Arc, Clowne, on Monday 16th May, 2022 at 1000 hours.

PRESENT:-

Members:-

Councillor Steve Fritchley in the Chair

Councillors Duncan McGregor, Clive Moesby, Sandra Peake, Liz Smyth and Deborah Watson.

Officers:- Karen Hanson (Executive Director of Resources), Grant Galloway (Executive Director of Strategy and Development), Pam Brown (Assistant Director Leader's Executive, Partnerships, Governance and Communications), Theresa Fletcher (Assistant Director of Finance and Resources), Chris Fridlington (Assistant Director of Development and Planning), Jim Fieldsend (Monitoring Officer), Joanne Wilson (Scrutiny and Elections Officer) (to Minute No. EX111-21/22), Victoria Dawson (Assistant Director of Enforcement and Housing Management) (to Minute No. EX111-21/22), Ian Barber (Assistant Director of Property Services & Housing Repairs), Deborah Whallett (Housing Enforcement Manager) (to Minute No. EX111-21/22), Natalie Etches (Business Growth Manager), Sally Lovell (Business Estates Manager) and Alison Bluff (Senior Governance Officer (acting)).

Also in attendance at the meeting to Minute No. EX111-21/22), were Councillors Rose Bowler and Rita Turner.

EX105-21/22 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Mary Dooley and David Downes.

EX106-21/22 URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

EX107-21/22 DECLARATIONS OF INTEREST

There were no declarations of interest made.

EX108-21/22 MINUTES

Moved by Councillor Duncan McGregor and seconded by Councillor Sandra Peake
RESOLVED that the Minutes of an Executive meeting held on 4th April 2022 be approved as a correct record.

EXECUTIVE

MATTERS REFERRED FROM SCRUTINY

EX109-21/22 REVIEW OF COUNCIL OWNED ADAPTED ACCOMMODATION

Executive considered a detailed report regarding to a review undertaken by the Customer Services Scrutiny Committee in relation to Council-owned Adapted Accommodation.

The report was presented by Councillor Rose Bowler, Chair of Customer Services Scrutiny Committee.

Under the Equality Act 2010, the Council had a duty to make reasonable adjustments for people with disabilities to ensure they received the same services, as far as this was possible, as someone who was not disabled. A disability under this Act was defined as a physical or mental impairment that had a 'substantial' and 'long-term' negative effect on the ability to do normal daily activities.

The aim of the review was to ensure that the Council had adequate plans and processes in place to maintain the required level of adapted accommodation for both individuals and families.

The objectives agreed for the review and the key issues identified for investigation were detailed in the report.

Based on the evidence sought by the Scrutiny Committee, nine recommendations had been proposed, which would hopefully assist the Council in improving its policy and procedures in relation to allocation and management of adapted accommodation. The Review of the Council-owned Adapted Accommodation document containing the nine recommendations was attached as an appendix to the report.

Members welcomed the report and noted it was an excellent report. They thanked Councillor Bowler for the work undertaken by the Scrutiny Committee in carrying out the Review.

Moved by Councillor Sandra Peake and seconded Councillor Duncan McGregor
RESOLVED that (1) the recommendations of the Review as outlined in section 2 of the report be endorsed,

(2) the approved recommendations be monitored by Committee over a twelve month period via the PERFORM system with an update report to Committee at the end of the monitoring period.

(Scrutiny & Elections Officer)

NON KEY DECISIONS

EX110-21/22 WELFARE ADAPTATIONS POLICY

Executive considered a detailed report which sought Members approval for a Welfare Adaptations policy.

The Council had a well-established working practice and internal procedure when

EXECUTIVE

considering and carrying out adaptations. It was considered best practice to have a policy which set out formally what an adaption was, how these were considered and circumstances when these may be refused.

The Welfare Adaptations policy provided a framework for the provision of adaptations to the homes of tenants living in Council accommodation. A copy of the policy was attached to the report.

Minor adaptations were simple, cost effective solutions to assist a person to live independently, for example, grab rails, small external handrails and over bath showers. Major adaptations generally required structural changes to a property, for example, replacing a bath with a level access shower or wet room, hard-standing/drive ways and stair lifts.

The policy had been developed in conjunction with the Customer Services Scrutiny Committee who had recommended that the policy be submitted to Executive for approval and adoption.

Members welcomed the report and noted it was a good report. They thanked the Assistant Director of Enforcement and Housing Management for the work that had gone into the policy.

Moved by Councillor Sandra Peake and seconded by Duncan McGregor
RESOLVED that the Welfare Adaptations policy be approved.

Councillors Rose Bowler and Rita Turner, the Scrutiny & Elections Officer, the Assistant Director of Enforcement and Housing Management and the Housing Enforcement Manager left the meeting.

BUDGET & POLICY FRAMEWORK ITEMS

EX111-21/22 **BUSINESS RATES MANDATORY AND DISCRETIONARY RATE RELIEF POLICY**

Executive considered a report which sought Members approval for an updated Business Rates Mandatory and Discretionary Rate Relief policy.

The Council was required to have a Business Rates Mandatory and Discretionary Rate Relief policy and this had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose.

The Council had the power to award business rate relief under Section 44a, Section 47 and Section 49 of the Local Government Finance Act 1988. The law governing the granting of discretionary rate relief was found in Section 47 of the 1988 Act and subsequent amending legislation and Section 69 of the Localism Act 2011.

The policy applied to non-domestic ratepayers within the Bolsover District Council area that were requesting the Authority to use their discretion to reduce an organisation's Business Rates liability.

EXECUTIVE

Councillor Liz Smyth noted that although she was a business rates payer, the policy did not apply to her.

Moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor **RESOLVED** that the updated Business Rates Mandatory and Discretionary Rate Relief policy be approved.

Reasons for Recommendation

The Business Rates Mandatory and Discretionary Rate Relief policy had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose. The policy was considered by the Customer Services Scrutiny Committee on 21st March 2022 for their comments.

Alternative Options and Reasons for Rejection

No alternatives found – the Council was required to have a Business Rates Mandatory and Discretionary Rate Relief policy to enable it to operate the schemes.

EX112-21/22 COUNCIL TAX DISCRETIONARY RELIEF POLICY

Executive considered a report which sought Members approval for an updated Council Tax Discretionary Relief policy.

The Council was required to have a Council Tax Discretionary Relief policy and this had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose.

Through the operation of the policy the Council sought to ensure that the most vulnerable received the support they needed whilst ensuring local Council Tax payers were not unfairly burdened.

Moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor **RESOLVED** that the updated Council Tax Discretionary Relief policy be approved.

Reasons for Recommendation

The Council Tax Discretionary Relief policy had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose. Through the operation of the policy the Council sought to ensure that the most vulnerable received the support they needed whilst ensuring local Council Tax payers were not unfairly burdened. The policy was considered by the Customer Services Scrutiny Committee on 21st March 2022 for comments.

Alternative Options and Reasons for Rejection

No alternatives found – the Council was required to have a Council Tax Discretionary Relief policy to enable it to operate the scheme.

EXECUTIVE

EX113-21/22 EXCLUSION OF THE PUBLIC

Moved by Councillor Duncan McGregor and seconded by Councillor Clive Moesby

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the stated Paragraph of Part 1 of Schedule 12A of the Act and it is not in the public interest for that to be revealed.

PART 2 - EXEMPT ITEMS

KEY DECISIONS

EX114-21/22 DISPOSAL OF COMMERCIAL PROPERTY AT BRAMLEY VALE

Executive considered a detailed report which sought Members approval to dispose of commercial property at Bramley Vale by private sale or auction.

The properties referred to in the report were rented out by the Council and managed by the Business Estates team rather than through the Housing Revenue Account. Primarily because they were commercial properties rather than dwelling houses and the tenants paid market rents

Further to an approach by one of the tenants to purchase all 3 units, the Asset Management Group had agreed the sale of all 3 units to the tenant, and had requested the Senior Valuer to complete a formal valuation.

The value of each property as valued in the Senior Valuer's professional opinion, was set out in the report.

Moved by Councillor Liz Smyth and seconded by Councillor Duncan McGregor

RESOLVED that delegated authority be given to the Assistant Director of Development and Planning, to dispose of the commercial properties at Bramley Vale as detailed in the report, by private sale subject to the following conditions:

1. the units are sold to an existing tenant or combination of existing tenants;
2. disposal will only proceed on receipt of evidence of a mortgage offer or proof of funding available to purchase the appropriate units;
3. the sale of all three units are completed at the same time and on the same date in the event the units do not get sold to a single purchaser; and
4. the properties are sold in line with the valuations provided by the Senior Valuer or any subsequent valuation completed by the Senior Valuer if there is good reason to consider the figures should be revised – for example, six or more months elapsing between the valuation and completion of any sale or any significant changes in the market likely to have a substantial impact on market

EXECUTIVE

values.

(Assistant Director of Development and Planning)

Reasons for Recommendation

As detailed in the report.

Alternative Options and Reasons for Rejection

As detailed in the report.

The meeting concluded at 1020 hours.

Bolsover District Council

Meeting of the Executive on Monday 13th June 2022

Purchase of Section 106 Properties from Keepmoat Homes Limited off Mooracre Lane, Bolsover

Report of the Portfolio Holder for Housing

Classification	This report is Public
Report By	Andy Clarke Operational Repairs Manager 01246 593031 andy.clarke@bolsover.gov.uk
Contact Officer	Andy Clarke Operational Repairs Manager 01246 593031 andy.clarke@bolsover.gov.uk

PURPOSE/SUMMARY OF REPORT

To recommend the purchase of 6 properties for affordable rent within the HRA.

REPORT DETAILS

1. Background

- 1.1 Keepmoat Homes Limited are building 215 properties off Mooracre Lane in Bolsover, including 19 affordable properties as a S106 planning condition.
- 1.2 The Council have previously purchased 13 properties on this development, and Keepmoat Homes Limited have now offered the Council the opportunity to purchase an additional six 3 Bedroom Houses following preliminary discussions with Planning and Housing Management.

2. Details of Proposal or Information

- 2.1 The combined purchase price of these properties is £770,000 (excluding fees and SDLT). This is based on the Keepmoat Bolsover Valuation (appendix 1).
- 2.2 Assuming the rents for these properties are set in line with the affordable rent levels (80% of market rent) the scheme will break even after 48 years.

- 2.3 A report has been submitted to the 15th June 2022 Council meeting, recommending that the scheme be added to the Capital Programme. The recommendations for Executive to approve the purchase are made on the assumption that the amendment to the Capital Programme is approved by Council.

3. Reasons for Recommendation

- 3.1 That this proposal offers value for money, meets local housing need and increases the councils housing stock. Therefore the council should proceed with this purchase.

4 Alternative Options and Reasons for Rejection

- 4.1 To not purchase the properties has been rejected as the properties will fulfil a housing need in the area. This housing mix best supports that identified housing need.

RECOMMENDATION(S)

1. That Executive approve the purchase of the 6 properties off Mooracre Lane, Bolsover from Keepmoat Homes Limited for £770,000 subject to SDLT and 10% contingency to include fees.
2. That, subject to Council approval of the financing, the Director of Development is given delegated powers to enter into contract with Keepmoat Homes Limited for the purchase of the properties.

Approved by Councillor Sandra Peake, Portfolio Holder for Housing

IMPLICATIONS:

Finance and Risk: Yes X No

Details: To fund the purchase of the six properties, using HRA borrowing. A report has been submitted to Council on Wednesday 15th June 2022 recommending that the scheme be added to the Capital Programme.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No X

Details:

None directly.

The current planning permission includes provision of Affordable Rent S106 properties.

On behalf of the Solicitor to the Council

Staffing: Yes No X

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 Capital - £150,000 X <input checked="" type="checkbox"/> Please indicate which threshold applies	Yes
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	Yes

District Wards Significantly Affected	Bolsover
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy and Environment.
Enabling Housing Growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth.

DOCUMENT INFORMATION	
Appendix No	Title
App 1	Keepmoat Bolsover Valuation
App 2	Keepmoat Mooracre Lane Bolsover Financial Viability

Background Papers
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i>
Mooracre Lane Site Layout drawing Mooracre Lane Property floor plan and elevations drawing (type 842 & 764)



Property and Commercial Services

Valuation Report

**Affordable Housing
at
The Hedgerows
Bolsover**

1. Instructions and Purpose of Valuation Report.

Instructions were received from Andy Clarke in the Council's Housing Department 9 May 2022 requesting a valuation of 6 houses that the Council is considering purchasing from Keepmoat Homes as part of their affordable housing obligations under the Section 106 agreement under the Town and Country Planning Act 1990.

A valuation of the freehold interest in the properties is to be provided to enable the Council to potentially make an offer for the properties. In addition comments are required on Keepmoat's valuation of the properties and market value of the properties.

A further valuation is required for the affordable rental value of the properties for viability purposes.

2. Date of Valuation

The date of valuation is the date of this report.

3. Background and Description

The properties form part of Keepmoat Homes Hedgerows development on the Eastern Edge of Bolsover.

Under a section 106 agreement agreed as part of the planning permission Keepmoat Homes are to provide a total of 19 affordable dwellings or make a payment equal to 50% of the market value of each property in lieu if no registered provider is willing acquire the properties.

The Council has already acquired 13 of the properties and the remaining 6 have been offered to the Council by Keepmoat.

From plans provided by Keepmoat all of the properties will be three bedroom semi-detached houses of two different designs. Four of the properties have a floor area of approximately 78 square metres with the other two properties having a floor area of approximately 71 square metres.

The accommodation for each property is proposed to be as follows:-

Ground floor – Hall, Kitchen/Diner, WC and a Living Room.

First Floor – Two double bedrooms, a single bedroom and a bathroom.

Externally there are front and rear gardens and off road parking.

The properties are plot numbers 86,87,91,92,107 and 108 and are spread out over the development.

Vacant possession of the properties is assumed.

The larger properties have being offered to the Council at a figure of £130,000 per property for the larger properties and the smaller properties at £125,000 per property.

4. Inspection

The dwellings have yet to be completed and therefore no inspection has taken place.

5. Basis of Valuation

The valuation is to be provided on the basis of Market Value.

Market Value is defined in the Royal Institution of Chartered Surveyors Valuation - Global Standards effective from January 2022 (the Red Book) VPS 4 para 4 and by the International Valuation Standards (IVS) 104 paragraph 29 as:

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The rental valuation is to be provided on the basis of Affordable Rent which is derived from Market Rent.

Market Rent is defined in the Royal Institution of Chartered Surveyors Valuation - Global Standards 2022 (the Red Book) VPS 4 para 5 and by the International Valuation Standards (IVS) 104 paragraph 40.1 as:

‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had acted knowledgeably prudently and without compulsion’.

The valuation methodology used to calculate the valuation figure is the market approach. This involves transactions of similar properties being analysed and appropriate adjustments made to reflect material differences where these produce a material impact on value.

Under the guidance issued by the Homes and Communities Agency homes let on Affordable Rent terms can be let at a rental level of up to 80% of gross market rents (inclusive of services charges where applicable).

On each occasion an Affordable Rent tenancy is issued for a property – whether it is let to a new tenant or an existing tenancy is re-issued, landlords are required to reset the rent based on a new valuation, to ensure that it remains at no more than 80% of the relevant market rent. This overrides the normal maximum rent increase of CPI +1.0% as laid out in the guidance. Where the property is re-let to the same tenant as a consequence of a probationary tenancy coming to an end, the landlord is not required to re-set the rent.

The valuation methodology used to calculate the valuation figure is the market approach. This involves transactions of similar properties being analysed and appropriate adjustments made to reflect material differences where these produce a material impact on value.

6. Services

It is assumed for the purposes of this report that all necessary mains services are available in the vicinity to serve the proposed development and that there are no abnormal costs associated in connecting to them.

7. Council Tax

As the properties have yet to be completed this is not applicable to this report.

8. Title

The title has not been inspected and it is assumed for the purpose of this valuation that there are no unusual or onerous restrictions, covenants or easements that would affect the valuation.

Plot 86 is accessed of a shared private driveway and the future maintenance liability should be clarified with the developer.

9. Planning

Planning permission was granted by the Council for a development of 212 dwellings with 19 of the dwellings to be affordable.

It is assumed the that the dwellings will be constructed in accordance with the planning permission that has been granted and in accordance with building regulations prevailing at the time of construction.

10. Condition

As the properties have yet to be completed this is not applicable to this report.

11. Minerals

A Mineral Surveyor's Stability Report has not been requested and it is assumed for the purpose of this report that if such a report was commissioned that there would be no adverse comments.

12. Environmental

An environmental audit has not been carried out and it is assumed for the purpose of this report that if such a report was commissioned that there would be no adverse comments.

The Flood Risk map indicates that the properties are to be built on land that is at a very low risk of flooding from surface water.

13. Equality Act 2010

This is not considered applicable to this valuation report.

14. Status of the Valuer

The valuation has been carried out by Roger Owen FRICS, Chartered Surveyor & RICS Registered Valuer who is acting as an employed valuer.

The valuation is the responsibility of the valuer, who will provide an objective and unbiased valuation.

The valuer has no direct interest in the property nor beneficial or fee interest in providing the valuation.

The valuer has sufficient current, local knowledge of the market to which the property relates; and the skills and understanding to undertake the valuation competently.

15. Methodology and Market Commentary

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation –

Global Standards 2022 and the UK national supplement, taking into account the available comparable evidence in current market conditions.

Compliance with the Red Book also ensures compliance with the International Valuation Standards (IVS).

In determining my opinion I have had regard for the market approach method of valuation which requires the identification of comparable market evidence. Research has been carried out to identify such comparable evidence and market commentaries have been analysed in determining the applicable value of the property.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions (as contained the Red Book in Valuation Practice Statement 4 paragraph 2, Assumptions, and VPS 4 paragraph 3, Special assumptions). A valuation is not a fact, it is an opinion. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty – that is, the probability that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

The valuation is a question of opinion and different Valuers can legitimately arrive at a different opinion of value. Historically it has generally been considered that Valuers should arrive at a tolerance of accuracy of up to 15%. Academic research has questioned this statistic and suggested a wider bracket is appropriate. This is particularly true where the market is uncertain and volatile.

The price achieved can vary substantially dependent upon the level or lack of competition at any one time.

In arriving at my opinion of value no allowance has been made for liability for taxation which may arise on disposal. Neither does the valuation reflect the costs of acquisition or realisation.

Sources of information used in preparing this valuation are the Rightmove and Energy Performance Certificate websites. The accuracy of this information has not been verified and is assumed to be correct.

Market Evidence

The following houses on the development are currently being marketed by Keepmoat:-

Plot 124 – Four bedroom detached with a floor area of 95 sq metres.
£265,000.

Plot 113 – Three bedroom detached with a floor area of 81 sq metres.
£250,000.

Plot 82 – Three bedroom semi-detached with a floor area of 77 sq metres. Ensuite bathroom. £220,000.

Plot 83 – Three bedroom semi-detached with a floor area of 77 sq metres. Ensuite bathroom. £220,000.

Keepmoat is also offering for sale on its development at Hodding Farm at Hodthorpe the same design as the larger properties that are being offered to the Council at £215,000 to £218,000 depending on the plot.

The following properties are currently for sale on the estate:-

28 Lawson Road – Three bedroom semi-detached house with a floor area of 95 Sq metres. On the market at £240,000.

11 Foxglove Close – Four bedroom detached house with a floor area of 113 sq metres. On the market at £282,000.

1 Lawson Close – Three bedroom semi-detached house with a floor area of 78 sq metres. On the market at £229,950. Same design as the larger properties being valued.

46 Lawson Road – Three bedroom semi-detached house with a floor area of 71 sq metres. On the market at £189,950.

The following property has been sold on the estate:-

27 Foxglove Close – Sold September 2021 for £220,000. Floor area 71 sq metres.

Rental Evidence

Hodding Road Hodthorpe – New build three bedroom semi-detached house. Integrated appliances. Rent £750 pcm. Same design as the larger properties being valued.

Foxglove Close – Three bedroom mid-terrace house. Let for £700 pcm in 2021. Better specification than subject properties. Floor area 70 square metres.

Buckthorn – New build three bedroom detached house on the Hedgerows development with a floor area of 80 sq metres. Better specification than the subject properties. Rent £950 pcm.

It is expected that the properties sold and rented on the open market will be of a better internal specification than affordable properties.

The Council has previously purchased affordable housing from developers at a range between 52% and 67% of their market value which is considered to be within the accepted range for acquisitions by RSL's from developers for affordable housing. In the case of previous acquisitions from Keepmoat this has been towards the top end of this range.

Based on the market evidence available it is considered that the larger properties have a market value of £215,000 and the smaller properties have a market value of £200,000.

The valuation of the properties by Keepmoat at £130,000 and £125,000 gives values of approximately 60% and 62% of market value for each property type.

This whilst towards the upper end of the accepted range it is well within what is considered the normal range and is lower than previous acquisitions from Keepmoat.

Therefore the asking prices from Keepmoat for the properties are considered to be not unreasonable.

Based on the market rental evidence available it is considered that properties have market rental values of £715 pcm for the larger properties and £665 pcm for the smaller properties.

16. Valuation

Based on the foregoing I am of the opinion that the properties have the following values:-

Market Value for acquisition as affordable housing: - **£130,000 and £125,000** for each property type. This gives a total valuation for the six properties of **£770,000**.

Affordable Rental Value - **£572 pcm (£6,864 per annum)** for the larger properties and **£532 pcm (£6,384 per annum)** for the smaller properties.

17. Third Party Reference

This report is provided for the stated purpose and for the sole use of Bolsover District Council. It is confidential to the Council and their professional advisors and no responsibility is accepted whatsoever to any other person.

18. Consent to Publication

Neither the whole nor any part of this Valuation Report or any reference hereto, may be included in any published document, circular or statement, or

published in any way, without my written approval to the form or context in which it may appear.

This report is considered exempt information within the terms of Paras 7 to 13 of Schedule 12A to the Local Government Act 1972 (See Sec 1 and Part 1 of Schedule 1 to the Local Government Access to Information Act 1985 and the Council is recommended to treat it accordingly.

19. Validity

This report should not be considered valid for a period in excess of 6 months from the date of valuation, nor if the circumstances are altered.

I trust that this report is sufficient for your purposes but if you require any further advice or assistance in this matter please do not hesitate to contact me.



Roger Owen FRICS
Senior Valuer and RICS Registered Valuer

11 May 2022

Appendix 2

Mooracre Lane Bolsover

Inputs	Build Costs	£770,000	
	Contingency %	£23,100	
	Pre Start Costs	£0	
	Land Purchase	£0	
	Stamp duty /purchase costs	£15,400	£808,500
	HE Grant or 1:1		

Scheme	£808,500
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Build	Number	Beds	Type	Rent (52 weeks)	total Rent
	4	3	house (78 square meter)	132.00	528.00
	2	3	house (71 square meter)	122.77	245.54
					0.00
					0.00
					0.00
					0.00
TOTAL	6				773.54

Scheme Cost	£	808,500
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Average cost per property	£134,750
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Financing

Loan	£	808,500
Interest Rate applied		2.76%
Period of Loan Years)		50
Type of Loan	Equal Instalments of Principal	

Assumptions

Inflation rate (applied as indicated "i")		7.00%
Voids provision		2.00%
Doubtful Debts provision		2.00%
Repairs and Maintenance per property	i	400
Supervision and Management per property	i	75
Major Repairs Allowance per property	i	610
Interest Rate on Balances		1%
Discount Rate		5%

Bolsover District Council

Meeting of the Executive on Monday 13th June 2022

Purchase of Section 106 Properties from Gleeson Homes Limited off Alfreton Road, Pinxton

Report of the Portfolio Holder for Housing

Classification	This report is Public
Report By	Andy Clarke Operational Repairs Manager 01246 593031 andy.clarke@bolsover.gov.uk
Contact Officer	Andy Clarke Operational Repairs Manager 01246 593031 andy.clarke@bolsover.gov.uk

PURPOSE/SUMMARY OF REPORT

To recommend the purchase of 6 properties for affordable rent within the HRA.

REPORT DETAILS

1. Background

- 1.1 Gleeson Homes Limited are building 65 properties off Alfreton Road in Pinxton, including 6 affordable 2 bedroom semi-detached houses as a S106 planning condition.
- 1.2 This presents an opportunity to the Council to purchase the properties from Gleeson Homes Limited following preliminary discussions with Planning and Housing Management.

2. Details of Proposal or Information

- 2.1 The combined purchase price of these properties is £552,000 (excluding fees and SDLT). This is based on the Alfreton Road Pinxton Valuation (appendix 1).
- 2.2 Assuming the rents for these properties are set in line with the affordable rent levels (80% of market rent) the scheme will break even after 28 years.

- 2.3 A report has been submitted to 15th June 2022 Council, recommending that the scheme be added to the Capital Programme. The recommendations for Executive to approve the purchase are made on the assumption that the amendment to the Capital Programme is approved by Council.

3. Reasons for Recommendation

- 3.1 That this proposal offers value for money, meets local housing need and increases the councils housing stock. Therefore the council should proceed with this purchase.

4 Alternative Options and Reasons for Rejection

- 4.1 To not purchase the properties has been rejected as the properties will fulfil a housing need in the area. This housing mix best supports that identified housing need.

RECOMMENDATION(S)

1. That Executive approve the purchase of the 6 properties off Alfreton Road, Pinxton from Gleeson Homes Limited for £552,000 subject to SDLT and 10% contingency to include fees.
2. That, subject to Council approval of the financing, the Director of Development is given delegated powers to enter into contract with Gleeson Homes Limited for the purchase of the properties.

IMPLICATIONS:

Finance and Risk: Yes X No

Details:

To fund the purchase of the six properties, using HRA borrowing. A report has been submitted to Council on Wednesday 15th June 2022 recommending that the scheme be added to the Capital Programme.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No X

Details:

None directly. The current planning permission includes provision of Affordable Rent S106 properties.

On behalf of the Solicitor to the Council

Staffing: Yes No X

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 Capital - £150,000 X <input checked="" type="checkbox"/> Please indicate which threshold applies	Yes
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	Yes

District Wards Significantly Affected	Pinxton
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy and Environment.
Enabling Housing Growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth.

DOCUMENT INFORMATION	
Appendix No	Title
App 1	Alfreton Road Pinxton Valuation
App 2	Alfreton Road Pinxton Financial Viability

Background Papers <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i>
Alfreton Road Pinxton Site Layout drawing Alfreton Road Pinxton Property floor plan and elevations drawing



Property and Commercial Services

Valuation Report

**Section 106 Properties
Alfreton Road
Pinxton**

1. Instructions and Purpose of Valuation Report.

Instructions were received from Andy Clarke the Operational Repairs Manager in the Council's Housing Department on 23 March 2022 requesting a valuation of 6 houses that the Council is considering purchasing from Gleeson Homes.

The valuation is to be of the freehold interest in the properties with vacant possession.

The valuation is required for internal decision making and negotiation purposes.

A second valuation is required for the affordable rental value of the properties for viability purposes.

As instructed the integrated kitchen appliances are to be omitted from the properties.

2. Date of Valuation

The date of valuation is the date of this report.

3. Background and Description

Pinxton is a village located to the South of Bolsover District. The village has good transport links to the nearby junction 28 of the M1 motorway and the A38 dual carriageway.

The 2011 census shows the village as having a population of 5,699.

Pinxton has basic amenities such as local shops, a doctor's surgery and a primary school.

The site is located to towards the Northern edge of the village near to the junction of the A38 and M1.

The site plan that has been supplied shows a development of 65 houses with a mix of 2, 3 and 4 bedroom semi-detached and detached houses. Some of the houses have garages.

As part of the planning permission Gleeson's, the developer is providing six two bedroom semi-detached houses as the affordable housing contribution under the section 106 agreement. Each property has a floor area of approximately 62 square metres (671 square feet). The properties are the same floorplan as Gleeson's 'Kerry' design.

From the floor plans provided that accommodation for each property will be:-

Ground Floor – Entrance hall with WC off, Lounge and Dining Kitchen.

First Floor – Two double bedrooms and a bathroom.

Externally there is off road parking and front and rear gardens. It is understood from the specification provided that the driveways will not be tarmac surfaced and the rear gardens will not be turfed. No manufacturer for the central heating boiler has been specified.

4. Inspection

Development has not yet started on site and therefore no inspection has taken place.

5. Basis of Valuation

The valuation is to be provided on the basis of Market Value.

Market Value is defined in the Royal Institution of Chartered Surveyors Valuation - Global Standards effective from January 2022 (the Red Book) VPS 4 para 4 and by the International Valuation Standards (IVS) 104 paragraph 29 as:

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation methodology used to calculate the valuation figure is the market approach. This involves transactions of similar properties being analysed and appropriate adjustments made to reflect material differences where these produce a material impact on value.

The rental valuation is to be provided on the basis of Affordable Rent which is derived from Market Rent.

Market Rent is defined in the Royal Institution of Chartered Surveyors Valuation - Global Standards 2022 (the Red Book) VPS 4 para 5 and by the International Valuation Standards (IVS) 104 paragraph 40.1 as:

‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had acted knowledgeably prudently and without compulsion’.

The valuation methodology used to calculate the valuation figure is the market approach. This involves transactions of similar properties being analysed and appropriate adjustments made to reflect material differences where these produce a material impact on value.

Under the guidance issued by the Homes and Communities Agency homes let on Affordable Rent terms can be let at a rental level of up to 80% of gross market rents (inclusive of services charges where applicable).

On each occasion an Affordable Rent tenancy is issued for a property – whether it is let to a new tenant or an existing tenancy is re-issued, landlords are required to reset the rent based on a new valuation, to ensure that it remains at no more than 80% of the relevant market rent. This overrides the normal maximum rent increase of CPI +1.0% as laid out in the guidance. Where the property is re-let to the same tenant as a consequence of a probationary tenancy coming to an end, the landlord is not required to re-set the rent.

6. Services

It is assumed for the purposes of this report that all necessary mains services are available in the vicinity to serve the proposed properties and that there are no abnormal costs associated in connecting to them.

7. Council Tax

This is not applicable to this report

8. Title

The title has not been inspected and it is assumed for the purpose of this valuation that there are no unusual or onerous restrictions, covenants or easements that would affect the valuation.

9. Planning

It is assumed for the purposes of this valuation that the properties will be built in accordance with the planning permission granted and in accordance with building regulations prevailing at the time of construction.

It is assumed that the properties will be of traditional construction.

10. Condition

The properties are to be new builds and therefore this is not considered applicable to this report.

11. Minerals

A Mineral Surveyor's Stability Report has not been requested and it is assumed for the purpose of this report that if such a report was commissioned that there would be no adverse comments.

12. Environmental and Sustainability

An environmental audit has not been carried out and it is assumed for the purpose of this report that if such a report was commissioned that there would be no adverse comments.

The Long Term Flood Risk indicates that parts of the site are at a low risk of flooding from surface water.

It is assumed for the purposes of this report that the properties will be constructed in an energy efficient and sustainable manner.

13. Equality Act 2010

This is not considered applicable to this valuation report.

14. Status of the Valuer

The valuation has been carried out by Roger Owen FRICS, Chartered Surveyor & RICS Registered Valuer who is acting as an employed valuer.

The valuation is the responsibility of the valuer, who will provide an objective and unbiased valuation.

The valuer has no direct interest in the property nor beneficial or fee interest in providing the valuation.

The valuer has sufficient current, local knowledge of the market to which the property relates; and the skills and understanding to undertake the valuation competently.

15. Methodology and Market Commentary

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards 2022 and the UK national supplement, taking into account the available comparable evidence in current market conditions.

Compliance with the Red Book also ensures compliance with the International Valuation Standards (IVS).

In determining my opinion I have had regard for the market approach method of valuation which requires the identification of comparable market evidence. Research has been carried out to identify such comparable evidence and market commentaries have been analysed in determining the applicable value of the property.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions (as contained the Red Book in Valuation Practice Statement 4 paragraph 2, Assumptions, and VPS 4 paragraph 3, Special assumptions). A valuation is not a fact, it is an opinion. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty – that is, the probability that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

The valuation is a question of opinion and different Valuers can legitimately arrive at a different opinion of value. Historically it has generally been considered that Valuers should arrive at a tolerance of accuracy of up to 15%. Academic research has questioned this statistic and suggested a wider bracket is appropriate. This is particularly true where the market is uncertain and volatile.

The price achieved can vary substantially dependent upon the level or lack of competition at any one time.

In arriving at my opinion of value no allowance has been made for liability for taxation which may arise on disposal. Neither does the valuation reflect the costs of acquisition or realisation.

According to the Rightmove website properties in Pinxton had an overall average price of £146,824 over the last year.

The majority of sales in Pinxton during the last year were terraced properties, selling for an average price of £112,841. Semi-detached properties sold for an average of £161,684, with detached properties fetching £193,177.

Overall, sold prices in Pinxton over the last year were 10% up on the previous year and 15% up on the 2018 peak of £127,496.

In preparing the valuation I have considered data from the Rightmove and Energy Performance Certificate websites. This information has not been verified and is assumed to be correct.

Market Evidence

Freehold

Gleesons	Type	Date	Floor Area/sq m	Price	£/psm
25 Model Lane Creswell	3 bed semi with garage	Apr-21	71	£140,000	£1,972
29 Model Lane Creswell	3 bed detached with garage	Feb-21	75	£170,000	£2,267
Model Lane Creswell	3 bed semi	On mkt	71	£165,000	£2,324
The Cork Swinton S Yorks	2 bed semi	On mkt	59	£156,995	£2,661
The Cork Forest Town	2 bed semi	On mkt	59	£156,995	£2,661
The Kerry Doncaster	2 bed semi with garage	On mkt	62	£149,995	£2,419
The Cork Bolsover	2 bed semi with garage	On mkt	59	£139,968	£2,372
The Lisburn Bolsover	3 bed semi	On mkt	70	£157,325	£2,248
Rippon Homes South Normanton					
30 Thornhill Drive	3 bed semi	Jul-21	76	£171,950	£2,263
28 Thornhill Drive	3 bed semi	Jun-21	76	£168,950	£2,223
25 Thornhill Drive	3 bed semi	Jun-21	82	£178,950	£2,182
35 Thornhill Drive	Semi	Jun-21	72	£160,950	£2,235
27 Thornhill Drive	Semi	May-21	69	£153,000	£2,217
Thornhill Drive	3 bed semi	On mkt	76	£210,000	£2,763
Keepmoat Hodthorpe					
The Halstead	2 bed semi	On mkt	60	£165,000	£2,750

The Council acquired three properties at Thornhill Drive South Normanton each with a floor area of 70 square metres from Rippon Homes in 2020 at a figure of approximately £91,500 per property.

Previously the Council has acquired properties from developers via section 106 agreements based upon 52% to 67% of market value. The reduction on market value reflects the lower specification of the affordable properties.

It is considered that the properties will have a market value of £153,000.

Assuming a value of 60% of market value this gives an affordable value of approximately £92,000 per property.

Affordable Rent

Hawthorne Avenue South Normanton – Modern two bedroom semi-detached house with a floor area of approximately 52 sq metres. Fitted out to a good standard and has a conservatory. Rent £725 pcm.

Birchen Home South Normanton – Modern two bedroom semi-detached house with a floor area of approximately 55 sq metres. Fitted out to a good standard. Rent £725 pcm.

Dahlia Avenue South Normanton – Modern two bedroom semi-detached house. Fitted out to a good standard. Rent £725 pcm.

Storth Lane South Normanton – Modern two bedroom semi-detached house with a garage. Floor area approximately 55 sq metres. Fitted out to a good standard. Rent £675 pcm.

Lea Vale South Normanton – Modern two bedroom semi-detached house. Large plot. Fitted out to a good standard. Rent £750 pcm.

Taking into account the better specification of the comparable properties it is considered that the subject properties have a market rental value of £675 pcm.

16. Valuation

Based on the forgoing I am of the opinion that freehold interest properties have a value of **£552,000 (five hundred and fifty two thousand pounds)**.

I am of the opinion that each property has an affordable rent valuation of **£540 pcm (£6480 per annum)**.

17. Third Party Reference

This report is provided for the stated purpose and for the sole use of Bolsover District Council. It is confidential to the Council and their professional advisors and no responsibility is accepted whatsoever to any other person.

18. Consent to Publication

Neither the whole nor any part of this Valuation Report or any reference hereto, may be included in any published document, circular or statement, or published in any way, without my written approval to the form or context in which it may appear.

This report is considered exempt information within the terms of Paras 7 to 13 of Schedule 12A to the Local Government Act 1972 (See Sec 1 and Part 1 of Schedule 1 to the Local Government Access to Information Act 1985 and the Council is recommended to treat it accordingly.

19. Validity

This report should not be considered valid for a period in excess of 6 months from the date of valuation, nor if the circumstances are altered.

I trust that this report is sufficient for your purposes but if you require any further advice or assistance in this matter please do not hesitate to contact me.



Roger Owen FRICS
Senior Valuer and RICS Registered Valuer

14 April 2022

Appendix 2

Alfreton Road Pinxton

Inputs	Build Costs	£552,000	
	Contingency %	£16,560	
	Pre Start Costs	£0	
	Land Purchase	£0	
	Stamp duty /purchase costs	£0	£568,560
	HE Grant or 1:1		

Scheme	£568,560
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Build	Number	Beds	Type	Rent (52 weeks)	total Rent
	6	2	2 Bed houses	124.62	747.69
					0.00
					0.00
					0.00
					0.00
					0.00
TOTAL	6				747.69

Scheme Cost	£	568,560
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Average cost per property	£94,760
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Financing

Loan	£	568,560
Interest Rate applied		2.86%
Period of Loan Years		50
Type of Loan	Equal Instalments of Principal	

Assumptions

Inflation rate (applied as indicated "i")		7.00%
Voids provision		2.00%
Doubtful Debts provision		2.00%
Repairs and Maintenance per property	i	400
Supervision and Management per property	i	75
Major Repairs Allowance per property	i	610
Interest Rate on Balances		1%
Discount Rate		5%

Agenda Item 8

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted