



The Arc
High Street
Clowne
S43 4JY

To: Chair & Members of the Executive

Wednesday 24th August 2022

Contact: Alison Bluff
Telephone: 01246 242529
Email: alison.bluff@bolsover.gov.uk

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, 5th September, 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 page 3 onwards.

Yours faithfully

A handwritten signature in black ink, appearing to read "J. S. Fielden".

Solicitor to the Council & Monitoring Officer

Equalities Statement

Bolsover District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community.

The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Access for All statement

You can request this document or information in another format such as large print or **language** or contact us by:

- **Phone:** [01246 242424](tel:01246 242424)
- **Email:** enquiries@bolsover.gov.uk
- **BSL Video Call:** A three-way video call with us and a BSL interpreter. It is free to call Bolsover District Council with Sign Solutions, you just need WiFi or mobile data to make the video call, or call into one of our Contact Centres.
- Call with [Relay UK](#) - a free phone service provided by BT for anyone who has difficulty hearing or speaking. It's a way to have a real-time conversation with us by text.
- **Visiting** one of our [offices](#) at Clowne, Bolsover, Shirebrook and South Normanton

EXECUTIVE

AGENDA

**Monday, 5th September, 2022 at 10:00 hours taking place in the Council Chamber,
The Arc, Clowne**

Item No.		Page No.(s)
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 the last meeting held on 8 th August 2022	5 - 10
5.	Annual Letter from the Local Government & Social Care Ombudsman 2021/22	11 - 16
	<u>KEY DECISIONS</u>	
6.	Purchase of Section 106 Properties from Meadow View Homes Limited - Glapwell Nurseries, Glapwell	17 - 29
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

KEY DECISIONS

- | | | |
|----|--|---------|
| 8. | Future Skills Hub
Exempt Paragraph 3 | 30 - 37 |
| 9. | Shirebrook Crematorium Joint Venture
Exempt Paragraph 3 | 38 - 44 |

EXECUTIVE

Minutes of a meeting of the Executive of the Bolsover District Council held in the Council Chamber, The Arc, Clowne, on Monday 8th August 2022 at 1000 hours.

PRESENT:-

Members:-

Councillor Steve Fritchley in the Chair

Councillors Mary Dooley, David Downes, Duncan McGregor, Clive Moesby, Sandra Peake and Liz Smyth.

Officers:- Karen Hanson (Executive Director Resources), Jim Fieldsend (Monitoring Officer), Theresa Fletcher (Treasurer), Chris Fridlington (Assistant Director Development and Planning), Ian Barber (Assistant Director Property Services and Housing Repairs), Victoria Dawson (Assistant Director Enforcement and Housing Management) and Alison Bluff (Acting Governance and Civic Manager).

Also in attendance at the meeting was Councillor David Dixon and Joanne Wilson (Scrutiny & Elections Officer).

EX26-22/23. APOLOGIES

An apology for absence was received on behalf of Councillor Deborah Watson.

EX27-22/23. URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

EX28-22/23. DECLARATIONS OF INTEREST

There were no declarations of interest made.

EX29-22/23. MINUTES – 11th JULY 2022

Moved by Councillor Duncan McGregor and seconded by Councillor Steve Fritchley
RESOLVED that the Minutes of an Executive meeting held on 11th July 2022 be approved as a correct record.

MATTERS REFERRED FROM SCRUTINY

EX30-22/23. REVIEW OF VOLUNTARY & COMMUNITY SECTOR GRANT ALLOCATIONS

Executive considered a detailed report in relation to a recent Review undertaken by the Climate Change & Communities Scrutiny Committee in relation to Voluntary & Community Sector Grant Allocations.

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The Review report was presented by Councillor David Dixon on behalf of the Climate Change & Communities Scrutiny Committee Chair, Councillor Nick Clarke, who was unable to attend the meeting.

The last review of the programme had taken place in 2013/14, and Scrutiny had agreed to consider a further review at the suggestion of the Executive and Partnerships Team, with the aim being to ensure the VCS Grant Allocation Programme remained fit for purpose, value for money and sustainable.

The key issues identified for investigation were detailed in the report along with evidence sought.

The key findings arising from the review were:

- The review had proved both timely and invaluable in identifying potential duplication and assessing the advantages/disadvantages of different allocation processes.
- A refreshed approach to centralising grant allocations would ensure better communication between service areas and eliminate duplication.
- That the use of Social Return on Investment (SROI) as an evaluation tool gave the Council a clear indication of value for money on the investment made. While our existing mechanism of calculating this via the Housing Associations Charitable Trust (HACT) model achieved this, it was clear that evaluation tools had significantly advanced and it was an appropriate juncture for the Council to look to use a more advanced evaluation tool.
- That existing reporting mechanisms were sufficient and would be further strengthened by the ability to create more detailed evaluation reports using the new software.

Scrutiny had put together twelve recommendations which would hopefully assist the Council in ensuring grant allocations to the voluntary and community sector were transparent, had clear outcomes and monitoring arrangements, and met the current needs of the Council and local residents.

Further to a concern raised by Councillor Dooley, the Scrutiny & Elections Officer clarified that the current approach of reporting VCS grant allocation monitoring via the Bolsover Partnership Annual Reports to Executive and Council on a bi-annual basis, would continue. However, when the SROI evaluation software tool was up and running, reports would include much more detail and these would form part of the wider partnership monitoring report.

The Leader noted that it was a good report and a good review.

Moved by Councillor Mary Dooley and seconded by Councillor Sandra Peake

RESOLVED that (1) the recommendations outlined in section 2 of the Review report be approved, and that the current approach of reporting VCS grant allocation monitoring via the Bolsover Partnership Annual Reports to Executive and Council on a bi-annual basis, continues,

(3) monitoring by Scrutiny takes place 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)

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Councillor David Dixon and the Scrutiny & Elections Officer left the meeting.

BUDGET AND POLICY FRAMEWORK ITEMS

EX31-22/23. CORPORATE DEBT 2021/22

Executive considered a detailed report which provided the Council's current position regarding corporate debt as at 31st March 2022.

The main sources of income for the Council's General Fund were business rates, council tax, a small number of government grants, and service related income. The main source of income for the Council's Housing Revenue Account was dwelling rent (often referred to as 'housing rents'). Government grants were paid directly in to the Council's bank account on agreed dates so it was not necessary to include them on any of the debtor systems.

Bills for business rates, council tax and housing rents had to be requested and this was carried out on a relevant system. Legislation was in place for each of these sources which determined the rules of collection.

For service related income, invoices were raised on the sundry debtor system which was a module of the Civica Financial Management System. Examples of types of income included, housing benefit overpayment, trade refuse, industrial unit rent, garage site rent, wardens' service and alarms, and leisure hire of facilities. This income was reported in two amounts with housing benefit overpayments identified from the rest.

Failure to collect debt would have a detrimental impact on the Council's financial position if sufficient bad debt provisions were not in place. It must be remembered that the Covid 19 pandemic continued to impact on the arrears for all the Council's main sources of income at 31st March 2022.

Moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor
RESOLVED that the Council's Corporate Debt position as at 31st March 2022 be noted.

Reasons for Recommendation

To ensure that Executive are informed of the latest position concerning the Council's debt.

Alternative Options and Reasons for Rejection

This report was for information only.

EX32-22/23. BUDGET MONITORING REPORT

Executive considered a detailed report which provided the Council's current financial position following the 2022/23 Quarter 1 monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

The issue of Financial Risk was covered throughout the report. However, it was noted that the risk of not achieving a balanced budget was outlined as a key risk within the Council's Strategic Risk Register.

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Whilst officers were of the view that these risks were being appropriately managed, it needed to be recognised that there may be pressures on all of the Council's main budgets as these had been or were being reduced to minimum levels. These would need to be managed carefully during the course of the current financial year if the Council was to protect existing financial balances and reduce the funding deficit in 2025/26 in light of current inflation levels.

Moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor
RESOLVED that (1) the monitoring position of the General Fund at the end of the first quarter as detailed on Appendix 1 to the report (a net favourable variance of £0.032m against the profiled budget), and the key issues highlighted within the report be noted,

(2) the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter (Appendices 3, 4 and 5).

Reasons for Recommendation

The report summarised the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury Management activity.

Alternative Options and Reasons for Rejection

The Budget Monitoring report for 2022/23 was primarily a factual report which detailed progress against previously approved budgets. Accordingly, there were no alternative options to consider.

KEY DECISIONS

EX33-22/23. REVIEW OF FLY TIPPING ENFORCEMENT AND ENVIRONMENTAL FIXED PENALTY NOTICE FEES

Executive considered a detailed report which provided an update on the work of the Environmental Health Service in relation to fly tipping enforcement, and also to present options for revising fixed penalty fine levels for environmental offences.

The current fixed penalty fines for various environmental offences had remained the same in the District for a number of years. New offences such as fly tipping and householder duty of care had been added as legislation had been updated, along with a Public Space Protection Order, which added new dog related offences to the pre-existing dog fouling offence. This had resulted in some inconsistencies with the fixed penalty fine levels both in the significance of offences and in comparison with neighbouring authorities.

Table 1 in the report showed benchmarking of fixed penalty fine levels for matters the Joint Environmental Health Service enforced. It also showed the range within which the Council could set a fixed penalty fine in accordance with the legislation.

The report recommended that the fixed penalty fine levels for environmental offences in Table 1 of the report be adopted by the Council. These changes would bring parity between fly tipping and business waste duty of care offences, which were closely linked, while keeping fines for householders and smaller less serious offences more affordable. It

EXECUTIVE

would also bring the litter and fly tipping fixed penalty in line with neighbouring authorities and to the middle of the potential range, where it was paid early.

Although these levels were considered appropriate to the area, they would be reviewed in 12 months' time to understand the effect the changes may have had on offending and payment rates and whether there was a need to increase the levels further.

To mitigate against fines not being paid, an early payment reduction was proposed for littering and fly tipping, as these fines would be at their maximum. Without this, and whilst this sent a clear message about how serious the Council viewed these offences, they remained high and potentially unaffordable. This would then push more cases to the Courts resulting in higher costs to the Council for relatively minor offences.

More serious and repeat offences, along with cases where the fixed penalty was not paid, would always be forwarded to Court for a prosecution or a civil recovery process in line with the Council's enforcement policies.

Moved by Councillor Duncan McGregor and seconded by Councillor Liz Smyth

RESOLVED that (1) the performance in relation to fly tipping enforcement be noted,

(2) the fixed penalty fine levels as recommended in Table 1 of the report be set,

(3) the Joint Assistant Director – Environmental Health, to carry out a review in 12 months on the impact of the changes to the fixed penalty fine levels.

(Assistant Director – Environmental Health)

Reasons for Recommendation

Adjusting the fixed penalty amounts ensures the Council is keeping pace with national legislative changes and ensures fixed penalty amounts act as a suitable punishment for the offence, as well as ensuring they are affordable for smaller, less serious offences.

The increases to some of these fixed penalty amounts also demonstrates the Council's commitment to tackling environmental crime.

Allowing early payment reductions to £100 and £300 for littering and fly tipping offences respectively enables a higher penalty than currently but enables a discount for early admission of offences, encourages earlier payment and the reduced burden on the Council for follow up enforcement.

Alternative Options and Reasons for Rejection

In the financial year 2020/21, 70% of environmental fixed penalty notices were paid. It would be possible to increase penalty amounts to the maximum levels without any discount, however, this would be likely to result in lower payment rates and more cases being progressed to a criminal court. This places additional resource burdens on the Authority without receiving the resulting fines handed down at court.

It is also possible to keep the fixed penalty amounts at their current levels. That, however, would mean that fixed penalties for some offences are lower than those for similar issues, simply because the penalty amount was not set when the legislation came into effect.

EXECUTIVE

EX34-22/23. DERBYSHIRE HOMELESSNESS AND ROUGH SLEEPING STRATEGY 2022-2027

Moved by Councillor Sandra Peake and seconded by Councillor Duncan McGregor
RESOLVED that the Derbyshire Homeless Strategy 2022-2027 be deferred to a future meeting to enable further discussion.

The meeting concluded at 1040 hours.

Bolsover District Council

Meeting of the Executive on Monday 5th September 2022

Annual Letter from the Local Government & Social Care Ombudsman 2021/22

Report of the Executive Director of Resources

Classification	This report is Public
Report By	Karen Hanson Executive Director Resources karen.hanson@bolsover.gov.uk
Contact Officer	Karen Hanson Executive Director Resources karen.hanson@bolsover.gov.uk

PURPOSE/SUMMARY OF REPORT

To provide Executive with information contained within the Annual Letter from the Local Government & Social Care Ombudsman (LGSCO) 2021/22

REPORT DETAILS

1. Background

- 1.1 The Annual Letter from the Local Government and Social Care Ombudsman (LGSCO) contains an annual summary of statistics on the complaints made against the Council for the financial year ending 31st March 2022. It should be noted that the data provided by the LGSCO may not align with the data this Council holds. This is because their numbers include enquiries from people who have been signposted by the LGSCO back to the Council, but who may then choose not to pursue their complaint.
- 1.2 The Annual Letter 2022 (Appendix 1) and supporting information is attached.
- 1.3 The LGSCO received 10 enquiries and complaints during 2021/22, none of which were subject to a detailed investigation.
- 1.4 The Council complied fully with previous recommendations (100%). This refers to one complaint carried over from 2020/21.

2. Details of Proposal or Information

2.1 N/A

3. Reasons for Recommendation

3.1 To note the overall performance and receive the report and the Annual Letter from the Local Government & Social Care Ombudsman 2021/22.

4 Alternative Options and Reasons for Rejection

4.1 None.

RECOMMENDATION(S)

That Executive note the Annual Letter from the Local Government & Social Care Ombudsman 2021/22.

Approved by Councillor Duncan McGregor, Portfolio Holder for Corporate Governance

IMPLICATIONS:

Finance and Risk: Yes ☐ No ☒

Details:

Whilst there are no direct financial implications with regard to the report, the Council is at risk of recommendations or decisions by the Local Government and Social Care Ombudsman if complaints are not handled appropriately. In cases of maladministration, financial penalties can be imposed by the Ombudsman

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☐ No ☒

Details:

The Council is at risk of recommendations or decisions by the Local Government Ombudsman and Social Care Ombudsman and, in the case of complaints about Freedom of Information, Data Protection and Environmental Information requests, the Information Commissioner's Office can issue decision notices and impose significant fines. There are no Data Protection implications.

On behalf of the Solicitor to the Council

Staffing: Yes ☐ No ☒

Details:

There are no staffing implications contained within this report

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 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	No

District Wards Significantly Affected	(please state which wards or state All if all wards are affected)
Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Executive <input type="checkbox"/> SLT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy and Environment. Increasing customer satisfaction with our services Improving customer contact and removing barriers to accessing information Actively engaging with partners to benefit our customers Promoting equality and diversity and supporting vulnerable and disadvantaged people

DOCUMENT INFORMATION	
Appendix No	Title
1	Annual Letter from the Local Government & Social Care Ombudsman 2020/21

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>

Appendix 1

Local Government & Social Care

OMBUDSMAN

20 July 2022

By email

Ms Hanson
Head of Paid Service
Bolsover District Council

Dear Ms Hanson

Annual Review letter 2022

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your

Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit www.lgo.org.uk/training.

We were pleased to deliver an online complaint handling course to your staff during the year. I welcome your Council's investment in good complaint handling training and trust the course was useful to you.

Yours sincerely,

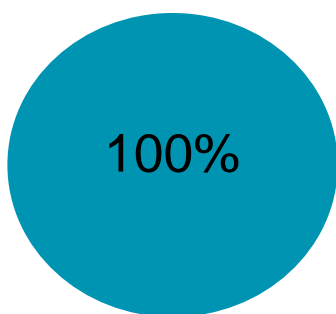
A handwritten signature in black ink, appearing to read 'M King', with a stylized flourish at the end.

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld

The Ombudsman carried out no detailed investigations during this period

Compliance with Ombudsman recommendations



In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

Statistics are based on a total of **1** compliance outcome for the period between 1 April 2021 to 31 March 2022

This compares to an average of **100%** in similar organisations.

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation

The Ombudsman did not uphold any detailed investigations during this period

Bolsover District Council

Meeting of the Executive on Monday 5th September 2022

Purchase of Section 106 Properties from Meadow View Homes Limited, Glapwell Nurseries, Glapwell

Report of the Portfolio Holder - 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 Meadow View Homes Limited are building 64 properties at Glapwell Nurseries in Glapwell, including 6 affordable (four x 2 bedroom semi-detached houses and two x 3 bedroom semi-detached houses) as a S106 planning condition.
- 1.2 This presents an opportunity to the Council to purchase the properties from Meadow View 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 £696,000 (excluding fees and SDLT). This is based on the Glapwell Nurseries Valuation (Appendix 1) carried out by the Council's Senior Valuer.
- 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 33 years. This is based on the financial viability carried out by the Council's Principal Accountant (Appendix 2).

- 2.3 A report has been submitted to Council recommending that the scheme be added to the Capital Programme on Wednesday 5th October 2022. 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 at Glapwell Nurseries, Glapwell from Meadow View Homes Limited for £696,000 subject to SDLT and 2% 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 Meadow View 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 5th October 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 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	Glapwell
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	Glapwell Nurseries Valuation
App 2	Glapwell Nurseries 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>
Glapwell Nurseries - Site Layout drawing Glapwell Nurseries – Property Type Ludlow floor plan and elevations drawing Glapwell Nurseries – Property Type Huntington floor plan and elevations drawing

Appendix 1

S106 Glapwell Nursery Site

Inputs	Build Costs	£696,000	
	Contingency %	13,920	
	Pre Start Costs	£0	
	Land Purchase	£0	£709,920
	Other		
	HE Grant or 1:1		

Scheme	£709,920
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Build	Number	Beds	Type	Rent (52 weeks)	total Rent
					0.00
	4	2	Semi detached House	105.23	420.92
	2	3	Semi detached House	132.00	264.00
					0.00
					0.00
					0.00
					0.00
TOTAL	6				684.92

Scheme Cost	£ 709,920
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Average cost per property	£118,320
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Financing

Loan	£ 709,920
Interest Rate applied	3.35%
Period of Loan Years)	50
Type of Loan	Equal Instalments of Principal

Assumptions

Average Inflation rate (applied as indicated "i")	4.00%
Current inflation rate	9.40%
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 600
Interest Rate on Balances	1%
Discount Rate	5%

Scheme Start 2022/23

Year when scheme breaks even **Year 33**



Property and Commercial Services

Valuation Report

**Section 106 Housing
Glapwell Nurseries
Glapwell
Derbyshire**

1. Instructions and Purpose of Valuation Report.

Instructions were received from Andy Clarke the Hosing Department's Operational Repairs Manager requesting a valuation of six proposed dwellings that the Council is considering purchasing under a section 106 agreement at a proposed development in Glapwell.

The purpose of the valuation is for internal decision making purposes in advance of the Council potentially making an offer for the properties.

The valuation is to be provided on the basis of the market value of the freehold interest in the properties with vacant possession.

The valuation is also to be provided on the basis of the affordable rental value of the properties.

This valuation is an update of a previous valuation carried out in October 2021 which was for seven dwellings.

2. Date of Valuation

The date of valuation is the date of this report.

3. Background and Description

The properties are to be constructed by Meadowview Homes on a proposed development of 65 houses off Glapwell Lane, Glapwell. The site is located at the Northern edge of the village.

The properties that are being offered to the Council are as follows:-

4 x two bedroom semi-detached houses each with a floor area of 66 sq metres.

2 x three bedroom semi-detached houses each with a floor area of 71 sq metres.

Each property will have off road parking and garden space.

The architect for the development has previously provided the developers assessment of the market values for each property as follows:-

Two bedroom semi-detached house - £170,000.

Three bedroom semi-detached house - £184,000.

It is not clear from the documentation provided whether these figures represent the developer's valuation of the market properties of these house types or are the valuations of the affordable properties of the various types.

A typical basic specification for the affordable properties has been provided. This includes the provision of a fitted oven and hob which I would expect to be deleted from the Council's specification for the properties.

It is expected that the standard of fittings used in the affordable properties would be of a lower quality than those used in the market properties.

It is noted that there is proposed service charge of £250 per property per annum.

4. Inspection

The properties have yet to be constructed therefore no inspection has been carried out and valuation is on a desk top basis only.

5. Basis of Valuation

The valuation of the freehold interest 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 will be connected to the properties.

7. Council Tax

This is not applicable to this report as the properties have yet to be built.

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 that the properties will be constructed in accordance with the planning permission granted and also in accordance to building regulations prevailing at the time of construction.

It is understood that the site currently has the benefit of outline planning permission and a reserved matters application is under preparation.

Under the outline consent a section 106 agreement was entered into by the original owners of the land to provide seven affordable dwellings.

10. Condition

As the properties have yet to be built 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 Long Term Flood Risk website indicates that part of the development site is a low risk of flooding from surface water with the remainder of the site at a very low risk.

It is assumed for the purposes of this valuation that any flood risk will be mitigated against by the developer during construction.

As the properties have yet to be built they have not yet been assessed for energy performance. It is assumed that they will have a good energy efficiency rating when assessed.

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.

The housing market is currently still buoyant with most parts of the district seeing rising prices and properties selling quickly. However the recent rises in interest rates may see the market slowdown in the coming months.

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 Value

Market Evidence

The following houses on the development are currently being marketed by Keepmoat at its Hedgerows Development in Bolsover:-

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.

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.

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

The following property has been sold on the estate:-

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

Affordable Rent

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.

Based on the market evidence available it is considered that the three bedroom properties have a market value of £200,000 and the two bedroom properties have a market value of £180,000.

The Council has previously purchased affordable housing from developers at between 52% and 67% of their market value.

A figure based on approximately 60% of market value has recently been agreed with Keepmoat Homes to purchase additional affordable properties on their Hedgerows development in Bolsover.

A figure based on 60% of market value has therefore been adopted.

The two bedroom semi-detached houses are considered to have a market rental value of £570 pcm per property.

The three bedroom semi-detached houses are considered to have a market rental value of £615 pcm per property.

16. Valuation

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

Market Value as affordable properties:-

Two bedroom semi-detached house - **£114,000.**

Three bedroom semi-detached house - **£120,000.**

For the six properties this totals **£696,000.**

Affordable Rent:-

Two bedroom semi-detached house - **£532 pcm (£5,472 per annum)**.

Three bedroom semi-detached house - **£572 pcm (£6,864 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
22 June 2022

Agenda Item 8

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted