

NB The report CAB949 itself and Appendix 3 are Exempt under Paragraph 12 of Schedule 12a to the Local Government Act 1972. However, Appendices 1 and 2 are not exempt having previously been authorised by the Council for publication.

Extracts from Minutes of Council, Cabinet and Principal Scrutiny Committee

Council – 21 July 2004

- “1. That the exempt status of Report CAB 901 and recommended minutes 64 and 84 be removed and all three documents be made available for public inspection.
2. That the matter stand deferred until such time as the views of the external auditor are received, whereupon a further report be made to Cabinet and Council.”

Cabinet - 5 July 2004

BUY BACK OF FORMER HRA LAND AT HIGHCLIFFE AND STANMORE

(Report CAB901 refers)

At the invitation of the Chairman, Councillor Davies spoke on this item. He questioned why the Council was intending to possibly approve a supplementary estimate of £511,000 to buy back a potentially sterile site when the Council had alternate priorities, which would be more appropriate for the spending of this money.

At the invitation of the Chairman, Councillor Higgins, also spoke on this item. He asked that the repurchased land be properly maintained to prevent it from becoming misused.

In response, the Portfolio Holder for Housing stated that the buy back was in accordance with the partnership approach to the project with the Eastleigh Housing Association and would protect the Council's reputation for further transactions. Although the time limit in the legal agreement for the transfer had expired, this had been because the Association had continued to seek a suitable development proposal satisfactory to the Council. This had not been possible. It was also confirmed that the Council's cost in this matter had been covered by the interest accruing on the sum whilst it had been deposited with the City Council.

Cabinet agreed to the following for the reasons set out above and outlined in the report.

RECOMMENDED:

THAT COUNCIL BE REQUESTED TO APPROVE A SUPPLEMENTARY ESTIMATE OF £511,000, SUBJECT TO THE MATTER NOT BEING CALLED IN BY PRINCIPAL SCRUTINY COMMITTEE, FOR THE REPURCHASE OF THE FORMER HOUSING REVENUE ACCOUNT (HRA) LAND AT FIVEFIELDS ROAD AND THURMOND CRESCENT FROM EASTLEIGH HOUSING ASSOCIATION.

COUNCIL, ON 21 JULY 2004 REMOVED THE EXEMPT STATUS OF THIS MINUTE AND THE REFERRED REPORT.

Principal Scrutiny Committee - 6 July 2004**CONSIDERATION OF ITEMS UNDER THE COMMITTEE'S POWERS OF CALL IN**

- i) **BUY BACK OF FORMER HRA LAND AT HIGHCLIFFE AND STANMORE** (Report CAB901 refers)

Following discussion, the City Secretary and Solicitor confirmed that there was no legal obligation for the City Council to repurchase the sites from Eastleigh Housing Association. However, as the Council wished to encourage working in partnership with the Housing Association to provide future social housing for its residents, it was recommended that the Council repurchase the land. Furthermore, as the capital from the original sale had been kept in reserve since that time, it had earned interest that would offset the stamp duty and other associated fees.

A Member reminded the Committee that the sites in question did not currently have planning permission and therefore suggested it was unlikely that the sites would be able to be developed for future social housing.

The City Secretary and Solicitor was requested to investigate stamp duty levels as the proposed buy back might be a related transaction and this might have an implication on the percentage charged.

RESOLVED:

That the decision of the meeting of Cabinet held on 5 July 2004 regarding the approval of a supplementary estimate for the repurchase of former Housing Revenue Account (HRA) land at Fivefields Road and Thurmond Crescent from Eastleigh Housing Association for £511,000, be not called-in for review.

RECOMMENDED:

THAT COUNCIL BE ADVISED THAT THE COMMITTEE DID NOT CALL-IN THE DECISION OF THE MEETING OF CABINET HELD ON 5 JULY 2004 REGARDING THE APPROVAL OF A SUPPLEMENTARY ESTIMATE FOR THE REPURCHASE OF FORMER HOUSING REVENUE ACCOUNT (HRA) LAND AT FIVEFIELDS ROAD AND THURMOND CRESCENT FROM EASTLEIGH ASSOCIATION FOR £511,000.

COUNCIL, ON 21 JULY 2004 REMOVED THE EXEMPT STATUS OF THIS MINUTE AND THE REFERRED REPORT