OVERVIEW AND SCRUTINY COMMITTEE

Meeting held on Thursday, 27th March, 2025 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Halleh Koohestani (Chairman)
Cllr Nadia Martin (Vice-Chairman)
Cllr S. Trussler (Vice-Chairman)

Cllr Leola Card
Cllr P.J. Cullum
Cllr C.P. Grattan
Cllr Bill O'Donovan
Cllr M.J. Tennant

Apologies for absence were submitted on behalf of Cllr Thomas Day, Cllr G.B. Lyon and Cllr Becky Williams

33. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meetings held on 4th March, 2025 were agreed as a correct record.

34. **WORK PLAN**

The Committee noted the current Work Plan.

During discussions, the following issues were raised:

- Letter to HCC – the Chairman advised that a discussion needed to be had with the Leader of the Council to determine the way forward taking account of the changes relating to Devolution and Local Government Reorganisation.

- Housing and Homelessness Prevention Strategy – the Lead Officer read out an update on the current position with the Strategy, and advised that an item regarding this matter would be scheduled for July 2025.

- A request was made for an update from SERCO following the meeting in August 2024. A request would be made to the relevant officer and presented to the Progress Group for consideration.

- The Committee noted that it was considered too early for a report regarding the Climate Change Action Plan and the Young People's Plan as both had only recently be formally agreed by the Cabinet.

35. **EXCLUSION OF THE PUBLIC**

RESOLVED: That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned item to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the item:

Minute No.	Schedule 12A Para. No.	Category
37	3	Information relating to financial or business affairs

36. **DECLARATIONS OF INTEREST**

Having regard to the Council's Code of Conduct for Councillors, the following declarations of interest were made:

Item No.	Member	Interest	Reason
37	Cllr S. Trussler	Personal and non-pecuniary	Director Rushmoor Homes Limited
37	Cllr Ivan Whitmee	Personal and non-pecuniary	Director Rushmoor Homes Limited
37	Cllr Gareth Williams	Personal and non-pecuniary	Director Rushmoor Homes Limited

It was noted that on 27th May, 2021, the Council's Corporate Governance, Audit and Standards Committee had granted dispensations to Members appointed by the Council to the Board of the Rushmoor Development Partnership and as Directors of Rushmoor Homes Limited and therefore Cllrs Trussler, Whitmee and Williams, remained in the meeting for the discussion.

37. **UNION YARD, ALDERSHOT - APPROACH TO DISPOSAL OF RESIDENTIAL APARTMENTS (SEACOLE PLACE AND BURTON HOUSE)**

The Committee welcomed the Leader of the Council - Cllr Gareth Williams, Executive Director - Karen Edwards, Executive Head of Property and Growth - Tim Mills, Executive Head of Finance - Peter Vickers, and Head of Regeneration and Development - Nick Irvine, who were in attendance to support the pre-decision scrutiny to be undertaken on the disposal of residential apartments at Union Yard, Aldershot.

Report No. EDPLACE2501 set out the background to the item, which had been requested by the Committee, to allow them to carry out pre-decision scrutiny on the approach and options for the disposals of 82 apartments in blocks C and D, (now

known as Seacole Place and Burton House) at the Union Yard development in Aldershot.

The Committee were being asked to consider five options, as set out below:

1) Disposal to the Council's Housing Company, Rushmoor Homes Limited
2) Disposal of individual units to the open market via a local estate agency
3) Disposal to a Registered Provider- part social / part private rent or shared ownership
4) Disposal for submarket rent for key workers
5) Disposal to private investor for private rent

The Chairman requested that the focus of the questions raised during discussion related to any gaps within the report, risks to the Council, and information that might assist the Cabinet in making the final decision.

Due to the nature of the information within the reports, which related to the financial and business affairs of the Council, the Chairman recommended that the item be considered in private.

Following a vote, the Committee agreed unanimously to hold the rest of the meeting in private.

During discussions with officers and representatives from Lambert Smith Hampton (LSH), a commercial property consultant engaged by the Council to assist with the process for disposal, Members were advised of the soft market testing process undertaken by LSH and their recommendations. It was advised that LSH had not gone out to the open market on this occasion and had chosen to approach the most appropriate potential buyers at the time. LSH advised this approach helped to avoid "spoiling" the offer in the wider market, should an open market disposal be required if no offers were received. In response to a query relating to timescales for full market sale, it was noted that this could take in the region of 2-3 months.

In response to a query regarding letting the units before selling them and would an income asset be of more interest to buyers, it was noted that, at this time, it was hard to say if any offers under these circumstances would have been more competitive as this depended on the nature of the investor. It would however, mean more risk for the Council who would continue to incur empty property holding costs during the lettings process which could take some months. In considering a suggested option to offer investors an incentive e.g. potentially purchase ten and get eleven units, it was advised by LSH that there was very little interest in acquisition of 'broken asset' where there were multiple small landlords subletting.

In relation to net operating income, it was advised that all parties had presented with costs and had their own view over/under the estimated figures. Some had shown to be more risk averse than others.

In response to a query regarding “room for negotiation” on the offers, it was advised by LSH that each had been pushed to get the best and final offer. This had resulted in one potential buyer increasing their offer and adding the commercial units into a second offer.

The Committee discussed the financial implications and risks. A view was expressed that a quick decision should not be made if more money could be made for residents over time. In response, it was advised that should a sale not be made by August 2025, forecast savings in the budget could not be achieved on interest costs and there would be additional unbudgeted holding costs. Risks related to the Rushmoor Homes Limited (RHL) option were also discussed. It was noted that further information had been requested on the approach to financing of this option, in advance of the Cabinet making their decision on 8th April.

It was agreed that it was important that the financial impacts, which varied between each option, were fully understood by the Cabinet before a decision was made.

In response to a query regarding Corporation Tax, it was advised that RHL would not be in a position to pay any Corporation Tax for some time, as interest payments would outweigh any income. In response to a question, it was confirmed that the Council were not able to exempt themselves from paying empty property tax.

A discussion was held on placemaking and the impacts of having empty commercial units within the site, if commercial units were empty, would residential units let easily and vice versa? The Committee expressed the view that it was important to ensure placemaking remained at the heart of the decision-making process for this asset. In response, the Leader confirmed that placemaking would be considered in the round, alongside risks, housing issues and financial implications. It was noted that the organisation submitting one of the offers had imposed some restrictions on commercial use on another acquisition and was proposing that final consent remained with them on some uses. In relation to the mix of end users the Committee recognised it was important to understand that compromises may need to be made to allow the units to be let both commercially and residentially.

In response to a query regarding commercial income, it was noted that the amounts identified in the budget were not substantial for 2025/26, this was due to rent free periods for potential leases.

RESOLVED that:

The Committee had understood the complex and balanced nature of the decision and requested that Cabinet consider the points raised during the Committee’s discussions as part of making their decision.

The Chairman thanked everyone for the contribution to the meeting.

The meeting closed at 9.23 pm.

CLLR HALLEH KOOHESTANI (CHAIRMAN)