

**Cabinet Committee - Asset Disposals – Meeting held on Thursday, 16th March, 2023.**

**Present:-** Councillors Swindlehurst (Chair), Ajaib, Anderson, Hulme and Mann

**Also present:-** Councillor Strutton

**PART 1**

**30. Declarations of Interest**

Cllr Hulme declared that she was a Councillor for Central Ward.

**31. Minutes of the meeting held on 12th January 2023**

**Resolved** – That the minutes of the meeting held on 12<sup>th</sup> January 2023 be approved as a correct record.

**32. GRE5/Nova House**

The Committee considered a report that updated on the position regarding Nova House/GRE5.

Cllr Anderson summarised the report and commented that the situation with Nova House had been challenging, but that the Council had to carry on with progression of the works to address the significant safety issues identified. It had become clear that the building had significant structural defects and these now had to be dealt with for the safety of residents living in the block. The various options had been explored, and the Committee was now asked to approve the Business Plan for GRE5 and an increase in the loan facility of £5m. It was hoped that following the work plan outlined in the report would enable recovery of as much of the costs as possible.

Cllr Mann added that previous weakness in governance structures had been exposed and this had now been improved, and that the main overarching aim was to ensure that the building was made safe for its residents.

Members' discussion centred on the importance of being aware of the issues that affected residents faced by the works, and also the importance of communication and ongoing dialogue with residents.

In answer to questions regarding the insurance claim, it was explained that the loan would be advanced so that the necessary works could proceed, and would eventually be recompensed from the insurance claim. Legal advice had been that a proportion of funds would be recouped through the claim. The latest on the insurance claim was that a court date was expected this year, which hopefully would provide a resolution.

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The Chair invited Cllr Strutton to speak, who raised concerns over the ground rent and service charges the tenants were paying, and also the exceptional cost of legal fees and how that would be addressed. Members advised that they would request a written answer from officers regarding rent and service charges. On the issue of legal fees, the legal representative explained that additional defects which had been identified since the original insurance claim had changed the nature of the claim substantially and added to its complexity.

### **Recommended to Cabinet:**

- (a) Approval of the business plan for GRE5, which was included as Appendix 1 to the report.
- (b) Approval of an increase in the loan facility by £5m to allow the work programme to continue in advance of any recovery via the legal proceedings, future grant from Homes England or leaseholder recovery.

And agreed to regular, at least quarterly, reports being presented to the Committee updating on progress and risks and for a future report recommending approval of an updated shareholder agreement.

### **Resolved –**

- (c) That a briefing note from officers be provided tracking how the Council was formally communicating with the leaseholders and residents regarding milestones in terms of works to the building.
- (d) Officers to invite the Company Directors to a future Cabinet Committee meeting.

### **33. Exclusion of the Press and Public**

The Committee was able to conduct all business in the public part of the meeting without disclosing any of the exempt information in Part II of the published agenda. It was therefore not necessary to exclude the press and public.

### **34. GRE5/Nova House - Appendices**

**Resolved –** That the Part II Appendices be noted.

Chair

(Note: The Meeting opened at 4.30 pm and closed at 5.04 pm)