RUSHMOOR BOROUGH COUNCIL

RECORD OF EXECUTIVE DECISION

ROED REF 453

Decision taken by individual Officer

DECISION MAKER

Amanda Bancroft - Executive Head of Governance and Law (Monitoring Officer)

DECISION AND THE REASONS FOR IT

Vivid Housing wish to raise funding by way of charges against various titles they own via the Large Scale Voluntary Transfer dated 13 November 1995 (LSVT). They are seeking agreement to vary the LSVT to make the properties acceptable as security to lenders as follows:

1. Incorporation of a standard exclusion clause to the restrictive covenant.
   Currently the LSVT contains 2 restrictive covenants which restrict disposals unless the Council consents and require the properties to be used for social housing for rent or sale on shared ownership terms only. Both contain mortgagee exclusion clauses which enable a lender to dispose of the properties under certain circumstances but which omit reference to a 'Housing Administrator'. This results in the properties being restricted in value and unacceptable as security to lenders. Vivid wish to raise funding to provide further social housing.

2. Variation of the wording of the restrictions on title.
   The LSVT requires the restrictive covenants to be protected by restrictions entered against the title. These restrictions were meant to include reference to the mortgagee exclusion clauses but currently do not and neither do they make clear how to achieve the requisite consent for disposals. This makes the properties unacceptable as security to lenders. Vivid have been unable to include the properties in previous charging exercises due to this.

3. Removal of reference to Section 81(8) Housing Act 1988.
   The restrictive covenants refer to Section 81(8) of the Housing Act 1988. The Housing and Planning Act 2016 effectively deregulated the consent provisions of the Housing Act 1988 as far as social housing providers are concerned and it is now outdated to refer to this section.

The variation to the restrictive covenants allows for further borrowing. A mortgagee exclusion already exists in the LSVT but the inclusion of "housing administrator" which covers those managing the properties on behalf of the lender, makes the properties acceptable to lenders.

These clauses are intended to apply to situations where Vivid is in default under its loans. It does not entitle Vivid to sell without the limitation on use of social housing and default on loans in the housing provider sector is unusual. The variation provides for a mortgagee to use reasonable endeavours to sell to another registered housing provider and also to offer a buy back to the Council. This mirrors the National Housing Federation standard mortgage exclusion clause which is a standard commonly used.

No valuation of the variation is required for the following reasons:

a) the variation does not have a value to the market, only to Vivid; and b) the variation furthers the Council's aim for social housing to be provided across the borough and therefore it is in line with the Council Delivery Plan
DATE DECISION TAKEN 23 June 2026
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (a) To insist on a valuation of the variation (b) refuse to consent to any variation to the LSVT
ANY CONFLICTS OF INTERESTS DECLARED *(Conflict of interests of any executive member who is consulted by the officer which relates to the decision. A note of dispensation should be attached).* None.

Signed [redacted]

Designation Executive Head of Governance and Law (Monitoring Officer)