

CABINET (HOUSING) COMMITTEE

30 September 2015

Attendance:

Councillors:

Horrill (Chairman) (P)

Byrnes

Miller (P)

Deputy Members

Councillor Read (Deputy Member for Councillor Byrnes)

Other invited Councillors:

J Berry (P)

Scott (P)

Dibden (P)

Tait (P)

Izard (P)

Thacker

TACT representatives:

Mr D Chafe

Mr D Light (P)

Mrs M Gill (P) (Deputy for Mr D Chafe)

Others in attendance who addressed the meeting:

Councillor Simon Cook

Others in attendance who did not address the meeting:

Councillors Hiscock and Weir

1. **DISCLOSURE OF INTERESTS**

Councillor J Berry declared disclosable pecuniary interests in respect of Report CAB2723(HSG) due to her being a Council tenant. However, as there was no material conflict of interest, she remained in the room and spoke under the dispensation granted on behalf of the Standards Committee to participate in all matters which might have a Council house rent setting involvement.

Councillor Dibden declared a personal (but not prejudicial) interest in respect of Report CAB2724(HSG) as she had friends who lived opposite the site in Chesil Street. She remained in the room during consideration of this item.

Councillor Read wished it to be noted that he had been a member of the Planning Committee which had considered the planning application for the Chesil Street Extra Care scheme. However this Cabinet Committee meeting was to specifically consider the matters related to affordable housing provision at the site.

2. **MINUTES**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 30 June 2015 be approved and adopted.

3. **PUBLIC PARTICIPATION**

One member of the public spoke regarding CAB2724(HSG) and their comments are summarised under the relevant minute item below.

4. **TACT INVITEES**

The Committee noted that Mrs Steventon Baker had recently stood down as TACT Chair and Mr Chafe had been elected as her replacement. The names of the two TACT invitees were consequently Mr David Chafe and Mr David Light, with Mrs Monica Gill as deputy.

The Chairman thanked Mrs Steventon Baker for her work during her time as TACT Chair. The Committee also noted that Mr Chafe was currently unwell and unable to attend the meeting and passed on their best wishes for a speedy recovery.

RESOLVED:

That the names of the TACT invitees to the Committee be confirmed as follows:

Mr D Chafe and Mr D Light (Deputy: Mrs M Gill)

5. **WINCHESTER EXTRA CARE SCHEME – AUTHORISATION TO PROCEED (LESS EXEMPT APPENDICES)**
(Report CAB2724(HSG) refers)

The Committee noted that Report had not been made available for publication within the statutory deadline. The Chairman agreed to accept the Report onto the agenda as a matter requiring urgent consideration to enable its contents to be considered prior to Cabinet on 21 October 2015 and Council on 4 November 2015.

The Head of New Homes Delivery emphasised that, in granting planning permission, the requirement for high quality design and materials to be used was recognised by the Planning Committee.

The Head of New Homes Delivery advised that discussions were ongoing with the preferred bidder with a view to finalising the contract and an update report would be submitted to Cabinet on 21 October 2015.

In response to questions, the Head of New Homes Delivery confirmed that all the existing on-street parking bays around the site would be replaced. The original proposal had also contained provision for parking spaces to be made available for commercial use in the undercroft of the new development. However, the local business that had previously expressed an interest in these spaces had indicated they were no longer required and it was not clear as to whether there was any alternative commercial demand for such spaces. Consequently, discussions were taking place with the contractor as to whether cost savings could be achieved from construction of a smaller basement area (should this be decided upon).

The Head of New Homes Delivery confirmed that if the additional two flats (referred to in Paragraph 1.5 of the Report) were offered for sale, the future use would be restricted to extra care (i.e. they were specifically for elderly people in need of extra care). Based on similar properties across Hampshire, he was confident there would be a market for such sales.

The Head of New Homes Delivery stated that the possibility of offering a smaller number of properties for sale to assist with viability of other future schemes could be examined. The Assistant Director (Chief Housing Officer) advised that this could be considered at a future meeting, alongside consideration of impact of recent Government decisions on rent levels.

The Head of New Homes Delivery advised that the County Council and Hampshire Housing Authorities had adopted an extra care allocation protocol which was based on an assessment of applicants' housing and care needs. The allocation of the Chesil Street extra care units would be through the Choice Based Lettings scheme, having regard to this protocol.

The Head of New Homes Delivery explained that it was intended Design Engine would work for the Council to ensure all the planning conditions were adhered to. He believed they had offered valued advice in "sense-checking" the design and provided reassurance to external organisations, such as the City of Winchester Trust.

In response to some concerns expressed by a Member, the Head of New Homes Delivery confirmed that Design Engine were a part of the project team and, whilst acknowledging the difficulty of developing the site in terms of access, he was confident the preferred bidder had a robust method statement to achieve this.

The Chief Housing Officer advised that in calculating the finances and costs for the scheme, the Council had been conservative regarding its estimations and the County Council had offered a further contingency sum of £150,000.

The Head of Legal and Democratic Services confirmed that it was not appropriate to release the information contained in the exempt appendices until the contract had been signed, but it might be possible thereafter.

During the public participation, Nicola Benson spoke as a resident of Chesil Street and in summary, raised the following concerns:

- She believed that the site was over-plotted, the design too high and unsuitable for the area;
- Concerns about the financial feasibility of the scheme and the fact some units were now being offered for sale;
- Concerns about the negative impact on residents' parking spaces in the vicinity and any decision to remove the basement parking (which could be offered to staff and/or other business/residents in the area);
- Concerns about the building of a care home in a "polluted area";
- Concerns about the location and the difficulty for residents to easily access the town centre.

In response, the Chairman highlighted that many of the concerns relating to planning matters had been dealt with at the planning application stage. She also clarified that the number of affordable housing units had not altered from the 50 originally proposed (44 rented and 6 shared ownership). The two units being suggested for private sale were in addition to this.

The Head of New Homes Delivery confirmed that the Planning Committee had received evidence that there was no pollution in that area of Chesil Street. The scheme currently being recommended included the parking spaces in the under-croft and, even if these were reduced in number, spaces would remain for emergency vehicles, the scheme manager etc. The current discussions on possible cost-savings would not negatively impact upon the overall external design or quality of materials used on the exterior of the building.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

THAT THE TOTAL SCHEME COSTS FOR THE CHESIL STREET EXTRA CARE SCHEME BE INCREASED BY £2,428,000, FUNDED BY ADDITIONAL CAPITAL RECEIPTS OF £740,000 AND A VIREMENT OF £1,688,000 FROM THE SMALL SITES/UNALLOCATED SITES ALLOWANCE IN 2016/17 AND 2017/18, WITH NO NET OVERALL INCREASE IN THE NEW BUILD PROGRAMME, AS DETAILED IN PARAGRAPH 4 AND APPENDIX 1 OF REPORT CAB2724(HSG).

RECOMMENDED (TO CABINET):

1. That (subject to approval of full Council to the revised new build capital programme) that the preferred bidder for the construction of the scheme, as set out in Exempt Appendix 3, be approved.

2. That subject to the above, the Assistant Director (Chief Housing Officer) be given delegated authority to enter into the build contract with the preferred bidder for a sum not exceeding the amount set out in Exempt Appendix 3.

3. That approval be given under Financial Procedure Rule 6.4 to the capital expenditure under the scheme, as set out in Exempt Appendix 2.

4. That the Portfolio Holder for Business Services be authorised to appropriate (through the Portfolio Holder Decision Notice process and before any commencement of building works) the Chesil Street Surface car park for the purposes of Part II of the Housing Act 1985.

RESOLVED:

1. That the use of the Harris Bequest to assist in the funding of the scheme be agreed.

2. That subject to the recommendations in Exempt Appendix 3, the agreed tenure split for the scheme be 44 rented, 6 shared ownership and 2 open market sale dwellings.

3. That the appointment of Design Engine as the Council's design guardian for the scheme be approved as set out in the report and a Direction under Contracts Procedure Rules 2.4 (a) be made accordingly.

4. That the Head of Estates be authorised to negotiate and agree terms for easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.

6. **VICTORIA HOUSE – FINAL BUSINESS CASE – AUTHORISATION TO PROCEED WITH THE SCHEME**

The Committee noted that this item had been deferred to enable further legal clarification and would now be considered by Cabinet on 21 October 2015. The Chairman confirmed that Housing Committee invitees would have the opportunity to attend and address the Cabinet meeting on this item.

7. **AUTHORISATION TO SUBMIT PLANNING APPLICATIONS – HILLIER WAY, WINCHESTER AND MITFORD ROAD, ALRESFORD**
(Report CAB2725(HSG) and Addendum refer)

The Committee received an Addendum which replaced the previous Appendix 2 to the Report with updated information. The Chairman agreed to accept the Addendum onto the agenda as a matter requiring urgent consideration to enable the Committee to consider the corrected financial appraisal summary in relation to Hillier Way.

The Committee received presentations outlining the plans for each of the two separate proposed planning applications.

With regard to the Mitford Road proposal, the Head of New Homes Delivery advised that because the area included designated highway land, an application to the Secretary of State was required if and when planning permission was obtained. The Committee agreed that delegated authority be granted to the Chief Housing Officer to enable him to apply for the necessary permissions (as detailed in Resolution 3 below).

With regard to the Hillier Way proposals, the Head of New Homes Delivery emphasised the amount of public consultation that had taken place to date. The availability of the new homes to be provided would be restricted under Policy CP4 to local people as an urban exception site.

The Committee noted a correction to Paragraph 3.1 of the Report (Hillier Way proposal) that the proposals consisted of 4 x 1 bed flats, 3 x 2 bed (3 person houses), 3 x 2 bed (4 person) houses and 3 x 3 bed houses.

Some Members expressed concern about the high levels of weekly rents assumed in the financial appraisals, particularly for the Hillier Way site. It was suggested that local residents be made more aware of the likely future rental costs of units within new developments otherwise there was a risk people could believe they had been misled.

The Assistant Director (Chief Housing Officer) acknowledged the concerns raised but highlighted the rental figures quoted were an early estimate and further examination would be required in putting forward a business case, should planning permission be forthcoming. This could include consideration of extending the period of years to repay the loan from 30 years and also the possibility of including an element of market sales.

A Member also expressed concern about whether the views of elderly residents, such as those in Symonds Court, and been fully taken account of.

At the invitation of the Chairman, Councillor Simon Cook addressed the Committee as a Ward Councillor for New Alresford and on behalf of Councillor Power who was unable to attend the meeting. Both Councillors supported the proposals for Mitford Road and congratulated Officers on the designs proposed.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the Assistant Director (Chief Housing Officer) be authorised to prepare and submit a planning application to construct 13 new Council houses on the Hillier Way, Abbotts Barton site, as set out in the report.

2. That the Assistant Director (Chief Housing Officer) be authorised to prepare and submit a planning application to construct 9 new Council houses on land at Mitford Road, Alresford, as set out in the report.

3. That the Assistant Director (Chief Housing Officer) be authorised to amend the proposals, if necessary, to prepare the schemes for planning application submission.

4. That the Assistant Director (Chief Housing Officer) be authorised to take all necessary actions to comply with any planning requirements that may arise following the submission of the planning applications.

5. That the Assistant Director (Chief Housing Officer), in conjunction with the Heads of Legal and Democratic Services and Estates, be authorised to proceed to tendering a build contract for the scheme through the Council's select list of Builders.

6. That further reports be brought back to Cabinet (Housing) Committee to approve the letting of the build contracts for each scheme, and also approve release of the capital required under Financial Procedure Rule 6.4.

7. That the Head of Estates be authorised to negotiate and agree terms for easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours in order to facilitate the development.

8. That the Assistant Director (Chief Housing Officer) be authorised to make any necessary applications in respect of consequential highway matters.

8. **RESPONSE TO NOTICES OF MOTION TO COUNCIL ON RECENT GOVERNMENT HOUSING ANNOUNCEMENTS**
(Report CAB2723(HSG) refers)

The Assistant Director (Chief Housing Officer) highlighted that the detail of the various Government announcements in relation housing was not yet known and further changes had occurred since the Report was published. For example, current indications were that a voluntary process would be adopted

for housing associations regarding “Right to Buy”. In addition, officials from the Department for Communities and Local Government (DCLG) had agreed to meet the following week with Hampshire authorities to discuss concerns regarding the impact of “high value” sales.

The Chief Housing Officer emphasised that the service’s current business plan had been based on assumed rental increases, as had been previously advised by the Government. However, there would be a significant financial impact of the newly proposed 1% reduction in rents for the next four years equating to approximately £1 million per year. A further report discussing the impact of this change would be brought to the next Committee meeting in November 2015.

Mrs Gill (TACT) stated that TACT had received a presentation from the Chief Housing Officer on this subject at its AGM. TACT was concerned about the uncertainty surrounding the proposals and the loss of homes under the “high value” sales. TACT welcomed the proposed 1% rent reduction but was concerned about the consequential impact on the Council’s business plan.

Members expressed concern about the suggested figures for “high value” sales detailed in Paragraph 3.1 of the Report. For example, three bedroomed properties within Stanmore had recently sold for £325,000, above the stated limit of £320,000. The Chief Housing Officer noted concerns which would be shared with the DCLG and advised that no decision had yet been taken by the DCLG as to “high value” limits.

Members also expressed concern about the potential impact of the rent reduction, as outlined in Paragraph 6.2 of the Report. The Chief Housing Officer acknowledged that difficult decisions as to future priorities would have to be taken. In addition to the future Report referred to above, a further all Councillor briefing session would be arranged for early November 2015.

The Committee also noted the practical difficulties involved with regard to the “pay to stay” proposals, as detailed in Paragraph 7 of the Report. Some concern was expressed about the desirability of such measures.

In response to questions, the Chief Housing Officer confirmed that an update on the impact of the Government’s welfare reforms and introduction of universal credit would be submitted to Members once further information was available.

As the proposer of one of the Council motions (contained within Appendix 1 to the Report), Councillor J Berry welcomed the Report and the discussions with local MPs. She urged the Council to vigorously oppose the Government’s proposals.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

THAT THE POTENTIAL IMPACT OF GOVERNMENT WELFARE AND HOUSING BILL PROPOSALS ON THE CITY COUNCIL'S HOUSING SERVICE BE NOTED AND THE ACTION TAKEN BY THE PORTFOLIO HOLDER FOR HOUSING AND OFFICERS IN RESPONSE TO THE NOTICES OF MOTION TABLED AT COUNCIL IN JULY BE SUPPORTED.

RESOLVED:

1. That a report detailing how the Housing Revenue Account (HRA) Business Plan and budget should be amended to reflect the impact of the proposed 1% Rent Reduction be prepared for the November Cabinet (Housing) Committee meeting
2. That the response received from the Minister for Housing and Planning be noted.

9. **TENANT INVOLVEMENT AND EMPOWERMENT**
(Report CAB2729(HSG) refers)

The Chairman acknowledged the longstanding and productive relationship between the Council and TACT. The Assistant Director (Chief Housing Officer) explained that the Report proposed additional measures to those currently being used to try to reach all tenants.

On behalf of TACT, Mr D Light welcomed the proposed new methods to involve a wider range of tenants, including younger tenants.

In response to questions, the Chief Housing Officer confirmed the Council would welcome any opportunity to involve tenants from housing associations in discussions. In addition, he stated it would be possible to introduce a tenant involvement and empowerment strategy.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the range of existing involvement activities be noted.
2. That the proposal to implement more targeted surveys of tenants to identify priorities and to provide a more representative response to proposals for change and service development be supported.

10. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

| <u>Minute Number</u> | <u>Item</u> | <u>Description of Exempt Information</u> |
|----------------------|---|--|
| ## | Extra Care – Authorisation to Proceed with the Scheme (exempt appendices) |) Information relating to the) financial or business affairs of) any particular person (including) the authority holding that) information). (Para 3 Schedule) 12A refers) |

11. **WINCHESTER EXTRA CARE SCHEME – AUTHORISATION TO PROCEED (EXEMPT APPENDICES)**

(Report CAB2724(HSG) refers)

The Committee considered the content of the exempt appendices which set out further information on the scheme viability assessment and the tender report (detail in exempt minute).

The meeting commenced at 4.00pm and concluded at 6.40pm.