

CABINET (HOUSING) COMMITTEE

22 MARCH 2015

AUTHORISATION FOR FINAL APPROVAL TO CONSTRUCT HOUSING SCHEME:
HILLIER WAY, WINCHESTER

REPORT OF THE HEAD OF NEW HOMES DELIVERY

Contact Officer: Andrew Palmer Tel No: 01962 848152
apalmer@winchester.gov.uk

RECENT REFERENCES:

CAB2725 - Authorisation to Progress Affordable Housing Schemes, Mitford Road, Alresford and Hillier Way, Abbots Barton, 30 September 2015

EXECUTIVE SUMMARY:

This report seeks final approval to enter into a build contract to construct 13 new Council homes at Hillier Way, Abbots Barton. Approval is sought in accordance with Financial Procedure Rule 6.4 for the capital expenditure involved.

RECOMMENDATIONS:

- 1 That the Assistant Director (Chief Housing Officer) be authorised to enter into a design and build contract to construct 13 new homes at Hillier Way, Abbots Barton, Winchester as set out in Exempt Appendix 1 to the Report.
- 2 That in accordance with Financial Procedure Rule 6.4, capital expenditure as set out in Exempt Appendix 1 be approved.
- 3 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.

CABINET (HOUSING) COMMITTEE

22 MARCH 2016

AUTHORISATION OF FINAL APPROVAL TO CONSTRUCT HOUSING SCHEME: HILLIER WAY, WINCHESTER

REPORT OF HEAD OF THE NEW HOMES DELIVERY

DETAIL:

1 Introduction

- 1.1 The Hillier Way development proposals consist of 4 x 1 bed flats, 3 x 2 bed (4 person houses), 3 x 2 bed (5 person) houses and 3 x 3 bed houses and follow a study of the development potential of the area carried out in 2012/2013 and the subsequent Abbots Barton Framework which was adopted by Cabinet in February 2013. The Hillier Way site is adjacent to Simonds Court and primarily consists of informal open space.
- 1.2 Two consultation events have been held specifically relating to the development, the first in July 2015, with a second in September 2015. Generally, there was concern over the loss of open space but the design and layout of the scheme was well received. As part of the consultation exercise, the wider development proposals for Abbots Barton (as set out in the Abbots Barton Framework) were discussed and Officers were able to reassure residents that there were no plans to develop the Charles Close site that is adjacent to the central Green area.
- 1.3 Planning consent was granted on 4 February 2016. Members of the Planning Committee were particularly keen to see the 13 new homes to be exclusively for affordable rent (rather than shared ownership or outright sale). As the scheme is to be built on what is currently open space, £100,000 has been included in the scheme costs for mitigation works. The Council will work with the local community to determine the most appropriate use of these funds.

2 Tender Process

- 2.1 The scheme was tendered via the South East Business Portal in January 2016 with a return date of 24 February 2016. 13 contractors responded, and following an assessment of these responses using a scoring matrix, the top 5 contractors were invited to submit a full tender.
- 2.2 Four tender returns were submitted by the deadline, the details of which are set out in Exempt Appendix 1. If the recommendation is agreed, final contracts will be prepared and entered into in April 2016,

with the site handed over to the contractor during June 2016. The build contract period is estimated at 46 weeks.

3 TACT Comment

- 3.1 TACT is pleased to note progress with this scheme and fully support the proposals in the report. TACT would like the opportunity to add further comments verbally at the meeting.

OTHER CONSIDERATIONS:

4 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 4.1 Developing new homes is a key priority for the Council as it seeks to promote active communities: 'to support local people in accessing high quality and affordable housing which meet their needs'. It also facilitates the District's economic prosperity.

5 RESOURCE IMPLICATIONS:

- 5.1 Full details are set out in Exempt Appendix 1. The current estimated scheme cost is within the budget set, and therefore no virements or additional funds are required at this stage.
- 5.2 In order for tenders to be accepted and the scheme proceed, it is necessary for the expenditure to be approved in accordance with Financial Procedure Rule 6.4.

6 RISK MANAGEMENT ISSUES

- 6.1 The Council wants to develop and deliver an ambitious programme for the building of new council houses. Building homes involves significant risks. This is why market developers and investors demand high returns in reward for that risk. Risks lie in delays arising from inadequate resourcing, abnormal costs, unnecessarily bureaucratic procedures, local opposition, planning objections and a weakening of political commitment. It is important that risk is carefully managed.
- 6.2 At a high level, risk management is carried out by ensuring that proposals have a strategic fit with the Housing Development Strategy, particularly with respect to viability. The Council's corporate project and risk management processes will be used to mitigate detailed risk and ensure that projects are progressed in a logical sequence to ensure that the Council is not overexposed to risk. It is important to note that it is rare for risk to be totally removed.

APPENDICES:

Exempt Appendix 1 – Tender Report

Exempt Appendix 2 - Financial Viability Summary