

REPORT TITLE: NEW HOMES DEVELOPMENT – THE VALLEY, STANMORE, WINCHESTER

23 NOVEMBER 2016

PORTFOLIO HOLDER: CLLR CAROLINE HERRILL – HOUSING SERVICES

REPORT OF HEAD OF NEW HOMES DEVELOPMENT

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WARD(S): ST LUKES

PURPOSE

This report seeks authority to submit a planning application for the development of up to 76 new homes at The Valley, Stanmore, Winchester.

RECOMMENDATIONS:

1. That the Assistant Director (Chief Housing Officer) be authorised to prepare and submit a planning application to construct up to 76 new Council homes on land at The Valley, Winchester.
2. That the Assistant Director (Chief Housing Officer) be authorised to amend the proposals, if necessary, to prepare the scheme for planning application submission.
3. 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.
4. That a further report be brought back to Cabinet (Housing) Committee to authorise the procurement process for the scheme.
5. That the Assistant Director (Estates and Regeneration) 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.

IMPLICATIONS:

1 COMMUNITY STRATEGY OUTCOME

- 1.1 Developing new Council 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 meets their needs”

2 FINANCIAL IMPLICATIONS

- 2.1 At this stage of the project the Council is committed to the professional fees of an Architect and Quantity Surveyor and the application will be subject to the standard planning application fee for housing schemes of this size. The budget within 2016/17 for this work is £180,000 and is included in the updated Housing Revenue Account Capital Programme (Report CAB2860(HSG) elsewhere on the agenda)

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 If the planning application is approved, a further report will be brought to Members seeking authority to procure the works to complete the scheme. Due to the value of the build works a full OJEU procurement process is applicable.

4 WORKFORCE IMPLICATIONS

- 4.1 None, the scheme is part of the Council’s new homes programme where the appropriate level of staff resources have been allocated

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The scheme is situated on land within the HRA which is currently informal open space which has limited (amenity) value.

6 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

- 6.1 The Council has held two consultation events with the local community to discuss the merits, design and layout of the new homes. Local Members, TACT members and other stakeholders have been contacted and invited to submit their views. There has been general support for the proposals from all of those affected, concerns with regard to car parking have led to design changes and individual concerns over views from existing properties have been considered when designing the scheme.

7 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Technical issues with site development	Complete land survey – appointment of structural engineers	
Community Support	Hold community consultation and stakeholder events	
Timescales	Project plan in place	
Project capacity	Project resource plan in place	
Unviable scheme – expensive to develop	Regular design review and costing meetings	
Limited land encroachment by neighbouring properties	All affected parties have been contacted, design changed to accommodate	
Political risk	Limit “mission creep” where additional development options are included in the project which may make the scheme unacceptable	

8 SUPPORTING INFORMATION:

- 8.1 Member approval is sought to submit a planning application for the development of up to 76 new dwellings at The Valley. There are two principal areas of development recommended, the Wilberforce Close / Woolford Flats area and at the lower end close to Valley Court. Access to the lower end is proposed to be from The Valley and Battery Hill (close to St Luke’s Church).
- 8.2 The site was originally identified in the Stanmore Planning Framework as a large area of open space which was of limited amenity value due to the slope of the land. From an urban design aspect two areas of land at either end of the valley were identified as having a potential for development leaving the majority of the open space in the middle where appropriate landscape works could improve the area.
- 8.3 An initial consultation event was held in late July 2016 where the architect and landscape advisor presented their initial design proposals. Feedback from local residents was generally positive as it was recognised The Valley is a large area of land which could accommodate development. Particular areas of concern were making sure there is adequate car parking for the new properties and ensuring that existing residents’ views down the valley and

across the countryside to the south were respected. A follow up consultation event was held at the start of November where more detailed plans were displayed which incorporated comments from the first event. Approximately 40 local residents attended and raised issues again around current car parking problems in the neighbourhood as well as the need to protect some open space in the Valley. The landscape proposals to improve the large middle portion were well received as well as improvements to the path along the top of the site. One resident of the Woolford Close flats felt it was appropriate to retain views down the Valley to open countryside which the architect has reflected in the layout of the new homes.

- 8.4 The exact number of properties planned for the scheme has not been finalised. Primarily this is due to relatively high cost of developing one small area of the site and how this impacts on the overall viability of the scheme. The area in question is sloping to the extent that the planned houses would require a large retaining structure which is expensive to build. Further studies are being conducted by the appointed Building Surveyor to establish the feasibility of development. Overall, the scheme has higher than normal build costs due to the slope of the site, the estimated scheme cost is currently £16M which makes viability a challenge and unlikely the Council could develop all of the properties as affordable housing. Various property / tenure mix scenarios are being tested which include outright sale as well as shared ownership and affordable rent. The current property mix being evaluated is 31 x 1bed flats, 28x 2bed flats, 3x3bed flats, 11x2bed houses, 2x3bed houses and 1x3bed bungalow, however, this is subject to change, depending on the viability of construction. Currently, £9.7m has been allocated for the scheme from the HRA utilising some or all of the unallocated/small sites resources for the 3 year period from April 2017 to March 2020. Members should note that any properties the Council would choose to develop that were not classified as affordable would need to be funded from outside of the HRA.
- 8.5 Initial discussions have been held with the Homes and Community Agency (HCA) about potential grant funding for the shared ownership properties. The Council was invited to apply for funding on the basis that the Government are keen to support the provision of housing of this tenure and there remains unallocated funding nationally available. With grant funding (assumed at £30,000 per unit) the viability of the scheme improves and limits the number of properties that would need to be sold outright. However, the introduction of HCA grant to the scheme would remove the possibility of using 1-4-1 Right to Buy receipts to fund the development.
- 8.6 It is important to note that the actual cost of the scheme will only be known once tenders have been returned, at this time the results (and viability appraisal) will be brought back to Members for final approval to proceed with the project. This report recommends that the scheme is submitted for planning consent after Officers, in conjunction with the Portfolio Holder for Housing, have concluded the final number of properties that are feasible to develop. If the planning application is successful Member approval will be sought in to proceed to Tender using an EU compliant procurement process.

9 OTHER OPTIONS CONSIDERED AND REJECTED

- 9.1 Investigations were undertaken to decide on the most appropriate areas of the Valley to develop, significantly larger areas were looked at but a number of constraints were identified. These included potential public opposition to a larger scheme, landscape impact and capital constraints.
- 9.2 The Council could sell all of the land for private housing development however this option was discounted due to, the pressing need for affordable housing, the lack of control on the type of housing developed and the lack of public and local Member support for this option.

BACKGROUND DOCUMENTS:-

The design details and public consultation boards can be found on the council's website (<http://www.winchester.gov.uk/housing/new-affordable-housing/considered-schemes/new-council-housing-valley-stanmore/>)

Previous Committee Reports:-

None

Other Background Documents:-

None

APPENDICES:

None