

CABINET – SPECIAL MEETING

6 August 2014

Attendance:

Councillor Humby -	<i>Leader (Chairman) (P)</i>
Councillor Weston -	<i>Deputy Leader and Portfolio Holder for Built Environment (P)</i>
Councillor Godfrey -	<i>Portfolio Holder for Finance & Organisational Development (P)</i>
Councillor Miller -	<i>Portfolio Holder for Business Services (P)</i>
Councillor Southgate -	<i>Portfolio Holder for Communities & Transport (P)</i>
Councillor Tait -	<i>Portfolio Holder for Housing Service (P)</i>
Councillor Warwick -	<i>Portfolio Holder for Environment, Health & Wellbeing</i>

Others in attendance who addressed the meeting:

Councillors J Berry, Gottlieb, Learney and Pines

Others in attendance who did not address the meeting:

Councillors Achwal, Cook, Dibden, Izard, Jeffs, Johnston, Laming, Pearson, Phillips, Read, and Weir

Mr D Chafe - TACT

1. **CHAIRMAN'S ANNOUNCEMENT**

The Chairman welcomed to the meeting approximately 150 members of the public, local interest groups business representatives and representatives of Henderson. He explained the procedure that would be followed. Public participation would be allowed at the start of the meeting, after an introduction to the Report. Representations would then be taken from non-Cabinet Members under Council Procedure Rule 35, followed by Cabinet questions of Officers on the open section of the Report. Following consideration of the contents of the information contained within the exempt appendices to CAB2607, Cabinet would return to open session for debate and consideration of the recommendations.

In addition to the Council Officers present, the following professional advisors engaged by the Council also attended: Ms L Avis and Mr T Hellier (BLP LLP Solicitors); Mr R Owen and Ms L Howard (Deloitte Real Estate).

2. **PORTFOLIO HOLDERS' ANNOUNCEMENT**

Councillor Weston announced that Zurich Insurance would not be taking any further legal action regarding their action challenging the Council regarding Local Plan Part 1, following the Court of Appeal's refusal of its application for

leave to appeal. This certainty would assist the Council in its current progression of Local Plan Part 2 and help to ensure the Council had strong policies in place in relation to future possible housing developments.

3. **DISCLOSURE OF INTERESTS**

Councillor Humby declared a disclosable pecuniary interest in respect of agenda items due to his role as a County Councillor. Councillor Godfrey declared a disclosable pecuniary interest in respect of agenda items due to his role as a County Council employee. However, as there was no material conflict of interest, they remained in the room, spoke and voted under the dispensation granted on behalf of the Standards Committee to participate and vote in all matters which might have a County Council involvement.

4. **PUBLIC PARTICIPATION**

Eighteen members of the public addressed the meeting and their comments are summarised under the minute in relation to CAB2607 below.

5. **MINUTES**

RESOLVED:

That the minutes of the previous meeting held on 10 July 2014, less exempt items, be approved and adopted.

6. **SILVER HILL AFFORDABLE HOUSING REVIEW (LESS EXEMPT APPENDICES)**

(Report CAB2607 and Addendum refers)

Under the Council Constitution Access to Information Procedure Rules (Rule 15.1 – General Exception), this was a key decision which was not included in the Forward Plan as the need for decision had only arisen following comments made by Council on 16 July 2014. Under this procedure the Chairman of The Overview and Scrutiny Committee had been informed.

The Chairman emphasised that this was the fourth meeting within a month which had allowed the opportunity for public discussion on the Silver Hill scheme, enabling over sixteen hours so far of challenging and productive debate and scrutiny.

At Council on 16 July 2014, the majority of Members agreed with the recommendations of Cabinet held on 10 July 2014 that the scheme should move forward, with one exception in that Cabinet should be asked to reconsider its decision in respect of affordable housing and seek a more beneficial arrangement for Winchester residents. He reminded those present that although any wider issues raised will continue to be part of the ongoing debate about Silver Hill, the matter in the report before Cabinet related to the issue raised by Council regarding affordable housing.

The Chairman reiterated Cabinet's opinion that the proposed scheme had many benefits for Winchester and would regenerate a run-down area, whilst protecting and enhancing the retail provision. It also represented a good return on the Council's assets and he reminded those present that the Council's external advisors had concluded the deal offered "best consideration".

Report CAB2607 explained in detail why it was not possible for the Council to demand 35% affordable housing and recommended a mechanism for a share of profit above a certain level to be taken to fund affordable housing. However, Cabinet had continued to scrutinise how the best deal could be achieved and were therefore proposing an amendment as set out in italics below (and contained within an Addendum to Report CAB2607, circulated at the meeting):

1. *That Cabinet reaffirm its previous resolution Minute Number 4 from 10 July 2014 (CAB2603 refers) subject to:-*
 - (i) *the substitution of the following for 1(a) thereof:*
"A reduction in the number of residential units from 287 (plus 20 live/work units) to 177 residential units only (or such lower number as the local planning authority may require)"
 - (ii) *the substitution of the following for 1(h) thereof:*
"The amendment of the requirement in respect of affordable housing so that the affordable housing provision be that which shall be determined by the Planning Committee based on the current and future viability of the scheme".
2. *That if any further amendments to the Development Agreement are required arising as a consequence of a decision of the Planning Committee, in particular any which are necessary to maintain the financial viability of the scheme, then a further report be brought to Cabinet.*
3. *That the Head of Estates and Head of Legal and Democratic Services be authorised to settle the necessary legal documentation.*

The Chairman explained that the revised recommendations requested the Planning Committee to determine the affordable housing requirement, as it would for other development schemes. This would enable the Planning Committee to challenge viability calculations to test whether there was scope for contribution from the scheme. Cabinet were advised that that this revised approach would also protect the Council by securing "best consideration".

Cabinet would consider whether this approach would mean that any affordable housing requirement would be a cost to the scheme, before any residual profit would be divided between the development partners. He also noted that the Council would be free to allocate any of its share of the profit to affordable housing, over and above what could be secured through the planning process.

Public Participation

Eighteen people spoke during public participation and their comments are summarised below.

Mr P Davies expressed great concern that the Council was not insisting on affordable housing provision, which was contrary to its own stated policies to achieve a mixed development and a balanced community. He considered it was not acceptable for the developer to dictate this approach and the Council should take a tougher stance. Generally, he believed that there had not been proper public scrutiny of the amended Development Agreement because of the Council's use of an Informal Policy Group to discuss the details prior to them being made public. He had requested details of these meetings, but was yet to be provided with this information. The current proposal did not guarantee any affordable housing would be provided and he considered it was a significant change from the case made at the Public Inquiry. He was concerned about the precedent it could make for other developers.

Ms J Howland (a Winchester resident) supported comments made by Mr Davies and highlighted that high house prices and rent exacerbated the current shortage of affordable housing within Winchester and that this type of housing should be provided across all areas, including the city centre. She believed it would set a dangerous precedent if the Council did not insist on affordable housing provision. In general, she also opposed the height and design of the proposed scheme.

Dr J Nordensvard spoke in opposition to the proposed design of the scheme as he did not believe it engaged with existing buildings and was not appropriate within Winchester. He considered that local architects should have been used and there should have been more public involvement in the scheme. He called for more public debate or a referendum on the proposals.

Mr P Marsh (Labour Party member and a former Deputy Chief Executive of the Housing Corporation) spoke against the amended recommendation as he considered the Council was wrong to remove any obligation to provide affordable housing. He believed this particularly as the original agreement, signed during an economic recession, required 100 affordable homes but the amended scheme which removed costs for the developer was now considered to be unviable if it were to provide the affordable housing contribution. He queried whether the Council was receiving correct advice on this matter and whether there was any interest from Registered Providers. In summary, he supported the redevelopment of Silver Hill but believed the Council should insist on 100 affordable homes as before otherwise the scheme could be regarded as being socially exclusive.

Mr M Coker-Davies (a Winchester resident) agreed with comments made previously regarding concern about affordable housing, loss of the bus station and the height of the proposed scheme. He believed that Winchester residents had lost faith in the Council and it would not be possible to resolve fundamental issues with the proposed scheme.

Mr R Pitt (a Winchester resident) questioned why the Council were not insisting on the developer providing affordable housing when Hendersons were a profitable company. He also believed that the scheme would offer good returns for the developer and that the Council should not give in to their demands. In general, he agreed with concerns raised previously regarding the design of the scheme.

Mr T Winfield also emphasised the urgent requirement for affordable housing and expressed concern that by not insisting the developer provide a contribution, it gave the impression the Council were in collusion with the developer and also set a precedent for future developments. He requested that the Council should ascertain whether any other developer could undertake the scheme and provide affordable housing before agreeing the amended development agreement with Hendersons.

Mr T Fell (a Winchester resident) emphasised that many local people objected to the development as out-of-character with Winchester suggesting it was an "off-the-shelf" standard design. He considered that the Silver Hill redevelopment should celebrate the individuality and historic character of Winchester with the inclusion of independent shops and possibly a covered market area. It should include a mix of more prestigious housing and social housing. He believed that local architects should have been used and that the proposals did not have regard to the Planning Brief.

Mr H Petter (Director of Adam Architecture but making representations as a concerned resident) stated that he had spoken at the previous Cabinet meeting on 10 July 2014 to express concern regarding the proposed height, mass and design of the scheme. He disputed that the proposed buildings needed to be so high, as most existing city centre buildings were only three or four storeys high. He considered that without the affordable housing and bus station the redevelopment did not offer any public benefits and referring to his expertise as a member of the Academy of Urbanism, he opposed the scheme. He considered that the developer should try harder as Winchester deserved better. There would be benefit in having different architects for different parts of the scheme.

Mrs K Barratt also raised concerns about the removal of the affordable housing requirement and believed it risked the development only being available to wealthy people whilst those on lower incomes were forced to live out of town. She emphasised that developers always sought to avoid affordable housing requirements on viability grounds and that the Council were being naïve by relying on possible future profits which might not materialise.

Mr A Davidson (a Winchester resident) expressed concern that the membership of both Cabinet and Planning Committee only included one Town Ward Councillor each and were not therefore best placed to make decisions affecting Winchester Town. He highlighted the need for affordable housing within the Town as current house prices were beyond the reach of anyone on the average wage.

Mrs J Porter (Hampshire County Councillor) requested that the Council insist on the provision of 35% affordable housing on site and was concerned that the Council appeared to favour car parking provision above the need for homes. She asked that the Council restart discussions with Hendersons and St John's Winchester Charity regarding the possibility of making use of existing unused Charity buildings for affordable housing.

Ms J Jessop highlighted the special nature of Winchester which should be retained and expressed concern that the proposed redevelopment was out of scale with an out-dated design which did not take account of the impact of the internet on retail businesses. Local residents could go to Hedge End for large retailers. She was also opposed to the removal of the bus station and the affordable housing requirement and requested that the Council go back to the drawing board.

Ms J Young agreed with concerns raised previously and asked that the Council take note of comments made and reconsider accordingly to take account of Winchester's heritage.

Mr J Paessler (a 20 year old Salisbury resident who visited Winchester regularly) agreed with concerns made at this meeting and the previous Cabinet on 10 July regarding height and design of the proposals. He believed that the removal of the bus station in Salisbury had caused confusion for bus users. He queried why the Antiques Market was not listed and in general opposed the scheme, which he considered was being pursued in the interests of large retailers. Portsmouth and Southampton could meet this need better and Winchester's attraction was based upon its heritage.

Mr P Rees (Chairman of Winchester Labour Party) stated that he had previously supported the Silver Hill regeneration but the scheme had been amended to such an extent as to remove all benefits for the wider community. He believed that the scheme would offer Henderson a significant profit and that Cabinet had not negotiated the best deal with the company, particularly regarding the removal of the affordable housing requirement.

Mr Tew (a Winchester resident) opposed the proposals and the removal of the affordable housing requirement. He queried the need for additional retail space within the town centre, including a larger supermarket. The scheme would create pressure on parking capacity and did not comply with the Council's planning policies on affordable housing. In general he opposed the scheme's design as out of keeping and unattractive and requested that the Council reconsider.

Mr W Leadbetter acknowledged the importance of affordable housing which should be provided and he questioned whether it could be protected from private purchasers in the future. He believed that the Council should also have regard to the overall design of the scheme as the current proposals were unattractive and not appropriate within the setting of Winchester. He also believed that the Council was seeking to make a decision with undue haste and acting contrary to public opinion.

Non-Cabinet Members

At the invitation of the Chairman, Councillors Gottlieb, Pines, J Berry and Learney addressed Cabinet and their comments are summarised below.

Councillor Gottlieb stated that he believed the proposed redevelopment would damage Winchester, because of its poor architectural design which did not respect Winchester's heritage, and would adversely affect public confidence in the Council. He had been involved in the work of the Informal Group and raised challenges. The process by which a decision had been reached was flawed, without proper public consultation, and public comments had not been taken into account. He believed that there had not been any professional analysis of the proposal's impact on parking and the scheme failed to recognise a changed retail market, which would lead to the destruction of the High Street. Councillor Gottlieb reiterated comments made at previous meetings regarding his view that monies not being properly accounted for and requested that a full investigation be undertaken, with all financial details disclosed in open meetings. In his view the advice received on best consideration was not correct. He considered it was a very poor deal and that the Council could not be accused of doing it for the money. He also considered that the late circulation of the proposed amendment was not acceptable as it did not give non-Cabinet members time to consider it properly. The changes would mean that no affordable housing would be provided, nor any payments received in lieu. In conclusion, he stated that the Council had failed to follow due process or due diligence and the whole scheme should be reconsidered.

Councillor Pines advised that as a member of the Informal Policy Group he had been involved with the development of revised proposals. However, he raised three issues, as follows:

- He emphasised that the scheme should include access for all sections of the Winchester community. He had concerns that the proposals were for an exclusive community and shopping, with the removal of more budget shops such as Poundland;
- He was disappointed that the County Council were not supporting the retention of a bus station which would have acted as a central hub, although pleased that the amended scheme included some elements, such as public toilets.
- He believed that the inability to insist on the provision of affordable housing was a flaw in the current national planning system. There was a danger that the community benefits of the scheme were being eroded.

In conclusion, although he had some concerns, Councillor Pines supported the proposals, but suggested that the Council could consider putting any future Council profits generated from the scheme (eg for a period of 5 years) towards the provision of affordable housing.

Councillor J Berry highlighted the large amount of correspondence that had been received from local residents in connection with the proposed scheme and believed that many views had not been incorporated. She was also concerned that the amendments would result in an exclusive design, removing the wider community benefit elements such as affordable housing, live-work units and the bus station. She believed that the Council should commit to the inclusion of affordable housing within the Silver Hill site. Some councils had used the New Homes Bonus to help fund affordable housing.

Councillor Learney expressed great regret at the amended proposals which did not guarantee any affordable housing provision and believed that the Cabinet should take a much stronger stance. She emphasised that developers always sought to avoid providing affordable housing wherever possible. She considered that asking Planning Committee to negotiate affordable housing provision was abdicating responsibility and the late availability of the proposed amendment meant that other Councillors had not been given the opportunity to properly scrutinise it. Consequentially, she did not believe it could be agreed at this meeting.

Cabinet Questions and Debate

The Chief Executive confirmed that Council Officers and independent advisers had carefully examined the information provided and, as explained in the Report, it was apparent, on the basis of the current appraisal, that to insist on affordable housing being provided would make the scheme unviable. The proposed amendment to the recommendations whereby Planning Committee determine what level of affordable housing could be provided, was the same process as the Council adopted in other development applications. It should be seen as objective and will consider whether the scheme as a whole can contribute. The Council had obtained expert independent advice that the proposed recommendations would achieve best consideration.

The Chief Executive emphasised that, if the amendment was agreed, there would be a future requirement for further discussions with Hendersons regarding any residual profits, should the Planning Committee require a contribution to affordable housing to be made, and this would be a matter for a future Cabinet meeting. He drew Members' attention to Section 7 of the Report which outlined the wider benefits of the scheme and the necessity of securing a viable development if any affordable housing was to be achieved.

The Head of Legal and Democratic Services advised that since Hendersons submitted their formal application for variations to the approved scheme in July 2014 (which was considered by The Overview and Scrutiny Committee and Cabinet), the architects had been fine-tuning the detailed design. A further request had been received from Hendersons dated 5 August 2014 which sought approval from the Council to these design changes, the major implications of which were a reduction in the total number of residential units from 184 to 177, and a reduction in residential car parking spaces from 181 to 180. The reduction in residential units occurred in Block J (17 units reduced to 10 units); there have been other minor design changes, the net effect of which

was that the overall areas of residential and retail were unchanged. There were no changes to the public parking provision and no material change in the forecast annual income from the scheme. These changes were included within the proposed amendment detailed above.

In response to questions, the Corporate Director advised that the original development agreement incorporated a requirement for 35% affordable housing, but this was not tested in terms of viability at the time. The original Section 106 agreement provided for 100 units, of which 80 were proposed shared equity units and 20 affordable rented units. Of the 20 units, 17 were proposed to be one-bedroomed flats. He confirmed that Officers considered that to request Planning Committee to assess the level of affordable housing was appropriate.

In response to questions, the Chief Executive confirmed that the amended recommendations were the most appropriate way forward. If the scheme was viable then an affordable housing contribution would be met from the scheme costs. In this eventuality there would still be a need for the Council to negotiate with Henderson on the share of residual profits. The Council could also consider whether it wished to use any of its share of those profits for affordable housing if the planning process did not require the scheme itself to make a contribution.

In response to questions, Mr R Owen (Deloitte) confirmed that it was his assessment that at the current time, the scheme did not support the provision of affordable housing. The Development Agreement had been entered into in 2004, when the development market, economic situation and funding process for affordable housing were very different. Today, a more common approach would be for the affordable housing requirement to be resolved through a S106 Agreement as part of the planning process. If it was viable at that point, the scheme could make a contribution. If it was not viable, he advised that it was appropriate for the Council to adopt a review mechanism to assess possible future profits available if values and costs changed and this approach was adopted by some other local authorities. There would be an audit of the figures at appropriate points as the scheme progressed. There was no guarantee that the scheme would be able to make an affordable housing contribution or overage profit for the Council. He also reminded the meeting that Hendersons would be liable for risks as the scheme progressed. If the scheme resulted in a share of profits available for the Council, it would then be for the Council to decide how to allocate this, which could include additional affordable housing provision.

Cabinet asked the Corporate Director and Mr Owen to respond to challenges from Councillor Gottlieb that there had not been proper and thorough analysis of Hendersons accounts to test viability. The Corporate Director stated that the appraisal was a snapshot at a point of time based on estimates and it would be subject to future review. Mr Owen confirmed that the financial appraisal was a commercially sensitive document, and that it had been reviewed by Deloitte. There were some minor aspects on which they had a different view on challenging the figures, but the financial impact was slight

and did not alter the overall assessment that it was not viable for the scheme to make an affordable housing contribution. Henderson's changes to the scheme reflected the current market conditions. Deloitte's agreed that these were sensible changes, including the residential content. The Corporate Director highlighted that if approved, the proposed amendment would not mean that the Council was treating Hendersons in a more favourable manner than any other developer and in fact, had access to far more financial information about Hendersons than it would do with a third party developer.

The Chief Executive confirmed that the 35% affordable housing contribution in the 2004 Development Agreement, and the proposed 100 units following the 2009 planning approval, had been based on assessments at the time and had not materialised as they had not proved to be fundable.

With regard to a comment made during public participation, the Corporate Director advised that the wealth of the company Hendersons was not a material planning consideration: the Planning Committee would only assess the viability of the scheme itself. In addition, the proposals would not set a precedent as, essentially, what was proposed was the usual Council procedure anyway.

In response to questions, the Corporate Director explained that it was easier for the Council to secure a 40% affordable housing contribution on large greenfield schemes, such as Barton Farm, Pitt Manor and West of Waterlooville. However, smaller schemes on brownfield sites were more difficult due to a number of reasons, including the increased development costs of such schemes. One Member highlighted that public objections to the numbers of units proposed on some schemes, such as the recent application on the old Fire Station North Walls site, resulted in a smaller, less dense development being approved which consequentially did not support any affordable housing.

As a Board member of St John's Winchester Charities, Councillor Tait confirmed that discussions were ongoing with Hendersons and the YMCA regarding the potential for affordable housing provision.

Mr Owen confirmed the advice given at the Cabinet meeting on 10 July 2014, that the Council would not get a better financial deal if it went out to the market today. The market place had changed fundamentally since the financial crisis. The approach of both developers and funders had changed so that the same deal would not be available. He confirmed that the proposal before Cabinet met the requirements for best consideration under S233 Town and Country Planning Act 1990. This was not the highest price which could be achieved regardless of the proposed use of the site but the best consideration for a particular scheme which the Council wished to deliver for planning purposes. The issue of best consideration would also need to be re-addressed, when any proposals for any consequential changes in the Development Agreement came before Cabinet, after Planning Committee had determined the affordable housing requirements.

In response to points raised during public participation and contributions from other Councillors, Cabinet sought clarification on the matters set out below.

Assistant Director (Policy and Planning) advised that the County Council were not in a position to fund a bus station in Winchester, and that the new station in Andover had been funded through developer's contributions. Stagecoach no longer wanted to be responsible for running a bus station and no other bus operator had expressed an interest in running one. He also confirmed that the 2009 scheme had still required interchange between two locations. It had only provided 12 bus bays in the bus station and that a number of other stops will still be required elsewhere. It will be necessary to work with bus and coach operators to timetable services and locate them according to the need to accommodate onward journeys.

In response to questions, Ms Avis (BLP LLP Solicitors) confirmed that the original Development Agreement always anticipated that residential elements of the scheme could be developed by a specialist residential developer, but any such partner would have to be approved by the Council. Mr Owen confirmed that if Hendersons chose to bring in a partner, any consequential sums of monies would be included within the development receipt. The Agreement also had requirements about any funding partners for the scheme.

The Corporate Director confirmed that as a brownfield site in a sensitive location, Silver Hill was more expensive to develop. The requirements for archaeology, quality building materials, flood risk measures, improvements to the public realm within the scheme and S106 costs for the improvement of The Broadway, had all affected the costs in the viability appraisal. It would not create a precedent if the Planning Committee accepted that it was not viable for the development to provide affordable housing, as each case was dealt with on its own merits. Viability was an issue for the scheme itself and the other financial resources of a developer such as Henderson, were not a material planning consideration. Live/work units had been an innovation several years ago, but had not proved popular in practice at more recent schemes, West of Waterlooville, for example.

The Chief Finance Officer confirmed that the Council had measures in place to ensure that the developer would only be able to charge its costs properly incurred to the Development Account, in accordance with the provisions of the Agreement. The Council would continue to monitor such costs as it would impact on any profit share due to the Council.

In response to comments made by Councillor Gottlieb, the Chief Executive confirmed that he was satisfied that the officers had undertaken due diligence in assessing the information from Henderson. Members also had the opportunity to challenge the proposals and to question the external advisers.

The Chief Executive also said that officers had achieved the best position possible for affordable housing at the moment, after the negotiations with Henderson. The Planning Committee would be able to challenge the position when the planning application was considered. Mr Owen's advice was that

the recommendations before Cabinet today met the requirements for best consideration.

Cabinet then considered moving into closed session to discuss the Exempt Appendices to Report CAB2607. A challenge was raised by two members of the public – Mr P Davies and Mr P Marsh – as to whether it was necessary and in the public interest to move into exempt session. The Chief Operating Officer advised that it was necessary to consider the information contained within the Exempt Appendices in closed session due to the requirement to consider detailed advice and discussion on commercially sensitive matters. In addition, it might be necessary for Cabinet to obtain detailed legal advice in respect of which a claim to legal professional privilege could be maintained in legal proceedings. Cabinet then determined that in all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Cabinet then moved into closed session to discuss the Exempt Appendices to Report CAB2607.

Cabinet then returned to open session for debate and to make the resolution outlined below.

During his closing remarks, the Chairman emphasised that both Councillors Learney and Pines had been kept informed of ongoing discussions regarding the affordable housing issue. The proposed amendment had resulted from his request for Officers to consider again whether any possible improvements could be made for the Council to what was originally proposed in the Report. Cabinet also recognised that it was not viable for the scheme to provide affordable housing at the moment, and it would only be on outturn that it may be possible to do so, if the scheme made a decent profit. However, if the scheme did not proceed, there was no possibility of any affordable housing being provided.

Cabinet also highlighted that the nature of the affordable housing included within the previously approved scheme would have been of limited benefit in any case, being shared ownership and the social rent element being mainly one-bedroomed flats. Members supported the suggestion made by Councillor Pines that Officers investigate the feasibility of any additional income received as a result of the Silver Hill development being used to fund additional affordable housing in addition to any planning requirement.

Members noted that there had been a great deal of debate and differences of opinion expressed both on affordable housing and the other aspects of the scheme. However, the dire state of the existing area was recognised which emphasised the need for this regeneration scheme. Cabinet had been advised that if the Council were to start again, it would not be able to achieve as good a deal as currently available with Henderson. In addition, it was unlikely that any proposal would satisfy all the different opinions and views expressed. The Chairman reiterated that at its meeting on 16 July 2014, Council had also approved the majority of the proposals for the amended

scheme, with one exception regarding requesting that Cabinet reconsider the affordable housing provision. Allowing the Planning Committee to determine this aspect, as with any other application, was the right way forward.

Following consideration of the exempt information and the discussion above, Cabinet Members considered that the current proposal was the right scheme for Winchester and approved the amended resolution as set out below.

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

RESOLVED:

1. That the previous resolution Minute Number 4 from 10 July 2014 (CAB2603 refers) be reaffirmed, subject to:-

(i) the substitution of the following for 1(a) thereof:
“A reduction in the number of residential units from 287 (plus 20 live/work units) to 177 residential units only (or such lower number as the local planning authority may require)”

(ii) the substitution of the following for 1(h) thereof:
“The amendment of the requirement in respect of affordable housing so that the affordable housing provision be that which shall be determined by the Planning Committee based on the current and future viability of the scheme”.

2. That if any further amendments to the Development Agreement are required arising as a consequence of a decision of the Planning Committee, in particular any which are necessary to maintain the financial viability of the scheme, then a further report be brought to Cabinet.

3. That the Head of Estates and Head of Legal and Democratic Services be authorised to settle the necessary legal documentation.

7. EXEMPT BUSINESS

As it had not been possible to give 28 days notice of the meeting, Cabinet noted that the Chairman of The Overview and Scrutiny Committee had been informed and has confirmed his agreement to part of the meeting being held in private.

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>
##	Exempt minutes of the previous meeting held 10 July 2014) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)
##	Silver Hill Affordable Housing Review – exempt appendices) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. (Para 5 Schedule 12A refers)

8. **EXEMPT MINUTES**

RESOLVED:

That the exempt minutes of the previous meeting held on 10 July 2014, be approved and adopted.

9. **SILVER HILL AFFORDABLE HOUSING REVIEW (EXEMPT APPENDICES)**
(Report CAB2607 refers)

Cabinet considered the contents of the exempt appendices (detail in exempt minute).

The meeting commenced at 2.00pm and concluded at 5.35pm