

CABINET (HOUSING) COMMITTEE**1 October 2014****Attendance:**

Councillors:

Tait (Chairman) (P)

Godfrey (P)

Miller (P)

Other invited Councillors:

J Berry (P)

McLean (P)

Dibden (P)

Scott (P)

Izard (P)

TACT representatives:

Mrs J Steventon Baker (P)

Mr D Chafe (P)

1. DISCLOSURE OF INTERESTS

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, he 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.

2. MINUTES

RESOLVED:

That the minutes of the previous meeting of the Committee held on 9 July 2014 be approved and adopted.

3. PUBLIC PARTICIPATION

Mr. Hayden Burton spoke in connection with a matter that he had already raised with Council officers. The Head of Legal and Democratic Services confirmed that he was aware of the matter and that his team were dealing with it.

4. **VICTORIA HOUSE SCHEME UPDATE**
(Report CAB2620(HSG) refers)

In response to questions, the Head of New Homes Delivery confirmed that enquiries had been made as to why only one tender for the construction work had been received. These had indicated that national contractors were already fully employed on other works and were reluctant to take on the perceived risks of the particular site and its various elements, primarily the potential delays to the construction start date that might occur if archaeological issues arose on site.

The Head of New Homes Delivery explained that the proposal was to split the project into two separate contracts, one for the demolition and archaeological work, and the other for construction, which would allow contractors for the construction element to have more certainty over a start date for the contract. The Council would be able to use a select list procedure for the construction contract, which it was thought would generate more interest from contractors. There had already been some interest expressed by local builders in taking on the project.

The Head of New Homes Delivery advised that it was hoped that cost savings could be achieved by re-examining the proposed construction materials to be used.

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

RESOLVED:

1. That the demolition of Victoria House, Victoria Road, Winchester be approved and that archaeological investigation enabling works be also completed prior to the tendering of the main works contract.
2. That Demolition, Archaeological and Construction Design and Management contractors be appointed to undertake the demolition of Victoria House and the subsequent site investigations in accordance with the provisions of Contract Procedure Rule 9.2.
3. That authority be given under Financial Procedure Rule 6.4 to incur the capital expenditure for the demolition and enabling works.
4. That tenders be sought for the construction of the new housing under either Contracts Procedure Rule 9.2 E or 12 as is appropriate, having regard to the pre-tender estimate.
5. That a further report be brought back to Committee after receipt of tenders for the building contract, for approval of the building contract under Financial Procedure Rule 6.4 and selection of the contractor.

5. **AUTHORISATION FOR FINAL APPROVAL TO CONSTRUCT HOUSING SCHEME - NEW QUEENS HEAD SITE**

(Report CAB2621(HSG) refers)

The Committee noted that the Report had not been made available for publication within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration, to allow the scheme to progress without delay.

The Head of New Homes Delivery emphasised that the tender process for the scheme had resulted in a tender being accepted, under the Council's original budget. The scheme was fully compliant with the Council's planning policies and would be built to Code Level 5. In order to achieve this, the construction company were recommending a timber-frame construction method, which would achieve greater living spaces and better insulation. The Head of New Homes Delivery confirmed that this had been one of the two options on which tenders had been sought. It was intended that construction would commence January 2015 and be completed by October 2015.

The Head of New Homes Delivery advised that rents had been modelled on an 80% basis, but this might change and it was noted that an Informal Policy Group had been established to examine rent levels. The Committee noted that arranging the first meeting of this Group had been delayed due to other Officer priorities taking precedence, but the Head of New Homes Delivery confirmed it would commence as soon as possible.

Some invited Councillors expressed concern about the proposed rent level being set too high to make it readily affordable and the Committee noted such concerns would be discussed further by the Informal Policy Group.

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

RESOLVED:

1. That the Head of Estates be authorised to enter into a design and build contract with Drew Smith Ltd to construct 21 new council houses on the site of the former New Queens Head public house.

2. That in accordance with Financial Procedure Rule 6.4, capital expenditure of £2,548,000 be approved to bring the total sum approved into line with the latest estimated scheme cost of £2,718,000.

6. **LOFT CONVERSIONS AND EXTENSIONS**

(Report CAB2617(HSG) refers)

The Assistant Director (Chief Housing Officer) commented that progress on the project had been slower than originally hoped because there was no dedicated officer team and staff were also busy working on other major

projects. Experience gained had highlighted that in general, extensions provided better opportunities and increased flexibility than loft conversions.

In response to questions, the Assistant Director confirmed the scheme had started before the Government's welfare changes had been introduced. Consequently, some schemes had to be reassessed and were found to no longer comply, which had inevitably led to disappointment for some tenants. Officers had learnt lessons as to how expectations would be managed for the future.

The Assistant Director noted a correction to Paragraph 2.4 of the Report that Gordon Avenue was located in Highcliffe.

In response to questions, the Head of New Homes Delivery confirmed that all new build properties would be built to life-time home standards to maximise future flexibility of use.

Whilst noting the costs involved in the programme, the Committee noted that extensions were considerably cheaper than providing brand new accommodation and enabled a tenant to stay in their existing home.

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

RESOLVED:

1. That progress with the current programme be noted and that the proposal that the programme focus more on extensions rather than loft conversions be approved.
2. That approval be given to proceed with the five schemes detailed in Paragraph 2.3 of the Report.
3. That financial limits for future schemes be amended to £40,000 for a one bed adaptation or £50,000 for a two bed adaptation.
4. That the Assistant Director (Chief Housing Officer) be given delegated authority to approve a final tender that exceeds the financial limits by 10%, provided that it is the lowest tender and that the total cost of schemes in any one year does not exceed the capital programme provision for that year.

7. **DECENT HOMES AND INVESTMENT PLANNING TO COUNCIL HOUSING**
(Report CAB2619(HSG) refers)

The Assistant Director (Chief Housing Officer) introduced the Report and responded to a number of questions as summarised below.

The Assistant Director emphasised that over recent years, the Council's investment programme had introduced a number of additional expenditure requirements over and above the Decent Homes objective. If a decision was

made to significantly increase investment in a particular area, this would be at the expense of another scheme in the discretionary programme.

The Assistant Director confirmed that there had been extensive consultation with tenants over recent years about their priorities and results clearly indicated they wanted a focus on providing repairs. The discretionary work programme had resulted from focus groups carried out with tenants.

With regard to links with the Low Carbon Route Map agreed by the Council, the Assistant Director advised that further work was required to produce a policy on central heating. He emphasised that there were significant issues involved in considering such a policy, and limited options available for some council homes, particularly in rural areas.

In response to concern expressed regarding the Council's ability to meet predicted programme costs after five years, the Assistant Director confirmed that the Business Plan would need adjusting to reflect this, but that longer term there were surpluses available.

Members concluded that there were no additional issues they would wish to see considered by officers when drawing up recommendations for the next HRA Business Plan. The Committee agreed to the following for the reasons set out above and outlined in the Report.

RESOLVED:

1. That the findings of the latest stock condition survey be noted.
2. That the Council's primary objectives be confirmed as to achieve and maintain Housing Quality (Decent Homes) standard for its stock, and that the necessary monies are set aside/ear-marked within the HRA Business Plan accordingly to achieve this.

8. **OPTIONS FOR INCREASING THE SUPPLY OF AFFORDABLE HOUSING**
(Report CAB2616(HSG) refers)

The Head of New Homes Delivery emphasised that the Council must decide the primary purpose(s) of a housing company should a future decision be taken to establish. For example, some local authorities explicitly stated their intention to generate funds from such a company. Suggestions for purpose and possible future issues were set out in Paragraphs 2.2 and 2.3 of the Report.

Some Members expressed concern about the risks involved in setting up a company and queried why other organisations/companies had not set up companies if they offered such attractive opportunities. In addition, the relatively small scale of operations involved would mean the overheads would be proportionately larger. The Head of New Homes Delivery acknowledged that there were significant risks involved and further work and reports would investigate these in more detail. However, at the current time, the Council was

limited as to what development opportunities it could undertake by the constraints of the Housing Revenue Account. If the Council took the view that its role was to promote as much affordable housing as possible, the establishment of a company gave more opportunities in terms of different types of mixed developments.

In response to questions, the Head of New Homes Delivery acknowledged that there would be a significant amount of officer work involved in investigating the suggestion further, together with consultants' fees. He estimated costs to be in the region of £10,000 to £50,000. There were various forms in which such a company could be established, but several local authorities had created a company with the council as sole shareholder.

Following discussion, the Committee agreed to confirm its interest in exploring in more detail the establishment of a Housing Company, with a future Report quantifying the potential risks and benefits involved.

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

RESOLVED:

1. That the Committee confirms its interest in exploring in more detail the establishment of a Housing Company.
2. That the Head of Legal and Democratic Services, in conjunction with the Chief Finance Officer, commission the appropriate legal and financial advice to develop the proposals set out in the Report, with this being funded from the HRA revenue new build feasibility budget.
3. That a further report be prepared outlining the business case for the establishment of a Housing Company covering the appropriate company structure, set up costs and potential benefits.

9. **DISPOSAL OF VACANT HOUSING REVENUE ACCOUNT DWELLINGS
(LESS EXEMPT APPENDIX)**

(Report CAB2616(HSG) refers)

The Assistant Director (Chief Housing Officer) advised that since the Report was prepared, additional borrowing approvals had been announced in relation to the schemes at Westman Road and Swanmore. Therefore, if the Council was able to generate additional capital receipts as suggested in the Report, it would be in a position to secure more borrowing.

In summary, the sale of one of the suggested properties could enable three new affordable homes to be built. The existing properties had a low energy efficiency and were expensive to maintain, but would be attractive to buyers on the private market. The Committee noted that the properties were currently being used as temporary accommodation, but were not ideal for this purpose and there were other alternatives available.

Mrs Steventon Baker stated that TACT would wish to minimise the number of properties sold and suggested this be set at a maximum of 10 dwellings a year as previously agreed by the Council.

The Assistant Director advised that the current proposal would only be to sell a very limited number of properties if and when they became vacant – another 30 in total had been identified, of which 28 were currently occupied by Council tenants.

In response to questions, the Assistant Director confirmed that funding had been secured for Westman Road for 2017, but the proposals would enable this development to be brought forward. By obtaining planning permission on various schemes, in advance of the programmed date, schemes could be brought forward in the event that additional finance were to be made available by the Government, as had in fact happened in this case.

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

RESOLVED:

1. That the continuation of the previous policy regarding the disposal of vacant dwellings against the following criteria be supported:

i. High value properties of non-standard stock which have a high asset value compared to a relatively low income stream which no longer make a significant positive contribution to the Council's housing strategy aims or community development priorities, reviewed on a case by case basis.

ii. Other HRA dwellings with exceptional maintenance liabilities including cases where costs exceed £50,000 (the estimated cost of grant needed to support the building of a new dwelling) or where the very rare event of the Council not being able to get a property up to the Decent Homes standard occurs.

2. That the receipts from the sale of vacant HRA dwellings be made available to fund the HRA capital programme, with the final application of these receipts to specific schemes being determined each financial year by the Chief Finance Officer

3. That the Council's Capital Strategy, Housing Strategy and Housing Revenue Account Business Plan all be amended to reflect this approach.

4. That 9 and 17 Eastgate Street, Winchester be offered for sale on the open market, in line with the above proposals.

5. That the Head of Estates be authorised, in consultation with the Assistant Director (Chief Housing Officer) and the Portfolio

Holder for Business Services, to accept the best offer received for the properties, subject to the terms of the General Consent for the Disposal of Part II Dwelling-houses 2012 being met.

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>
##	Disposal of Vacant Housing Revenue Account Dwellings (Exempt Appendix)) Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3 Schedule 12A refers).
##	Options for the Future Management of Sheltered Housing) Information relating to any individual. (Para 1 Schedule 12A refers)) Information which is likely to reveal the identity of an individual. (Para 2 Schedule 12A refers)) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority. (Para 4 Schedule 12A refers)

11. **DISPOSAL OF VACANT HOUSING REVENUE ACCOUNT DWELLINGS
(EXEMPT APPENDIX)**
(Report CAB2618(HSG) refers)

The Committee noted the contents of the exempt appendix which contained estimated property values for numbers 9 and 17 Eastgate Street, Winchester.

RESOLVED:

That the information contained within the exempt appendix be noted.

12. **OPTIONS FOR THE FUTURE MANAGEMENT OF SHELTERED HOUSING**
(Report CAB2613(HSG) refers)

The Committee noted that the Report had not been made available for publication within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration, to enable the decisions to proceed without delay. In addition, Members noted that the Report was also subject to decision at Personnel Committee on 6 October 2014.

The Committee considered the above Report which set out proposals regarding options for the future management of sheltered housing (detail in exempt minute).

The meeting commenced at 10.00am and concluded at 12.50pm