

CABINET – 6 JULY 2011

THE OVERVIEW AND SCRUTINY COMMITTEE – 11 JULY 2011

DISPOSAL OF HOUSING REVENUE ACCOUNT (HRA) LAND AND GENERAL FUND (GF) LAND AT DEVER CLOSE, MICHELDEVER

REPORT OF HEAD OF STRATEGIC HOUSING

Contact Officers: Debbie Rhodes/Sue Grant Tel No: 01962 848368 and 01962 848352

RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

This report seeks approval for the disposal of four Council-owned garages (Housing Revenue Account, HRA, land) and paddock (General Fund, GF, land) covering an area of approximately 1.89 acres at Dever Close, Micheldever, to Winchester Housing Trust Limited. It is proposed that these garages will be demolished to create a vehicular access into the paddock to allow for the construction of 15 affordable housing units. The Council will have nomination rights to each of the new properties, which will be specifically for the local people of Micheldever in the first instance.

There is an exempt Appendix which considers the financial issues arising from the disposal of the General Fund land and proposals for compensating the Council's Housing Revenue Account (HRA) for the lost garage income arising from this proposal.

RECOMMENDATIONS:

That, subject to the matter not being called in by The Overview and Scrutiny Committee:

1. The disposal of the land at Dever Close, Micheldever, as outlined on the attached plan in Appendix 1, to Winchester Housing Trust Limited, be approved, subject to:
 - (a) terms and conditions to be agreed by the Head of Estates;
 - (b) the matters in the recommendation in the Exempt Appendix 2;
 - (c) the obtaining of a special consent from the Secretary of State under Section 25 of the Local Government Act 1988 and Section 32 of the Housing Act 1985, and (if the terms of the disposal are outside the conditions of the General Disposal Consent (England) 2003) Section 123 of the Local Government Act 1972;
 - (d) nomination rights to the properties being granted to the Council or the Council's appointed agent in respect of all the units.
2. The Head of Landlord Services be authorised to take appropriate action to terminate any tenancies of garages affected by the scheme.
3. The Head of Strategic Housing, in consultation with the Portfolio Holder for Strategic Housing & Landlord Services, be authorised to agree any minor amendments to the project that may be required to ensure its viability and to comply with funding regulations from either the Homes and Communities Agency or the Council.

CABINET – 6 JULY 2011THE OVERVIEW AND SCRUTINY COMMITTEE – 11 JULY 2011DISPOSAL OF HOUSING REVENUE ACCOUNT (HRA) LAND AND GENERAL FUND (GF): DEVER CLOSE, MICHELDEVERREPORT OF HEAD OF STRATEGIC HOUSINGDETAIL:1 Background

- 1.1 There are currently 42 households on the Hampshire Home Choice Register with a local connection to Micheldever. There is also significant local need for shared equity homes. 16 households have been identified who have a local connection, who would like a shared equity home and are considered to have the means to purchase such a home in Micheldever. Micheldever Parish Council wish to address this need through the development of more affordable housing in the Parish.
- 1.2 A site at Dever Close, Micheldever, has been identified. The site suggested for development is almost wholly owned by the City Council, apart from a small part already owned by Winchester Housing Trust Limited. Most of the land is grazing land and is within the General Fund. A small part of the land required for access to the development is occupied by garages and is within the Housing Revenue Account (HRA).
- 1.3 Micheldever Parish Council supports the development of this site for affordable housing for local people and they have been in discussion with the Council's housing and planning officers since 2002. The site has a number of constraints, with access, flood risk and archaeology being the most significant ones. The flood risk in particular has been the reason that two larger Housing Associations, Atlantic and Hyde, have previously abandoned the project to develop this site. Atlantic worked on this scheme for a number of years, but abandoned it just prior to submitting a planning application. This is why the project is yet to complete after so many years.
- 1.4 Winchester Housing Trust Limited is a Registered Charity rather than a Registered Provider (of housing). The Trust has approximately 100 affordable housing units across the District both for rent and for shared equity purchase. The Trust has worked with the Council on many occasions to provide affordable housing on parcels of Council-owned land. There are already a number of affordable housing units in Dever Close, owned and managed by the Trust.
- 1.5 Winchester Housing Trust Limited has been in discussions with Strategic Housing about the scheme which will consist of a 100% affordable housing scheme of 15 units for people with a strong connection to the Parish. WHT and Winchester City Council have also liaised closely with the Parish Council. The

Parish Council have been kept informed and in February 2010 a public consultation event was held to hear comments and concerns about the proposed development. A planning application was submitted in November 2010 and at planning permission was granted by the Planning Development Control Committee at its meeting of 26 May 2011, subject to conditions and a Section 106 Agreement.

2 Affordable Development Scheme

- 2.1 Winchester Housing Trust Limited, with their architects, has been working to design a scheme that meets the Council's and the Homes and Communities Agency's standards. The proposal is for the following mix of accommodation (the number and unit sizes have been agreed with Strategic Housing, with around 7 of the units proposed to be rented and the remainder to be shared equity). The final tenure mix will be subject to the availability of grant funding, and so may change:

3 bed houses (5 person)	x 5
2 bed houses (4 person)	x 6
1 bed flats (2 person)	x 4

This mix has been approved by the City Council as Local Planning Authority. It is anticipated that development will commence towards the end of 2011, once archaeology and site investigations have been completed.

- 2.2 One of the recommendations of this report is that delegated authority be given to the Head of Strategic Housing, in consultation with the Portfolio Holder for Strategic Housing and Landlord Services, to agree any minor amendments to the project that may be required to ensure its viability and to comply with funding regulations from either the Homes and Communities Agency or the Council. This reflects the possible need for further discussions once the scheme has been tendered and final development costs established.
- 2.3 If Cabinet agree a resolution to dispose of this site for the reason described, and planning consent is granted (following the completion of the Section 106 agreement) then this development will provide housing for up to 57 local people in 15 units of accommodation. The homes will be built to a high standard and will meet the Lifetime Homes Standard, so that they may be adapted in the future to meet the needs of tenants with disabilities. The Council will secure nomination rights to all the dwellings, which will be owned and managed by Winchester Housing Trust Limited.

3 Land Ownership

- 3.1 The land was conveyed to the Winchester Rural District Council (the City Council's predecessor) in 1966, and the City Council has the deeds to confirm its ownership of the land. The Parish Council has stated that the land was left to the parish by Lord Rank for affordable housing, but there is no written evidence in the City Council's records to support this statement.

- 3.2 The site will be accessed by the demolition of 4 council-owned garages on Dever Close, land which is held for housing purposes within the HRA.
- 3.3 The remainder of the development site is owned by Winchester City Council and held in the General Fund. It is currently leased for use as a paddock on an agricultural tenancy. Further details are set out in the Exempt Appendix 2.
- 3.4 The total extent of the land for disposal is 1.89 acres.

4 Consultation

- 4.1 A community consultation event was held in February 2010 to consult on the design proposals. This was attended by Local Members, the Parish Council and local community. The event was well attended by about 100 people and many chose to leave comments. Comments highlighted that the overwhelming issue was the need to provide more affordable housing for local people in the parish. Highways and access concerns were raised by a number of people. A traffic assessment was undertaken by consultants, in consultation with the Highways Officer, and submitted with the planning application.
- 4.2 The Parish Council were involved in the consultation event. They are in clear support of the scheme as they wish to address the housing needs of people with a strong local connection to the Parish.
- 4.3 Two of the Local Members support the scheme, on the basis that there is significant local need for affordable housing in Micheldever. The third Councillor is supportive in principle of the provision of affordable homes for local people through exception schemes, but has not commented specifically on this scheme as he is a member of the Planning Development Control Committee and wished to remain free to participate in the decision-making process.
- 4.4 Members of the public were able to make written representation to the Council, as part of the planning process.
- 4.5 A garage usage survey was conducted prior in February 2010. Only one of the four garages is being used for vehicle parking, and this garage user will either be offered an alternative vacant garage or will be provided with a parking space. The garage users were all invited to attend the community consultation event in February 2010.

5 TACT comment

TACT Comment from TACT Committee Group (held on 9th May 2011)

Disposal of Housing Revenue Account (HRA) Land and General Fund (GF) land at Dever Close Micheldever.

- 5.1 TACT, whilst aware of the need to provide affordable homes is a priority for all concerned, is doubtful that for the average wage earner these homes will be any thing but affordable, and therefore the term social housing might be a better choice of description?

5.2 Our main concerns are as follows:

1. When Lord Rank left the land to the parish, did he stipulate if when speaking of affordable housing he in fact meant council housing? TACT find the word affordable is a hugely misleading term as there is not structure to what is affordable, and consider it a manipulation of the terms of his gift, very much skating the ethos of the law.
2. Without disclosing the exempt paper details, it would once again seem WCC is being more than generous in the figures quoted. One has to ask if the role were reversed, would the housing association be as generous to WCC, TACT very much doubt it. The HRA land would appear to be, what is generally known as a ransom strip of land, without it there would be no entrance to the site in question, once again raising the question is the HRA being short changed?
3. Unlike WCC housing associations are able to borrow, so a fairer price could surely be asked for, under the circumstances?
4. With the changes in the future, regarding WCC becoming self financing, would it not be more appropriate to hold onto this land, for use by WCC to build council homes at a later date?
5. Shared Ownership could at a later date mean they are taken out of the so-called affordable price range that Lord Rank had in mind when he gifted the land in the first place. Item 2.1 also seems to indicate that subject to the availability of grant funding the final tenure mix could change, and less rented properties could be available. Indeed, this has been the case regarding CAB papers before in the past. TACT would find this very unsatisfactory should this turn out to be the case.
6. TACT feel that the Council should concentrate on finding ways to start building council homes again, it is not impossible, we are told other councils are managing to so. Do not get rid of all our assets, on such generous terms, when WCC could make good use of them in the future.

5.3 TACT have raised similar points before, regarding much the same issues, to no avail, we trust with the Government encouraging, the building of new affordable council homes in the future as one way of easing the desperate need of genuine affordable homes you will take notice of our plea.

OTHER CONSIDERATIONS:

6 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS
(RELEVANCE TO):

Active Communities: to support local people in accessing high quality and affordable housing which meets their needs.

7 RESOURCE IMPLICATIONS:

- a. As set out in Exempt Appendix
- b. Whilst the Council's Capital Strategy endorses the approach of supporting Affordable Housing developments by providing land at no or less than market value, it should be noted that where proposals include existing income generating assets such as garages, this approach may also result in a direct loss of income to the Council. The proposals included in Exempt Appendix 2 address this directly and recommend that any such loss of income must be accounted for when costing and assessing the viability of such schemes.

8 RISK MANAGEMENT ISSUES

- 8.1 Winchester City Council has been working with Micheldever Parish Council for many years to enable the provision of affordable housing in the parish to meet the identified needs of local people. If this accommodation is not provided, it is likely that many of the local people in housing need will leave the parish to find affordable housing elsewhere. This is likely to have an impact on the social mix and sustainability of the local community.
- 8.2 Winchester Housing Trust Limited has undertaken considerable work on the project at risk. Planning consent has been granted subject to the Trust entering into a Section 106 Agreement, although archaeological and other site investigations are still required. There is a low risk that these investigations will reveal that the site is not economic to develop, which may mean that the Trust would not proceed with the development.

9 BACKGROUND DOCUMENTS:

- 9.1 Scheme files (excluding exempt information on financial and business information of the Council and the Trust) held in Strategic Housing.

10 APPENDICES:

1. Plan of land behind Dever Close and Southbrook Place garage site, Micheldever 1:1250 scale.
2. Financial Details (Exempt)

GARAGE SITE AND LAND BEHIND
DEVER CLOSE, MICHELDEVER

APPENDIX 1

CAB 2197

Site Address:- LAND AT MICHELDEVER



Map Ref:- SU 5138 & 5139

Winchester City Council
Estates Division

Scale:- 1:1250
Date:- March 2011
Ref:-

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