

CABINET – 8 JULY 2009

PRINCIPAL SCRUTINY COMMITTEE – 13 JULY 2009

DISPOSAL OF HOUSING REVENUE ACCOUNT (HRA) LAND AT WILLIS WAYE,
KINGS WORTHY

REPORT OF HEAD OF STRATEGIC HOUSING

Contact Officer: Mark Barnett/Brian Bottriell Tel No: 01962 848210 and 01962
848325

RECENT REFERENCES:

CAB1624 – Proposed Disposal of Land at Willis Waye, Kings Worthy - 13 February 2008.

EXECUTIVE SUMMARY:

This report seeks approval for the disposal of 35 Council-owned garages, garage access road, footpath link to the garages and area of scrub land behind the garage site located at Willis Waye, Kings Worthy, to a housing association. It is proposed that these garages will be demolished along with two private dwellings (37 Willis Waye and Meadowsweet) to allow for the construction of 29 affordable housing units and 1 replacement private dwelling for the owner occupiers of No 37 Willis Waye to relocate to. The Council will have nomination rights to each of the new affordable properties.

There is an exempt Appendix which considers the financial issues arising from the disposal of these sites and includes proposals for compensating the Council's Housing Revenue Account (HRA) for the lost garage income arising from this proposal. The report proposes that the capital receipt generated from this scheme be allocated to support the Supplementary Repairs Programme already approved, but that was subject to income from asset sales.

RECOMMENDATIONS:

That, subject to the matter not being called in by the Principal Scrutiny Committee:

1. The disposal of the land at Willis Waye, Kings Worthy, as outlined on the attached plan in Appendix 1, to a Registered Social Landlord, be approved, subject to:
 - (a) terms and conditions to be agreed by the Head of Estates, based on the matters set out in the report;
 - (b) compliance with the requirements of General Consent A (Disposal of Land to Registered Social Landlords) 2005 under Section 25 of the Local Government Act 1988;
 - (c) the obtaining of a special consent from the Secretary of State if the terms of the disposal should fall outside of the ambit of the General Consents under s25 LGA;
 - (d) taking into account the requirements for disposing of open space under Section 123 of the Local Government Act 1972;
 - (e) a planning consent being granted on the site;
 - (f) nomination rights to each affordable home being granted to the Council.
2. The Head of Landlord Services be authorised to take appropriate action to terminate any tenancies of garages affected by the scheme.
3. Approval be given for the restrictive covenants on any of the properties in Willis Waye or adjacent to the development site to be removed as necessary to enable the development of the site for the purpose outlined in the report
4. The Head of Strategic Housing, in consultation with the Portfolio Holder for Housing, be authorised to agree any minor amendments to the project that may be required to ensure its viability and obtain a planning consent.
5. That it be recommended to Council, that subject to the matter not being called in by Principal Scrutiny Committee, that up to £150,000 of the Capital Receipt detailed in the exempt appendix be used to support the Supplementary Housing Repairs programme already approved (CAB1820 dated 18 March 2009 refers) and included in the Council's Capital Programme (CAB1775 dated 14 January 2009 refers), but which is subject to receipts generated from asset sales and that any additional amount achieved through claw back arrangements be used to support the affordable housing programme.

CABINET – 8 JULY 2009PRINCIPAL SCRUTINY COMMITTEE – 13 JULY 2009DISPOSAL OF HRA LAND: WILLIS WAYE GARAGES, KINGS WORTHY,
WINCHESTERREPORT OF HEAD OF STRATEGIC HOUSINGDETAIL:1 Background

1.1 CAB1624, presented to Cabinet on 13 February 2008, detailed a proposal from a developer to purchase this site from the Council. The developer sought to assemble land in both private and Council ownership to provide a market housing scheme containing 30% affordable housing, as required by Council planning policy. This development of 62 dwellings, that included 18 affordable dwellings, was refused planning permission in November 2008.

1.2 The developer has since been in discussions with the Strategic Housing Division about the possibility of building an affordable housing scheme of 29 units and 1 private replacement dwelling on a smaller site than before, but still involving both public and private land. Negotiations have proceeded well and a planning application is being put together with the intention to submit this in July 2009, after a community consultation event has taken place on 23 June 2009.

1.3 Cabinet resolutions were obtained in CAB1624 to dispose of this site for best consideration whilst also increasing affordable housing supply. This latest report is being presented to Cabinet as the disposal terms previously agreed in CAB1624 differ considerably from current proposals.

1.4 Development of the Council garage site and land behind, solely for affordable housing, was previously investigated by the Strategic Housing Division, but was deemed to be unviable due to the cost of access to the site and the lost revenue of the garages. Exempt Appendix 3 to this report details the proposed disposal terms.

1.5 There are currently 1110 households on the Hampshire Home Choice Register who would require a one, two, three, or four bedroom property in Kings Worthy. Of these, 670 require one-bedroom accommodation and 440 require two or more bedrooms.

2. Affordable Development Scheme

2.1 The developer, with its architects, has been working at risk to design a scheme that meets the quality standards of both the Council and the Homes and Communities Agency. The proposal as it stands is for the following mix of accommodation, with around 22 of the units proposed to be social rent and the

remainder to be of an intermediate tenure. The final tenure mix will be subject to the availability of grant funding so may be liable to change:

Four-bed houses (6 person)	x 2
Three-bed houses (5 person)	x 11
Two-bed houses (4 person)	x 9
Two-bed flats (4 person)	x 4
One-bed flats (2 person)	x 4

This mix is subject to approval by the Local Planning Authority so it is feasible a reduction in the number of units could be required to secure planning consent. One of the recommendations of this report is for delegated authority to be given to the Head of Strategic Housing (in consultation with the Portfolio holder for Housing) to agree any such changes to the scheme as may be required to ensure its viability and obtain a planning consent. The Council will secure nomination rights to all the affordable dwellings which will be owned and managed by a Registered Social Landlord (RSL). Contracts are yet to be drafted between the developer and an RSL, but Swaythling Housing Society is the Council's preferred partner for this scheme and they have been involved in negotiations.

- 2.2 If Cabinet agree to dispose of this site for the reason described and planning consent is granted then this development will provide affordable housing for up to 123 people in 29 units of accommodation. The homes will be built to a high quality with around half the units achieving the Lifetime Homes Standard, so that they may be adapted in the future to meet the needs of tenants with infirmities or disabilities.
- 2.3 The site will be accessed by the demolition of a private property at 37 Willis Way. This property will be rebuilt with a narrower frontage to maintain the character of the area, whilst still creating an access which is acceptable in highway terms.
- 2.4 The majority of the land within the development site is in private ownership. This project to provide 29 affordable homes is an excellent example of the benefits to the Council in forming partnerships with private organisations. This concept is something that was borne out of meetings of the Affordable Housing Informal Scrutiny Group and previously reported to Cabinet and Principal Scrutiny Committee (CAB1824 Planning for Affordable Housing in an Economic Downturn, 20April 2009, refers).
- 2.5 Some of the land in private ownership is currently garden land belonging to ex-Council properties purchased through the Right to Buy. These properties will be subject to restrictive covenants preventing the use of the land for more than one dwelling or other restrictions preventing development. This report seeks a resolution to remove any such restrictive covenants that would be necessary to enable the development of the site for the purpose described in the report.
- 2.6 The "play" requirements of the Council's Open Space Strategy can be met within the application site, with the "sports" requirements being met through

financial contribution. This differs considerably from the previous proposal in CAB1624 where the play equipment was to be sited on the Willis Waye green. The use of the Willis Waye green for play equipment was identified as a major cause of concern for residents at the previous community consultation event in 2008.

- 2.7 Subject to continuing discussions with Development Control Officers, a planning application is due for submission in July 2009. It is anticipated that should consent be granted, the development will commence in January 2010.
- 3.0 Consultation
- 3.1 Local Members, Headborne Worthy and Kings Worthy Parish Councils and TACT have been briefed on this proposal.
- 3.2 Members of the public will be able to make written representation to the Council, as part of the planning process.
- 3.3 Local residents were consulted at a public exhibition on 23rd June and although the written comments have yet to be collated there was a general opinion that development of this site for affordable housing was acceptable. The primary concern of residents was the access to the site through Willis Waye and whether existing parking problems would be compounded by the new development. The developer is in continuing discussions with the City and County Council Highways Engineers to ensure that highways and parking requirements comply with current policy. The planning application will have to address these issues to the satisfaction of the Highways Engineers and Planning Development Control Committee.
- 3.4 Residents were previously consulted on the larger development scheme planned for this site in 2008 and this was attended by over 200 people. The main area of concern of residents at the previous consultation was the use of the Willis Waye Green for the siting of play equipment. This will no longer be required under the new proposal and all play equipment will be provided on the application site.
- 3.5 Advertisements have been placed in the local press in May and June 2009 to advise that the Council is considering disposing of the open space land forming part of this site, which the Council is obliged to do under Section 123 of the Local Government Act 1972. The Council must consider any objections which are made to the proposed disposal. To date, one letter of objection has been received, which is attached as Appendix 2 to this report. The deadline for receipt of written objections to the disposal of the open space is 2 July 2009. Cabinet are asked to give due consideration to this objection and any others which may be received, before reaching a decision on whether to dispose of the land for the purpose described.
- 3.6 In response to the objection which has so far been lodged (Appendix 2), the majority of land in question will continue to be conservation land that will be managed by the RSL. The developer's intention is for this land to be partially

fenced to afford protection to the indigenous species. There is no requirement for Councils to offer land to those already living in the area. There is a significant need for housing (particularly affordable housing) in the Winchester district, and this land is an appropriate site for such provision. Although being promoted by a private developer, the completed dwellings will be managed by a RSL.

- 3.7 A garage usage survey was conducted prior to the February 2008 Cabinet report (CAB1624). Of the four garage users eligible for alternative parking provision, only two still rent a garage. These two garage users are being offered alternative vacant garages at the remaining garage site in Willis Way which is to be retained. One further garage user will be offered a secure store within the curtilage of his property to store a mobility scooter.

4. TACT comment

TACT CHAIRS Alan Rickman and Beryl White have over the past weeks had meetings with Mark Barnett, Richard Botham Head of Housing, and Cllr Tony Coates Housing Portfolio Holder.

As TACT chairs we made it very clear our position has not changed regarding selling council land. The Council we appreciate has to try and provide affordable homes, to ease the waiting list figures. Funding due to negative subsidy makes this impossible at the moment to build council homes. The outcome being the council is being forced by the government to work with Housing Associations to achieve this, who get funding and support from the government, along with financial aid from the council in some cases. The council in return has nomination rights –end of story.

Leaving councils around the country forced to continue to increase their tenants' rents, and reduce services, not quite the same as MPs expenses for second homes. We must be missing something.

What really irritates the TACT chairs is the fact, Housing Associations draw up their plans with the councils in question, and then at the last moment, say they cannot pay for the land in question, and the deal will fall through if they have to pay for it.

TACT say why should the council be the one to suffer to the 11th hour change of tactics, Housing Associations, get large handouts from the Government; Councils do not, what ever happened to fair play.

TACT are pleased that the outcome of this situation has had a change for the better in this case, Winchester City Council should challenge such situations with full vigour, when ever they arise.

TACT once again cannot give its full support, but appreciate the improved outcome; this will help the council to fulfil its obligations to council tenants.

OTHER CONSIDERATIONS:

5. SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

5.1 Inclusive Society: To enable and improve access to affordable housing.

6. RESOURCE IMPLICATIONS:

6.1 Full details of the resource implications are set out in Exempt Appendix 3.

- a. 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 the exempt appendix address this directly and recommend that any such loss of income must be accounted for when costing and assessing the viability of such schemes.
- b. Demolishing the garages in Willis Way will result in the Council's HRA losing a total of over £7,800 per annum income, once repairs and voids have been accounted for. For the HRA 30 year business plan projections to be properly compensated for this loss, it would require an annual payment of this sum or a capital receipt in the order of £150,000 (30 year net present value calculation). It is unlikely that the annual payment approach can be accommodated through existing HRA subsidy rules and so the capital payment approach is therefore recommended as the best way forward. The exempt appendix takes account of this potential loss and makes proposals for how it can be taken into account as part of the negotiations for the site.
- c. The potential Capital Receipt generated by this proposal can be directly allocated to support the Supplementary Repairs Programme already approved as part of the HRA Business Plan, but which relies on new receipts being generated through asset sales. Any additional amount achieved through claw back arrangements be used to support the affordable housing programme.

7. RISK MANAGEMENT ISSUES

7.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

BACKGROUND DOCUMENTS:

Scheme files (excluding information which is exempt information) held in the Strategic Housing Division.

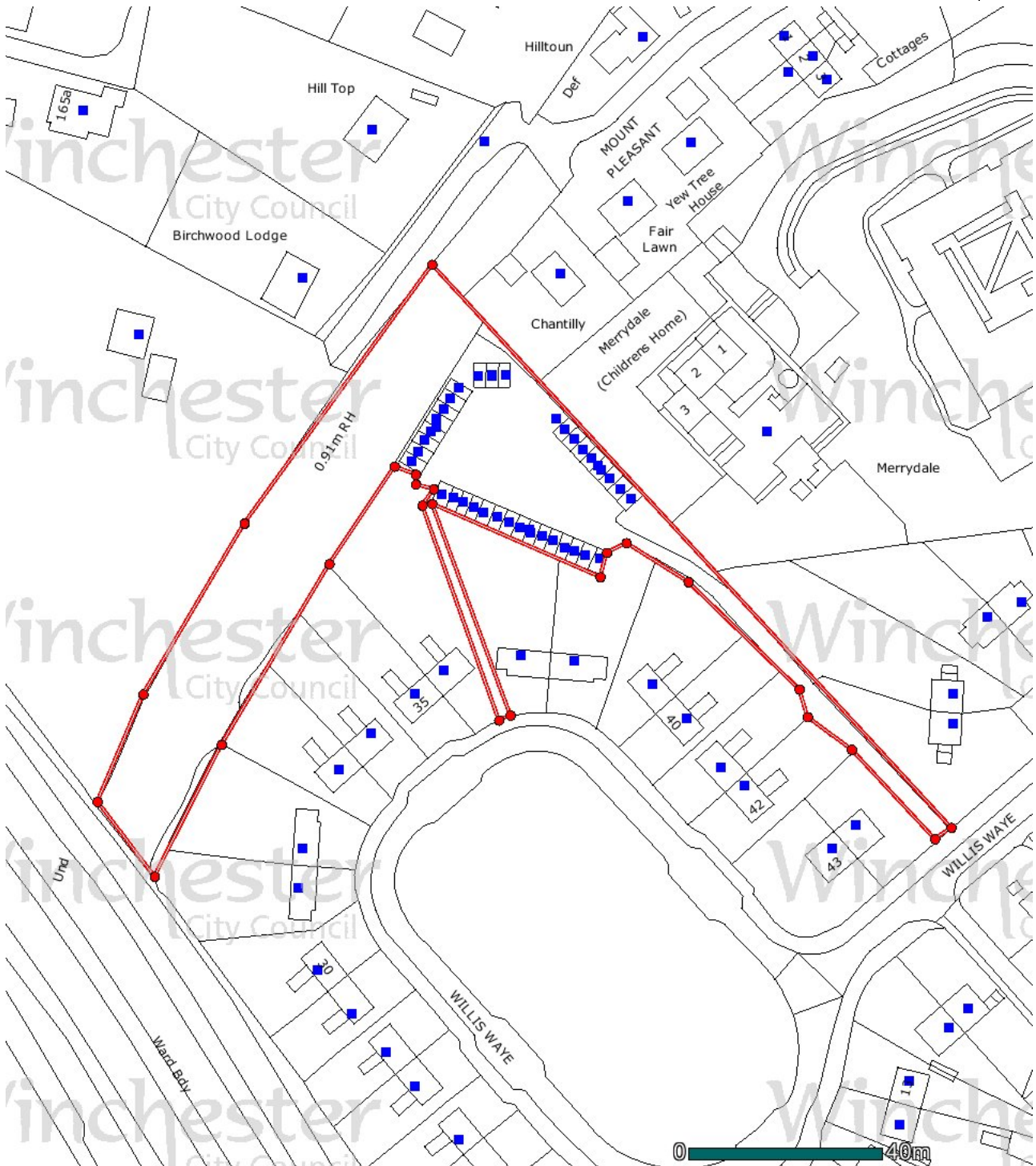
APPENDICES:

1. Plan of Willis Waye garage site, Kings Worthy and land for disposal 1/1250 scale.
2. Letter of objection from resident of 33 Willis Waye.
3. Financial Details (exempt)

WILLIS WAY GARAGE SITE,
KINGS WORTHY

APPENDIX 1

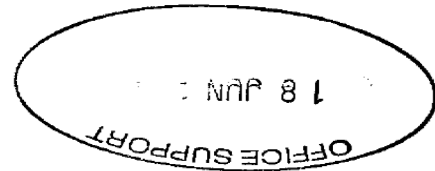
CAB1856



Appendix 2

OSS RECEIVED		
18 JUN 2009		
FAO CT	REPLY BY 28/6	NO.

**33 Willis Way
Kings Worthy
Winchester
SO23 7QT**



H Bone LLB (Hons)
Head of Legal Services
Winchester City Council
City Offices
Colebrook Street
Winchester
SO23 9LJ

17 June 2009

Dear Sir,

I am writing in response to your Proposed Disposal of Open Space land adjacent to Willis Way in Kings Worthy.

As the owner of number 33, the boundary is directly behind my property and I am therefore directly affected should this proposal proceed.

The recent planning application for that area was recently turned down but the proposal for that land was as conservation land and new plantings.

I would also point out that several years ago, I made an application to purchase the land directly behind my property and was charged £100 for the privilege of being told No, because it was earmarked for development.

If the land is to be disposed of, surely it would be common courtesy to offer it to the people who already live there before being sold to developers who will produce plans for housing in an area which is so close to the noisy A34 trunk Road that there would be continual complaints from the new unfortunate residents.

Developers are in their business for profit and have no feelings for existing residents and I would therefore strongly oppose the sale of this virtually inaccessible land.

Yours Faithfully

Nigel Millar BEM, MinstLM