



Meeting	Council
Date and Time	Wednesday, 25th September, 2019 at 7.00 pm.
Venue	King Alfred Conference Chamber, Guildhall, Winchester

S U P P L E M E N T A R Y A G E N D A

The following item was not notified for inclusion on the agenda within the statutory deadline. Therefore, the Chairman will need to decide whether or not to accept this item onto the agenda as a matter requiring urgent consideration.

Agenda Item.

- 5 a) **RECOMMENDED MINUTE – CABINET - 18 SEPTEMBER 2019**
(Pages 3 - 6)

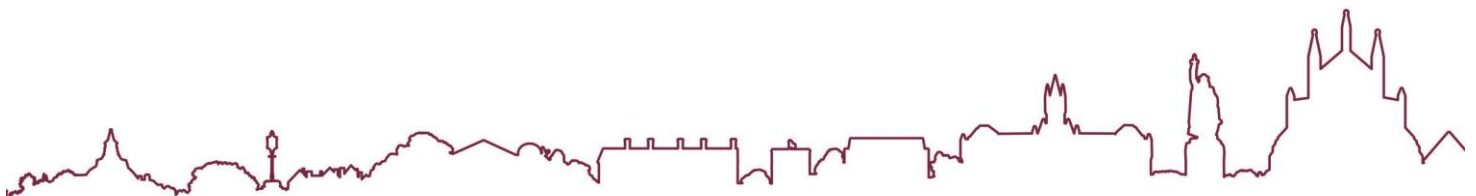
Establishing the Winchester Housing Company
(Report CAB3160 refers)

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Laura Taylor
CHIEF EXECUTIVE

24 September 2019

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EXTRACT OF MINUTES

CABINET

18 SEPTEMBER 2019

1. **ESTABLISHING THE WINCHESTER HOUSING COMPANY**
(CAB3160)

Councillor Learney introduced the report in support of the proposals to establish the Housing Company.

Ian Tait spoke during public participation and in summary, whilst generally welcoming the proposals, raised the following points:

- queried how many dwellings would be delivered each year and the likely tenure split.
- believed that the likely level of sub-market rents would remain unaffordable for many potential tenants.
- queried the availability of suitable land for new dwellings;
- raised that the profit figures quoted in the report were unrealistic.

At the invitation of the Leader, Councillor Horrill addressed Cabinet in general support for the proposals. She raised a number of points as summarised below:

- raised queries regarding the proposed governance arrangements, including whether it was appropriate for the Housing New Build Panel to include a Director who was also a Board Member.
- A review of the success of the Housing Company should be undertaken in 12-18 months.
- Disappointment at the recommendation to reduce the Partnered Home Purchase (PHP) budget by £1.2m at this stage. A reassessment should have been undertaken following the district review of housing delivery.

In response to comments made, Councillor Learney emphasised that the Housing Company was intended to enable the Council to develop other types of housing tenure it was not currently able to under the Housing Revenue Account (HRA). It would operate as an ethical landlord and she believed it was appropriate to have housing officers on the Board due to the necessary commitment to deliver housing required.

Councillor Learney stated that the PHP funding would be reconsidered as part of the 2020/21 Council budget. The Strategic Director: Services (Interim) advised that the report's proposals to reduce the PHP budget would still enable the pilot scheme to be completed and the scheme would then be reviewed.

The Strategic Director: Services (Interim) explained that the predicted profit figures contained in the appendix were an example and not a

proposal for a specific development. It was anticipated that approximately 50 dwellings could be provided with the initial investment level.

The Service Lead – Legal advised that it was not inappropriate for a Council Strategic Director to also be appointed as a Director of the Housing Company.

Councillor Learney agreed to the proposal to review the operation of the Housing Company in 12-18 months time.

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

RESOLVED:

1. That the appointment of three senior officers to the Board of Directors be approved:
 - a) Strategic Director – Place
 - b) Corporate Head of Housing
 - c) Housing Finance & Resources Manager.

2. That the approval process for housing company development opportunities be approved; with authority to agree Terms of Reference for the Housing New Build Panel delegated to the Corporate Head of Housing in consultation with the Portfolio Holder for Housing and Asset Management. This proposal was considered and supported by the Business and Housing Policy Committee on 18 June 2019.

3. That the £10 million General Fund expenditure be approved on the basis of a 25:75 equity/loan split, to be drawn down as the housing company requires the funds, and to be funded by capital receipts and prudential borrowing proportionally within each tranche.

4. That the Partnered Home Purchase budget be reduced by £1.2m in order to finance the equity purchase, noting that the Council may increase this budget in the future subject to future capital receipts.

RECOMMENDED:

5. **THAT COUNCIL GIVES PERMISSION TO ESTABLISH A COMPANY LIMITED BY SHARES AND WHOLLY OWNED BY THE COUNCIL TO DELIVER AND MANAGE UNITS FOR SUB-MARKET RENT, SHARED OWNERSHIP ACCOMMODATION AND UNITS FOR OUTRIGHT SALE.**

6. THAT THE COUNCIL APPROVES THE ESTABLISHMENT OF THE HOUSING COMPANY SCRUTINY PANEL AND NOMINATES THREE MEMBERS TO SIT ON THE PANEL.

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