

Decisions taken by the Cabinet Member for Housing & Asset Management Decision Day on Monday, 7 March 2022

Agenda Item No	Topic	Decision	Reasons	Alternative Options
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Part A – Items considered in public

A4	West of Waterlooville Major Development Area - Transfer of Land to Newlands Parish Council (DD40)	<ol style="list-style-type: none"> 1. That the advertising of the open space land which is the subject of this report in accordance with s123(1)(2A) of the Local Government Act 1972, be approved; and 2. That the report in respect of the transfer of land to Newlands Parish Council be taken to decision day for consideration at the earliest opportunity 	To obtain approval for the transfer of 16 ha of open space at Wellington Park Waterlooville (see plan of open space at appendix 1) and the remainder of the maintenance sum, currently £1.4m, from Winchester City Council to Newlands Parish Council.	<ol style="list-style-type: none"> 1. The alternative option is that the council does not transfer the land to the parish council and continues to maintain the public open space at Wellington Park, but this has been discounted for the reasons set out above. 2. Moreover, it is now being recommended by officers that the council should not become the default recipient or transferee of new residential on-site open spaces, where those open
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				spaces could be more appropriately managed by a local parish council or a resident management company. A discussion paper on this topic and the recommended policy was considered by ELB in January 2021.
A5	Designated Protected Area Waiver (DD42)	That the Service Lead: New Homes Delivery be authorised to submit an application to Homes England to lift the Designated Protected Area Status in respect of the North Whiteley development site.	To consider the lifting of the Designated Protected Area status in respect of the affordable shared ownership homes which are being delivered across the North Whiteley Major Development site.	1. The other option that has been considered is to not apply for a waiver. This has been rejected because it may mean that the affordable homes are more expensive and so fewer households in housing need could be assisted. The main problem is caused by the level of the deposit

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				<p>that is required by lenders for potential applicants looking to purchase shared ownership new build properties with an 80% restriction.</p> <p>2. Based upon recent experience lenders require a deposit of at least 15% of the value of the share of the property that is to be purchased on a Shared Ownership basis. Based upon the modelling that has been carried out using values derived from an affordable provider delivering shared ownership homes at North Whiteley, if a 40% share were to be</p>
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				<p>purchased for a mid-terraced 2 bedroom house valued at £303,010 with no restriction, then a deposit of between £6,060 and £12,120 would usually be needed. Given the above information a lender would require a minimum deposit of £18,180.60 for a similar property with an 80% restriction due to the DPA status.</p> <p>3. As at 17 January 2022, of the applicants to Help to Buy South, (the national government agency for Shared Ownership in this area and the register used to obtain</p>
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				<p>households for shared ownership) wanting to live in the Curdrige and Whiteley area and wanting a 2 bedroom property, only 24 households have sufficient savings to meet the restricted staircasing deposit requirements.</p> <p>4. In considering non-restricted shared ownership mortgages there are over 20 mortgage lenders, hence there are more lenders to choose from. At present, the deposit that these lenders require is between 5 and 10%.</p> <p>5. As stated above the</p>
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				<p>current Winchester City Council Local Plan allocates the North Whiteley site for development which will occur over a number of years. Therefore there will be shared ownership homes available for future occupiers. There will therefore be an opportunity for those households taking up shared ownership homes to be assisted in this location.</p> <p>6. It is considered that the removal of the DPA will assist in the delivery of these shared ownership homes and allow</p>
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				<p>these homes to be afforded by applicants in housing need. The impact of removing the DPA for this site is negligible, given the number of units involved, and the planned new homes. Very few shared owners purchase 100% of their homes. Therefore if the DPA is removed, the loss of shared ownership homes to the open market is likely to be insignificant. To not seek a waiver of the Designated Protected Area status would possibly mean that shared ownership affordable housing could not be sold so</p>
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				that providers would be financially penalised or the homes would not be available to those with a housing need.
A6	Disposal of Council dwelling at 16 Tower Street (DD37)	<ol style="list-style-type: none"> 1. That the disposal of 16, Tower Street be approved, in line with the approved councils HRA Asset Management strategy disposal criteria to support and enable the delivery of additional new units of affordable housing. 2. That delegated authority be given to the Corporate Head of Asset Management to dispose of the HRA asset at 16 Tower 	<p>To seek council approval to dispose of an empty HRA property in line with the disposal criteria as set out in the councils HRA Asset Management strategy approved at Cabinet in 8 December 2021.</p> <p>Disposal of HRA assets is only considered in exceptional circumstances and should meet the criteria set out in the “Disposal Policy” approved as part of the Housing Revenue Account (HRA) Asset Management Strategy in</p>	<ol style="list-style-type: none"> 1. The option of progressing the redevelopment option at a cost which is outside of the usual viability tests has been considered. This would provide an opportunity to assess the impact of “Passivehaus retrofit”. However, this has been rejected as not the best “value for money” option and not making the best use of the councils housing

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		Street.	<p>December 2021.</p> <p>The proposed property for disposal, 16 Tower Street is a 3 bedroomed house located in central Winchester and is the only council owed property in the street. The property is in a conservation area but is it not a listed building. The empty property is in need of significant works to bring it up to a decent standard to let. As a family home it has limited outside space with no green spaces for families to enjoy.</p> <p>An Asset Management strategy options appraisal concluded that the best Value for Money option is to dispose of the property and use the funds gained to deliver additional units of</p>	<p>stock. Consideration was also given to the potential of leasing the redeveloped property to the housing company proposed to be established later this year which would allow it to be let at a higher rent. However, this would still not have met the viability test in light of the cost of redevelopment.</p> <p>2. Bringing the property back up to standard to let through the normal void process is rejected with a recent estimate of void costs at £40,000 and as the property had previously been hard to let. There is also</p>
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			<p>new homes that are energy efficient.</p>	<p>the likelihood of further deterioration and associated costs as the property has been empty for 3 years.</p> <p>3. To delay the disposal option and test the market again in 6 months to see if tender costs for the conversion reduce is rejected due to the financial and reputational risks attached of leaving a social housing property empty with no guarantee that tender costs will reduce.</p>
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