

EXTRACT OF MINUTES

CABINET

23 JUNE 2021

NEW COUNCIL HOMES, WINNALL FLATS SITE – FINAL BUSINESS CASE (LESS EXEMPT APPENDICES)

(CAB3300)

In the absence of Councillor Learney, Councillor Thompson introduced the report which sought authorisation to proceed with a new homes scheme for 76 new homes at the Winnall flats site. The homes would be built to a high energy efficiency standard and the scheme would also improve the surrounding open space area (as detailed in report CAB3305 elsewhere on the agenda).

Janet Berry and Patrick Davies addressed Cabinet during public participation as summarised briefly below.

Janet Berry

Considered the proposed flats were too small and would not be genuinely affordable to many people, for example key workers. She believed that the short-hold tenancies proposed would not offer long term security for tenants and she queried whether the limited occupancy levels would result in tenants being evicted if they exceeded these levels. Protection such as an independent residents' advisor and residents' charter should be put in place. Instead of over-developing the Winnall site, the Council should consider building new homes on other land in its ownership.

Patrick Davies

Agreed with the points raised by Ms Berry. Queried why the scheme provided new flats in area where there were already large numbers of flats. Strongly supported principle of providing more council homes but believed this was the wrong area and wrong scheme. Queried why the financial aspects of the proposals were contained in exempt appendices so the decision-making lacked transparency.

At the invitation of the Leader, Councillor Horrill addressed Cabinet as summarised briefly below.

Generally greatly supported the provision of new homes, with different types of accommodation and tenure. Queried whether it would have been possible to develop more homes on this site and whether £250,000 was a fair price to pay per unit? Requested further clarity on the option of letting the flats through a housing company. Questioned why the report also sought authority to dispose of shared ownership schemes at Stanmore and Kings Worthy and believed that a separate report detailing any change in policy would have been more appropriate.

The Leader, the Service Lead - New Homes Delivery and the Housing Development and Strategy Manager responded to the points raised by Councillor Horrill and also during public participation. It was emphasised that the Winnall flats scheme should be considered as part of the wider Council new homes building scheme where all homes had been built to affordable or social rent levels. The scheme density could have been increased but at the expense of providing a good quality surrounding open space environment for new and existing tenants. A number of factors had impacted on the tender price including demolition of existing structures, asbestos removal, utility diversion and upgrading the electric sub station, as well as meeting high energy efficiency/low carbon standards and the new fire regulations such as sprinklers.

The Strategic Director: Services advised that work and understanding of the potential benefits of a housing company was evolving, with a report to be submitted to the Business and Housing Policy Committee and Cabinet later this year. It was anticipated that a housing company could be used for this scheme, but it could also operate as a Housing Revenue Account (HRA) scheme.

At the invitation of the Leader, David Light (TACT) stated that TACT had queried the one person occupancy restrictions and had recommended that one block be reserved for council tenants.

Officers responded to a number of further questions from Cabinet Members on the impact of the nitrates mitigation policy and the implications of the single occupancy restrictions. The Strategic Director confirmed that the council's agreed policies were directed towards supporting tenants who might find themselves in an overcrowding situation.

Cabinet then moved into exempt session to consider the exempt appendices to the report before returning to open session to agree the recommendations as set out below.

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

RECOMMENDED TO COUNCIL:

1. That an increase in the scheme budget of £896,691, funded from the "unallocated schemes" provision in the New Homes Capital Programme and capital expenditure of up to £18,840,000 including contingency funding and estimated fees (as set out in exempt appendix 3 of the report), be approved.

RESOLVED:

2. That the Corporate Head of Asset Management be authorised to award and enter into a design and build contract to construct 76 properties at Winnall Flats site, Winnall Manor Road, Winchester with Wates Construction Ltd for the sum as detailed in exempt appendix 1 of report CAB3300.

3. That the Corporate Head of Asset Management (CHAM) be authorised to negotiate and agree terms for easements, wayleaves and related agreements with utility suppliers, telecom/media providers and neighbours and relevant associated legal agreements in order to facilitate the development.

4. That the Corporate Head of Asset Management be authorised to dispose of the shared ownership properties, and other tenure mix, on this site as supported by the Housing Development Strategy agreed by Cabinet on 10 March 2021 (CAB3291) and Business Case.

5. That the Corporate Head of Asset Management be authorised to dispose of the shared ownership and discounted market sale properties at the Valley, Stanmore and the site off Hookpit Farm Lane, Kings Worthy.

6. That the Corporate Head of Asset Management be authorised to negotiate to purchase/lease Block B (41 flats) to enable the flats to be let at sub-market rents in partnership with a third party or representatives of a council owned housing company.

7. That the disposal of open space following the consultation exercise undertaken in September 2020 be approved.

8. That the Corporate Head of Asset Management be authorised to agree a scheme to mitigate nitrates in perpetuity either on sites owned by the Council, at Micheldever wetland scheme or purchase nitrates credits from a 3rd party prior to the occupation of the new homes located at the Winnall Flats site.

9. That the Corporate Head of Asset Management be authorised to submit a funding bid to Homes England, and if applicable, negotiate and finalise a grant figure and agree the terms and conditions associated of the grant funding and to enter into a funding agreement.

10. That the Corporate Head of Asset Management be authorised, in consultation with the Service Lead – Legal Services to include a condition in the tenancy agreement and shared ownership lease to limit occupancy levels.

11. That the Corporate Head of Housing be authorised to approve the bid for estate improvement funding for the cost of improvements to the areas around the existing blocks of flats

**NEW COUNCIL HOMES, WINNALL FLATS SITE – FINAL BUSINESS
CASE (EXEMPT APPENDICES)**

(CAB3300 exempt appendices)

The following is a summary of the questions asked and debate during the exempt session of the meeting regarding these exempt appendices. However, it is recorded in an open minute to support the principle of being an open and transparent council.

At the invitation of the Leader, Councillor Horrill addressed Cabinet regarding the exempt appendices as summarised briefly below.

Questioned the reasons for the significant rise in tender costs over a relatively short space of time and the detail of the Carter Jonas valuation. She queried whether the recommendation regarding shared ownership approvals for other properties should have been subject to a separate report.

The Service Lead - New Homes Delivery and the Housing Development and Strategy Manager responded to the queries raised, confirming that previous figures were based on budget estimates whereas the figures now available were actual costs. Generally, construction costs were rising nationally.

Officers responded to Cabinet Member questions regarding the likely rent level and also confirmed that the long term requirements of increased electricity usage had been provided for by an additional electricity sub-station

Cabinet then returned to open session in order to consider the report's recommendations.

RESOLVED:

That the contents of the exempt appendices be noted.