

Roberto Tambini
Chief Executive

**PLEASE NOTE THE DAY AND
START TIME FOR THIS
SPECIAL CABINET MEETING**

Please contact: Richard Powell
Please 01784 446240
telephone: 01784 446333
Fax Number: r.powell@spelthorne.gov.uk
Email Address: RP/Cabinet
Our Ref:
Date:- **21 October 2009**

NOTICE OF A SPECIAL CABINET MEETING:

DATE: THURSDAY 29 OCTOBER 2009

TIME: 6.45 p.m.

**PLACE: GODDARD ROOM, COUNCIL OFFICES, KNOWLE GREEN,
STAINES**

TO: ALL MEMBERS OF THE CABINET:

Members of the Cabinet	Cabinet Member Areas of Responsibility
J.D. Packman [Chairman]	Leader of the Council
R.A. Smith-Ainsley [Vice-Chairman]	Planning and Housing
F. Ayers	Community Safety
S. Bhadye	Health and Independent Living
C.A. Davis	Regeneration
G.E. Forsbrey	Environment
Mrs. D.L. Grant	Young People and Cultural Services
A.P. Hirst	Communications and Engagement
Mrs. V.J. Leighton	Corporate Services

EMERGENCY PROCEDURE [THE LIFT MUST NOT BE USED]

In the event of an emergency the building must be evacuated. All Members and Officers should assemble on the green adjacent to Broome Lodge. Members of the public present should accompany the Officers to this point and remain there until the Senior Officer present has accounted for all persons known to be on the premises.

[PLEASE NOTE THAT THIS AGENDA IS AVAILABLE IN LARGE PRINT ON REQUEST TO RICHARD POWELL ON TEL: 01784 446240]

IMPORTANT PUBLIC NOTICE

MOBILE TECHNOLOGY – ACCEPTABLE USE

Use of mobile technology (e.g. mobile telephones, Blackberries, XDA's etc.) in meetings can:

- Interfere with the Public Address and Induction Loop systems;
- Distract other people at the meeting;
- Interrupt presentations and debates;
- Mean that you miss a key part of a decision taken.

PLEASE:

Either switch off your mobile telephone etc. **OR** switch off its wireless/transmitter connection and sound for the duration of the meeting.

THANK YOU FOR YOUR CO-OPERATION IN THIS MATTER.

21 October 2009

**SPECIAL CABINET MEETING - THURSDAY 29 OCTOBER 2009
6.45PM – GODDARD ROOM**

REVISED AGENDA

1 APOLOGIES FOR ABSENCE

To receive any apologies for non-attendance.

2 DISCLOSURES OF INTEREST

To receive any disclosures of interest from Members in accordance with the Council's Code of Conduct for Members.

3 MANAGEMENT TEAM REPORT

To consider the report of the Deputy Chief Executive [DCX] on the following item:-

Stanwell New Start Project and Other Linked Schemes [DCX]

(Attached)

[Cabinet Member – Councillor Smith-Ainsley]

STANWELL NEW START PROJECT AND OTHER LINKED SCHEMES

Resolution Required

Report of the Deputy Chief Executive

REPORT SUMMARY

Purpose of Report

To obtain authority based on the recommendations set out below in order to progress the Stanwell New Start project.

Key Issues

- ⇒ Sale of open space to A2D
- ⇒ Sale of Park Road car park to A2D
- ⇒ To approve the allocation of the Housing Enabling Fund to A2D

Financial Implications

- ⇒ £250k due to the Council as an overage if there is a development surplus
- ⇒ Allocation of £120k to A2D to meet funding shortfall from the Homes and Communities Agency.
- ⇒ £150k consideration for the sale of Park Road car park

Corporate Priority Housing, Economic Development

Officer Recommendations

The Cabinet is asked to agree as follows:

- 1) to authorise the sale of the Council's land at Explorer Avenue in order to facilitate phases 2-4 of the Stanwell New Start Regeneration subject to A2D agreeing an overage to the value of £250,000 (or other agreed amount) and operating an open book accounting policy to allow the Council to receive this amount if a surplus on the development is achieved. The Cabinet authorises the Deputy Chief Executive in consultation with the Leader to negotiate and agree the terms of sale. Authority to the Head of Corporate Governance to seal all consequential agreements;
- 2) to authorise the sale of the Park Road car park land to A2D for £150,000 to enable A2D to develop the site for housing (family units) to assist with decanting for the Stanwell New Start project. The Cabinet authorises the Deputy Chief Executive in consultation with the Leader to negotiate and agree the terms of sale. Authority to the Head of Corporate Governance to seal all consequential agreements;
- 3) to authorise the Deputy Chief Executive to negotiate with A2D to assist and promote the development of various small sites in Stanwell for the purposes of housing or decanting. To authorise the Deputy Chief Executive to negotiate the terms of any consequential variations to the LSVT nominations agreement. Authority to the Head of Corporate Governance to seal all consequential agreements; and,

Agenda Item: 3

- 4) to authorise that the remaining £120,000 of Housing Enabling Fund for 2009/10 (and carry forward from 2008/09) is provided to A2D to assist with its funding shortfall from the Homes and Communities Agency and enable it to complete the development of other housing schemes detailed in this report To authorise the Deputy Chief Executive to negotiate, in consultation with the Leader, any appropriate terms and conditions for the provision of the funds and to secure the provision of housing as described.**

**Contact: Nigel Lynn, Deputy Chief Executive, 01784 446300
Cabinet member: Councillor Richard Smith-Ainsley**

MAIN REPORT

STANWELL NEW START

Introduction

This report summarises the decisions required in relation to Stanwell New Start in order to move matters on that have that have been discussed by all parties over the summer months.

On 13 July 2009 members discussed a report which covered many of the issues, but there have since been further developments during meetings with A2Dominion (A2D) and its solicitors.

It is important to recognise that there is a linkage between the Stanwell New Start development itself and other schemes proposed by A2D which are referred to in this report as 'small sites'. Some of these are required by A2D in order to be able to decant properties for later phases of work.

Summary of Decisions Required

<u>No.</u>	<u>Issue</u>	<u>Recommendation</u>
1.	Open Space Stanwell New Start	£250K overage from A2D for the Council land
2.	Park Road	Sell to A2D for £150K (+£50K to SCC) for 14 family units
3.	Small sites	Assist and promote the identified sites
4.	Housing Enabling Fund	Allocate remaining £120K to A2D to fund HCA funding shortfall for small sites identified (above)

1. Housing amenity land for Stanwell New Start

Phases 2-4 of the project require the use of Council land, (mostly housing amenity land) which will be returned to the Council later in the project in a different form.

Options

- a) To require A2D to pay the value of the land-£1.95M as assessed by the District Valuer. However, as discussed extensively, the general impression of the majority of the Council Officers, A2D officers and indeed the public over the last few years has been that the land would be provided to A2D in recognition of the wide-scale community benefit the regeneration project

Agenda Item: 3

brings. In addition at the end of the scheme the Council benefits from the re-provision of a similar amount of housing amenity land albeit in smaller parcels across the site.

- b) To require A2D to pay an overage of £250K (or other agreed amount) and to operate an open book policy, so that on completion of the final phase the Council receives a share from any surplus generated by the scheme.
- c) To waive any requirement for A2D to pay for the land or provide an overage but to operate an open book policy

Significant Risks

If the Council does not agree terms to transfer the open space, the scheme may not be viable. This would be detrimental to the community of Stanwell who are in need of homes that meet the Decent Homes Standard, and damage the prospect of creating a new, reinvigorated community with up to date facilities and amenity space.

If the transfer does not go ahead there will be significant damage to the reputation not only of A2D for the promises it has made to the community, but also to the Council as it will be seen as responsible for the barrier which prevented progression.

Without large scale redevelopment A2D would still have to ensure that existing homes meet the Decent Homes Standard but given the current economic climate would probably not be criticised unduly for failing to meet the 2010 target.

Recommendation - Option b)

To require A2D to pay an overage of £250K (or other agreed amount) and to operate an open book policy, so that on completion of the final phase the Council receives a share from any surplus generated by the scheme.

2. Park Road

A2D has submitted a planning application for 14 affordable family sized units of accommodation on the site. The intention is that the properties are used to decant families from the Stanwell New Start Project-Phases 2-4. A2D has indicated that it would separately fund the improvements required to meet some of the village hall parking requirements.

The proposal is that Spelthorne Borough Council sells its share of the land to A2D for £150K and Surrey County Council sells its share for £50K. Surrey County Council has stated that it is willing to sell the land but is currently in the process of ensuring that the new councillors are in agreement following the change in administration.

The Housing Options team is currently in the process of implementing Choice Based Lettings. If Park Road does not become available for decanting purposes there will be a significant detrimental impact on the scarce housing resources available, as under the policy agreed by all partners, any decant household is placed in Band A and thus given the highest priority over all other bands.

A2D have stated that it is now only able to develop Park Road as one of a package of 'small sites' with additional financial resources from the Council.

Significant Risks

If the 'small sites' are not redeveloped the Council will lose an invaluable supply of affordable rented family sized accommodation. The pressure on the Housing Register is huge and there are numerous associated complaints to the Council, Councillors and the MP regarding the shortage of affordable rented properties.

Recommendation – To sell Park Road to A2D to enable it to decant people into the 14 family units, gaining £150k income for the Council (capital).

3. 'Small sites'

Members have previously given approval to hand back four sites of existing temporary accommodation to A2D in order that redevelopment can take place to provide a combination of affordable units and units for private sale. However in light of the financial constraints under the recession and a recent decision from the Housing Community Agency regarding a cap of funding on affordable units of £65k each, A2D has now provided new proposals for these sites.

Furthermore, A2D has included a number of other sites which it was preparing to redevelop and has stated that in light of the HCA cap, financially it can now only afford to proceed if all of the sites are considered collectively. A2D has requested funding of £100K from the Council's Housing enabling fund. In actual fact the Council has now established that with carry forward the fund is £120,000. In addition A2D seeks a further £30K but is prepared to meet the difference through the void rental payments made monthly to Surrey Community Development Trust and then passed to them in relation to void temporary accommodation. Its negotiations with SCDT on this matter are not yet concluded but they are prepared to take the risk that they will be successful.

The proposals are as follows:

- Park Road - develop 14 affordable rented units
- Hengrove Crescent - develop seven family-sized affordable rented units
- Wyatt Road five x two-bed flats for private sale

Temporary accommodation sites

- St Mary's Lodge Stanwell - develop five number three-bed houses for affordable rent-in the first instance also to be used as decanting properties for Stanwell new Start
- Windmill Lodge Sunbury - pursue a planning application for up to 14 number three-bed houses
- Convent Lodge - pursue a planning application for five number three-bed houses for private sale
- Desford Court - pursue a planning application for five houses for private sale

The view of Council officers is that although some of the properties will now be for private sale rather than affordable units as previously negotiated, the overall outcome in terms of affordable units is acceptable. However it is imperative that the Windmill Lodge development proceeds as this is the site that would otherwise be the most difficult to sell and develop in the commercial market.

Whilst A2D would receive the entire Housing Enabling Fund allocation for this year, the outcome for the residents of the Borough in housing need is positive. The counter effect of others on the Housing Register in relation to the CBL issues

Agenda Item: 3

discussed should the Park Road development not proceed means that overall A2D proposals are of benefit to the Council and residents.

Significant Risks

If the 'small sites' are not redeveloped the Council will lose an invaluable supply of affordable rented family sized accommodation. The pressure on the Housing Register is huge and there are numerous associated complaints to the Council, Councillors and the MP regarding the shortage of affordable rented properties.

Furthermore, if the proposals for the small sites are not agreed, the Council will remain liable for rental voids. As an alternative the Council could simply provide the requisite notice period and hand back the properties, but would not gain the affordable units projected under the current proposals

Recommendation – to authorise the Deputy Chief Executive to negotiate with A2D to assist and promote the development of various small sites in Stanwell for the purposes of housing or decanting. To authorise the Deputy Chief Executive to negotiate the terms of any consequential variations to the LSVT nominations agreement.

4. Housing Enabling Fund Briefing

Background

The Council has previously made monies available from its financial reserves to fund affordable housing schemes that would not be financially viable without this subsidy. See table below Executive (now Cabinet) approvals:

Date	Scheme	Units	Council Funding	RSL
2004	Ashford Methodist Church, Ashford	7 X 1 bed flats 1 X 2 bed flat	£240,000	Apex (Now A2D)
2004	Spelthorne Public House, Sunbury	12 X 1 bed flats	£200,000	Apex (Now A2D)
December 2008	162-164 Kingston Road, Staines	2 X 3 bed houses 8 X 2 bed flats 4 X 1 bed flats	£80,000	Catalyst

In 2008 the Council allocated £80,000 to Catalyst Housing Group to subsidise a scheme at Kingston Road, Staines that will provide the Council with nomination rights to 14 affordable rented units including two three-bed houses. The site had an existing planning consent with no Section 106 requirement for affordable housing. These units would not have been secured for affordable rented tenure without the financial assistance provided by the Council.

The Council has budgeted £100,000 for the Housing Enabling fund for 2009/10 and this is supplemented by the £20,000 that was not utilised from the £100,000 in 2008/09, giving a budget total of £120,000 in 2009/10.

Update

A2Dominion has requested that the Council allocate £150,000 from its Housing Enabling fund to subsidise four “small site” schemes (see table below) that will provide 25 affordable rented units. The level of subsidy that is being sought is £6,000 per unit. This represents very good value for the Council securing nominations to additional affordable units for such a low level of investment. It should also be noted that 20 of these units will be houses. It should be noted that very few houses for affordable rented tenure have been delivered in recent years. Section 106 schemes which have delivered the majority of affordable homes in recent years have principally delivered flatted developments that have been more financially viable and attractive to developers. These houses will greatly assist us in addressing the shortfall of family housing available to our clients on the Housing Register whose need is for larger properties.

Agenda Item: 3

PROPOSED ENABLING SCHEMES				
Date	Scheme	Units	Funding Required	RSL
2009	Hengrove Crescent, Ashford 2 Garage Block Sites	3 X 3 Bed Houses 4 X 4 Bed Houses	£42,000	A2D
2009	Park Road, Stanwell	8 X 3 Bed Houses 4 X 2 Bed Flats 1 X 1 Bed Flat	£78,000	A2D
2009	St Marys Road, Stanwell	5 X 3 Bed Houses	£30,000	A2D

TOTAL = £150,000

If the Council makes the decision to not provide subsidy to the A2D schemes, there is a possibility that these units will not be delivered for affordable housing. A2D could decide to build the schemes out for private sale or open market rent; alternatively the decision might be made to not build the schemes at all.

Strategically these schemes fit well with the Council's objectives, the developments are on brownfield sites in residential areas and would provide larger family housing. As previously stated the schemes also deliver 100% affordable rented units that will provide much needed affordable homes for local residents.

As the 2010/11 budget has not yet been set by the Council, only £120,000 could be allocated at this time, should members approve the schemes. The shortfall of £30K would have to be met by A2D. It is also unlikely that any budget will be set for 2010/11.

Recommendation – to allocate the remaining £120K Housing Enabling Fund to A2D to enable the HCA funding shortfall to be met and 25 new units to be created. To authorise the Deputy Chief Executive to negotiate, in consultation with the Leader, any appropriate terms and conditions for the provision of the funds and to secure the provision of housing as described.