



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR NEW HOMES DELIVERY

TOPIC – DESIGNATED PROTECTION AREA STATUS AT WEST OF WATERLOOVILLE MAJOR DEVELOPMENT AREA

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Wednesday 3 October 2012.

Contact Officers:

Case Officer: Simon Maggs smaggs@winchester.gov.uk 01962 848203

Committee Administrator: Nancy Graham, ngraham@winchester.gov.uk, 01962 848 235

SUMMARY

- Planning permission has been granted for the provision of almost 3000 homes at West of Waterlooville Major Development Area (MDA).
- 40% of these homes will be affordable, a mixture of rented and low cost home ownership properties, such as shared ownership.
- The site lies within a Government defined Designated Protection Area (DPA). This DPA status restricts the ability of households who own a part share in an affordable home to "staircase" to full ownership, capping ownership at an 80% share.

- Although the MDA lays within both Winchester City and Havant Borough Council areas the DPA status applies only to those properties within Winchester District.
- The intention behind the designation is to retain shared ownership properties within the affordable housing sector in areas of low supply.
- The status is not regularly reviewed and does not take account of changes in circumstances, e.g. the construction of urban extensions, such as West of Waterlooville, which will result in a significant new supply of homes.
- The current economic situation means that the DPA status compromises the successful delivery of new homes on the MDA. The economic conditions that prevailed at the time the first homes were built meant that the designation was not problematic.
- Problems are two fold:
 - There is already a limited supply of mortgage lenders for shared ownership homes. Placing further restrictions on the use of these homes reduces the availability of mortgages further and increases their cost, thus making the affordable homes less affordable.
 - Registered Providers have difficulties in raising finance to support the construction of new shared ownership homes where the status applies, particularly on large sites, and exposes them to higher risk.
- Given the values of shared ownership properties are related to open market values, an individual household's income, in general, needs to increase substantially over time in order for them to staircase to 100% ownership. This is more challenging in the current economic climate. It is worthy of note that, in the recent past, it was common for new homeowners to buy an initial 40% share in a shared ownership home. Now, frequently, it is only a 25% share that can be afforded. This reflects the availability of affordable mortgages for the product as well as local prices and incomes.
- Income received by a Registered Provider as a result of staircasing is retained by that provider and is re-invested in affordable housing.
- The DPA status may be lifted by the Homes and Communities Agency (HCA) on application by the local authority. Advice from the HCA recognises that this DPA Status to urban extensions, such as West of Waterlooville, may not be desirable.

PROPOSED DECISION

The Head of New Homes Delivery be authorised to apply to the Homes and Communities Agency for the lifting of Designated Protection Area Status in respect West of Waterlooville Major Development Area.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

To assist in the delivery of new homes, including affordable homes. Although alternative approaches are possible they are likely to reduce choice and affordability of homes to those in housing need.

RESOURCE IMPLICATIONS:

None

CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION

The Portfolio Holder for Housing supports the recommendation.

Ward members have been consulted by the Portfolio Holders for New Homes Delivery and Housing.

Havant Borough Council have no objection to the proposals.

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

n/a

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

n/a

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

n/a

Approved by: (signature)

Date of Decision

Councillor Ian Tait – Portfolio Holder for New Homes Delivery