



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE

TOPIC – AUTHORISATION TO PROGRESS AFFORDABLE HOUSING SCHEME: FORMER POLICE STATION, DOLPHIN HILL, TWYFORD

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 Legal Services Manager, the Chief Executive and the Strategic Director: Resources 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 Democratic Services Officer by 5.00pm on 29th August 2018

Contact Officers:

Case Officer: Nick Fisher – Project Manager New Homes Delivery Team.

Democratic Services Officer: Matthew Watson, 01962 848 317,
mwatson@winchester.gov.uk

SUMMARY

- This notice seeks approval to submit a planning application to develop 2 new two bedroom homes by demolishing 1a Dolphin Hill (a former single storey office) and the four adjacent garages.
- This notice seeks approval for funds of £50,000, to facilitate the preparation of the site for a tender process. This will include detailed architecture design fees, all survey work and reports, SAP calculations and design for the moving of underground foul services.

PROPOSED DECISION

1. That the Corporate Head of Housing (Chief Housing Officer) be authorised to prepare and submit a planning application to demolish 1a Dolphin Hill (a former single storey office) and the four adjacent garages and to construct two new Council houses at the site.
2. That the Corporate Head of Housing (Chief Housing Officer) be authorised to amend the proposals, if necessary, to prepare the schemes for planning application submission.
3. That the Corporate Head of Housing (Chief Housing Officer) be authorised to take all necessary actions to comply with any planning requirements that may arise following the submission of the planning application.
4. That the Corporate Head of Housing (Chief Housing Officer), in conjunction with the Corporate Head of Asset Management, be authorised, in accordance with the Councils contract procedure rules, to proceed to tender a build contract for the scheme through the South East Business Portal and Contracts Finder.
5. That the Corporate Head of Housing (Chief Housing Officer) be authorised to appoint all necessary consultants and gain all necessary reports as part of the preparation of the detailed design and tender information.
6. That the Corporate of Head of Asset Management and Corporate Head of Housing be authorised to negotiate and agree terms for easements, wayleaves and related agreements with utility suppliers, telecom / media providers, Highways Authority and neighbours in order to facilitate the development.
7. That the Corporate Head of Housing (Chief Housing Officer) be authorised to spend budget allocated to Dolphin Hill, Twyford in the New Build Capital Programme 2017/18 to 2027/28 to facilitate the preparation of the site for a tender process.

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

The proposed decision is required to enable a competitive tender for a small development of two new homes. A traditional contract is thought to be the best way to procure a contractor due to the size of the scheme. In recent tenders, officers have found a lack of suitable contractors willing to develop new housing under a JCT Design and Build Contract because the contractor takes on more risk. Due to the increased risk, smaller contractors avoid design and build where there is a low contract sum, recent experience suggests £1,400,000. Traditional design is therefore the preferred approach. Proceeding with this option will incur upfront fees to prepare the traditional tender but officers are satisfied this will result in a more competitive tender and lower contract value.

The council's usual route of JCT Design and Build Contract has been rejected.

RESOURCE IMPLICATIONS:

The budget for the scheme has already been approved by Cabinet Housing Committee in the HRA 2018/19 Budget and Business Plan. This can be viewed in [CAB3016\(HSG\)](#). The estimated budget allocated for Dolphin Hill, Twyford was £500,000. The scheme meets the Council's viability criteria in that the cost of the scheme is lower than the value; Net Present Value (NPV) is positive (£5,031) at year 35 and the capital cost is recovered by year 35.

RISK MANAGEMENT ISSUES:

The Council is developing and delivering an ambitious programme to build new council homes. Building homes involves significant risks. This is why developers and investors demand high returns in return for the risks involved with developing new homes. Risks lie in delays arising from inadequate resourcing, abnormal costs, unnecessarily bureaucratic procedures, local opposition, planning objections and a weakening of political commitment. It is important that risk is carefully managed.

At a high level, risk management is carried out by ensuring that proposals have a strategic fit with the Housing Development Strategy, particularly with respect to viability. The Councils corporate projects and risk management processes will be used to mitigate detailed risk and ensure that projects are progressed in a logical sequence to ensure that the Council is not overexposed to risk. It is rare for risk to be totally removed.

Traditional build contracts carry greater level of risk than the Design and Build Contracts that the Council has utilized to date, this is because the Council will be responsible for the preparation of all of the design information and survey work. However the Council will have greater control over quality and a traditional contract is more appropriate for a small scheme such as this one.

CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION

- A consultation event was held with local residents on Friday 09 March 2018 where the proposed design was displayed. Before the event over 40 invitations were hand delivered to neighbouring properties. Comments were made on the day, via email and the councils online consultation tool Citizens Space. In total seven varied comments were made. Some comments highly praised and supported the scheme whilst others were disappointed with the loss of garages and privacy. A [summary of the comments](#) is available to view on the council's website.
<http://www.winchester.gov.uk/housing/new-affordable-housing/early-stage-schemes>

- Following the event, the design of the property nearest the Old Fire Station has been amended to allow a level entrance. A rear elevation drawing has also been produced since the event.

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

[CLICK AND ENTER TEXT]

Note for Author: please include detail of any representations received (including those of consulted Members). This will include your response to any alternatives suggested by those making representation and the reasons why these alternatives were rejected. Include comments on risk management where relevant. These need to be taken into consideration when the Portfolio Holder makes the final decision in consultation with the Case Officer.

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

[CLICK AND ENTER TEXT]

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

[CLICK AND ENTER TEXT]

Approved by: (signature)

Date of Decision

Councillor Guy Ashton – Portfolio Holder for Finance

APPENDICES:

[CLICK AND ENTER TEXT]