

**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD ON 16 MAY 2018 FROM 7.00 PM TO 7.30 PM**

Committee Members Present

Councillors: Charlotte Haitham Taylor (Chairman), Richard Dolinski, Julian McGhee-Sumner, Stuart Munro and Simon Weeks

Other Councillors Present

Prue Bray
Andy Croy
Philip Mirfin
Ian Pittock
Malcolm Richards

124. APOLOGIES

An apology for absence was submitted from Councillor Keith Baker.

125. DECLARATION OF INTEREST

There were no declarations of interest received.

126. PUBLIC QUESTION TIME

In accordance with the agreed procedure the Chairman invited members of the public to submit questions to the appropriate Members.

126.1 Michael Jones asked the Executive Member for Adult Services the following question:

Question

On several previous occasions over the last three years both Council employees and Councillors have publicly stated all the existing homeowners on the estate will be offered a like-for-like swap for their homes. Currently, Council employees will not confirm such. Is this not still the case?

Answer

The Council can confirm that existing homeowners currently living on the estate will be offered and have priority for a newly built home that has the equivalent number of bedrooms as their existing property. However, as set out in the report, the brand new homes are likely to be worth significantly more than existing homes and therefore, the Council is not proposing a straight swap.

The Council recognises that the full market value of existing homes may not be enough to enable homeowners to purchase outright a similar home on the rebuilt estate or elsewhere locally. Therefore, the Council is offering resident homeowners the option of purchasing a new home, with the same number of bedrooms on the rebuilt estate or off site, through a shared equity scheme. Through this scheme you can invest the proceeds of your current home into the new one with the Council retaining a percentage share. You will not be expected to pay any rent or interest on the part you do not own and will only need to repay the Council's share when or if you sell the home in the future.

On a scheme of this size, it will not be possible to exactly replicate your existing home. Some features of your new home will be the same and some features will be different. You will however benefit from a brand new, thermally efficient home, which in most cases, will be built to higher space standards.

Supplementary Question

On the extra payment front (the shared ownership option) this has only come out recently and was not mentioned previously in any discussion. I find that a trifle problematic to accept.

Supplementary Answer

That has been brought up in Steering Group Meetings. It is not something that has not been made public already.

It was subsequently agreed that Mr Jones would be provided with the relevant Steering Group meeting minutes.

126.2 Carole Bates had asked the Executive Member for Adults' Services the following question. As Ms Bates was unable to attend the meeting the following written response was provided:

Question

I currently own 100% of my home and would like to continue to do so once the regeneration takes place, but you're not letting me. How can we work it so that I own 100% of my new home?

Answer

As set out in the report, the brand new homes are likely to be worth significantly more than existing homes. The Council understands that not all homeowners will be able to afford to buy a 100% share in a newly built home on the estate with the sale proceeds from their current home, even with the 10% home loss payment. The Council will therefore offer resident homeowners an opportunity to purchase a new home via an equity share scheme. You would still own the home but the Council would have second charge on the property.

The Council has listened to the views of homeowners during our recent consultation and has widened the choice for homeowners. This includes the option for homeowners to decide how much of their home loss payments they invest in equity in a new home and enabling homeowners to buy properties outside the new estate.

If the shared equity option does not suit, it may be possible for you to own 100% of your new home on or off site if you are able to invest a lump sum payment to cover the difference in property values. Alternatively, another option may be to purchase a smaller property on or off site using the value of your current home.

126.3 Chris Wallace asked the Executive Member for Adults' Services the following question:

Question

If the Executive approve the recommendations of the Gorse Ride Regeneration report they will once again be in breach of their Statutory Duty to all the affected Tenants. Why are you allowing Officers to present reports with consultation outcomes that do not meet the

requirements laid out quite clearly by the HCA in the Tenant Involvement and Empowerment Standard (See below)?

The omission of any cost data from the Consultation means that the results of that Consultation are distorted in favour of redevelopment and should be disregarded.

“(2.2.3 Where registered providers are proposing a change in landlord for one or more of their tenants or a significant change in their management arrangements, they shall consult with affected tenants in a fair, timely, appropriate and effective manner. Registered providers shall set out the proposals clearly and in an appropriate amount of detail and shall set out any actual or potential advantages and disadvantages (including costs) to tenants in the immediate and longer term. Registered providers must be able to demonstrate to affected tenants how they have taken the outcome of the consultation into account when reaching a decision.)”

Answer

Over the last year the Council has been actively involving and engaging tenants, homeowners and other interested parties on the Gorse Ride estate in the development of our proposals. This has been done through informal arrangements, such as fortnightly regeneration surgeries and regular Steering Group meetings, which I know you have been a welcome active member of that, as well as a formal consultation survey sent out to all affected residents in February 2018. You were very active in engaging residents to get those surveys returned to us so thank you for doing that as well.

The tenant consultation document contained significant detail around the project history, including the funding issues faced by the Council since 2015. The document set out the advantages and disadvantages for tenants of different landlord options, including security of tenure, rent levels, right to buy and succession rights. It also clearly laid out the home loss and disturbance payments that tenants would be entitled to and again I know you led on some of those really key questions around those areas. We have listened to and responded to the views of tenants, for example, by introducing more bungalows into the indicative masterplan and by adding in some flexibility where tenants are expected to downsize.

I am satisfied that the proposals in the report have been informed by appropriate consultation and engagement with affected residents in line with Section 105 of the Housing Act 1985 and the regulator’s Tenant Involvement and Empowerment Standard.

Supplementary Question

That answers part of it but the bit that is missing is that the tenants have no concept of what rents they are likely to pay. There was a meeting on 5th February, with yourself and others, and it was suggested that indicative rents were put in because people have no concept of what social rent is or affordable rent. One of the Officers present said “no we can’t do that because it would terrify the less able on the estate”. The actual response received that was positive was 17.5% not the half that has been put in the report that were positive. There was a large group of 30% who were unsure because they didn’t have all the details. Now if those people knew how much the rents could potentially go up, which is between 50% for social and 100% for affordable, what would their choice have been? So the report is unclear and misrepresenting the case to the rest of the Executive.

Supplementary Answer

As always your observations are really helpful Christine. I believe that the rents that tenants will be paying will be in line with what they are actually paying now. Obviously there will be some differences in terms of people who are actually downsizing or there may even be people that might decide that they want to move from the estate and move elsewhere. I think it is going to have to be done by individual tenant.

The Leader of Council stated:

You have raised some really interesting points and there will be different circumstances for different families wanting to potentially move into different types of properties. So may I ask again, this is just a starting point, and again these conversations will continue and they will continue for a long time and may I ask that you work very closely with Richard after this meeting.

126.4 Matt Sales asked the Executive Member for Adults' Services the following question:

Question

Gorse Ride Estate regeneration: We are in favour of regenerating the estate. We own one of the brick built houses in Whittle Close. A few years ago our local Councillor lobbied to have us excluded from the scheme as our houses were deemed of good standard and different character to the rest of the estate. At the time there was no other plans or information. I have been a member of the steering group since its inception. From the current indicative plans we seem to have houses closer to our property and our road is no longer a cul de sac. Please can I ask that our views are taken into consideration, and further to this, a special meeting be arranged for us to talk about this with the relevant parties including the architects or town planners before any options are put to planning?

Answer

Again thank you for your really helpful question because again that adds to the engagement that we want with the whole of the community not just the community that actually lives on Gorse Ride but the wider community.

Firstly, I'd like to start by thanking you for your continued support for the regeneration proposals and to extend this gratitude to all the residents who give up their valuable time to input into the Steering Group. You guys play a key role in shaping the future of your estate and the community and the Council really does appreciate this.

As you are aware the Council's project team have been gathering views on various different design options that has culminated in the indicative masterplan. We know that this isn't a finished product and that there is further discussion to be had on the end design. Subject to tonight's decision a fresh tender process will need to be undertaken to appoint architects to develop the final plans ahead of a planning application. We will expect the successful company to continue to engage with the residents and other affected parties, including yourself and others living outside the redevelopment boundary. We are happy to do this through special meetings if that is felt necessary. Obviously, once the planning application is submitted, there is a formal process by which you can comment on development proposals to our Planning Department. As you can see this is just the start of the process.

127. MEMBER QUESTION TIME

In accordance with the agreed procedure the Chairman invited Members to submit questions to the appropriate Members

127.1 Prue Bray asked the Executive Member for Adults' Services the following question:

Question

The plans for the redevelopment of Gorse Ride increase the number of properties by 65 from 178 to 243. Whilst I am pleased to see money being spent on new affordable housing in the Borough, I am disappointed that 37 – more than half - of the additional properties are for private sale, while the rest of the increase is either for shared ownership or intermediate/affordable rent. There are no plans for any additional properties at social rent, even though these are the type of properties that would be of most help to the residents who are most in need. Why are so many of the extra properties being built for sale on the open market?

Answer

I just want to begin by thanking the Liberal Group for the support you guys have given moving forward on this project and the contributions that you have already made. This is a good example of another question that actually adds to the dialogue we need to have around Gorse Ride so thank you for that.

As set out in the report the tenure mix is indicative and is likely to change over the life of the project. We are proposing to replace the current council homes with the same number of high quality, new social rented homes. However, through the masterplan, we are also seeking to provide a range of housing types and tenures and to create a balanced and mixed community.

The current proposal is for, as you said, 136 social rented, 12 affordable rented homes and 19 shared ownership homes. That is a total of 167 affordable homes. The indicative mix includes 76 market properties. Of these, 39 will be prioritised for existing homeowners and the remainder will help cross-subsidise the overall development. Without these open market sales, the Council would need to inject further commuted sums into the project.

Supplementary Question

As you have just said the final details of this are not yet fixed and I think whilst we all want a good build quality, because the poor build quality is what has got us into this situation, I think we all want the money that we have to spend, that can go on affordable housing, to stretch as far as possible and provide as much as possible. What I would like to ask you is will you undertake to look at some of the things that are nice to have such as the number of garages on the site and see if there is an option for providing more social rented or affordable rented housing on the site as we go forward. As you have said already tonight this is the starting point and there are options to make changes.

Supplementary Answer

The answer to that is yes.

127.2 Ian Pittock asked the Executive Member for Adults' Services the following question:

Question

Can any of these homes, in particular the bungalows, be designated as 'specialist' so they can be protected from 'Right To Buy' ensuring that they are thereby retained in the social sector?

Answer

Again Ian thank you for coming along to all of the meetings I really appreciate it.

The Council commissioned external legal advice on tenants' rights, including the Right to Buy. This advice recommended that as far as possible tenants' existing rights should be replicated through new tenancy agreements with Loddon Homes as the Council's Registered Provider Company. As a result, the report is proposing under Recommendation 5 that existing tenants will be offered a new home on the estate on "a lifetime assured tenancy with broadly similar terms to their current Council tenancy". This would include a preserved right to buy where tenants currently have this provision in their tenancy agreement.

Generally, bungalows in the Housing Revenue Account are exempt from the Right to Buy as they are deemed as "specialist". It is likely that the new build bungalows on Gorse Ride will be occupied by tenants moving from the existing bungalows on the estate, who are unlikely to currently benefit from the Right to Buy. In this case, the preserved Right to Buy would not apply.

The Right to Buy scheme is currently only being piloted as a voluntary scheme for Registered Providers. It is unlikely that the Right to Buy will be offered to new tenants moving into new homes on the redeveloped estate.

Supplementary Question

With that in mind could I ask you also to consider perhaps building a few more bungalows in the mix for this project along with some one-bed houses which are noticeably absent from the mix?

Supplementary Answer

I know you are not the greatest fan of garages and you would like to see bungalows instead of garages. Let us have that discussion with the architects that hopefully after this evening we will be in the position to start tendering for.

127.3 Andy Croy asked the Executive Member for Adults' Services the following question:

Question

The Land Transfer section states that it is necessary to appropriate the site from the HRA but does not show the point at which that becomes necessary.

Residents have been led to believe that the planning application process will be completed for the whole site at one time but that residents will be decanted in stages.

From the report: *"General Consent AA allows a council to dispose of vacant HRA land to any organisation at less than market value for housing development, subject to certain conditions, without the need for Secretary of State consent"*.

As the land will not be vacant at the time of transfer who will be the landlord for tenants in this period and what exploratory steps have been taken to obtain consent of the Secretary of State and how long will this process take?

Answer

Again I want to begin with a thank you because again Andy and his Labour Group have been very supportive of this and have engaged in really good constructive conversations so thanks for that.

Whilst the planning application may be submitted covering the whole site, the intention is to bring the development forward in phases.

It is anticipated that the residents on each phase will be rehoused (either to an earlier phase on the estate or to an alternative housing development depending on their wishes) and then that part of the site will be cleared prior to the transfer to Loddon Homes. We therefore expect each phase of the site to be transferred with vacant possession and for each transfer to be covered by the general consent. Should this change our experience with other schemes is that the process for securing Secretary of State consent is relatively straight-forward and takes around 2-3 months.

The Council will remain the landlord for all affected tenants until they are decanted and rehoused on or off the site.

Supplementary Question

In the early 1990s the tenants of the estate were offered a choice of different landlord and they voted against it. In the mid-90s the tenants were also offered a choice of different landlord and they voted against it. It seems in this case the tenants are being told they are going to get a new landlord and they are not being offered a choice of a vote on it. Will there be a vote and if so at what stage in the process will tenants be given a vote?

Supplementary Answer

I have got to be honest with you we have never considered tenants having a vote on this particular case. I think it would potentially muddy the waters. But what I am saying to you is that the tenants are going to be involved at every single stage of this process.

128. GORSE RIDE ESTATE REGENERATION

The Executive considered a report relating to the outcome of the feasibility work on the Gorse Ride estate, a residential area of Finchampstead, Wokingham, and the proposals for the redevelopment of that estate.

The Executive Member for Adults' Services reminded the meeting that in March 2017 the Executive had agreed the intent to regenerate the Gorse Ride estate and as a result of that decision various technical studies, feasibility, masterplanning and community engagement work had been undertaken.

Councillor Dolinski highlighted the commitment to the redevelopment project of £28m funding from S106 commuted sums for affordable housing with the remainder coming from company borrowing and capital receipts from private shared ownership sales. He also highlighted that Loddon Homes would be the end landlord for the new homes and Wokingham Housing Limited would act as the development partner.

In response to a query by the Executive Member for Finance, regarding whether there was any financial uplift included to take account of inflation, Councillor Dolinski confirmed that a 3.5% uplift for inflation had been included.

Councillor McGhee-Sumner also queried whether the £1.3m from the Housing Revenue Account, as set out in Recommendation 3, was sufficient given how much change there could be over the life of the project. In order to address this issue he proposed that the wording in Recommendation 3 should be amended to state “up to £2m from the Revenue Housing Account ...” and this was agreed by the Executive.

Councillor Weeks, the Ward Member for Finchampstead South, stated his support for the reinvestment in the site as he felt that the regeneration was essential as many of the properties were no longer fit for purpose and the redevelopment was long overdue. He highlighted that there would be approximately 25 more affordable homes on the site that there were currently.

RESOLVED that the outcome of the feasibility work on the Gorse Ride estate be noted and the following be approved:

- 1) the rehousing of tenants and acquisition of owner occupied homes and the subsequent demolition and redevelopment of the Gorse Ride estate (comprising all properties in Billing Avenue, Dart Close, Firs Close, Orbit Close and Whittle Close (excluding numbers 19 to 26), as well as, Gorse Ride South (numbers 8 – 42, even numbers only);
- 2) the indicative development brief for the regeneration project;
- 3) the proposed funding model, including the allocation of £28,015,683 Section 106 receipts (for the provision of affordable housing) towards the regeneration project and up to £2m from the Housing Revenue Account (HRA) for statutory compensation payments to tenants, in accordance with the Part 2 Report;
- 4) the selection of Wokingham Housing Limited (WHL) as the development partner for the regeneration project and Loddon Homes Limited as the end landlord for the new homes;
- 5) that tenants living in the affected homes will be offered a new home on the regenerated estate on a lifetime assured tenancy with broadly similar terms to their current Council tenancy;
- 6) that homeowners living in the affected homes will be offered a range of options to enable them to purchase alternative housing, including the option to buy a new home on the regenerated estate (or potentially off-site) with financial support where needed through an equity loan scheme (or similar);
- 7) that the Council transfers the site to Loddon Homes Limited on terms to be agreed by the Director of Corporate Services in consultation with the Leader of the Council and Lead Members for Adult Services and Finance;
- 8) that the Director of Corporate Services, in consultation with the Lead Members for Adult Services and Finance, can agree the terms and sign off the acquisition of homes required for the project;

- 9) that the site is appropriated for planning purposes under Section 227 of the Town and Country Planning Act 1990 and Section 122 of the Local Government Act 1972;
- 10) that the transfer of land and funding for the regeneration will be subject to WHL securing a planning consent for the scheme and the necessary Board approvals.

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