

**Cabinet**  
**21 MARCH 2019**

Present: Councillors: Ray Dawe (Leader), Jonathan Chowen (Deputy Leader and Leisure and Culture), Philip Circus (Waste, Recycling and Cleansing), Brian Donnelly (Finance and Assets), Gordon Lindsay (Local Economy), Claire Vickers (Planning and Development) and Tricia Youtan (Community and Wellbeing)

Also Present: Councillors: Karen Burgess, Peter Burgess, Leonard Crosbie, Matthew French, Nigel Jupp, Godfrey Newman and Jim Sanson

EX/55 **MINUTES**

The minutes of the meeting of the Cabinet held on 24<sup>th</sup> January 2019 were approved as a correct record and signed by the Leader.

EX/56 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/57 **ANNOUNCEMENTS**

The Cabinet Member for Leisure and Culture updated Members on action being taken to clear-up the fuel leakage at Horsham Park pond.

EX/58 **PUBLIC QUESTIONS**

No questions had been received.

EX/59 **AFFORDABLE HOUSING INVESTMENT - PROPOSAL TO SET UP DEVELOPMENT AND MANAGEMENT COMPANIES TO PROVIDE AFFORDABLE RENTED HOUSING IN HORSHAM DISTRICT**

The Cabinet Member for Community and Wellbeing reported that, in November 2017, Cabinet had approved its approach to investing in affordable housing which included undertaking further work to assess the case for the creation of a vehicle to enable the direct delivery of affordable housing. An officer project team had therefore investigated the various options available to the Council for the delivery of permanent affordable housing resulting in the business case now before Cabinet for consideration.

Cabinet was reminded that the Council had:

- Delivered the highest number of affordable homes in Sussex during the past three years;

- Supported Registered Providers with funding in excess of £9,000,000 to deliver 1,107 affordable homes since 2010; and
- Invested in excess of £5,500,000 in temporary accommodation, which would see the provision of 34 properties to prevent households that were managing the challenges of homelessness from having to be accommodated in bed and breakfast accommodation.

The proposal now before Cabinet would see the Council invest £10,000,000 to deliver its own permanent affordable housing through an Affordable Housing Company model.

This funding would support the delivery of up to 70 units in some of the District's most in demand areas and reduce the number of households on the Council's Housing Register. Alongside providing additional affordable rented homes, this would also build an asset base that could enable the delivery of affordable homes into the future. The proposal would provide another option for the Council to use on sites that lent themselves to affordable housing and further demonstrated the Council's commitment to the continued delivery of affordable housing.

A joint meeting of the Community & Wellbeing and Finance & Assets Policy Development Advisory Groups supported the proposal.

#### RESOLVED

- (i) That the Business Case be approved and the set-up of the Property Development and Property Holding companies agreed, as proposed in the Business Case to enable the delivery of affordable rented homes in the Horsham District.
- (ii) That the Director of Community Services, in consultation with the Cabinet Member for Community and Wellbeing, be authorised to draft and agree:
  - a. The Articles of Association of the Companies, the Shareholders' Agreement between the Council and the Companies and any other necessary agreements required between the Council and the Companies.
  - b. The appointment of the initial Company Directors of both companies.
  - c. All further legal documentation necessary for the set-up of both companies.
- (iii) That the Property Development and Property Holding companies may undertake commercial activities to develop affordable housing for rent and to manage the same, subject to approved site specific business cases.
- (iv) That it be noted that decisions will need to be made on the following issues by Council later in 2019:

- a. The approval to dispose of Council owned land to the Development Company
- b. Allocation of S106 funds to the Property Holding Company to acquire the completed affordable housing units

#### RECOMMENDED TO COUNCIL

- (v) That approval be given for £500,000 equity funding to be provided to the Property Development Company.

#### REASONS

- (i) To increase the delivery of affordable housing.
- (ii) To make the best use of Section 106 Commuted Sums.
- (iii) To provide a financial return to the Council for reinvestment in the District.

#### EX/60 **ALLOCATION OF SECTION 106 COMMUTED SUM FUNDING FOR SAXON WEALD**

The Cabinet Member for Community and Wellbeing reminded Members that the Council and Saxon Weald had a longstanding record of collaborative working. This approach had, in part, enabled the Council to achieve the high number of affordable homes provided in the district year on year.

A further opportunity to maximise the number of affordable rented homes, through partnership working between the Council and Saxon Weald and utilising £1,658,000 of grant funding from Section 106 commuted sum funds, had now been identified.

This would result in Saxon Weald delivering 84 rented homes across four sites (three in Horsham and one in Rudgwick), subject to planning permission.

The Council would receive 100% initial nomination rights to the properties and 75% subsequent nomination rights to the scheme secured through a scheme specific nominations agreement.

The Community and Wellbeing Policy Development Advisory Group supported the proposal.

Members congratulated the Cabinet Member and officers on achieving such a good deal for the Council.

#### RESOLVED

That the expenditure of £1,658,000 (subject to planning permission), funded from Section 106 receipts secured for new affordable housing, be

approved to enable the development of 84 new affordable rented homes by Saxon Weald at:

- Blenheim Road, Horsham
- Pathfield Close, Rudgwick
- Bennetts Road, Horsham
- Page Court, Horsham

#### REASONS

- (i) To assist the Council in achieving its target of delivering 240 affordable homes a year.
- (ii) To assist Saxon Weald to deliver much needed affordable accommodation for persons in housing need on the Council's housing register.

#### EX/61 **HIGH WEALD MANAGEMENT PLAN**

The Cabinet Member for Planning and Development provided an overview of the statutory and policy background to the High Weald Area of Outstanding Natural Beauty (AONB) Management Plan 2019-2024, which had been produced by the High Weald Joint Advisory Committee following a five year review. The report submitted provided specific details on the management plan itself, information on previous consultations, next steps, other courses of action that could have been taken and resource consequences of preparing the management plan.

The Planning and Development Policy Development Advisory Group supported the proposal.

#### RESOLVED

That the High Weald Area of Outstanding Natural Beauty Management Plan 2019 – 2024 be adopted by the Council as the Management Plan for the High Weald Area of Outstanding Natural Beauty within Horsham District.

#### REASON

Local authorities with land in an AONB are legally obliged under the Countryside Rights of Way Act 2000 to prepare and publish an AONB management plan.

#### EX/62 **PROPOSAL TO SELL SURPLUS COUNCIL ASSETS**

The Cabinet Member for Finance and Assets reminded Members that one objective of the Council's Corporate Plan was to increase the Council's revenue streams. This process included identifying low/no income assets that might be

suitable for sale so that the proceeds could be reinvested to deliver a better return.

The Council owned a wide range of property, including surplus parcels of land and surplus operational properties. The existing portfolio of land and buildings was currently under review and a first tranche of properties had now been identified for sale.

It was proposed that the sale of the properties identified should be pre-authorized provided that the agreed sale price was greater than the minimum price reported and subject to ratification by the Cabinet Member for Finance and Assets. This would ensure that the disposals could be progressed in a timely manner.

Details of the individual properties were reported and it was noted that one had been withdrawn from the list of those identified.

The Finance and Assets Policy Development Advisory Group (PDAG) had queried whether any of the land recommended for sale should be considered for transfer to the proposed affordable housing company as suitable for development as affordable housing. The Cabinet Member had advised the PDAG that the viability of sites for affordable housing would be considered before a sale was agreed

The Chairman of the Overview and Scrutiny Committee advised that the Committee had considered this proposal and agreed with the principle of the sale of low/no income assets; supported the sale of the sites currently identified; and recommended that the viability of sites for affordable housing should be considered in respect of future disposals.

#### RESOLVED

That the Cabinet Member for Finance and Assets be authorised to ratify and/ or further approve the heads of terms agreed for the disposal of each asset set out in the exempt appendix to the report, as revised, provided that the gross value of the receipt (before sale costs are deducted) is greater than the minimum target figure set out in that appendix.

#### REASON

To simplify the disposal process and to ensure that the proposed disposals can be progressed in a timely manner.

#### EX/63 **OVERVIEW & SCRUTINY COMMITTEE**

There were no matters currently outstanding for consideration.

#### EX/64 **FORWARD PLAN**

The Forward Plan was noted.

EX/65 **TO CONSIDER MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

*The meeting closed at 6.27 pm having commenced at 5.30 pm*

CHAIRMAN