

CHICHESTER DISTRICT COUNCIL

CABINET DECISION - CALL IN REQUEST

Cabinet meeting date:	2 June 2015
Cabinet decision:	Decision on item 6
Date decision comes into effect:	9 June

For the call-in to be valid, the request must satisfy all of the following provisions:-

- (i) Be in writing (on paper or e-mail).
- (ii) Specify the relevant decision which is to be the subject of the call-in.
- (iii) Be supported by at least five members of the council excluding members of the Executive.
- (iv) Written confirmation that such Members have **each considered all of following matters** before requesting a call-in of the decision.
- (v) State the reason for the call in of the decision.

Criteria for call in:	Consideration of criteria and/or reasons for call in
(a) Whether the decision is likely to cause distress, harm or significant concern to a local community, or to prejudice individuals within it.	
(b) Whether the matter has been subject to consultation or debate with relevant interested parties.	Further debate of all valuations needed to finalise decisions
(c) Whether the delay in implementing the decision is likely to cause significant harm to the Council or others.	Consider delay will not cause harm to Council
(d) Whether the decision is against an approved policy or budget provision of the Council.	
(e) Whether the decision was made against the advice of professional staff.	
(f) Whether the decision is contrary to a provision in the Community Strategy or the Performance Plan.	
(g) Whether the decision-maker complied with the decision-making principles set out in Article 13 of the Constitution.	
(h) Whether the views of the Members requesting the call-in were taken into account in arriving at the original decision.	Cllr Ransley's request for debate of relevant exempt information denied

Councillor Name	Political Party	Other e.g. Chair/Vice-Chair, Ward etc.
Mr J Ransley	Conservative	Wisborough Green
Mr M Cullen	Conservative	Bosham
Mr A Shaxson	Independent	Harting
Mr S Oakley	Conservative	Tangmere
Mr J Connor	Conservative	Selsey North
Mr R Plowman	Liberal Democrat	Chichester West
Mr G Barrett	Conservative	West Wittering

Date Received:	Tuesday 9 June 2015 at 9.28am
Name and Signature of receiving officer:	B Jones

Request for Call in

CDC Cabinet 2nd June Agenda Item 6 Recommendation 2.3

Decision as published 4th June and effective from 11/06/2015:-

- (3) *That, should the sale to the selected preferred bidder not complete, the Head of Commercial Services be authorised, following consultation with the Executive Director and with the Cabinet Member for Commercial Services, to conclude a sale to another bidder at an affordable housing percentage of not less than 40% and of not less than the figure stated in Appendix 2 (exempt) as the acceptable minimum sale price.*

I am requesting a call in on this decision for the following reasons:-

I am of the opinion that Cabinet did not have all the material information on values before it to enable it to determine its decision. The updated Part II information was only published an hour or two before the meeting, a severe time constraint, limiting officers and Cabinet members and backbenchers the opportunity to prepare, digest and appraise a significant variance to the original published papers.

I asked to speak to Cabinet on the issue, which was permitted by the Leader, but as the nub of the matter related to values that could only be discussed in Part II, which the Leader refused, I was prevented from submitting material matters to Cabinet for their consideration. I attach my note which members should consider as confidential or exempt information like Part II papers and not for publication.

The matters I was not allowed to place before cabinet were:-

- 1/ that the proven Market Value of the site is £2.5m in excess of the 'figure stated in Appendix 2' and that such sum is too significant for the normal delegated officer authority even in consultation with the Folio holder
- 2/ that the likelihood the proposed preferred bidder fails to complete the deal is high given the tardy nature of their bid submission and efforts to clarify omissions and clarifications
- 3/ that the bid analysis paper published Appendix 2, did not account for the value differentials relative to different number of affordable housing units proposed in individual bids. Cabinet therefore did not have a comparable cost analysis upon which to base its decision.
- 4/ that the addition of the 40% figure for affordable housing quota unreasonably restricts or constrains the ability to conclude a sale to another bidder in a fair, competitive and open manner and precludes Bid 1 as an alternative if the preferred bid falls away

5/ that Cabinet demonstrated it behaved in an inconsistent and arbitrary manner by considering varying % numbers of affordable housing units acceptable, in its view, for the site. Namely, 40% and 75% by a) selecting bid 2 in decision (1) and b) inserting 40% in decision (3) and lastly setting aside Council's preferred figure of 30%, evidenced by its inclusion in the new Local Plan.

6/ that there is no time pressure or requirement for Council to seek to conclude a sale of this asset at this time as it has more than adequate capital cash reserves for its needs and therefore Cabinet could have set aside recommendation 2.3, as proposed by myself when addressing Cabinet, to allow it time to consider the wider implications of the issues and undertake appropriate consultation.

I am of the opinion that the decision is likely:-

- a) To be of significant concern to the local community, or to prejudice individuals
- b) To warrant further consultation and debate
- c) Not to occasion any significant harm to Council or others by a delay in implementation
- d) Is contrary to approved Council Policy
- e) Lacked sufficient input from officers, in that circumstance indicates they were not availed reasonable time to prepare requisite documentation and it would have been more appropriate for the matter to have been deferred.
- f) To have been different if the substantive views and information on values of a backbench member had not been prevented being put before Cabinet by the refusal to move to the part II section of the meeting.

**Councillor Josef Ransley
Kirdford & Wisborough Green
Conservative
4th June 2015**

Land at Church Road – Additional Recommendation to Overview & Scrutiny Committee for consideration to submit to Cabinet and Council

Report Author:

Cllr. Josef Ransley (C)

Tel: 01403 820360 E-mail jransley@chichester.gov.uk

Supporters recommendation 1.0:-

Cllrs. S. Oakley (C), J. Conner(C) , M. Cullen (C) , G. Barrett (C), R. Plowman (LD), A. Shaxson (I) , J. Duncton (C)

1. Recommendation

1.0 That Agenda Item 6 - Recommendation 2.3 or Cabinet Decision 3, published on 4th June 2015, is revoked for the reasons stated in the call in request.

2.0 That in the event that the sale to the selected preferred bidder, referenced in Decision 1 and 2 published 4th June 2015, does not complete, Cabinet asks officers to develop proposals on Alternate Options 1, 2 and 3 as set out Appendix 1 (Exempt) for consideration by Cabinet to recommend one or more to Council for determining a preferred option to proceed upon.

2. Introduction

The reasons and background information relating to the call-in of Cabinet decision 3 published 4th June 2015 have been justified in the papers submitted to the committee. The committee is asked to further consider the matters set out below in respect to making an alternative recommendation to Cabinet and Council.

There being a difference between the Council policy of realising maximum monetary site value and the alternative social objective of providing as large a number of affordable residential units on the Church Road site, Council will need to determine that it will prioritise one over the other or seek a combination of both. In doing so Council will need to weigh the benefit of its social objective against accepting a reduced monetary value for its asset and show it has reasonable justification for doing so.

If Council decides the latter is a suitable priority in as much as it wants to ensure a meaningful number of new affordable units in the City for people with a local connection and/or key workers there are further options that, in my view, it needs to consider before it makes its decision.

3. Background - Demand & Supply

Chichester has the sixth highest house costs in the South of England and a low average salary which means key workers and others working in local industry are restrained in securing local housing, Lower quartile house prices (£215,000) are almost 20 times the lower quartile earnings (£10,989). Current local employment levels are primarily reliant jobs in tourism, local government (including health & well being provision) and agriculture all low pay industries.

This is of concern for various reasons but importantly makes delivery of affordable housing vital to the local area's economic success.

Housing demand remains high as the city and adjoining areas also attract a high level of inward migration by retirees and others able to afford the higher housing costs. Given developers generally will build to suit the demand that delivers the maximum profit from any particular site it is therefore not surprising there is more high cost than low cost housing built in the area.

With the historical shortage of housing development sites in the area, is also not surprising that in such a market place developers will be likely to:

- Continue to focus on high value house types
- drip feed completions onto the market to maintain demand for high value house types
- seek to deliver the minimum % of affordable housing
- argue that high land costs undermine their ability to be more flexible on an affordable housing mix*
- negotiate lower land purchase costs and claim high delivery costs to improve margins*

(Note: *Housing development is allowed a minimum 15-20 % profit in regulatory evaluation of financial affordability)

4. Retaining Affordable Housing for local provision

Maintaining a supply of affordable housing in the local area for local people is also constrained by the current policy of delivery and stock management by Housing Associations through a local connection policy that results in new affordable housing only delivering housing for local policy once. Second and subsequent allocations are not constrained to those with a local connection but can be offered to persons coming from a wider area according to the separate policy of the relevant housing association or provider.

The simple way local connection can be prioritised in perpetuity, as I understand it, is by way of covenant being incorporated in the deed of sale of the property or land.

5. Converting Land value into local affordable housing provision with a local connection in perpetuity

Council as a landowner can choose to invest into provision of affordable housing in its area. It can do this by way of cash investment or by investing the equivalent cash value of the land designated for the delivery of the affordable housing element.

As allocated housing sites provide for a mix of market and affordable housing on such land owned by Council it can realise the full cash value for the land designated for the market housing and invest the cash value of the land designated for affordable housing. In this way Council can maximise its cash receipt from the sale of its asset and realise its social ambition to support delivery of affordable housing in the city or elsewhere.

Dependent on how it structures the ownership of the affordable housing it can influence the type, standards and allocation of such housing as well as the rental or shared ownership values and most certainly ensure that such housing is prioritised for those persons with a local connection in perpetuity. The latter has been an ambition of communities in the district for many years. An example of the financials and ownership structure is set out in Example 1, Appendix 1 (Exempt information)

6. Objective

The objectives of recommendation 2.0 are clear in that they seek to:-

- Maximise land value of the site at point of sale as required by regulations
- Provide a social benefit in lieu of cash as allowed for under the regulations
- Retain the freehold of all or part of the last prime residential land it owns in Chichester City (Council retains the freehold of its commercial land which provides revenue and allows it to influence the use of the land
- Assist in the delivery of affordable housing

- Ensure that the allocation of such property prioritises those with local connection in perpetuity
- Provide council with a sustainable option to influence rental and shared ownership sale values of affordable housing to support key workers and others vital to the economic success of the City and wider District

CDC Councillor Josef Ransley
15/06/2015