

OWBC/ Bushloe Developments Partnership Board

Notes of Meeting held on 19 December 2017

Present: Councillors John Boyce, Linda Broadley, Dean Gamble

Officers Anne Court, Stephen Hinds Stephen Glazebrook, Chris Raymakers

Representation of the 2 parties is as follows:

OWBC: John Boyce, Linda Broadley, Dean Gamble, Stephen Hinds

Bushloe Developments: Stephen Glazebrook, Anne Court, Chris Raymakers

It was noted that the representation may change after the new Chief Executive has been appointed.

In terms of governance the Partnership Board will oversee the operation of Bushloe Developments but the Board does not have any decision making powers as far as the company is concerned. It is envisaged that the Board will meet on a quarterly basis and that notes of meetings will be reported to full Council.

It was noted that Bushloe Developments needs to appoint its own auditors and this is currently being pursued.

The Council has a statutory duty to develop a local housing strategy which will set out a clear vision for housing in the area for the next 5 years. This will cover housing supply and demand, regeneration, empty homes, land usage etc. Due to a possible conflict of interest with the Head of Communities having a dual role with Bushloe Developments it was decided that this should be resourced externally.

Some concern was expressed about the conversion of 3 bedroom houses into flats in the Borough. There is a shortage of flats particularly in the Oadby area but Bushloe Developments plans to build one and 2 bedroom apartments should help the overall situation and reduce the need for such conversions.

A highlight report on the operation of the Company so far was given as follows:

- All of the groundwork in setting up Bushloe Developments has been substantially completed. The Company has been registered at Companies House, Directors have been appointed, and the Partnership Board has been established. The Company's Bank Account has been set up and the initial £100K start up loan from the Council has been transferred in to the Company's account to cover running expenses before it starts to generate any income.
- The cost of the acquisition and development of properties would be financed by the Council borrowing the money from the Public Works Loan Board which would then be loaned to the Company at a commercial rate.
- 2 staff are undergoing ARLA training (Association of Registered Lettings Agents) and a service level agreement is being drawn up for marketing, lettings and management services for which the Council will receive a fee.

- The Company is in the process of acquiring up to 10 properties for sale on the private market. 3 purchases are currently in progress subject to contract 37 Owston Drive, 10 Dukes Close ,7 Yarwell Drive . Solicitors have been appointed Lawson West and Edward Hands and Lewis to handle the conveyancing. It is hoped that completions will happen early in the New Year and the marketing process will commence shortly after Christmas. So far only properties in the Borough have been considered for purchase but due to a dearth of suitable properties within budget the company would like the flexibility of acquiring properties over the border into Leicester and surrounding villages. Whilst there was some concern about this approach it was agreed that the Company should have this option if there are no suitable properties in the Borough and there is a business reason for doing so.
- Due to the cost of the privately purchased properties some may need to be let at market rents which will considerably above the Local Housing allowance e.g. LHA for a 3 bedroom house is £548 per month whereas the Company will need to charge between £750 - £800 per month. Consequently applicants will need to be in employment and have a good payment record so careful vetting will be necessary prior to any lettings. In order to maximise the letting potential The Company would also like the flexibility to accept people who do not qualify to go on the Council's Housing Register, for example there are people who live in the Borough who do not meet the 2 year residential qualification. The Company would also like the freedom to accept applicants from outside the Borough where there is no demand from local residents and this was agreed by the Board.
- The new build development in Bennett Way had been earmarked for development for some time but unfortunately due to a very deep storm water drain that runs across the middle of the site it is not economically viable to develop the site. The site is further constrained as building is not permitted within 5 metres of the storm drain. Unfortunately the drain was not on any of the drawings in the Council's possession but a valuable lesson was learnt in the process which is to identify any site constraints at the outset to avoid a lot of abortive work and costs.
- An alternative nearby site has been identified which is to develop the car park in Kirkdale Road which also serves the South Wigston Railway Station. Historically there were 8 terraced properties on the site and the Company is looking to replicate that scenario although the scheme is only at feasibility stage at the moment. The Bennett Way site would replace the Kirkdale Road car park and discussions are taking place with Waterloo Housing Association who own the adjacent site about putting an entrance into the Bennett Way site from Kirkdale Road . The Association have agreed to this in principle and the costs for doing this will be built in to the feasibility study.
- Paddock Street is the second scheme currently at feasibility stage which will produce either 69 or 77 one and 2 bedroom apartments depending on which option is selected. Maintaining the number of town centre car parking spaces is one of the main considerations and options how to achieve this are currently being investigated.
- The Oadby Pool site is key to the Company business plan but there is still a degree of uncertainty about the future of the site. Members have previously agreed that the site should be used for residential/community development but subsequently there have been other expressions of interest. Meetings have been held with the Oadby Doctors and the CCG about relocating the Oadby surgeries into one combined Health Centre on the site. However the site is not really big enough without impinging into the park itself which we

think would raise objections from the Oadby residents. The Council believes that the site in Sandhurst Street is a better option. The CCG is mediating with the Oadby Doctors in trying to reach consensus on the way forward and have promised to respond in January with their proposals. In the meantime vandalism to the old pool building is becoming an issue. It was hoped to incorporate the demolition into the redevelopment scheme but in view of the delays it is recommended that the Council goes ahead with the demolition ASAP. It is estimated that the costs would be in the region of £80 K - £100 K. It was agreed to look into how this could be funded in the short term and the Section 151 Officer was asked to look at the available options

- Preliminary discussions are taking place with 2 developers, Bloor Homes (Cottage Farm) and David Wilson Homes/ Barrett's (South Wigston/ Wigston Harcourt about the possibility of gifting a number of properties to Bushloe Developments as part of their Section 146 obligations.

A risk analysis of potential threats to the business have been identified in the progress report and steps are being taken to mitigate any risk:

- The Local Housing allowance will not sustain market rents so people in receipt of benefit would only be considered for an affordable property but even this is quite marginal due to the comparatively low level of the local housing allowance. However the Company is seeking advice as to whether it can apply for registered provider status which would mean that the LHA limits would not apply.
- In terms of the new build schemes if the construction costs are too high it might not be economic to build if the rental income does not sustain the cost of the loan but the feasibility study will highlight this.
- If the current level of car parking provision in Wigston Town Centre cannot be maintained this could potentially jeopardise the Paddock Street scheme but the feasibility study will seek to find an acceptable solution to the issue
- A decision not to develop the Oadby Pool site will seriously impact the Company's business plan. It was agreed that if the CCG do not respond by the end of January the Council will feel free to go ahead with its own proposals which will include all the options relating to the Pool site, East Street and Sandhurst Street .
- Any delay in the procurement of the IT system to manage the business could delay the "hard "go live date in April but it is confidently that this can be achieved in good time.
- Any delay in setting up the service level agreement could also affect the " hard" go live date but this is expected to be a problem.

It was agreed that due to the fluid situation at the moment and the anticipated decision from the CCG that a further meeting of the Partnership Board will be held in early February

Stephen Glazebrook 20 December 2017