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Written Response to questions posed during Public Question Time on at the Cabinet meeting on 25 July 2019

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Agenda Item 2.

With regard to your subsequent questions I would like to confirm, and for ease of reference I have embedded my responses within the notes that were taken at the meeting:

Mr Quinn referring to the minutes of the previous meeting stated that at the last Cabinet meeting, I asked the Cabinet to consider changing the aims of the 3 Rivers programme from high profit houses to low-cost homes for local people, I did not get an answer. [The Council have within the memorandum of association and shareholder agreement signed by both parties clearly agreed the objectives of 3Rivers, which is to deliver a mixed supply of developments, including market, affordable and social housing and commercial developments. This is still the prevailing terms between both parties, therefore the Cabinet has no need to make any further clarification and as I stated at Cabinet, 3Rivers first development was for a 6 unit social housing development, which clearly demonstrates its intentions.](#)

The draft minutes of the meeting show my statement and question accurately, but do not accurately record the response of the Deputy Chief Executive in respect of the development at Burlescombe. What he actually said was “ The first development that 3 Rivers has successfully delivered was a 6 unit council housing development at Burlescombe, where we have delivered 6 houses for the Council’s Housing Revenue Account, so you can’t get much more affordable than that. So, clearly 3 Rivers will continue a mixed portfolio and will be very keen to deliver affordable housing for our residents”.

There are three things in the response of the Deputy Chief Executive that I will comment on:

Firstly, he said that the development was of council houses not affordable houses. I ask that the minutes be corrected to show: That the Deputy Chief Executive stated the development was of council houses and not affordable houses. [The minutes have been corrected.](#)

Secondly - my question was put to the Cabinet for consideration, with all due respect to the Deputy Chief Executive, I believe it was wrong of him to make the statement that “3 Rivers would continue with a mixed portfolio” - since the Cabinet had yet to consider the question, I take it that this was personal view. [It is not a personal view – it is a factual statement as it agrees with the objectives set by the Council.](#)

Thirdly, the statement “you can’t get more affordable than that” is wrong. When the Cabinet awarded the contract for this development to 3 Rivers, on 1st February 2018, They stated that the maximum budget was £850,000. The actual cost of the build was £982,291, that is £132,291 over budget (more than 15%), so yes the houses could have been more affordable, if they had been built for the contract price. [When making the comment around affordability, I was referring to the affordability of the end user, who will be paying an affordable rent to live in these new social housing units. However, with regard to the overall cost of delivering these units – the Council as part of its capital programme estimated an overall net budget of £850,000 for this housing scheme. The total gross costs of the units were £982,291, but these gross costs were offset by £210,000 of grant funding from Homes England. Therefore the total net costs of delivering this scheme was £982,291 - £210,000 = £772,291 – so effectively £77,709 below budget.](#)

Since I was unable to find a record of the Cabinet authorising an overspend on the Burlescombe development I should also like to ask who authorised this overspend? [I hope my comments above deal with this subsequent question.](#)

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