

1 The Priory

June Graves and Tandra Forster sought agreement to the principle of a risk sharing agreement, in the context of partnership working to deliver a key Supported Living Development project, as part of the Putting People First Programme of work.

Sovereign Housing Association would deliver The Priory Court project, a 46 unit extra care housing development for people aged 55+ on previously developed land within their ownership in Hungerford. However, as part of the negotiation to bring this project forward Sovereign had indicated that their Board had concerns that achievement of planning consent could lead to costs in excess of £500k. Therefore due to the levels of investment and recent experience of failed planning applications Sovereign's Board were asking that a Risk Sharing Agreement was developed in order to enable the project to proceed. June stated that a planning application was likely to be submitted in June 2010.

Tandra Forster confirmed that a number of changes to the site were required before the planning application could be considered and therefore safeguards and controls needed to be put in place. Sovereign had already been in discussion with Planning as the site backed onto an AONB. The signing of the Risk Sharing Agreement would give Sovereign the confidence to bring the project forward.

Teresa Bell stated that the development of extra care housing was required as part of the MTFS and this should be made clear in the report. Margaret Goldie noted that there were no financial or risk implications contained in the report and queried where this would be funded from. June responded that the Council should never be in a position to call in this amount but in the unlikely event that it did it was anticipated that it would need to be covered off by the risk fund. However, KPMG had indicated that it should be revenue funded. Corporate Board were of the opinion that the financial and risk implications needed to be set out clearly at the front of the report. Margaret felt that there was also a broader issue in respect of capital building projects and how the Council managed risk despite being a small cash strapped authority.

David Holling advised that there were a number of planning applications that were already causing animosity within the Town Council and a number of complaints against Town Councillors were currently being dealt with through the Standards Committee. David felt that it would be sensible to include a risk matrix as an appendix to the report. Nick Carter agreed – the whole report was about risk and no information had been provided in the implication section. Nick stated that this was a development that Sovereign was providing on its own land and the asset would therefore be theirs. It was a commercial development like any other developer would provide and therefore they should carry the risk and not the local authority. Nick felt the report was not clear on what the risks were and

what the officers were asking of Members. June responded that she had had discussions on this issue with some Members and they could understand why Sovereign would want to do this. Although it was recognised that there was some sensitivity from Members in respect of Sovereign, Sovereign had lost some confidence as the result of a number of failed planning applications which had proved to be very expensive. It was their site and the Council had pushed them to provide some extra care provision. There was no other option for extra care housing in Hungerford or indeed in the west of the district.

Nick concluded that it would be helpful if the report set out at the start about the joint working with Sovereign. The structure of the paper needed to be thought about more carefully and the risks clearly set out together with an indication as to how those risks might be mitigated. Teresa felt that it was also important that Sovereign were prepared to take into account any pre-planning advice and a clause should be included within the agreement that if that advice was ignored then that would negate the agreement.

Action(s):

Amended report to be brought back to the IPG meeting on 6th April 2010 for further consideration prior to being taken to Management Board on 15th April 2010