

<b>Subject:</b>	<b>New Homes for Neighbourhoods - Windlesham House</b>
<b>Date of Meeting:</b>	<b>23 June 2021</b>
<b>Report of:</b>	<b>Executive Director - Housing Neighbourhoods &amp; Communities</b>
<b>Contact Officer:</b>	<b>Name: Nick Fishlock, Sam Smith Tel: 01273 293905</b>
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<b>Ward(s) affected:</b>	<b>South Portslade</b>

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Building new homes on council land is a council priority and essential if the city's housing targets are to be met and the housing crisis tackled. The council's New Homes for Neighbourhoods (NHFN) programme addresses this under supply by identifying suitable vacant land and infill sites to develop new homes across the city.
- 1.2 The report sets proposals to develop 17 new council homes at Windlesham House, Windlesham Close, Portslade and asks for approval to progress the project into the planning and construction phases via the council's Strategic Construction Partnership.

**2. RECOMMENDATIONS:**

Housing Committee:

- 2.1 That the proposals to demolish Windlesham House and develop 17 new council homes at Windlesham Close, Portslade, under the NHFN programme be approved; and
- 2.2 That it be agreed that the project proceeds through the City Build Partnership, the council's Strategic Construction Partnership with Morgan Sindall.
- 2.3 That Policy & Resources Committee be recommended to approve a capital budget of up to £5.300m to be included in the 2021/22 HRA Capital Programme and financed by HRA Borrowing, Land Release Grant funding and HRA capital receipts.

Policy & Resources Committee:

- 2.4 That a HRA Capital budget of up to £5.300m financed by HRA Borrowing, Land Release Grant funding and HRA capital receipts be approved, to be included in the 2021/22 HRA Capital Programme.

### **3. CONTEXT/ BACKGROUND INFORMATION**

#### **3.1 The Site**

- 3.2 The site is located on the corner of Windlesham Close and Locks Crescent in Portslade, Hove. It currently comprises a single storey community use building and hard paved parking area. Located across Windlesham Close to the west are the Camp Site allotments; to the north across Locks Crescent is Evelyn Court, seniors council flats; and adjacent to the east are general needs council flats.
- 3.3 The site is currently leased by the council to the Royal Voluntary Service (RVS) for a period of 21 years, commencing 29 September 2009. The site was leased for the purpose of providing community services, notably meals on wheels, and consists of a single storey 130m<sup>2</sup> building comprising a large meeting room, kitchen, two small offices and associated toilet facilities. The building has been unused since mid-2018 and is falling into disrepair.
- 3.4 Housing Committee approved recommendations of a report to accept the early lease surrender of Windlesham House from RVS on 20 January 2021.
- 3.5 Appropriate surveys have been carried out, including a tree survey, which identified three category U trees and three category C trees, all of which are of low quality or are decaying. A preliminary ecological assessment found the site to be of low ecological value, and recommended opportunities for ecological enhancements.

#### **3.6 Design**

- 3.7 RIBA Stage 2 designs were developed by Miller Bourne Architects in September 2019 for a block of 17 council flats. Pre-planning and Transport feedback were received in October 2019. A public consultation on the proposals was carried out between 18 October 2019 and 8 November 2019.
- 3.8 Further design development was carried out by Miller Bourne in February-March 2021, responding to consultation and pre-Planning feedback, and adjusting the design to reduce build costs. A report on the design for this project is appended to this report [New Homes for Neighbourhoods - Windlesham House APX. n 1]
- 3.9 The proposals are to build 17 new homes with 18 bicycle spaces, and 11 parking spaces. The homes would be a mix of one and two beds as follows:
- 2x 1bed 2person M4(3) Wheelchair accessible
  - 6x 1bed 2person
  - 3x 2bed 3person
  - 6x 2bed 4person

- 3.10 In response to public consultation feedback flat layouts and sizes have been reconfigured to move the east elevation of the building around 5m further away from the neighbouring Portslade Court building (the initial design showed the nearest points between buildings as 11.2m).
- 3.11 A lack of parking was an important issue for residents in the resident consultation feedback, and Transport feedback, as part of the pre-Planning advice, noted the scheme did not offer enough parking for residents, creating additional parking pressure in the area. The new designs incorporate potential space for nine parking spaces, in addition to two disabled parking spaces, south of the site if the site boundary were to be extended to include HRA owned grassed area. A traffic survey will be carried out to assess additional parking pressure in the local area.
- 3.12 Throughout the design process the number of homes that can be delivered on this site has been explored, including options for more, and less, flats, and including a community use space within the new building. Officers recommend a scheme with 17 homes is most suitable, maximising the number of homes that can be built, while developing a building which is in keeping in height and massing with the surrounding buildings.
- 3.13 A community use space will not be included in the scheme, or alternative facilities created or improved in the local area. This would challenge the financial viability of the project, and there are concerns that a community use facility would further increased parking pressure in the area. There is thought to be sufficient community use space already in the area, with a survey of alternative local provision underway. This proposal will not meet Planning policy requirements, though a robust rationale will be provided including the need for additional affordable rented housing, and evidence of sufficient alternative community use provision in the local area.
- 3.14 **Project delivery and timescales**
- 3.15 If Housing Committee agrees to progress this proposed scheme, officers would seek to submit a full planning application in September 2021.
- 3.16 The indicative timescales for this project are as follows; these may be subject to change:
- |                                 |                |
|---------------------------------|----------------|
| Planning application submitted: | September 2021 |
| Planning application decided:   | December 2021  |
| Start on site:                  | June 2022      |
| Practical completion:           | November 2023  |
- 3.17 **Scheme costs and funding**
- 3.18 The financial viability modelling sets out to show whether a given scheme can pay for the initial investment itself by using the new rental stream only (net of service charges, management, maintenance, and major repairs and voids costs) over a 60-year period. Assessing the project viability over a 60-year period matches the estimated life of the asset post.

- 3.19 The proposed scheme has been costed in line with industry standards by Potter Raper, the City Build Partnership’s quantity surveyor. The total scheme costs are summarised in Table1:

<b>Table 1 – Estimated Scheme Costs</b>	
<b>Cost Area</b>	<b>Cost estimate £'000</b>
Land purchase and build costs	4,750
Professional fees	550
<b>Total Investment</b>	<b>5,300</b>
<b>Funded By:</b>	
Land Release Fund Grant	(220)
Retained Right to Buy Receipts up to 40%	(2,060)
HRA Borrowing	(3,020)
<b>Total Funding</b>	<b>(5,300)</b>

- 3.20 Table 2 provides a summary of the indicative viability modelling results at his stage for the rent options outlined in the rent policy.

<b>Subsidy / (Surplus) NPV 60 years using up to 40% RTB Receipts</b>	
	<b>£'000</b>
LHA weekly rent	(750)
37.5% LW weekly rent	(150)
27.5% LW weekly rent	930
Social weekly rent	1,340

- 3.21 The appraisal indicates this project can offer Value for Money and provide a sustainable investment for the HRA without the need for additional resources at certain rent levels and funding options.
- 3.22 Where additional subsidy is required resulting in an increase in financing costs that would need to be supported from resources other than the new rental stream of up to£0.050m per annum over a 50 year period depending on the prevailing interest rate at the time of borrowing.
- 3.23 A successful bid to the One Public Estate Land Release Fund supports ‘unlocking’ the site with £222,750 to fund demolition, site clearance and boundary work prior to construction.
- 3.24 The delivery of new housing on this site will form part of the wider business plan for new housing supply, where consideration of the rent levels will made on a wider programme basis and reported back to Housing Committee.
- 3.25 There is a risk associated with applying RTB receipts up to 40% of the eligible costs in that it could take away resources required to deliver other projects, this again will be considered as part of the wider business plan for the delivery of new housing and how to maximise the resources available.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Pre-planning feedback noted the principle of development is objectionable due to the loss of an existing community facility, and the council has not demonstrated that the building is not required and could not continue to be used for such. Therefore, an option to include a community facility was considered in the design process, though this would create a financially unviable scheme. Officers recommend submitting a Planning application without re-provision of a community facility, including a robust rationale describing the need for affordable housing and evidence of sufficient alternative provision nearby. A survey of alternative local community use provision is underway, outlining their use types and distance from the site. This would increase the risk of not receiving planning permission, though it is believed a strong case can be made.
- 4.2 Scale and massing studies for the site produced options ranging from 14 to 20 flats on this site. The option for 17 flats has been chosen as it delivers the most homes within a scale and massing suitable in context of the surrounding buildings.
- 4.3 Meanwhile use has not been possible as the building is not in the council's ownership. It is anticipated that the project will progress quickly from the council taking ownership of the site to demolition of the existing building. However short term meanwhile use will be reviewed along with building condition.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 A community consultation for the proposals was carried out between 18 October 2019 and 8 November 2019. A report on the methodology and outcomes of this process is appended to this report [New Homes for Neighbourhoods - Windlesham House APX. n 2].

#### **6. CONCLUSION**

- 6.1 If approved, this project will deliver much needed accommodation for households on the council's Homemove Register, 17 new one bed and two bed homes, to be let for general needs housing. It supports several corporate priorities in the Corporate Plan and City Plan Part One.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The detailed financial implications have been included in the main body of the report.
- 7.2 The budget request as per 2.3 of this report will consist of a variation of £3.950m from the existing budget line in the 2021/22 HRA capital programme for the

future sites pipeline and a new budget line in the 2021/22 HRA capital programme of £1.350m. This is to be funded by HRA borrowing, Land release Funding and HRA capital receipts. Significant variations to the costs and funding will be reported in accordance with the council's standard financial procedures and reported through Policy & resources Committee.

- 7.3 Any decision around the borrowing requirement for this project will be made in consultation with the council's Treasury Management team to ensure that it is undertaken in accordance with the council's borrowing strategy, authorised borrowing limits and prudential indicators.

*Finance Officer Consulted: Craig Garoghan*

*Date: 28/05/2021*

Legal Implications:

- 7.4 The Terms of Reference for the Housing Committee include approving the demolition of properties within the Housing Revenue Account. Recommendation 2.1 is therefore clearly within the Committee's powers. There are no other significant legal implications for Members to note.

*Lawyer Consulted: Liz Woodley*

*Date: 10/06/2021*

Equalities Implications:

- 7.5 An equalities impact assessment has been carried out for the NHFN programme, and the project process includes a number of interventions to assess equalities impact of the final design for residents and the general public, as well as during construction process.
- 7.6 The specification for this design incorporates best practice for inclusive design, including aiming to meet the Habinteg Wheelchair Housing Design Guide and designing to the Commission for Architecture and the Built Environment's Principles of Inclusive Design.

Sustainability Implications:

- 7.7 The project will support the corporate aims for a carbon neutral city by 2030 by using sustainable construction methods and materials, with an aim to reduce embodied and operational carbon emissions in comparison with previously delivered new build council housing schemes. A whole life carbon assessment process will identify where cost effective carbon emissions reductions can be made in the design and construction of the building.
- 7.8 Increasing the fabric efficiency of this building, installing solar panels, and incorporating low carbon heating systems, such as heat pumps, requires higher initial capital investment. This will however avoid future costs in retrofitting to meet increased building regulations standards, on which the Government is currently consulting, and likely further future standards improvements.
- 7.9 This investment in improved fabric efficiency, low carbon heating systems, and onsite energy generation will reduce the development's carbon emissions

throughout its lifespan and reduce energy costs for residents, helping to tackle fuel poverty and financial exclusion.

Brexit Implications:

- 7.10 Construction and labour costs may be affected by Brexit. This consideration is mitigated through a budget risk allowance.

Any Other Significant Implications:

Crime & Disorder Implications:

- 7.11 This development would replace an unused building which is currently falling into disrepair with new council homes. The current building could become a target for antisocial behaviour, whereas new homes on this site would eliminate this issue and provide more natural surveillance to the surrounding area.

Risk and Opportunity Management Implications:

- 7.12 The project follows corporate guidance and practice in terms of risk and opportunity management. Risk registers are in place for all elements of the project, and project/programme governance is in place to oversee mitigation and escalation as required.

Public Health Implications:

- 7.13 None

Corporate / Citywide Implications:

- 7.14 This project supports the council's 'A city to call home' outcome in the Corporate Plan 2020-2023 by providing genuinely affordable homes: 'We will buy and build homes to meet a range of housing needs including providing a minimum of 800 additional council homes.'
- 7.15 The project supports several strategic objectives of Brighton & Hove's City Plan Part One, including: a minimum housing target of 13,200 new homes.
- 7.16 to be achieved by 2030; S04: Address the housing needs of Brighton & Hove by working with partners to provide housing that meets the needs of all communities in the city, achieves a mix of housing types, sizes and tenures that is affordable, accessible, designed to a high standard and adaptable to future change; and SO9: Make full and efficient use of previously developed land in recognition of the environmental and physical constraints to development posed by the sea and the South Downs.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. New Homes for Neighbourhoods - Windlesham House APX. n 1: Design report for this project.
2. New Homes for Neighbourhoods - Windlesham House APX. n 2: Consultation methodology and outcomes.