

Subject:	New Homes for Neighbourhoods – Final Scheme Approval – Wellsbourne, Whitehawk		
Date of Meeting:	2 March 2016 – Housing & New Homes Committee 17 March 2016 – Policy & Resources Committee		
Report of:	Nick Hibberd Acting Executive Director for Environment, Development & Housing		
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Ward(s) affected:	East Brighton		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

Building new homes on council land is a council priority and essential if City Plan housing targets are to be met and the city's housing crisis tackled. This report focuses on development proposals for the site at Wellsbourne, Whitehawk. The team now wishes to progress through planning and construction stages.

2. RECOMMENDATIONS:

2.1 That the Housing and New Homes Committee approves:

- i. The final design.
- ii. The scheme rent levels.
- iii. The estimated levels of additional investment required from the Housing Revenue Account (HRA) for the chosen rent model and delegates authority to the Executive Director of Environment, Development and Housing and the Executive Director of Finance and Resources in consultation with the Estate Regeneration Member Board to agree reasonable amendments to that subsidy if changes arise.

2.2 That Policy and Resources Committee:

- iv. Approve that the land at Wellsbourne is appropriated to the HRA for a capital receipt of £360,000 for planning purposes and the development of new housing.
- v. Approve a budget of £7.077m for the Wellsbourne scheme in the HRA Capital Programme which will be financed through a mixture of HRA borrowing and retained right-to-buy capital receipts.

3. CONTEXT & BACKGROUND INFORMATION

- 3.1 A reported titled 'New Homes for Neighbourhood- development of new homes on General Fund land' was presented to Housing Committee in November 2014 with the approved recommendation that the initial design and viability modelling be noted and that it be recommended to Policy & Resources Committee that they agree in principle that each of the sites (Former Library Site, Whitehawk Road and Wellsbourne) were appropriated to the HRA for the development of new housing, subject to Housing and Policy & Resources Committees agreeing a further report detailing the final feasibility and design and associated financial implications.
- 3.2 It was also agreed that the Estate Regeneration Team, in conjunction with the council's Sustainable Futures strategic construction partnership, undertake final feasibility studies, consultation, design and development of new housing on the site.
- 3.3 In December 2014 Policy & Resources Committee agreed in principle that sites were appropriated to the Housing Revenue Account for a capital receipt of £1.3 million for planning purposes and for the development of new housing, subject to Housing and Policy & Resources Committee agreeing a further report detailing final feasibility and design and associated financial implications.
- 3.4 This committee agreed on 17 June 2015 that the land at Findon Road, former Whitehawk library site could be appropriated to the HRA for a capital receipt of £0.940 million for planning purposes and the development of new housing and that the final design and financial viability modelling for the Wellsbourne site would be reported back at a later date.
- 3.5 The Wellsbourne site used to form part of Whitehawk Infants School, but was declared surplus several years ago. The site, which included a 1930's built school block was leased to EB4U (a regeneration vehicle which had funding through New Deal for Communities) for 25 years to use as offices).
- 3.6 EB4U had plans to develop the site, but eventually surrendered it back to the council. The council built the Roundabout Children's Centre on part of the site and leased another part on a long lease to a developer who built a GP surgery. The eastern part of the site was more recently developed as The Hub which accommodates a range of council services including a new library and cafe that opened in July 2011. There is one development plot that remains undeveloped – the Wellsbourne site.
- 3.7 The capital receipt required for the Wellsbourne site is £0.360 million, being the final portion of the total capital receipt of £1.3 million required for the land at both Wellsbourne and Findon Road sites.
- 3.8 Initial architectural feasibility studies were undertaken by Feilden Clegg Bradley Studios (FCB). The scheme was handed over to the in-house architectural team in October 2015.
- 3.9 The proposal is for a 29 unit (1, 2 and 3 bed) three/four storey scheme that fits comfortably below the Whitehawk Hub and new library and the context of the Whitehawk valley. The eastern building looks out over the pedestrian walkway and the front entrance of the Whitehawk Hub and library, enhancing security.

- 3.10 There is on-site parking provision to relieve parking pressure in Whitehawk Road and natural surveillance over the area and adjacent path. Initial Planning comment has been favourable and the scheme has been designed to retain existing protected trees.
- 3.11 The design includes 3 wheelchair accessible properties, high sustainability standards and meets Lifetime Homes standards.
- 3.12 The scheme includes updated Part M (4) space and other standards which include the provision of a lift in each block
- 3.13 This development brings the opportunity to regenerate the immediate area.

4. SCHEDULE OF ACCOMMODATION

4.1 Breakdown

- 9 x 1 bed (2p) flats
- 13 x 2 bed (4p) flats
- 7 x 3 bed (5p) flats

4.2 West block – (3 storeys – 11 flats)

- Ground: 1 x 1 bed flat (2p) & 2 x 2 bed (4p) flats.
- First: 1 x 1 bed (2p) flat & 3 x 2 (4p) bed flats.
- Second: 1 x 1 bed (2p) flat & 3 x 2 (4p) bed flats.

4.3 East block – (4 storeys – 18 flats)

- Ground: 2 x 1 (2p) bed flats (both accessible), 2 x 2 (4p) bed flats (one accessible) & 1 x 3 (5p) bed flat
- First: 2 x 1(2p) bed flats, 1 x 2 (4p) bed flats & 2 x 3 (5p) bed flats
- Second: 2 x 1 (2p) bed flats, 1 x 2 (4p) bed flats & 2 x 3 (5p) bed flats
- Third: 1 x 2 (4p) bed flats, 2 x 3 (5p) bed flats

Total = 29 units (3 to be wheelchair accessible)

5 MEETING HOUSING NEED

- 5.1 The site will provide affordable rented housing for people on the housing register.
- 5.2 The site will comply with BHCC Housing Strategy and Affordable Housing Brief.
- 5.3 The mix above (see 4) addresses the need for smaller ('downsizer) as well as some family homes
- 5.4 The proposal is for 100% affordable rented accommodation.

6 FINANCIAL MODELLING

- 6.1 Housing Committee unanimously agreed at its meeting on 6 March 2013 that a range of funding, rent and home ownership options should be provided in new housing to be developed on HRA land under the Estate Regeneration Programme in order to ensure that development is viable and to increase the number of new homes the Estate Regeneration Programme can deliver. The report indicated the level of Affordable Rents and the impact these higher rents would have on the number of homes the HRA could develop. Committee has agreed affordable rents capped at Local Housing Allowance rates for all subsequent schemes that it has considered, in line with the Affordable Housing Brief.
- 6.2 Higher rents for new affordable homes will be, to some extent, mitigated by lower fuel bills as homes will be built to higher sustainability standards than our existing stock.
- 6.3 The proposal is for the scheme to be 100% Affordable Rented homes. The units have been modelled at 80% of market rent level or the Local Housing Allowance (LHA) limit in accordance with the council's Tenancy Strategy. This generally means that rents are set at LHA levels which are in the region of 60-70% of market rent dependent on the number of bed rooms.
- 6.4 The size and mix of the flats at Wellsbourne, Whitehawk is based on the council's Affordable Housing Brief. The financial viability modelling includes the cost of the land, an allowance for s106 contributions and photovoltaic panels, site abnormalities and external works.
- 6.5 The table below identifies unit rent levels capped at Local Housing Allowance levels and the HRA investment requirement after financing this development through net rental income streams over 40 years and the use of Right to Buy capital receipts to fund 30% of total scheme costs, as required by the government.

Unit Size – Wellsbourne	Rent capped at LHA rate per week
	29 flats
Rent per 1 bed flat	£153
Rent per 2 bed flat	£192
Rent per 3 bed flat	£230
HRA subsidy per home	£17,655
Total HRA subsidy requirement	£512,000

- 6.6 The development costs modelled are still subject to planning approval, assumes that delivery of the scheme is through the HRA and therefore costs and funding can only be indicative at this stage. Any significant variations to the proposed capital scheme and funding will be reported back to Policy & Resources Committee in accordance with council's standard financial procedures.

	Total subsidy requirement modelled over 40 Year repayment
Wellsbourne	100 % Affordable Rents
	£'000
Estimated Scheme Costs	
Purchase of Land	360
Estimated build costs	5945
Professional fees	594
s106 Contributions	178
Total Estimated Cost	7,077
Funded By:	
HRA borrowing from net rental income stream (40 years)	(4,550)
Use of Right to Buy receipts	(2,015)
Total Funding	(6,565)
HRA Subsidy / (Surplus)	512
HRA Subsidy / (Surplus) per unit	18

- 6.7 The indicative scheme costs are estimated to be £1,700 per square metre resulting in subsidy requirement of £512,000. The unit subsidy requirement of £18k per unit benchmarks well with the subsidy unit cost at Findon Road (£22k) where there were significant ground work costs. New cost estimates include incorporating changes to Part M (4) space standards (an additional 439 square metres of floor space across the scheme), providing an additional lift; one in each block and an increase in hard landscaping to satisfy parking requirements for the scheme. Professional fees fall within the industry benchmark level of 10-14% of overall build costs. Construction inflation costs have also been taken into consideration.

7.0 DEVELOPMENT TIMELINE:

Milestone	Target date
Planning Permission gained	July 2016
Start on site	September 2016
Practical completion	September 2017

8 COMMUNITY ENGAGEMENT & CONSULTATION

- 8.1 Ongoing consultation has taken place with area panels and residents associations.
- 8.2 The Neighbourhood Council Due East and council officers carried out a highly successful consultation event at the Whitehawk Hub on 24 March 2015. The consultation offered an opportunity to discuss the site in tandem with the former library site which is now under construction. This was followed up by recent consultation at the Whitehawk Hub on 9th February 2016.
- 8.3 Both sessions were carried out using 'Planning for Real' techniques in partnership with the Due East Neighbourhood Council.
- 8.4 Planning for Real is a tried and tested system that uses a 3D model and comment cards to enable all residents, including children and young people, to express their opinion about a development scheme or neighbourhood.
- 8.5 Around 25 residents attended the second consultation which provided another opportunity for residents to comment on the scheme and also to provide feedback to Due East about wider Whitehawk issues and opportunities related to regeneration.
- 8.6 21 comments were received via the card system and a questionnaire related to the scheme. (see appendix 2) Relevant issues will be reviewed by the Neighbourhood Council – Due East.
- 8.7 7 questionnaires were received and the comments are summarised in appendix 2.
- 8.8 All concerns will be discussed in detail with Planning as part of the planning application process. The Planning application process will also give residents further opportunity to comment on the schemes. Comments and concerns raised at the event will be included in the planning application. A summary of comments can be found at Appendix 2.

9. CONCLUSION

- 9.1 Enabling the New Homes for Neighbourhoods programme to progress these schemes will enable the council to build 29 much needed homes in the city.

10. FINANCIAL & OTHER IMPLICATIONS:

- 10.1 The financial viability modelling sets out to show whether a given scheme can pay for itself by using the new rental stream only (net of management and maintenance costs) over 40 years to pay for the principal and interest on the borrowing required to fund the development. It also assumes that 30% of the development costs of the affordable housing element are met from retained Right to Buy (RTB) Receipts towards the development. If the rental stream and RTB and sales receipts are insufficient to meet the costs, then a subsidy is required by the HRA.
- 10.2 Financial viability modelling has been carried out, with borrowing over 40 years, which shows that a 100% affordable rent options would require an estimated HRA investment of £0.512 million, which is £0.018 million per affordable unit, as shown in the table in the main body of this report. The cost of the land for Wellsbourne is £0.360 million is included in the investment requirement.
- 10.3 The recommendations are that approval is given for a budget of £7.077 million in the Housing Revenue Account Capital programme, which will be funded through HRA borrowing and retained Right to Buy receipts. The estimated development costs have been provided by the council's Sustainable Futures strategic construction partnership.
- 10.4 The budget also includes the cost of the land, an allowance for associated build cost fees & contingencies and build cost inflation. The development is still subject to planning permission, which can require final scheme design changes which may affect the cost and timetable for development.
- 10.5 Any significant variances to the approved capital programme budget would be reported to the Policy & Resources Committee in accordance with the council's standard financial procedures.

Finance Officer Consulted: Susie Allen

Date: 4/02/16

11 LEGAL IMPLICATIONS:

- 11.1 The Town and Country Planning Act 1990 (TCPA1990) allows local authorities to appropriate land for planning purposes. Under sections 226 and 227 a local authority can appropriate land “if the authority think that the acquisition will facilitate the carrying out of a development, redevelopment or improvement on or in relation to the land” (section 226(1) (a) TCPA1990).
- 11.2 Appropriating land gives various powers to local authorities to override easements and other rights in land including rights to light over land that has been appropriated for planning purposes under section 237(1) and (1A) TCPA1990.
- 11.3 The owner of any such third party right will have a claim for compensation which will be assessed on the basis of the loss in value of the claimant’s land as a consequence of the interference or breach (s237(4) TCPA1990).

Lawyer Consulted: Liz Woodley

Date: 9/2/1206

12 EQUALITIES IMPLICATIONS:

- 12.1 An increase in housing supply will increase the opportunity to provide new, well designed homes to local households registered in need. New development and renovation provides an opportunity to better meet the needs of particularly vulnerable households including those, such as existing elderly residents, who may be under occupying their current home.
- 12.2 The proposals include 3 wheelchair accessible homes. 26 of the flats meet mobility levels one to three.

13 SUSTAINABILITY IMPLICATIONS:

- 13.1 The new homes will be built to high sustainability levels and where possible the council will also look to include Solar Photo Voltaic systems. The new homes will also meet Lifetime Homes space standards.
- 13.2 The new homes will encourage a sustainable lifestyle for example:
- Providing secure cycle storage
 - Incorporating water saving and re-use measures
 - Short distance re-cycling external communal bins
 - Photovoltaic panels

14 CRIME AND DISORDER IMPLICATIONS:

- 14.1 Development of the sites is an opportunity to provide new, well-designed homes in these areas and link to wider regeneration opportunities, including work to deliver the council's economic and sustainability objectives. Good quality housing has been demonstrated to influence the rate of crime and disorder and quality of life.

15 CRIME AND OPPORTUNITY MANAGEMENT IMPLICATIONS:

- 15.1 There are a number of risks and opportunities associated with developing new homes including:
- Increases in construction and other costs
 - Impact of the right to buy
 - Local resident opposition to individual schemes

16 PUBLIC HEALTH IMPLICATIONS:

- 16.1 There are strong links between improving housing, providing new affordable homes and reducing health inequalities. Energy efficient homes which are easier and cheaper to heat will help support the health of households.

17 CORPORATE/CITYWIDE IMPLICATIONS:

- 17.1 As reported in the Housing Revenue Account Capital Programme 2013-2016 considered by the Housing Committee on 16 January 2013, the development of new housing has a strong economic multiplier impact on the local economy, estimated at over £3 of economic output for every £1 of public investment, creating jobs and supply chain opportunities.
- 17.2 Partners will be asked to work with the Local Employment Scheme to ensure that work, apprenticeship and training opportunities are provided for local people.

SUPPORTING DOCUMENTATION

Appendix One:

Design Briefing Note (see attached)

Appendix Two:

1) Summary of Questionnaire Responses

Issue	Overview	Response
Parking	<p>More parking should be developed at the front of the development by the road.</p> <p>There should be at least thirty parking spaces</p> <p>Encroachment on existing parking will be an issue</p> <p>Congestion in the area could be problem</p> <p>Twelve parking spaces on the development will not meet demands / parking issues already following Health centre building</p>	<p>A transport assessment will be carried out ahead as part of the planning application process.</p> <p>The scheme has been designed to provide as much parking as possible.</p>
Amenities	Concerned with the pressures on local doctor's surgery. Difficulty booking an appointment already.	
	Concerned with pressures on existing education infrastructure	The scheme will attract a S106 contribution relevant to Education provision.
	Area requires more police presence in the interests of peace of mind and deterrent.	Due East the Neighbourhood Council have been advised who will work with the local community and PCSO's.
Sunlight / Rights of Light	Building block in front of ours will reduce our sunlight into our house. Building further away from the road would help	A daylight/sunlight assessment will be carried out as part of the planning application process.
Housing	Houses / flats should not be only rented. More support for first time buyers.	There are over 23,000 households on the council's housing register. Affordable rented homes are in high demand.
	I welcome new affordable housing in the area and the project facilitates council tenants wishing to downsize	Eligible council tenants wishing to downsize will be able to bid via the councils Home-move Housing Register.
	Good idea as we need more homes and doesn't take up much space and would be good for the parents of children in the primary school.	
	Appreciate the need for housing as long as not higher than the library	The development is not higher than the library building.

Design / Location	Buildings should be closer together and further away from the road to decrease loss of privacy	The design allows for maximum parking on the site.
	Happy with the design	
	Some areas need some care and attention. Shrub beds need to work to stop rubbish dumping.	Consideration will be given as part of the soft landscaping for the scheme.
Transport	Distance to nearest bus stop. Worried about access through the site to get to bus stop on Whitehawk Road	There is a bus stop on Whitehawk Road that will remain accessible via the existing footpath network.

2) Summary of consultation comments received on Planning for Real cards:

Issue	Type
Fly-tipping	Crime & Safety
Lack of police presence	Crime & Safety
Car dumping	Crime & Safety
More litter bins needed	Environment
Flowers shrubs needed	Environment
Occupational Health facility needed	Health
More local shops needed	Housing
More houses for 1st time buyers	Housing
Damp & Condensation issues	Housing
More housing for people with learning disability	Housing
Homes need to be more energy efficient	Housing
More houses for 1st time buyers	Housing
More shared ownership	Housing
More yellow lines needed pavements	Traffic & Transport
Avoid drop kerbs x3	Traffic & Transport
Too many cars parking x2	Traffic & Transport
Zebra crossing needed x 2	Traffic & Transport

Background Documents

1. Policy & Resources Committee – July 2015
2. Housing Committee – New Homes for Neighbourhoods report June 2015
3. Policy & Resources Committee – February 2015
4. Housing Committee – New Homes for Neighbourhoods report – January 2015
5. Policy & Resources Committee – December 2014
6. Housing Committee - New Homes for Neighbourhoods report - November 2014
7. Housing Committee - New Homes for Neighbourhoods report - March 2013

