

Subject:	New Homes For Neighbourhoods – Selsfield Drive		
Date of Meeting:	14 January 2015		
Report of:	Executive Director Environment, Development & Housing		
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Ward(s) affected:	Hollingdean and Stanmer		

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

- 1.1 At its meeting on 26 September 2012, Housing Committee agreed the procurement of initial feasibility and design of identified case studies for housing opportunities on appropriate HRA land, including stakeholder engagement and consultation.
- 1.2 Since then, the Estate Regeneration team has commissioned business cases for a number of potential infill sites to establish the financial viability and design feasibility of developing new council homes in these locations. This report includes the findings of the business case for the former Housing Office site at Selsfield Drive, Brighton.

2. RECOMMENDATIONS:

That Housing Committee:

- 2.1 Agree that the Estate Regeneration team in conjunction with the council's Sustainable Futures strategic construction partnership undertake final feasibility studies, design and development of new council housing on the site of the former Housing Office in Selsfield Drive under the New Homes for Neighbourhoods Programme.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 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. Increasing the supply of housing is a primary objective in the draft Housing Strategy. The Strategy specifically identifies the lack of new affordable rented housing as a key issue for the city. The council's New Homes for Neighbourhoods programme addresses this undersupply by identifying suitable vacant land and infill sites to develop new homes across the city in order to meet City Plan targets and housing need.

- 3.2 At its meeting in November 2013 Housing Committee approved the closure of the Selsfield Drive Housing Office and that, once vacated, the office be demolished in order to be redeveloped for new homes under the New Homes for Neighbourhoods programme.

Business Case findings

- 3.3 The development site is approximately 0.21 Ha or 2,057 sq m and includes the former Housing Office, eight garages and stores. The site is located within the Bates Estate in the Moulsecoomb area of Brighton and is flanked by existing council housing blocks to the north-west (25-36 Selsfield Drive) and east (19-24 Selsfield Drive) which are to be retained.
- 3.4 The site is highly accessible and fronts onto the Lewes Road (A270), which is one of the main arterial routes into central Brighton from the north, and is in close proximity to Moulsecoomb Train Station. There are regular buses to Brighton city centre.
- 3.5 To the south of the site sits Moulsecoomb Campus, one of three main campuses of the University of Brighton including the 10 storey Cockcroft Building. The Lewes Road is identified in the Brighton & Hove Tall Buildings Study (2003) as an area suitable for taller buildings. It states:
- “The valley formation of the Lewes Road corridor, with its growing image as the academic corridor and northern gateway to the city is very suitable for mid-rise to tall buildings particularly in proximity to the Watts building”.*
- 3.6 The University of Brighton’s Moulsecoomb Campus on Lewes Road, in combination with plans to develop the Preston Barracks site, provides an opportunity to create an urban gateway into the city from the north. However, a Brighton University owned grade II listed building (Moulsecoomb Place), is located approximately 300m south-west of the site. Any future development of the site will therefore need to be sympathetic to existing views of the listed building.
- 3.7 The proposal is for a block of 20 flats. A summary of the characteristics of the scheme is provided below:
- The front of the building aligns with block 8-18 Selsfield Drive
 - The rear of the building is 18m away from block 25-36 Selsfield Drive and 11m from block 19-24 Selsfield Drive
 - The Grade A beech tree to the north-east of the site is retained
 - 14 car park spaces are provided
 - Balconies are to be provided but will be minimised on the rear of the building to prevent overlooking
 - All units will meet Code for Sustainable Homes (Level 4) as a minimum.
- 3.8 Financial modelling on the latest design has been undertaken and the estimate required HRA subsidy is detailed in the table below. The figures include Right to Buy receipts which will be used to fund up to 30% of the development cost.

	Rent per week at 80% market rent/LHA rate per week
Overview	20 flats 4x1 beds 2x1 bed wheelchair accessible 9x2 bed 5x3 bed
Rent per 1 bed flat	£151
Rent per 2 bed flat	£190
Rent per 3 bed flat	£228
HRA subsidy per home	£52,149
Total HRA subsidy requirement	£1,042,984

- 3.9 The HRA subsidy requirement for the preferred design option is higher than other comparable schemes because of abnormal costs associated with the development that have been identified in the initial feasibility study e.g. groundworks, diversion of the sewer pipe and the demolition of the housing office, stores and garages. These abnormal costs will be more fully investigated at the detailed design stage, which may result in further reductions in the overall development cost.

Sustainable Futures strategic construction partnership

- 3.10 If Housing Committee agrees to progress this proposed scheme, final design, construction and development will be undertaken by the council's in-house architecture and design team and corporate Sustainable Futures strategic construction partnership. The partnership was procured under an OJEU procurement process authorised by Policy & Resources Committee on 21st March 2013, following two previously successful construction partnerships. The new partnership started in early 2014 for a contract term of four years and to a value of £60 million. It is delivering construction projects from various council client departments and is managed by the council's Property & Design department.
- 3.11 This development route offers a number of benefits to the New Homes for Neighbourhoods programme. Development will be quicker as the constructor, c and sub-contractors are already procured. Use of in-house architects to work up final design from the initial studies obviates the need for another procurement process and ensures good liaison with the Estate Regeneration team and Housing. Using the partnership will ensure consistency of standards and approach as more schemes are developed. Projects will benefit from the economies of scale and value for money that result from being part of a large value established partnership.
- 3.12 The design team, including the constructor (contractor) and sub-contractors, will work with the Estate Regeneration team right from the handover of the initial design and viability studies. This early involvement ensures that final design and

construction risks are minimised and that new homes will meet Housing's requirements. Throughout the design process prices for each element are obtained and reviewed by the team and if necessary the design is amended to ensure that the budget is met.

- 3.13 The design team, including a member of the Estate Regeneration team, meet every four weeks and will work together within the assigned budget to set the Agreed Maximum Price following on from which the Quantity Surveyor will produce a review document for audit purposes which demonstrates that the project has achieved best value. This document benchmarks the square metre (m²) rates against previous partnered and non-partnered schemes and also against national construction rates for housing. In addition, an independent partnering advisor is employed and a Core Group meets monthly to oversee the arrangements and takes a strategic view of each scheme, ensuring that key deadlines are met.

Next Steps

- 3.14 Assuming Housing Committee agrees to proceed to the final design stage for new council housing on this site, the council's in-house architecture team and strategic partnership will work up a final costed design and a detailed timetable for construction and development through the council's strategic construction partnership.
- 3.15 It is anticipated that a final report will be presented to Housing Committee in June 2015 to agree final scheme design, tenure mix, the contribution from the HRA and required level of borrowing. Planning applications will be submitted after that meeting. Regular updates on progress in the interim will be provided to the cross-party Estate Regeneration Project Board.

4 COMMUNITY ENGAGEMENT & CONSULTATION

- 4.1 A wide range of communication and consultation has taken place with residents and other stakeholders for sites included in the New Homes for Neighbourhoods programme including:
- Briefings and updates forward councillors
 - Presentations and Q&A at local resident association meeting
 - Presentations and stand at tenants' and leaseholders' City Assembly.

In addition, information has been made available on the New Homes for Neighbourhoods page on the council's website and in the council tenants' and leaseholders' newsletter Homing In.

- 4.2 In the case of the Selsfield Drive former Housing Office site, local ward councillors (Hollingbury & Stanmer) and councillors in Bevendean and Moulsecoomb wards were informed of this potential site for housing before the initial design and viability study was commissioned. Members of the Estate Regeneration team have attended two meetings of the Bates Estate Residents Association on 12 February and 3 December. At these meetings, local residents were updated on the progression of the project and were also shown the initial design concepts for the site, emerging from the architects. The feedback from

residents will be used to inform the development of the preferred option for the site at the detailed design stage.

- 4.3 The Estate Regeneration Team will continue to keep local ward councillors, resident associations and local residents up-to-date as the scheme progresses. The Team intends to hold a drop-in session for local residents to comment on the final design scheme, which the architects and other officers will attend. This event is anticipated to be held in late Spring 2015.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The financial viability modelling sets out to show whether a given scheme can pay for itself by using the new rental income stream only (net of management and maintenance costs) over 30 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 affordable housing are met from retained Right to Buy (RTB) receipts. If the rental stream and RTB receipts are insufficient to meet the costs, then a subsidy is required by the HRA.
- 5.2 The initial modelling shows that a subsidy of £1.042m (£52k per unit) may be required. If Housing Committee agrees to proceed to the final design stage for new council housing on this site, the council's in-house architecture team and strategic partnership will work up a final costed design. The final report presented to Housing Committee in June 2015 will include financial implications with the level of contribution and borrowing required from the HRA. The Budget and funding will also require approval by Policy & Resource Committee to be included in the HRA Capital Programme.

Finance Officer Consulted: Susie Allen

Date: 18/12/2014

Legal Implications:

- 5.3 It is intended that the Council's strategic partnership agreement (which has been procured as set out in section 3.11) will be used for the final design, construction and development for the proposed scheme. The Council's contract standing orders require that authority to enter into any contracts valued at £500,000 or more be obtained from the relevant committee.

Lawyer Consulted:

Name: Liz Woodley

Date: 10/12/14

Equalities Implications:

- 5.4 An increase in housing supply will extend opportunities to provide new, well designed homes to accommodate households on the Homemove register who are in housing need. The proposed development provides an opportunity to better meet the needs of particularly vulnerable households including elderly residents who may be under occupying a home that no longer meets their changing needs. The New Homes for Neighbourhoods programme will ensure that all homes will be built to Lifetime Homes standard, with at least 10% of units

meeting wheelchair accessible housing standards. This will meet the needs of all future occupants including those who are elderly, have a mobility impairment or are wheelchair users. Two of the twenty flats proposed are wheelchair accessible units.

Sustainability Implications:

- 5.5 The initial design proposal assumes that all new homes are built to Code for Sustainable Homes Level 4 to meet the council's sustainability and energy efficiency requirements for new housing. The architects have also looked at ways in which the One Planet Living principles can be implemented within the scheme.
- 5.6 Attaining high sustainability standards is an important objective of the New Homes for Neighbourhoods programme, especially in the council's drive to design homes that are energy efficient and minimise carbon emissions. All new homes under the programme will also include features to help support people to live sustainable lifestyles and thereby encourage the development of more sustainable communities.

Crime & Disorder Implications:

- 5.7 The New Homes for Neighbourhoods Estate Regeneration Programme offers the opportunity to provide new, well-designed homes which link to the council's wider regeneration aspirations for the city, including the council's economic development and sustainability objectives. Well-designed urban housing has been shown to influence the rate of crime and disorder as well as the quality of life for future occupants. All new council housing will be designed to Secure by Design principles to minimise the risk of crime.
- 5.8 Infill sites can sometimes attract anti-social behaviour and with careful planning, the future development of these sites is likely to improve the safety of existing neighbourhoods by reducing crime and the fear of crime.

Risk and Opportunity Management Implications:

- 5.9 There are a number of risks and benefits associated with the Estate Regeneration Programme and a risk log is maintained to monitor these and ensure mitigation measures and contingency plans are in place. Risks associated with this scheme include:
- Lack of support for the scheme from local residents
 - Increasing build costs
 - Unforeseen delays to project
 - Unable to gain planning permission

Public Health Implications:

- 5.10 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 is likely to have a positive influence on the health of occupants of the new homes.

Corporate / Citywide Implications:

- 5.11 The Sustainable Futures Partnership is committed to working with the Local Employment Scheme to ensure that work, apprenticeship and training opportunities are provided as part of the development of these sites.
- 5.12 Each new unit of housing has potential to generate new income for the council by providing New Homes Bonus. The New Homes Bonus (NHB) is paid by government for each new unit of housing or home brought back into use in the city. This is paid annually for six years and is based on Band C Council Tax plus an additional £350 for each affordable unit.
- 5.13 Every new unit of housing in the city is potentially a source of additional Council Tax income for the council. This is likely to be affected by the following factors:
- Single persons get a Council Tax discount
 - People in receipt of Council Tax benefit will not pay full Council Tax
- 5.14 New housing has an economic impact in a number of ways:
- Homes and Communities Agency analysis estimated every £1 spent on construction creates £2.60 in added economic value
 - Construction jobs – direct and indirect (one new home gives equivalent of one job for 2-3 years)
 - Local supply chain
 - Stable housing enables people to get stable work
 - Mix of tenure needed for mix of skills in labour market
 - Good mixed housing improves ‘place competitiveness’

SUPPORTING DOCUMENTATION

Appendices:

1. Brief of proposed design

Documents in Members’ Rooms

None

Background Documents

None

