

**Bolsover District Council**

**Council**

**8<sup>th</sup> November 2017**

**B@Home Update**

**Report of the Leader and Portfolio Holder - Strategic Planning and Regeneration**

This report is public

**Purpose of the Report**

- To provide a general update on the B@Home Programme
- To seek funding for further developments in Shirebrook, Clowne and Bolsover.

**1 Report Details**

- 1.1 As members of Council will be aware, a programme of residential development (B@Home) is being delivered by Housing Services and Property and Estates, supported by Legal, Planning, Communications and Housing Strategy colleagues and a development fund to cover the costs of feasibility work.
- 1.2 There have been two core strands to this project. Firstly, the project team have been working to identify suitable land assets (both HRA and General Fund) for residential development. Secondly, opportunities on land outside of the Council's ownership, which meet the strategic housing growth aims, are also being considered in terms of their strategic fit and ability to deliver best value.
- 1.3 To date, the following progress has been made:

HRA Development -

- 3 developments completed (Rogers Avenue, Blackwell Hotel, Fir Close)
- 2 developments under construction (Hilltop and Derwent Drive)
- 1 development with planning permission (Recreation close, Clowne)
- 6 sites awaiting planning decision (Ash Close, Elm Close, Lime Close, Beech Grove, Leamington Drive, St Michaels Drive)
- 3 sites in the feasibility stage (Highcliffe Avenue, The Paddock, Recreation Close (Additional to above), Clowne)

The above sites deliver a total of 93 new Council Houses at a total cost of approximately £12m. Of the £12m, £1.5m grant funding support from the Homes & Communities Agency has been secured with further bids of approximately £550,550 are being prepared. Officers are currently working on identifying an additional pipeline of sites for development, which will be the subject of a future report to members.

## Sites at South Normanton & Pinxton (Southern Batch)

- 1.4 In February 2017, Council, in the Mid-term Financial Plan, approved the development of a Southern Batch of development sites based upon housing needs in the area and land availability.
- 1.5 Following detailed feasibility work on each site above and consultation with housing and planning colleagues regarding design the above sites have the capacity to deliver the following:

Site	No. of Units	House Type Mix	Site Status	Costs
Ash Close, Pinxton	6	2 x 4 bed houses	Planning	£409,734
		2 x 2 bed houses		£276,658
		2 x 1 bed houses		£245,140
Elm Close, Pinxton	5	5 x 2 bed houses	Planning	£691,645
Lime Close, Pinxton	3	3x 2 bed houses	Planning	£414,987
Beech Grove, S.Normanton	2	1 x 3B6P Bungalow	Planning	£194,361
		1 X 2B3P Bungalow		£106,811
Leamington Drive, S.Normanton	3	2 x 2B3P bungalows	Planning	£213,622
		1 x 3B6P Bungalow		£194,361
St Micheals Drive, S.Normanton	2	2x 2B3P bungalows	Planning	£213,622
<b>Total</b>	<b>21</b>			<b>£2,960,941</b>
Contingency (10%)				£296,094
QS Fees (0.54%)				£15,989
Principal Designer Fees (0.45%)				£13,324
<b>Total Funding Required</b>				<b>£3,286,348</b>

The indicative site layout plans to support the above can be found in Appendix A – Site Plans. All of the above is subject planning approval.

### 1.6 Key observations:

- The costs are based on a total development cost per meter of £1751 which is an average cost on the previous B@Home sites.
- The house types include two fully adapted bungalows for two families with an immediate need, the delivery of which will be prioritised.
- The house types also include larger 4 bedroom properties which is a house type not currently provided for in our housing stock.
- All of the above homes will be built to meet the following standards; Lifetime Homes, Secure By Design, National Minimum Space Standard in addition to being energy efficient and designed to the principals of Built for Life 12.
- It should be noted that due to site constrains, particularly on Leamington Drive that 21 units are proposed on these sites rather than 22 forecast in the February Mid-term financial Plan report. This is still subject to planning approval.
- Based upon the HCA grant contributions to date on the B@Home Programme and following discussions with the HCA regarding the above, it is likely (subject to HCA approval) that the HCA grant in the region of £460,000 could be secured to support these developments.
- The total funding forecast above is within £3,363,000 budget allocated (by £76,652) due to more cost certainty based upon the known size of the units and that only 21 properties can be feasibly delivered, subject to planning on the sites identified.

## B@Home Financial Update

- 1.7 To date, BDC have committed, through a number of reports, funds to deliver 90 new Council Houses over 12 sites with a budget of £11.8m. With the aid of HCA funding, BDC are forecast to deliver 93 homes for £11.3m. This represents an increase of 3 additional homes with a potential budget saving and therefore reduced borrowing of £0.5m. It is hoped further budget savings can be secured by further grant funding bids over the next couple of months. All of the above is demonstrated in the table below:

Committee	Funding	Sites	No. of units	Actual No. units	Forecast cost	HCA Funding	BDC Forecast Cost
April 15 - Council	3,883,100	Rogers Avenue, Blackwell Hotel, Fire Close, Derwent Drive, Recreation Close	33	35	4,699,491	680000	£4,019,491
June 16 - Council	4,600,000	Hilltop	35	37	4,857,861	877500	£3,980,361
Feb - Council	3,363,000	Ash Close, Elm Close, Lime Close, Beech Grove, Leamington Drive, St Michaels Drive	22	21	3,286,348	Not yet bid for	£3,286,348
<b>Total</b>	<b>11,846,100</b>		<b>90</b>	<b>93</b>	<b>12,843,700</b>	<b>£1,557,500</b>	<b>£11,286,200</b>

*NB: The direct delivery of 93 units will attract in the region of £372,000 New Homes Bonus, calculated at £1k per year, per property, for 4 Yrs.*

- 1.8 In addition to the financial update above, broader benefits of B@Home include:
- Social & Economic Outcomes – Detailed in paragraph 2.2
  - Awards - Project of the Year (Runner Up) and Corporate Responsibility (Winner) at the Building Communities Awards 2017 and a Gold Considerate Construction Award for Rogers Avenue.
- 1.9 In addition to existing financial commitments outlined above, this report seeks further funding to support the future delivery of the B@Home Programme. The further funding is proposed to deliver an additional 6 homes and maximise potential cost savings through clustering with existing development sites. The proposed funding is broken down as follows:

Site	No. of Units	House Type Mix	Site Status	Costs
Highcliffe Avenue, Shirebrook	1	1 x 4B7P Detached House	Feasibility	£204,867
The Paddock, Bolsover	4	4 x 2B3P Flat	Feasibility	£490,280
Recreation Close, Clowne	1	1 x 3B6P Bungalow	Feasibility	£194,361
<b>Total</b>				<b>£889,508</b>
Contingency (10%)				£88,951
QS Fees (0.54%)				£4,803
Principal Designer Fees (0.45%)				£4,003
<b>Total Funding Required</b>				<b>£987,265</b>

NB: Delivery of the above is subject to successfully obtaining planning permission.

Highcliffe Avenue – This site is adjacent to the Hilltop development site meaning that cost saving can be achieved in developing the site within the period that the contractor is on site at Hilltop. The saving are generated through sharing facilities, supervisors, etc.

The Paddock – Bolsover is an area of the District without any B@Home deliver to date and the homes on The Paddock are very popular and additional units will address an existing need in the locality.

Recreation Close, Clowne – You will note that two bungalows are already proposed on the former garage site on recreation road. As it is such a small development with no other proposed sites locally, the cost of the units would be disproportionate to the bigger developments. Adding an additional plot on land directly opposite the former garage site both increases the size of the development offsetting some of the costs for facilities and supervision over three homes, rather than two and addresses a need for a fully adaptable bungalow which is ideally located next to community facilities.

The above sites are currently in the feasibility stage with a Planning submission forecast before Christmas. The cost estimate of £987,000 is based upon average costs from existing B@Home sites. If Council are minded to support the funding of the developments, the Executive (October 2017) recommendation to enter the relevant contract is subject to a positive viability appraisal prior to entering any agreement. As with the other B@Home sites, HCA grant funding will be sought for these developments, estimated in the region of £132,000.

Indicative layouts for the sites can be found in Appendix B or the report.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 To deliver the Council's corporate target of building a minimum of 100 new Council properties by March 2019, it is recommended that Council allocate budget to deliver an additional 6 units as outlined in paragraph 1.9, funded through HRA headroom borrowing. This will take the total units funded to 99, which is strongly on course for delivering the corporate target through the B@Home programme alone.
- 2.2 In addition to the new homes, wider economic and social benefits are continued to be delivered through the B@Home Programme. To date the programme has achieved:
  - 1,473 Young people engaged in the programme
  - 63% local spend within 20 miles
  - 97% local spend within 40 miles
  - 2 Supply chain engagement events delivered, encouraging local spend and employment and skills opportunities
  - 4 employment opportunities created
- 2.3 In 2010, DCLG published 'Valuing the benefits of Regeneration' which researched the benefits of different types of regeneration. This includes the calculation of benefit cost ratios (BCR). BCRs provide a ratio of the full costs of regeneration against the value of the full societal and economic benefits. BCRs were based on a systematic review of evaluation evidence of prior regeneration programmes.

The findings were that new build housing activity had a benefit cost ratios of 1:1.7 (that is for £1 of investment there are wider economic and societal benefits of £1.70)

In addition, findings from the HCA's Affordable Homes Programme (2011-2015) suggests that the BCR for new build schemes supported by the Affordable Homes Programme is 1:3 (that is for £1 of investment there are wider economic and societal benefits of £3)

(Source: <https://www.yourhousinggroup.co.uk/media/1133/regeneration-revival-cih-summary.pdf>)

Based upon the £12m investment to date in the B@Home Programme, the wider value of economic and societal benefits to the community are anticipated to be in the region of £20m to £36m.

### **3 Consultation and Equality Impact**

- 3.1 There are no equality implications arising directly from this report.
- 3.2 As with all decisions relation to the Council's assets, consultation has taken place with Asset Management Group and the proposed developments are supported.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 Council could choose not to support the development of these sites and aim to deliver its corporate plan target utilising alternative sites. However, the chosen sites meet the recognised housing demand within the district and should these schemes not be progressed this demand will remain, in addition delays could impact on the delivery of the council's 100 homes target.

### **5 Implications**

#### **5.1 Finance and Risk Implications**

- 5.1.1 An urgent need has been identified for adapted family accommodation in the south of the district. If this need is not met it could lead to reputational damage as well as financial penalties if it is decided we have not met our obligations.
- 5.1.2 It needs to be recognised that, as with all feasibility and viability work, there is the possibility that a constraint to the development on one or all of the sites is identified which cannot be addressed whilst maintaining the viability of the site. To mitigate this, some of the more limited feasibility work has been undertaken where possible to identify any potential constraints. While on the basis of work undertaken to date Officers are not aware of any major issues it does need to be recognised that such issues could be identified as a result of the further work which this report is recommending be progressed.
- 5.1.3 Members will note that the cost per unit for this batch may appear to be more that previous schemes, however, officers have been prudent and have used robust cost forecasts based upon previous schemes, including significant abnormal costs such as mine workings (Derwent Drive), retaining structures and archaeology (Hilltop). This is in conjunction with feasibility works, property types and site constraints in order to forecast scheme costs. The costs are only ever forecasts and subject to change. To mitigate this risk a 10% contingency has been applied to the budget to allow for variations and abnormal costs.

5.1.4 As HRA properties, there is the risk that the property will be subject to a Right To Buy application. The cost floor ceiling, where the sale value can't exceed the cost invested in the property will be protect the Council's investment for 15 years for new homes subject to Right to Buy, bringing rules for councils into line with those for Housing Associations and protecting initial investment in the housing.

**5.2 Legal Implications including Data Protection**

5.2.1 Contract documentation will need to be drafted for each of the sites delivered.

**5.3 Human Resources Implications**

5.3.1 None

**6 Recommendations**

6.1 That Council acknowledge the progress update on the B@Home Programme.

6.2 That Council approve a budget of £987k, funded through HRA headroom borrowing, to deliver new council housing in accordance with the table set out in paragraph 1.9 of the report.

**7 Decision Information**

<p><b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <i>BDC: Revenue - £75,000</i> <input type="checkbox"/>  <i>Capital - £150,000</i> <input type="checkbox"/>  <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/>  <i>Capital - £250,000</i> <input type="checkbox"/>  <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	<p>No</p>
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	<p>No</p>
<p><b>District Wards Affected</b></p>	<p>All</p>
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	<p>Corporate Plan - deliver a minimum of 100 new Council properties by March 2019</p>

8 **Document Information**

Appendix No	Title
A B	Indicative Site Plans – Southern Batch Indicative Site Plans – Additional Sites
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Matt Broughton – Commercial Property & Developments Manager	2210

Report Reference –

# Appendix A – Site Plans

## Ash Close:





Elm Close:

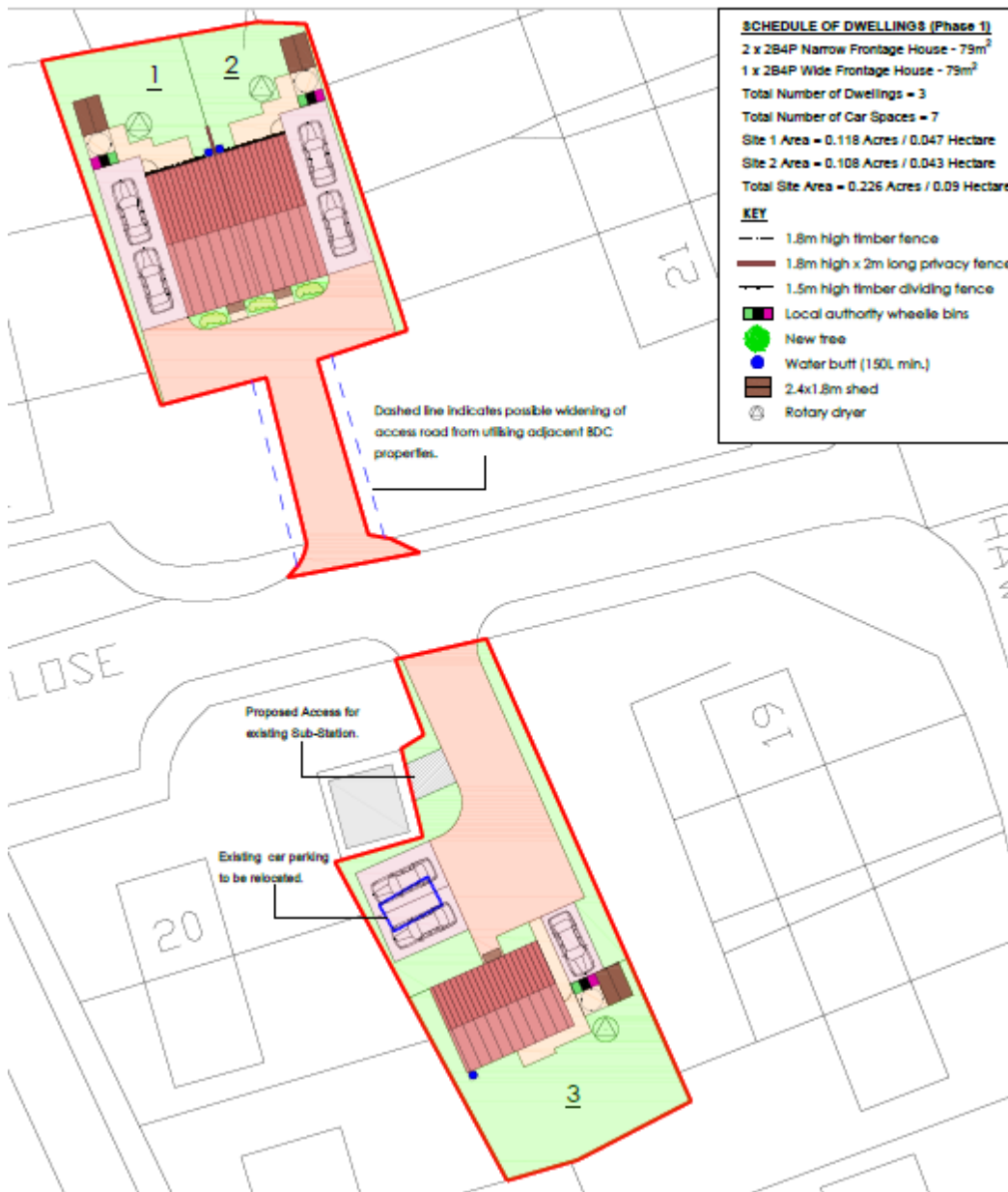


**SCHEDULE OF DWELLING**  
 5 x 2B4P Narrow Frontage House - 79m<sup>2</sup>  
 Total Number of Dwellings = 5  
 Total Number of Car Spaces = 16  
 Site Area = 0.36 Acres / 0.14 Hectare

**KEY**

- - - 1.8m high timber fence
- 1.8m high x 2m long privacy fence
- o-o- 1.5m high timber dividing fence with 300mm trellis on top
- Local authority wheeltie bins
- New tree
- Water butt (150L min.)
- 2.4x1.8m shed
- ⊗ Rotary dryer
- ⊕ Proposed Level

Line Close:

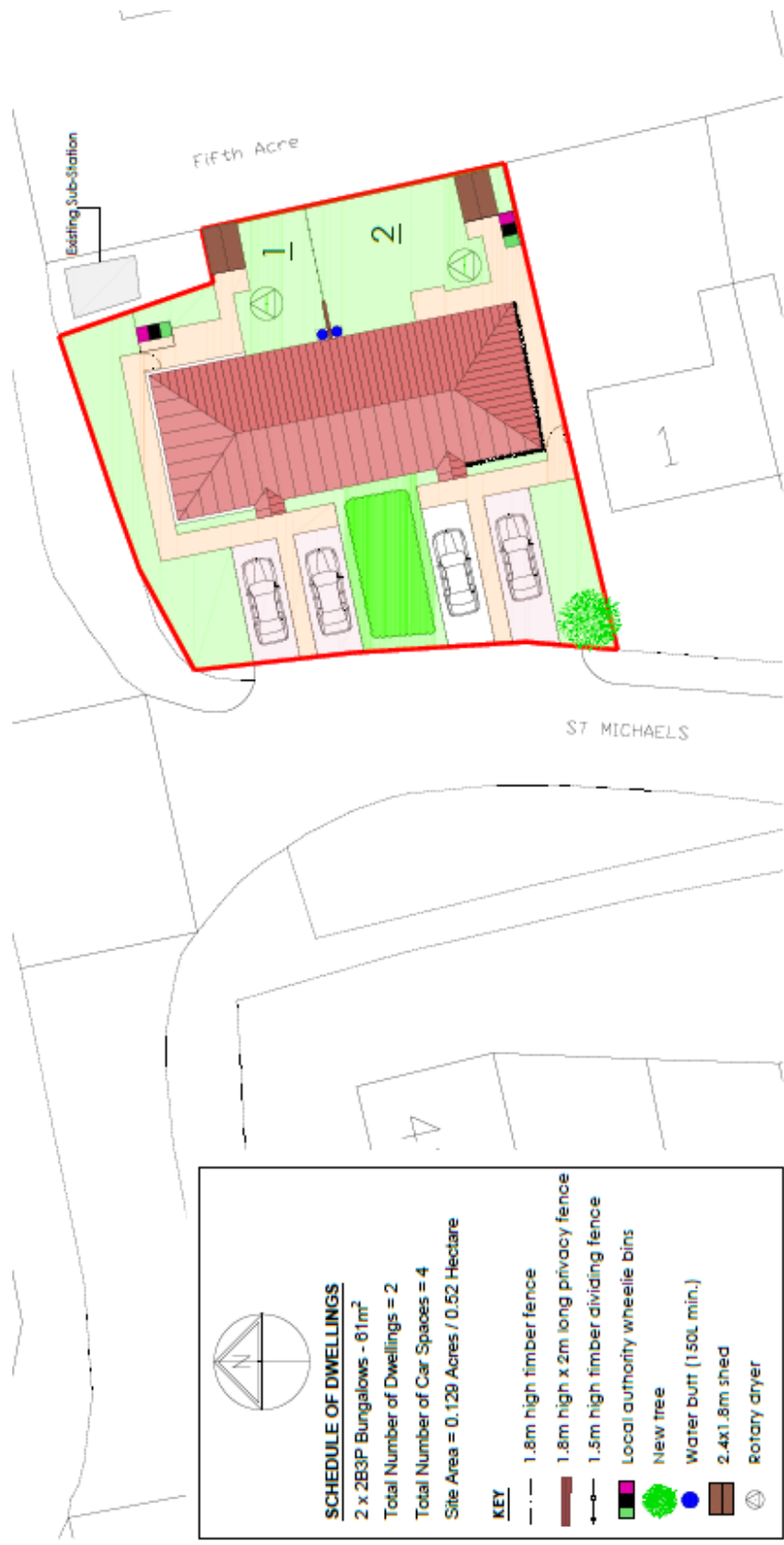




Leamington Drive:

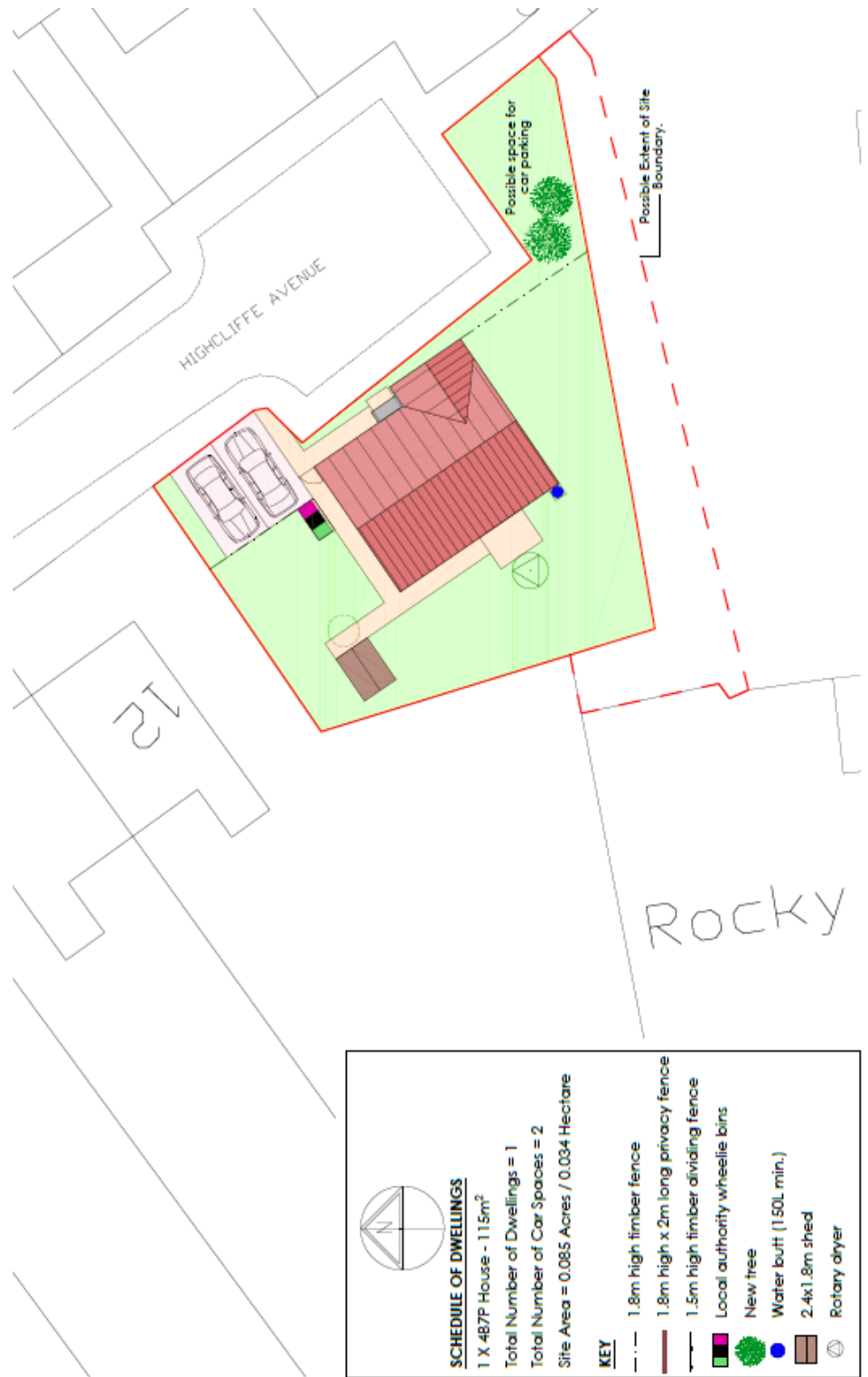


St. Michaels Drive:



Appendix B – Additional Site Plans

Highcliffe Avenue:





# Recreation Close:

**SCHEDULE OF DWELLINGS**

1 x 386P Fully Adaptable Bungalow - 104m<sup>2</sup>  
 Total Number of Dwellings = 1  
 Total Number of Car Spaces = 2  
 Site Area = 0.10 Acres / 0.041 Hectare

**KEY**

- 1.8m high timber fence
- 1.8m high x 2m long privacy fence
- 1.5m high timber dividing fence
- Local authority wheelie bins
- New tree
- Water butt (150L min.)
- 2.4x1.8m shed
- Rotary dryer

