

Committee:	Executive	Agenda Item No.:	13.
Date:	7 th February 2011	Status	Open
Category:	1. Key decision included in Forward Plan		
Subject:	Local Investment Plan (LIP) delivery of Langwith Junction Scheme		
Report by:	Head of Regeneration		
Other Officers involved:	Housing Strategy and Enabling Manager Head of Housing Development		
Director	Development		
Relevant Portfolio Holder	Councillor A.F. Tomlinson – Portfolio Holder for Regeneration		

RELEVANT CORPORATE AIMS

COMMUNITY SAFETY – Ensuring that communities are safe and secure
CUSTOMER FOCUSED SERVICES – Providing excellent customer focused services

ENVIRONMENT – Promoting and enhancing a clean and sustainable environment
REGENERATION – Developing healthy, prosperous and sustainable communities
SOCIAL INCLUSION – Promoting fairness, equality and lifelong learning.

Langwith Junction units do not reach decency resulting in a poor living environment for tenants. The proposals mitigate against the current situation by delivering thermally efficient units of attractive design.

TARGETS

To enhance and improve the wealth profile, well-being and quality of life for the communities of Bolsover District (Corporate Plan Vision).

Affordable Housing.

VALUE FOR MONEY

The Consult CIH report at Appendix A confirmed that bringing Tarrans units up to decent homes standard was not viable. All new units completed under the proposed scheme will generate New Homes Bonus. For Affordable Units, an additional £350 per unit will be generated for the Council.

THE REPORT

1.0 Executive Summary

This paper provides a progress report on Local Investment Plan (LIP) delivery and requests approval to proceed to RSL competition and planning application development on the Langwith Junction site. This paper also confirms that owing to new information received from the HCA January 21st 2011 Nottingham meeting, that New Houghton and a range of other LIP interventions will be looked at in delivery terms immediately.

This is because the Nottingham meeting made it clear that by March 2011, RSLs and developers are being asked to bid for £2.1 billion of unallocated HCA monies. An RSL/Developer Forum will therefore be called February 2011 to look at LIP interventions and bid submission.

When making bids, the HCA have made it clear that developers and RSLs must make reference to emerging Tenancy Strategies despite the fact that no Tenancy Strategies will have been completed within the timescale. An HMA officer meeting has been scheduled early February 2011 to look at headline statements that might be issued with reference to emerging Tenancy Strategies sub-regionally.

2.0 Background

- 2.1 Minute 487 of the November 1st Executive resolves to approve the Local Investment Plan (LIP). The minute defines the LIP as setting out: “the investment required for the Housing Market Area (HMA) to deliver the agreed vision and economic purpose for the North Derbyshire, Bassetlaw, Chesterfield and Bolsover areas over the next three years.”
- 2.2 Following approval from Cabinet December 2010, Council officers submitted a consultation response to the Coalition Government’s New Homes Bonus proposal. The LIP becomes more important when the New Homes Bonus is considered since Bolsover District has perpetually under-performed with respect to New Build completions.
- 2.3 The Head of Housing submitted a response to the Local Decisions consultation paper on behalf of the Authority January 2011 regarding new flexible tenancies and policies. The Tenancy Strategy is different in that it encompasses all social housing stock in the District and is strategic. There will be a requirement to consult with all social housing providers in the District to confirm management costs and views on flexible tenures before the Tenancy Strategy is finalised in 2012.
- 2.4 The Langwith Junction Scheme can be found at page 82 of the LIP.

3.0 Local Investment Plan – Langwith Junction Scheme

- 3.1 Kier Partnership Homes are due to start on site at Oxcroft Tarrans January 2011. There has been a delay in all three Tarran schemes owing to the general election and withdrawal of funding.
- 3.2 Kier Partnership Homes produced a draft scheme that went out to consultation 2010 with Langwith Junction tenants. This proposed scheme remains largely unchanged with the exception of a broader “sense of place” provided by an enlarged green space in the centre of the development.
- 3.4 The Council require the re-provision of 26 bungalows and in addition, there are two existing owner-occupiers who will also need to be accommodated.
- 3.5 The availability of social grant funding is not secure and as a consequence a solution needs to be provided that minimises the requirement for grant.
- 3.6 The optimum solution is a total cross-subsidy model which delivers the required bungalows from the generated land value allowing the Council to retain the new stock. Failing this, the introduction of a Registered Social Landlord investor needs to be considered to enable the necessary gap funds to be introduced into the funding model. Such third party is to be sourced following appropriate competition.
- 3.7 Additionally, the adjoining church owned site can be considered for inclusion within the proposal if this will result in a deliverable financially viable proposition. This will only be pursued if it becomes impossible to generate a viable option independently.
- 3.8 All known costs are to be included within the build costs for the development. These are to include all surveys, service disconnections, party wall notices, decant fees, planning and design fees.
- Code level 3 to be assumed.
 - Plot value for the social housing units to be assumed at between £7k to £10K.
 - Package price for the delivery of the 26no social rented units to be determined giving options with and without grant.
 - Grant to be assumed at £40K per plot

4.0 Langwith Junction - Headline Analysis

- 4.1 A total of 81no dwellings have been plotted within the redline boundary of the land owned by the Council. A site layout plan has been prepared (Appendix B) which currently shows 24 no replacement bungalows. This layout will need to be updated to show 28 bungalows.
- 4.2 All replacement bungalows are to be delivered within the first phase of development and this is to be achieved by utilising the empty units on the remainder of the site to act as temporary decant properties throughout the duration of the phase 1 build. A maximum of 6 dwellings will be required for this purpose.
- 4.3 The budget package price for the delivery of the 26 no social rent bungalows assuming £Nil grant and £7k per plot land value will be determined once all required surveys are undertaken and the availability of grant is known.
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- 4.5 The budget package price for the delivery of the 26 no social rent bungalows assuming £Nil grant and £10k per plot land value will be determined once all required surveys are undertaken and the availability of grant is known.
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- 4.7 The budget package price to build the 2 no resale covenant units will be determined once all required surveys are undertaken and the availability of grant is known.
- 4.8 Kier have stated that the availability of full vacant possession of the entire site at the start of the project would allow for a saving in the region of £200,000 and reduction in the build period of approximately 6 months.
- 4.9 Kier have stated that with respect to open market units, a sale pace of 2 per month following the delivery of phase 1 of the project will result in a total build period of 3 years and a sale period of approximately 2 years.
- 4.10 Kier have stated that Bolsover will be offered 100% overage once the required profit levels are achieved. The issue of “required” profit levels will be ascertained by the District Valuer.

5.0 Langwith Junction Proposed Timetable

End Jan 2011 layout	-	Meeting with planners to consider
Early February 2011	-	Resident consultation
Early March 2011	-	Refine drawing following consultation
Mid March 2011	-	Registered Provider Competition
End March 2011	-	Submit to HCA competition
April 2011		Commission remaining surveys
End April 2011	-	Submit planning

ISSUES FOR CONSIDERATION

Finance

1. The District Valuer will need to confirm the both package prices and offer per plot at Langwith Junction as best value before transfer of land is made.
2. The potential New Homes Bonus can be quantified and allocated as reward grant for Local Investment Plan (LIP) delivery.
3. The Framework prospectus for HCA bids is anticipated early February 2011. The Langwith Junction scheme will be considered under the "Local Authority Land Initiative" funding stream. It will be crucial to look at New Houghton under the same heading in view of the new timetable made available by the HCA on Friday 21st January 2011 in Nottingham.

Legal

1. The decision to demolish Tarran properties was made at full Council September 2008.
2. Homeloss and Disturbance monies will need to be paid for out of the plot value being generated for the Langwith Junction site.

Human Resources

1. The Tarran Steering Group is established, contains Legal, Property Services, Housing Needs, Finance is chaired by Housing Strategy and will continue to meet.

RECOMMENDATIONS

- 1. Members give approval to proceed to RSL competition and Planning Application generation for the Langwith Junction Tarran development.**
- 2. Members delegate to the Director of Development the decision as to whether to make an application to the Secretary of State for the disposal of the Tarran bungalow site at Langwith Junction, Shirebrook under section 32 of the Housing Act 1985. The decision of the Director of Development is to be made in consultation with the Leader and Deputy Leader of the Authority and the Housing Management Portfolio Holder and must satisfy section 123 Best Value requirements via confirmation from the District Valuer.**
- 3. Members delegate the power to the Chief Executive Officer to enter into any agreement and/or incur expenditure incidental and ancillary to the development of the Tarran bungalow sites in consultation with the Leader and Deputy Leader of the Council.**
- 4. Members recognise that New Houghton scheme delivery and a range of other LIP interventions will be looked at urgently following the Nottingham HCA meeting January 21st 2011.**

ATTACHMENT: Appendix A Consult CIH Report in the Members Room
 Appendix B Site Layout

FILE REFERENCE:

SOURCE DOCUMENT: North Derbyshire and Bassetlaw Local Investment Plan.

REASON FOR DECISION

To enable Local Investment Plan delivery and better attainment of New Homes Bonus, Affordable Homes Bonus and Empty Homes Bonus.