



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
14 January 2020
Agenda Item 5

Key Decision: No

Ward(s) Affected:
Mash Barn, Hillside,
Cokeham, Eastbrook,
Churchill, Peverall,
Southlands & Heene

Delivering our Housing Strategy - Housing Development Next Steps

Report by the Director for Communities

Executive Summary

1. Purpose

- 1.1. To update Executive Members on the current progress of the housing development programme across the two Council areas, and the next steps in regards to the small sites programme (Hidden Homes).
- 1.2. To seek approval for the release of funding for the Small Sites Programme.

2. Recommendations

2.1 The Joint Strategic Committee is recommended to:

- i) To note progress on the schemes;
- ii) To approve the release of £235,000 from the development budget to progress work on the Small Sites Programme;
- iii) To delegate authority to the Director for Communities, following a tender process, to award the contract for design and consultancy

services in respect of the Small Sites Programme.

- iv) To note that a further report will be presented in February 2020 updating members on the final cost of Cecil Norris development, and detailing the outcome of the tender process for Albion Street together with the associated updated budget requirements.

3.0 Context

- 3.1. Adur and Worthing have recently embarked on a development programme to help enable it meet the acute demand for affordable and temporary housing within Adur and Worthing.
- 3.2. Since starting the programme, four sites have been purchased and planning consent gained to deliver 42 homes for temporary accommodation. Three further sites have also been consented to provide 49 homes within the HRA for general needs rent (affordable and social rent).
- 3.3. Of the above 11 homes for temporary accommodation are due to be completed in 2019/20, a further 40 (temporary and within the HRA) homes are due for completion in 2020/21 and 52 homes in 2021/22.
- 3.4. This report is intended to provide an update on the current status of development programme and request approvals where necessary to move schemes to their next stage.

4.0 Development Programme Update

Worthing Borough Council

4.1 Rowlands Road

The site was acquired for redevelopment in February 2019 . Planning was gained in August for the refurbishment of the existing building to provide 19 flats for temporary accommodation. A contractor tender has recently concluded, the Council's advisors (RLF) have written a tender report which recommends appointing a preferred bidder. A separate Executive Member report will be issued to support the contract award for Rowlands Road with a view to starting on site in April 2020.

4.2 Downview Phase 1

Downview will provide nine flats for Temporary Accommodation. The site is

coming into the final phase of construction with handover scheduled for the beginning of March 2020.

4.3 Downview Phase 2

Approval for the redevelopment of Downview was given in September 2019. As part of this approval delegated authority was given to 'award all necessary associated contracts to the Head of Housing in consultation with the WBC Executive Member for Customer Service'. Tender returns for the eight flats have been received. Tenders have been moderated with a tender report currently being written. The contract sum is within budget and as such a build contract will be entered into with the winning Contractor early in 2020, with a view to starting on site shortly thereafter.

Adur District Council

4.4 101 North Road

The two homes at 101 North Road have been completed and are now occupied.

4.5 Cecil Norris

4.5.1 Demolition of the existing building has concluded. Works to the site are currently on hold pending demolition of a party wall. Following professional assessment of the party wall, concerns were raised regarding the structural integrity of the wall. A decision was made to demolish the wall on the basis that it constituted a serious health and safety risk to both people and property. The cost impact of the demolition/rebuild of the wall and halting works on site are yet to be fully quantified, although the Council's QS advisors have provided an indicative budget figure for this cost.

4.5.2 Due largely to the above, the forecasted final cost for Cecil Norris is now expected to be higher than the approved budget.

4.5.3 The team have looked at possible cost savings to mitigate this variation and will look to work with the contractor to reduce the budget where possible, however a request for approval to spend based on the new forecasted budget is included in this report. A detailed update to members on the latest forecast will be presented to members in February 2020.

4.6 **Albion Street**

- 4.6.1 Planning approval currently allows for 44 new build homes and 6 refurbishment homes. Tender returns for the contractors are due in mid December with an expected three week period required to review, moderate and identify a preferred bidder.
- 4.6.2 In an attempt to maximise the number of affordable homes on the site and on the basis that the scheme is now 100% affordable, the team have reviewed the current design to assess whether more homes could be accommodated in lieu of parking spaces. This review has indicated that 5 further homes can be created with a loss of c.20 parking spaces. A planning application will be submitted in December to request this change. We will also review options such as car share and supporting those with disabilities in the revised planning application.
- 4.6.3 As part of the above design review a number of other possible design changes have also been highlighted should the tendered scheme not come in at the desired budget. These will be reviewed in further detail with the incoming contractor should the need arise.
- 4.6.4 Once a preferred bidder has been selected an update report on Albion Street will be issued to JSC.

4.7 **Small Sites Programme (Hidden Homes)**

- 4.7.1 Following issue of the Baily Garner 'Hidden Homes' report which reviewed 40 garage sites owned by Adur Homes, ten sites have been identified as possible development sites which warrant further investigation.
- 4.7.2 The identified sites are listed in the table below.

Ward	Scheme
Mash Barn	Daniel Close
	Shadwells Road/Woodard Road
	Gravelly Crescent
	Lisher Road
Cokeham	Millfield
Hillside	Downsway
Eastbrook	Gardner Road

Churchill	Leconsfield Road
Peverall	Sylvan Road
Southlands	Wilmott Road

- 4.7.4 Next steps for the above will be to undertake a detailed due diligence review of each site and to work up feasibility studies in more detail with a view to maximising affordable housing delivery. As part of this review a viability assessment will need to be undertaken to ensure that ADC/HRA will have the funds available to deliver the sites.
- 4.7.5 The initial stage of design (RIBA stage 1) will cost approximately £235,000. The full value of the contract will be significantly more than £235,000 however a break clause will be included within the contract to ensure the Council is only liable for costs up to the approved figure. This will establish the scale of any potential development on the site. Following this work, a full business case will be presented to members to release funding for the next stage of the project.
- 4.7.6 A communications plan is currently being drafted to set out how the development team intend to engage with key stakeholders such as ward members, local residents and garage licensees. The team will engage with each local ward member as early as possible to understand any key local needs. Once feasibilities are completed the designs will be shared with ward members for their review.
- 4.7.7 It is intended to procure the services of two separate architects practices (5 schemes each) to ensure swift delivery of the schemes to planning submission.

5.0 **Housing Development Strategy**

- 5.1 The Housing Development Strategy (HDS) forms part of the wider Housing Strategy that will be put forward in March 2020. The HDS intends to set out the way in which the Councils intend to meet their housing needs in both Adur and Worthing.
- 5.2 Adur and Worthing recently hosted a workshop with local housing delivery partners to get direct feedback on the opportunities and challenges in our areas. The development team are also undertaking more targeted 121 sessions with local providers to help inform the HDS.
- 5.3 A draft of the above is expected in February/March 2020

6. Issues for consideration

Below is a table of key risks for each site along with the mitigations and alternatives that will be developed as part of each project:

Site	Key Risk	Mitigation/alternatives
Rowlands Road	Final costs are too high	Work with the design team and contractor to review the specification in an attempt to reduce costs
Downview Phase 1 & 2	Start on site of Downview phase 2 is delayed	Work with phase 1 contractor and consultant team to meet the practical completion deadline. Ensure that pre-commencement conditions are approved as soon as possible.
Cecil Norris House	Increase in costs	Work with the design team and contractor to review specification to reduce costs where feasible.
Albion Street	Costs are too high for development to proceed	Do not enter into contract unless build costs are viable. Review design features and propose alternatives to reduce costs if required.
Small Sites Programme	Following due diligence, not all sites are deemed viable for delivery	Break clause in architects appointment to prevent unnecessary spend and flexibility to substitute new schemes into the programme
	Lack of engagement with Ward members and the public	Officers to draft a communications plan for the programme and ensure ward members and relevant members of the public are informed on progress
Housing Development Strategy (HDS)	HDS is not in line with Adur and Worthing Councils' ambitions or are at odds with the current housing market.	Ensure members are briefed on the strategy prior to publication and that group and 121 sessions are held with key strategic stakeholders prior to publication

7. Engagement and Communication

- 7.1 Officers will continue to engage with local ward members on specific sites in their ward.
- 7.2 In relation to the small sites programme a communications plan will be drafted and issued to members. The communications plan will provide information on key stakeholders and how they will be engaged throughout the process.

8. Financial Implications

- 8.1 The Council's have released the following overall budgets to fund the programme of works:

	Actual	Approved budget - Current profile			Total £'000
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	
Adur District Council					
HRA Development Programme					
North Road	183,520	25,000			208,520
Cecil Norris	257,190	1,466,660	1,576,150		3,300,000
Albion Street	265,320	1,564,760	4,129,050	3,440,870	9,400,000
Hidden Homes - Initial Feasibility studies	5 1,420	223 ,580			275, 000
Small sites - Future programme			1,000,000	1,000,000	2,000,000
Purchase of flats / contingency	-	200,000	181,500	702,980	1,084,480
Total approved HRA programme	757,450	3,480,000	6,886,700	5,143,850	16,268,000

	Actual	Approved budget - Current profile			Total £'000
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	
Adur District Council					
General Fund Programme					
Albion Street refurbishments			930,000		930,000
Unallocated temporary accommodation budget		2,239,940			2,239,940
Total General Fund budget		2,239,940	930,000	-	3,169,940
Total development programme	757,450	5,719,940	7,816,700	5,143,850	19,437,940

Worthing Borough Council**General Fund Programme**

Rowlands Road	1,657,990	847,500	1,294,510	-	3,800,000
Downview - Phase 1 and 2	1,368,920	1,410,000	1,621,080	-	4,400,000
Unallocated temporary accommodation budget	-	-	-	1,540,060	1,540,060
Total General Fund budget	3,026,910	2,257,500	2,915,590	1,540,060	9,740,060

8.2 Adur District Council set aside an additional £10m to fund new HRA development schemes in December 2018. This budget was only to be released on the presentation of a business case. Of this total, £7.3m was released to fund the expanded Albion Street project in April 2019. Consequently £2.7m remains available to support the HRA development programme if needed in addition to the budgets identified above.

9. Legal Implications

9.1 Section 8 Housing Act 1985 places a duty on every local Housing Authority to consider housing conditions in their District / Borough and the needs of the District / Borough with respect to the provision of further housing accommodation.

9.2 Section 123 Local Government Act 1972 permits the sale of Council owned land but provides that such a disposal must be for a consideration not less than the best that can be reasonably obtained. Consideration is not limited to the money purchase price but may include other elements in the transaction, provided they have a quantifiable commercial or monetary value.

9.3 Section 120 Local Government Act 1972 empowers the Council to acquire land by agreement, for the purposes of any of its functions, or the benefit, improvement or development of the area.

Background Papers

- Acquisition of land in West Worthing
- Housing Matters - Adur and Worthing Housing Strategy (2017-2020)
- Platforms for our Places - Going Further - JSC December 2020
- Housing Development Programme - update and progress report- Report to the Joint Strategic Committee dated 4th December 2018
- HRA Development - Next steps - Report to the Joint Strategic Committee dated 2nd April 2019

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Sustainability & Risk Assessment

1. Economic

This proposal assists the council in reducing the impact of the cost of expensive nightly paid emergency housing accommodation and in providing new affordable homes that will form part of the Council's asset base.

2. Social

2.1 Social Value

This proposal will provide decent and affordable accommodation for those who have become homeless and those in need of affordable accommodation. This will have a positive impact on those individuals who may either be homeless or in unsuitable accommodation for their needs.

2.2 Equality Issues

This proposal does not have a specific effect on any specific group with protected characteristics

2.3 Community Safety Issues (Section 17)

There are no specific impacts on crime and disorder.

2.4 Human Rights Issues

This proposal assists with the right to respect for a home life by providing a disadvantaged group of people (ie homeless households) with a decent affordable home.

3. Environmental

The accommodation provided will be built to modern current standards under the building regulations for example the latest standards of insulation and will also reduce fuel poverty for the residents

4. Governance

The proposals in this report are fully in line with the Councils' Housing Strategy and with its Platform for our Places strategic document.